MEDICAID ELIGIBILITY
STATE COVERAGE INSURANCE (SCI) (CATEGORY 062)

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TITLE 8 SOCIAL SERVICES
CHAPTER 262 MEDICAID ELIGIBILITY - STATE COVERAGE INSURANCE (SCI) (CATEGORY 062)
PART 400 RECIPIENT POLICIES

8.262.400.1 ISSUING AGENCY: New Mexico Human Services Department.
[8.262.400.1 NMAC - N, 7-1-05]

8.262.400.2 SCOPE: The rule applies to the general public.
[8.262.400.2 NMAC - N, 7-1-05]

8.262.400.3 STATUTORY AUTHORITY: New Mexico Statutes Annotated, 1978 Chapter 27, Articles 1 and 2 authorize the state to administer the medicaid program. The State Coverage Insurance (SCI) program is authorized under two federal section 1115(a) demonstration waivers, both subject to special terms and conditions.
[8.262.400.3 NMAC - N, 7-1-05; A, 6-1-10; A, 8-1-13]

8.262.400.4 DURATION: The SCI program is operated subject to continuation of the federal Section 1115(a) demonstration waivers and subject to availability of funds.
[8.262.400.4 NMAC - N, 7-1-05; A, 6-1-10; A, 8-1-13]

8.262.400.5 EFFECTIVE DATE: July 1, 2005, unless a later date is cited at the end of a section.
[8.262.400.5 NMAC - N, 7-1-05]

8.262.400.6 OBJECTIVE: The objective of the SCI program is to reduce the number of uninsured New Mexico residents by implementation of a basic coverage health insurance benefit provided by contracted managed care organizations (MCO), with cost-sharing by beneficiaries, employers, and the state and federal governments.
[8.262.400.6 NMAC - N, 7-1-05]

8.262.400.7 DEFINITIONS:

A. **Action:** The denial or limited authorization of a requested service, including the type or level of service; the reduction, suspension, modification, or termination of a previously authorized service; the denial, in whole or in part, of payment for a service; or a failure to provide a service in a timely manner. An untimely service authorization constitutes a denial and is thus considered an action.

B. **Authorized representative:** An individual or entity for whom or for which the applicant has signed a release of confidentiality and to whom notices will be sent.

C. **Benefits:** SCI-covered services provided by the SCI-participating MCO and for which payment is included in the capitation rate, as defined in 8.262.600 NMAC.

D. **Capitation:** A per-member, monthly payment to an MCO that covers contracted services and is paid in advance of service delivery. It is a set amount of money received or paid out, based on membership rather than on services delivered. It is usually expressed in units of "per member per month" (PMPM).

E. **Catastrophic coverage:** Insurance coverage for specific catastrophic events, such as death, fire, flood, and some medical conditions.

F. **Category:** A designation of the automated eligibility system. The assigned category is applicable for a period of 12 consecutive months regardless of changes in income or family status, subject to change by request from the recipient.

G. **Childless adult population:** Non-pregnant, childless adults, ages 19 through 64 years, with household income below 200 percent of the federal poverty level, who do not otherwise qualify for medicaid or medicare.

H. **Cost-sharing:** Premiums and copayments owed by the member based on income group category.

I. **Cost-sharing maximum:** The cost sharing maximum is determined during the initial eligibility determination and recertification process. The cost sharing maximum amount established at the point of eligibility determination for the benefit year represents an amount equal to five percent of the program participant's countable income.

J. **Coverage:** Coverage month is a month where all eligibility and enrollment requirements including premium payment, if applicable, are met.

K. **Eligibility:** The process of establishing that SCI residency, citizenship or alien status, health insurance coverage, income, living arrangement, and age requirements are met, as defined in this part and 8.262.500 NMAC.

L. **Employer:** An employer with fifty or fewer eligible employees on a full or part-time basis**.**

M. **Employer group:** A group of employees employed by an eligible employer who receives SCI benefits through the employer.

N. **Employee:** A person employed by an employer who participates in the SCI health benefit plan.

O. **Employer enrollment period:** Employer's standard practice for new and annual health insurance enrollment.

P. **Enrollment:** The process of enrolling eligible members in an MCO for purposes of management and coordination of health care delivery. The process of enrolling members either by the employer or individually in an available SCI-participating MCO for purposes of health care coverage. Enrollment encompasses selection of an MCO, notification of the selection to the MCO, and timely payment of premiums, as required, as designed by the MCO.

