



Date: October 27, 2016

DHCAA Operations Memo 16-35

To: Income Maintenance Supervisors
Income Maintenance Lead Workers
Income Maintenance Staff

Affected Programs:	
<input checked="" type="checkbox"/> BadgerCare Plus	<input type="checkbox"/> Caretaker Supplement
<input type="checkbox"/> FoodShare	<input type="checkbox"/> FoodShare Employment and Training
<input checked="" type="checkbox"/> Medicaid	
<input type="checkbox"/> SeniorCare	

From: Rebecca McAtee, Bureau Director
Bureau of Enrollment Policy and Systems
Division of Health Care Access and Accountability

Processing Gap Filling Referrals from the Marketplace

CROSS REFERENCE

- BadgerCare Plus Handbook, [Section 16.1.4 Gap Filling](#)
- Operations Memo [14-41](#)

EFFECTIVE DATE

October 27, 2016

PURPOSE

The purpose of this Operations Memo is to describe the new policy and process for gap filling referrals received from the federal Health Insurance Marketplace. The process described in this Memo replaces the previous process that was described in Operations Memo 14-41, “Gap Filling Referrals from the Marketplace” and in Chapter 16.1.4 “Gap Filling” in the BadgerCare Plus Handbook.

BACKGROUND

The federal Patient Protection and Affordable Care Act established the Federally Facilitated Marketplace (FFM, also known as the Exchange or the Marketplace). The Marketplace offers private health insurance to individuals and families, as well as Advance Premium Tax Credits. These tax credits lower premium payments for people with incomes between 100% and 400% of the Federal Poverty Level (FPL) who are not eligible for BadgerCare Plus or Medicaid, if they purchase private health insurance through the Marketplace.

When determining eligibility for Advance Premium Tax Credits, the Marketplace uses a set of rules, referred to as IRS “36B” rules, that are similar to but not identical to the Modified Adjusted Gross Income (MAGI) rules that are used for determining BadgerCare Plus eligibility.

Unlike MAGI rules, which base eligibility on current monthly income, 36B rules consider annual income when determining an individual's eligibility. As a result, the FFM may find someone's annual income to be below 100% of the federal poverty level (FPL), while BadgerCare Plus may find someone to be above 100% FPL based on their current monthly income. Because of this difference in eligibility rules, the individual is eligible for neither BadgerCare Plus nor Advance Premium Tax Credits. For applicants who fall into this eligibility "gap," the only option is to pay for the full cost of private health insurance through the Marketplace. To prevent persons from being stuck in this gap, federal regulations at 42 CFR 435.603(i) require us to redetermine Medicaid eligibility using the 36B rules, i.e., using their annual income.

To address this gap, the Centers for Medicare and Medicaid Services (CMS) previously indicated that the FFM will send applications to the state as "gap filling" referrals when the Marketplace determines that the applicant is below 100% of the FPL based on their annual expected income. However, Wisconsin did not receive any gap filling referrals from the Marketplace and set up an alternative process that allowed individuals to self-report when they received a notice indicating they could purchase health insurance but could not get an Advance Premium Tax Credit.

When an Income Maintenance (IM) agency received a gap filling request, the IM agency would report the request to the CARES Call Center and the CARES Call Center would complete an eligibility determination under gap filling rules. If the applicant met the criteria for gap filling, the Enrollment Management Central Application Processing Operation (EM CAPO) would manually certify the applicant, send the notice of decision, and track the member's enrollment outside of CARES Worker Web (CWW).

CMS has updated the account transfer process and will now include a Gap Filling Indicator on an account transfer whenever they have determined an applicant's annual income is at or below 100% of the FPL. Due to this change in the account transfer process for gap filling referrals, IM agencies will need to assess these referrals to determine if the referred applicants' annual income is at or below 100% of the FPL and that they otherwise qualify non-financially for BadgerCare Plus. If they do, they are considered to meet "gap filling rules" and qualify for BadgerCare Plus through the end of the calendar year.

POLICY

Applicants on cases received as FFM account transfers with a Gap Filling Indicator that are eligible for BadgerCare Plus or Medicaid using regular eligibility rules should be certified for BadgerCare Plus or Medicaid for the usual 12-month certification period. Applicants on these cases who are non-financially ineligible for BadgerCare Plus and Medicaid should be denied for the non-financial reasons. Any applicants who are ineligible for BadgerCare Plus based only on countable monthly income (and are not eligible for Medicaid), must have their financial eligibility determined under gap filling rules by using annual income.

