

Bulletin Number: MSA 05-56

Distribution: Health Care Eligibility Policy Manual Holders (HCEP 05-05), MICHild Eligibility Manual Holders (ME 05-02), Local Health Departments, MICHild Administrative Contractor (Maximus), MICHild Health and Dental Plans, DHS Central Office

Issued: October 11, 2005

Subject: Elimination of the Six-Month Penalty for Failure to Pay the Monthly MICHild Premium

Effective: November 1, 2005

Programs Affected: MICHild

Purpose

The Michigan Department of Community Health is eliminating the six-month penalty imposed on families for failure to pay the monthly State Children's Health Insurance Program (SCHIP) premium. The policy of removing children from medical insurance for six months counteracts the objective which is to provide medical coverage for all uninsured children in the state of Michigan. Families who endure a six-month penalty are less likely to reapply for MICHild at the end of the six months. This policy change allows the parent(s) to re-apply for MICHild immediately when the child is disenrolled for failure to pay the premium. A penalty will still be assessed; however, it will be a one-month disenrollment as opposed to the six-month disenrollment.

MANUAL MAINTENANCE

Health Care Eligibility Policy (HCEP) Manual Changes

The following pen-and-ink changes should be made:

- References to penalty for failure to pay the MICHild premium should be deleted.

MICHild Eligibility Manual Changes

The following pen-and-ink changes should be made:

- Section 3.11: Delete sixth bullet.
- Section 4.5: The fourth bullet should read:
"If the applicant was recently disenrolled for failure to pay the MICHild premium, coverage will begin the month after a new application is received and eligibility approved for MICHild, unless there is an outstanding premiums balance which was incurred within six months prior to the date of application. All outstanding balances for premium payments incurred within six months of the application date must be paid in full, along with the initial premium payment at case opening, before enrollment in MICHild will take effect."

- Section 7.3: The last paragraph should read: "If the applicant is disenrolled for failure to pay the MICHild premium, a new application must be completed and eligibility determined according to the MICHild Eligibility Manual, Section 4 - Application Process."
- Section 8.3, First bullet: Delete last sentence.

HCEP manual holders should retain this bulletin for future reference. The online MICHild Eligibility Manual will be updated to reflect these changes. The Manual may be accessed at www.michigan.gov/mdch; click on "Health Care Coverage", click on "Children & Teens", click on "MICHild".

Questions

Any questions regarding this bulletin should be directed to Eligibility Policy, Department of Community Health, P.O. Box 30479, Lansing, Michigan 48909-7979 or e-mail EligibilityPolicy@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Paul Reinhart". The signature is written in a cursive, flowing style.

Paul Reinhart, Director
Medical Services Administration