Q. **Eligibility letter:** A notice of SCI eligibility and the potential for SCI coverage contingent upon enrollment with a SCI participating MCO. The letter will include start and end dates of eligibility, the requirement to enroll before coverage will begin, and the need to enroll 90 days subsequent to the month of issuance of the enrollment letter. The letter will also notify the member of the federal poverty level subcategory and of the responsibility to track out-of-pocket expenditures for SCI cost sharing.

R. **Fifth degree of relationship:** The following relatives are within the fifth degree of relationship to a dependent child:

(1) father (biological or adopted);
(2) mother (biological or adopted);
(3) grandfather, great grandfather, great-great-grandfather, great-great-great-grandfather;
(4) grandmother, great grandmother, great-great-grandmother, great-great-great-grandmother;
(5) spouse of child's parent (stepparent);
(6) spouse of child's grandparent, great grandparent, great-great-grandparent, great-great-great-grandparent (step-grandparent);
(7) brother, half-brother, brother-in-law, stepbrother;
(8) sister, half-sister, sister-in-law, stepsister;
(9) uncle of the whole or half blood, uncle-in-law, great uncle, great-great uncle;
(10) aunt of the whole or half-blood, aunt-in-law, great aunt, great-great aunt;
(11) first cousin and spouse of first cousin;
(12) son or daughter of first cousin (first cousin once removed) and spouse;
(13) son or daughter of great aunt or great uncle (first cousin once removed) and spouse; or
(14) nephew/niece and spouses;
(15) ***Note:*** A second cousin is a child of a first cousin once removed or child of a child of a great aunt or uncle and is not within the fifth degree of relationship.

S. **Fiscal agent (medicaid fiscal agent):** An entity contracted by the state medicaid program to sort and process eligibility information as well as pay fee-for-service and capitation claims.

T. **Grievance (member):** Oral or written statement by a member expressing dissatisfaction with any aspect of the MCO or its operations that is not an MCO action.

U. **Group of one:** Individuals who enroll without an employer group but report self-employment.

V. **Health insurance:** Insurance against loss by sickness or bodily injury. The generic term for any forms of insurance that provides lump sum or periodic payments in the event of bodily injury, sickness, or disease, and medical expense. This includes but is not exclusive of: medicare part A or medicare part B, medicaid, CHAMPUS, and other forms of government health coverage.

W. **Hearing or administrative hearing:** An evidentiary hearing that is conducted so that evidence may be presented.

X. **Income groupings- 0-100 percent, 101-150 percent, and 151-200 percent of federal poverty levels:** These income groupings define the premium, copayment, and cost-sharing maximums for SCI cost-sharing purposes.

Y. **Individual:** A person who enrolls in SCI who is not a member of an eligible employer group and pays the premium amount designated for both the employee and employer share, if applicable based on household income, or has that amount paid on his/her behalf by another entity.

Z. **Individual health plan**: Health insurance coverage purchased by an individual from an insurer offering individual healthcare benefit policies.

AA. **Managed care organization (MCO):** An organization licensed or authorized through an agreement among state entities to manage and coordinate and receive payment at actuarially sound payment rates for the delivery of specified services to enrolled members from a certain geographic area.

BB. **Member:** An eligible member enrolled in an MCO.

CC. **Member month:** A calendar month in which a member is enrolled in an MCO.

DD. **Notice:** A written statement that includes what action is being taken, the reasons for the intended action, the specific regulation that requires the action, and an explanation of the circumstances under which the service may be continued if a hearing is requested.

EE. **Parent population:** Uninsured parents, ages 19 through 64, of medicaid and CHIP-eligible children, who are not otherwise eligible for medicaid or medicare, with household income below 200 percent of the federal poverty level.

FF. **Parental or custodial relative status:** The state of having a dependent child under the age of 18 who is the son, daughter, or relative within the fifth degree of relationship living in the household and under the care and control of the individual.

GG. **Premium- employer:** A specific monthly payment payable to the MCO by employers who enroll their employees in SCI at a rate set by the department. This amount may be paid by an individual member not in an employer group in order to participate in SCI. Subject to available funding, the state may allocate funds to assist certain eligible individuals with payment of the employer premium contribution and will notify eligible individuals of such assistance. Premiums cannot be refunded.

