

MISSISSIPPI DIVISION OF MEDICAID

Eligibility Policy and Procedures Manual

❖ Families, Children and CHIP Programs

102.08.05A CHIP AND OTHER INSURANCE COVERAGE

There is no requirement for assignment of third party rights in the Children's Health Insurance Program because the program is for uninsured children only. Children who are covered by creditable third party insurance at application are not eligible for CHIP. This is true regardless of who pay the health insurance premiums.

Termination of third party insurance must be verified when the application indicates insurance coverage will terminate within the 30-day application processing period or terminated within the six months prior to the application. As indicated above, a child covered by insurance at the time of application is not eligible; however, when insurance coverage will terminate within the 30-day application processing period, do not deny an otherwise CHIP-eligible child. If all other factors of eligibility will be met, hold the application and take action to approve the child after the insurance coverage has ended.

Example: An application is filed on February 2nd for an otherwise CHIP-eligible child whose verified insurance termination date is February 15th. Action can be taken to approve CHIP after insurance coverage has ended, beginning February 16th. Action is must taken within the 30-day timeframe; therefore, the effective date for CHIP eligibility will be either March 1st or April 1st, depending on the authorization date.

When a child's eligibility changes from Medicaid to CHIP, there should be no break in coverage. However, there will always be a break in coverage between termination of third party insurance and the CHIP start date. The specialist must make a good-faith effort to approve a CHIP-eligible child for the earliest possible effective date. Notwithstanding, all FCC applications must be processed within 30 days.

Creditable insurance coverage is full health insurance. Children covered only by the following types of insurance may qualify for CHIP: accident insurance, disability income insurance, liability insurance, supplemental policies for liability insurance, worker's compensation, automobile medical payment insurance, credit-only insurance, coverage for onsite medical clinics or limited-scope dental or vision or long term care insurance.