If by applying the gap filling rules the applicants have annual income at or below 100% of the FPL, they must be certified for BadgerCare Plus or Medicaid from the first of the month of the filing date, but only through the end of the calendar year in which they applied at the Marketplace. If the applicant's annual income exceeds 100% of the FPL, they are ineligible.

If a member found eligible under gap filling rules later has changes that result in the member's annual income exceeding 100% of the FPL, the member is no longer eligible under gap filling rules. If the member is not eligible for any other category of BadgerCare Plus or Medicaid using monthly income, the member is ineligible following timely notice.

GAP FILLING PROCEDURES

ROLES AND RESPONSIBILITIES

The IM agency is responsible for:

- Processing gap filling referrals received from the Marketplace in a timely manner.
- Determining eligibility for BadgerCare Plus and Medicaid.
- If applicants are eligible using monthly income, or if ineligible non-financially, confirming results in CWW.
- If applicants are eligible only using annual income, confirming the failure results in CWW, documenting results in case comments, and referring the case to EM CAPO, which will manually certify eligibility and send a positive notice.
- Re-determining regular eligibility and gap filling eligibility after changes are reported, confirming results in CWW, documenting findings in case comments and sending results to EM CAPO.
- Responding to applicant/member inquiries.

The EM CAPO is responsible for:

- Completing manual certifications for gap filling referrals when notified by the IM agency.
- Sending approval and/or termination notices to members who have been enrolled under gap filling rules.

PROCESSING GAP FILLING REFERRALS

When an account transfer is received with a Gap Filling Indicator, the IM agency must assess the referral to determine if the account transfer meets gap filling rules to be certified for BadgerCare Plus or Medicaid. The worker should process the gap filling referral like any other health care application and use available data exchanges to see if the applicant is eligible for BadgerCare Plus using modified adjusted gross income (MAGI) rules or Elderly, Blind and Disabled Medicaid:

- If all members of the applicant's household are eligible based on their monthly prospective income, or they are found ineligible for a non-financial reason, there is no need to assess the applicant(s) under gap filling rules. The application should be confirmed in CWW, which, if eligible, will certify BadgerCare Plus or Medicaid eligibility with a 12-month certification period beginning from the first of the month of the FFM filing date.
- If one or more members of the applicant's household are ineligible for BadgerCare Plus solely due to countable monthly income, then the worker must determine eligibility under gap filling rules by looking at annual income.

In order to meet gap filling rules, an applicant must meet the BadgerCare Plus non-financial criteria and the BadgerCare Plus financial criteria based on annual income at or below 100% of the FPL. This must include a combination of income already received and anticipated income for the current calendar year. There is more information on how to determine annual income in the next section of this memo. Depending on the outcome of the determination, the IM agency will follow either the Approval or Denial processes provided below.

DETERMINING ANNUAL INCOME AMOUNT

When determining eligibility for an application with a Gap Filling Indicator, workers must use the income reported on the application, income discovered or verified through data exchanges, and other reported income to determine the annual income. This includes, but is not limited to, using wages earned for previous quarters verified through SWICA, wages verified through the Federal Data Services Hub (FDSH) wage match, wages verified through an Employer Verification of Earnings form (EVFE) or other verification, and data exchanges verifying unemployment compensation and Social Security income.

If the information reported on the application is not clear, workers must attempt to contact the applicant to clarify what sources of income the applicant reported to the FFM and the amounts reported. If the worker is unable to reach the applicant and is also unable to verify the applicant's income through the available data exchanges, then the verification code of the reported or discovered income should be changed to "?" or "Q?" and the IM agency must send a verification request.

Because an applicant's eligibility needs to be determined based on his or her annual expected income, when budgeting annual income, workers may also need to consider the individual's employment history and pattern of employment to determine if he or she is reasonably expected to have a change in income that would impact eligibility.

For example, if an applicant has been working a seasonal job such as construction or farming, with wages in the second and third quarters and unemployment in the first and fourth quarters of the past several years, it would be reasonable to expect the individual to continue that pattern of employment and unemployment unless the individual reports a change that indicates that he or she is not returning to that employment.