HH. **Premium- employee:** A specific monthly payment payable to the MCO calculated by the department based on a subcategory of eligibility representing an income grouping. 062-0-100 percent FPL, 062-101-150 percent FPL, 062-151-200 percent FPL. Premiums and copayments cannot be refunded.

II. **Qualifying event:** Termination of employment for any reason; loss of eligibility for health insurance benefits due to reduction in work hours; loss of health insurance coverage due to death, divorce or legal separation from spouse, loss of dependent status; moving to or from another state.

JJ. **SCI (state coverage insurance):** The New Mexico health care program implemented under the authority of the health insurance flexibility and accountability (HIFA) waiver and a section 1115 medicaid demonstration waiver granted to the state by the centers for medicare and medicaid services (CMS).

KK. **Shoebox method:** The method under which an SCI member is responsible for tracking, and submission of a request for verification of total expenditures for himself, based on SCI employee premiums and copayments for purposes of establishing that the cost-sharing maximum amount has been met.

LL. **Voluntary drop:** The act of voluntarily terminating or discontinuing health insurance coverage.

[8.262.400.7 NMAC - N, 7-1-05; A, 3-1-06; A, 4-16-07; A/E, 8-1-07; A, 6-1-08; A, 7-1-09; A, 6-1-10]

8.262.400.8 [RESERVED]

8.262.400.9 BASIS FOR DEFINING THE GROUP:

A. The request for assistance is the first step to determining which individuals are included in the assistance group.

B. Household composition:

(1) For a child to be considered part of the household, the child must be under the age of 19. The child must be living, or considered to be living, in the home of the relative who is the primary caretaker for the child. The relative specified as the primary caretaker for the child must be within the fifth degree of relationship to the child by blood, marriage or adoption, as determined by New Mexico's Uniform Probate Code.

(2) An unborn child is considered part of the household as though the child was born and living with the mother. If the woman is pregnant with multiple unborn children, each child is considered part of the household.

(3) Married adults under the same household, age 19 to 64, with no dependent children will be considered a household of two.

(4) An individual, age 19 to 64, unmarried with no dependent children will be considered a household of one.

(5) For other household definitions, refer to 8.202.400 NMAC *Recipient Policies*.

[8.262.400.9 NMAC - N, 7-1-05; A, 8-1-13]

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8.262.400.10 WHO CAN BE COVERED UNDER SCI: To be covered under SCI, an individual must meet all eligibility and enrollment criteria for any given month. Eligibility may exist only via managed care enrollment with a contracted managed care organization. There is no fee-for-service eligibility or retroactive eligibility. The department may limit the number of covered individuals based on available funding.
[8.262.400.10 NMAC - N, 7-1-05]

8.262.400.11 ELIGIBILITY: To be eligible for SCI, an individual must meet all eligibility criteria regarding age, citizenship or alien status, noninsured status (including ineligible for medicaid or medicare), voluntary drop of insurance, household income, and living arrangement (i.e., living in a public institution). An eligibility determination will be made by the 45th day after the date of application. If it is determined that an individual does not meet all SCI eligibility criteria, a notice of denial with the reason for denial and rights to appeal will be issued. If it is determined that an individual meets all eligibility criteria, the individual will be awarded an "eligibility letter," which will notify the individual of their right to enroll, and of the fact that coverage will not begin unless and until the individual is enrolled and has paid the determined premium amount, if required, to a SCI-contracted MCO. No partial payments of premiums will be allowed.
[8.262.400.11 NMAC - N, 7-1-05; A, 4-16-07; A/E, 8-1-07; A, 7-1-09]

8.262.400.12 CONTINUOUS ELIGIBILITY: An individual determined to be eligible for SCI will remain eligible, in the designated income grouping, for a period of 12 continuous months pursuant to continuation of the federal waivers as described in 8.262.400.4 NMAC, regardless of changes in income. The calculated premiums, copayments and cost-sharing maximum amounts will remain in effect for the benefit year following the eligibility determination.
[8.262.400.12 NMAC - N, 7-1-05; A, 8-1-13]

8.262.400.13 ENROLLMENT: To be considered enrolled in a given month, an individual must have selected an MCO and become enrolled, and the MCO must consider his premium(s) to be paid. Upon each positive eligibility determination, an enrollment letter will be issued, advising the individual that SCI coverage will begin upon completed enrollment with a SCI-contracted MCO. Individuals have 90 days from the date of approval notice to enroll with the selected MCO. Failure to enroll with the MCO within the 90-day required timeframe may result in closure of program eligibility. Each month, the MCO will provide a roster that includes each enrolled individual. Each SCI-contracted MCO will notify the individual or the employer of the owed premium amount, if required, for the ongoing month. If the premiums are not paid on time, the MCO will send advance notice of closure to the member, prior to termination of coverage due to nonpayment. The MCO will subsequently notify the individual of the termination and the requirements for reenrollment.
[8.262.400.13 NMAC - N, 7-1-05; A/E, 8-1-07; A, 7-1-09]

8.262.400.14 REENROLLMENT:

A. Individual members who have been terminated due to failure to enroll within the required timeframe or to make premium payment or for late payment will be unable to reenroll for a period of six months subsequent to the first month of termination due to failure to enroll or make premium payments *and* until payment of late or defaulted premiums if so required by the MCO. Employer members who have been terminated due to failure to make premium payment or for late payment will be unable to reenroll for a period of 12 months subsequent to the first month of termination due to failure to make premium payments *and* until payment of late or defaulted premiums if so required by the MCO. As a condition of reenrollment an MCO may require an employer to repay overdue premiums as well as require two months premium payments in advance after termination due to nonpayment or late payment.

B. SCI members whose eligibility was closed due to short-term receipt (six months or less) of full coverage medicaid or medicare may have SCI eligibility re-determined and may be able to reenroll with the SCI MCO. Such individuals must meet the following criteria in order to reenroll in SCI:

(1) must have received full-coverage medicaid or medicare eligibility for six months or less and had such eligibility closed sometime during the six months prior to re-application for SCI;

(2) must be determined ineligible for medicaid or medicare; and

(3) must have had SCI eligibility and completed the enrollment process with an SCI MCO for some period of time during the six months prior to re-application.

C. Upon meeting the above criteria, individuals must submit an updated SCI application, including income information from the most recent past 30 days, to the SCI income support division unit. If determined still eligible for SCI, such individuals may re-enroll with the MCO.
[8.262.400.14 NMAC - N, 7-1-05; A, 7-1-09]

8.262.400.15 RESIDENCY: To be eligible for SCI, applicants/recipients must be living in New Mexico on the date of application or final determination of eligibility and have demonstrated an intention to remain in the state.

A. **Establishing residence:** Residence in New Mexico is established by living in the state and carrying out the types of activities normally associated with everyday life, such as occupying a home, enrolling child(ren) in school, getting a state driver's license, or renting a post office box. An applicant/recipient who is homeless is considered to have met the residence requirements if he intends to remain in the state.

B. **Abandonment of residence:** Residence is not abandoned by temporary absences. Temporary absences occur when recipients leave New Mexico for specific purposes with time-limited goals. Residence is considered abandoned when any of the following occurs:

(1) applicant/recipient leaves New Mexico and indicates that he intends to establish residence in another state;

(2) applicant/recipient leaves New Mexico for no specific purpose with no clear intention of returning;

(3) applicant/recipient leaves New Mexico and applies for financial, food, or medical assistance in another state that makes residence in that state a condition of eligibility; or

(4) applicant/recipient has been absent from New Mexico for more than thirty (30) days without notifying HSD of his departure or intention of returning.
[8.262.400.15 NMAC - N, 7-1-05]

8.262.400.16 CITIZENSHIP: Refer to 8.200.410.11 NMAC.
[8.262.400.16 NMAC - N, 7-1-05]

8.262.400.17 SPECIAL RECIPIENT REQUIREMENTS:

A. **Age:** To be eligible for SCI, an individual must be age 19 through 64.

B. **Continuing eligibility on the factor of age:** When an individual has been determined eligible on the condition of age, he remains eligible on the condition until the applicable upper age limit is reached. An individual who exceeds the age limit during a given month is eligible for that month, unless the birthday is the first day of the month.

C. **Uninsured:** For purposes of SCI eligibility, an individual cannot have health insurance coverage, excluding catastrophic or supplemental health insurance policies. An individual with access to health care at Indian health services, veteran's administration, or through worker's compensation, is not considered to be insured for purposes of this program by having such access.