Example 1: Megan's application has an August 1, 2016, filing date and is sent with the Gap Filling Indicator. She reports that she is currently on unemployment and receives \$1,452 per month. When the worker is processing the application, there are wages earned for the first quarter of 2016 in the amount of \$5,000, and the unemployment query shows that she was fired in February 2016 and that she started receiving unemployment compensation on March 1, 2016. Based on income she has already received in 2016 (\$5,000 in wages plus \$7,260 in unemployment from March through July), she has already received \$12,260 this year, which is over 100% of the FPL for a group of one, so she does not meet gap filling rules. Megan is not eligible for BadgerCare Plus.

Example 2: Greg's application has a November 15, 2016, filing date and is sent with the Gap Filling Indicator. He reports that he is currently on unemployment and receives \$1,000 per month. When the worker is processing the application, there are wages earned in the second and third quarters of 2016, 2015, and 2014 at a local roofing company. Wages earned so far in 2016 total \$5,200. Unemployment received so far in 2016 includes \$2,400 received from January through March, \$1,000 received in October, and \$500 so far in November, for a total of \$3,900. He is still filing unemployment and has more than \$3,000 available to be paid. To determine the anticipated income for the remainder of the year, the worker would continue to budget \$1,000 for unemployment per month for November and December. Greg's total income expected for 2016 is \$10,600 (\$5,200 in wages, \$2,400 in unemployment from January through March, and \$3,000 in unemployment from October through December). Because his annual income is expected to be under 100% of the FPL, Greg is eligible for BadgerCare Plus under gap filling rules.

Example 3: Erin's application has an August 1, 2016, filing date and is sent with the Gap Filling Indicator. She reports that she is currently working and earns \$1,400 per month (paid bi-weekly with earnings of \$700 per pay period) with no other income. Her job started July 1, 2016, and she received one paycheck in July. Her anticipated annual income is \$7,700 (\$1,400 per month from August through December and \$700 for July). Because her annual income is expected to be under 100% of the FPL, Erin is eligible for BadgerCare Plus under gap filling rules.

Example 4: Ron's application has an August 25, 2016, filing date and is sent with the Gap Filling Indicator. He reports that he is currently on unemployment and receives \$1,000 per month. When the worker is processing the application on September 1, 2016, SWICA shows wages earned in the second quarter of 2016 in the amount of \$3,200, wages earned in the first quarter of 2015 with a different employer, and no other wages earned since 2012. The unemployment query shows he is receiving \$1,000 per month, which started July 1, 2016, and he has \$2,300 remaining unemployment compensation to be paid out, which would provide \$1,000 per month for September and October, and the remaining \$300 to be paid in November. His anticipated annual income is \$7,500 (\$3,200 in wages, \$2,000 in unemployment from July through August, and \$2,300 in unemployment anticipated from September through November). Because his annual income is expected to be under 100% of the FPL, Ron is eligible for BadgerCare Plus under gap filling rules.

Example 5: Amber and Ryan are married and reside together. Their application has a February 15, 2016, filing date and is sent with the Gap Filling Indicator. Amber is currently on unemployment and receives \$1,452 per month and reports that they have no other income. When the worker is processing the application on February 28, 2016, SWICA shows earnings between \$15,000 and \$20,000 per quarter for the first, second, and third quarters of each year for the past four years. The unemployment query shows that Amber is currently receiving \$1,452 per month, which started October 1, 2015, and she has \$9,500 remaining to be paid; the query also shows that she received unemployment from October through December for the past four years when laid off from her job. However, the most recent claim shows that Amber was not laid off, she was fired. The worker contacts Amber to clarify that she will not be returning to that job and Amber confirms that in the past, she had been laid off at the end of the season, but she was fired on October 1, 2015, and has been on unemployment since then. Because she is not expected to return to that job, their anticipated annual income is \$12,404 (\$2,904 in unemployment from January through February and \$9,500 in unemployment anticipated from March through September). Because their annual income is expected to be under 100% of the FPL, Amber and Ryan are eligible for BadgerCare Plus under gap filling rules.

APPROVAL PROCESS

When an applicant is determined eligible under the gap filling rules, the IM worker must document in case comments the income used to make the determination and how that amount was calculated. The worker must also clearly document the following information in the case comment:

- Name of the eligible individual(s)
- Assistance group size
- Annual income
- Eligibility begin and end months*
- Med stat code**

* The end month will always be December of the calendar year in which the application was filed with the Marketplace.