D. **Enrolled:** An individual who has been determined eligible for SCI must notify an SCI-contracted MCO and must have made and continue to make premium payment as a condition of SCI coverage.

E. **Premium payment**: SCI requires payment of premiums by the employer at a rate established by the department, and by the employee per month as calculated by income level: 062A, 062B and 062C. Some individuals may be required to pay both the employers and employee's share based on income level. Nothing in this section prevents another entity from contributing the employer or employee premium share on behalf of an individual member. Nothing in this section prevents the employer or a third party from paying the employee portion of the premium on behalf of the employee. The due date of premium payments will be determined by the MCO. If an individual's category of SCI eligibility changes at annual recertification for the program, resulting in a different premium payment due, the new premium amount is effective beginning with the first month of the new recertification approval period. Individuals who fail to pay the premium within the timeframe established by the MCO may be disenrolled.

F. **Voluntary drop of health insurance:** An individual who has voluntarily dropped health insurance will be ineligible for SCI for six months, starting with the first month the health insurance was dropped (i.e., the first month of no coverage). An employer who has voluntarily dropped health insurance will be ineligible to enroll employees in SCI for 12 months. The following circumstances are not considered a voluntary drop:

(1) an individual (or spouse) fails to take advantage of an initial offer of health insurance by an employer (unless the insurance is SCI coverage), or fails or refuses to take advantage of a COBRA continuation policy;

(2) loss of access to employer-sponsored insurance due to loss of employment, divorce, death of a spouse, or geographic move, loss of coverage as a dependent child, or loss of medicaid eligibility;

(3) an employee enrolled in an individual health plan whose employer is offering SCI employer-sponsored insurance (as an initial offering or at open enrollment) will be able to participate in SCI under group coverage and will not be considered to have voluntarily dropped health insurance in order to participate in the SCI employer group plan; or

(4) an individual who was covered under SCI within the most recent 12 months and had reached the annual benefit maximum and was transitioned to the New Mexico medical insurance pool, will be able to re-enroll in SCI at his/her annual SCI recertification period.

G. **Cost-sharing maximums:** An SCI-covered individual is responsible for tracking and reporting of the cost-sharing amount paid in a benefit year, and for reporting to the managed care organization (MCO) when the cost-sharing maximum amounts are met (also known as "shoebox methodology"). The first month of coverage without cost-sharing will be the month after the month of verification that the maximum expenditure limit has been met, unless the determination is made after the 24th of the month. Where the determination is made after the 24th of the month, the first month of coverage without cost-sharing will be the second month after verification. The period of coverage without cost-sharing will end on the last day of that benefit year. No partial payments of premiums or of copayments will be allowed. No premiums or copayments will be refunded.

[8.262.400.17 NMAC - N, 7-1-05; A, 4-16-07; A/E, 8-1-07; A, 7-1-09; A, 6-1-10]

8.262.400.18 RESIDENCE IN A PUBLIC INSTITUTION:

A. An applicant/recipient who is an inmate of a public institution is not eligible for New Mexico medicaid. A public institution is an institution that is the responsibility of a governmental unit and over which a governmental unit exercises administrative control [42 CFR 435.1009].

B. Public institutions include jails, prisons, detention centers, diagnostic holding centers, the New Mexico boys and girls schools, wilderness camps, or halfway houses and reintegration centers that are not certified to furnish medical care.

C. An individual is not considered to be living in an institution if he is placed in a detention center for a temporary period pending other arrangements appropriate to his needs. For purposes of medicaid eligibility, an individual who is placed in a detention center is considered temporarily absent from the home, until the 60th day, or the adjudication, whichever occurs first.

[8.262.400.18 NMAC - N, 7-1-05]

8.262.400.19 NON-CONCURRENT RECEIPT OF ASSISTANCE: An SCI applicant/recipient cannot be simultaneously approved for any of the other New Mexico medicaid categories, any kind of partial or full medicare coverage, or for any medicaid program in another state. If the SCI member is given retroactive eligibility for medicaid or medicare, SCI premiums and copayments paid by the member will not be refunded for the months in which the client was later found to be retroactively eligible.

[8.262.400.19 NMAC - N, 7-1-05; A, 4-16-07; A, 7-1-09]

HISTORY OF 8.262.400 NMAC: [RESERVED]