**The current med stat codes for adults with income between 0 and 100% of the FPL are: “BL” for parents/caretakers and “9P” for childless adults.

For individuals who are eligible for BadgerCare Plus, the worker should work with his or her CARES Coordinator. The CARES Coordinator must email the EM CAPO at DHSEMCAPO@dhs.wisconsin.gov to indicate the case has been found eligible as a gap filling referral. Due to privacy and confidentiality rules, the email must not include any personal identifying information. The email must include the following items:

- Case number
- Assistance group size
- Annual income
- Eligibility begin and end months
- Med stat code

The IM worker must confirm the denial of eligibility results in CWW. The IM worker must not suppress the CWW-generated notice as it may include important information about other programs.

The EM CAPO will complete a manual certification for individuals who have been found eligible under gap filling rules based on the email notification and information in the case comments.

The EM CAPO will send an approval notice to the member. A copy will be sent to the electronic case file. Depending on when the member is certified for BadgerCare Plus under gap filling rules, the member may receive a letter that includes both the approval and termination information. See [Attachment #1](#) and [Attachment #2](#) for copies of the approval notices.

DENIAL PROCESS

When an applicant is determined ineligible under the gap filling rules, the IM worker must document in case comments the income used to make the determination and how that income was calculated. The worker should confirm the denial in CWW to send out the notice of decision. In addition, the IM worker is required to send out the manual letter, “[Gap Filling Eligibility Determinations Supplemental Letter, F-01915](#),” which provides more information about the denial under gap filling rules and next steps to get health care coverage. This should also be documented in case comments and a copy of the letter must be scanned into the electronic case file.

If the applicant contacts his or her agency, the IM agency may need to clarify the reason for denial and help explain the next steps for the applicant to follow up with the Marketplace in order to get health care coverage.

The Marketplace may have determined that the applicant was eligible for BadgerCare Plus based on the income he or she reported to the Marketplace. Since Wisconsin is an assessment state, when determining gap eligibility, the IM agency must review all available income sources such as unemployment compensation or Social Security income. Since this income may not have been reported or may have been inaccurately reported during the Marketplace application process, which led to the gap filling referral, the applicant can either re-apply at the Marketplace and report all expected annual income or file an appeal at the Marketplace if he or she is within the allowable 90-day timeframe.

PROCESSING CHANGES FOR GAP FILLING CASES

A member is still subject to BadgerCare Plus reporting requirements while enrolled under gap filling rules. Based on current policy, a gap filling member can also lose eligibility during the certification period if:

- He or she fails eligibility for any nonfinancial reason such as moving out of the state; or
- He or she experiences an increase in income that will make the annual income more than 100% of the FPL.

During the gap filling enrollment period, if a member reports a change in income to the IM agency, the worker must re-determine the annual income to reflect the change reported. If the member reports a change and the IM agency finds that the member is no longer eligible for BadgerCare Plus under gap filling rules, eligibility must be terminated.

CHANGE REPORTING PROCESS

The gap approval notice, which includes change reporting requirements according to annual income, has also been updated to include the IM agency's contact information for reporting changes. If a member reports a change in income to the IM agency, or the agency is informed of changes by other means including data exchanges, the worker must re-determine the annual income to reflect the change reported. The IM worker should follow the same process stated above, including reaching out to the member, to re-determine the annual income based on the change reported.

If the member continues to be eligible under gap filling rules but has reported a change in income and/or household composition, the worker should work with his or her CARES Coordinator to notify the EM CAPO that the member is still eligible. When notifying the EM CAPO, IM agencies must use the same format as the approval email notification and include the updated annual income amounts and/or household composition. The EM CAPO will then send the approval notice with the updated counted income and reporting requirements.

If the member is no longer eligible based on the annual income or due to a non-financial eligibility failure, the worker should work with his or her CARES coordinator to notify the EM CAPO when the member is no longer eligible. When notifying EM CAPO, IM agencies must provide the date in which the certification should end and the reason for the termination so that the EM CAPO can send the appropriate termination notice. Eligibility will end beginning the next month, following Adverse Action logic, so that the member receives timely notice.

APPLICANT-REPORTED GAP FILLING REQUESTS

Until December 15, 2016, IM agencies must continue to assess self-reported gap filling referrals when the applicant has received a notice indicating he or she can purchase health insurance but cannot get an Advanced Premium Tax Credit. Gap filling referrals sent through the account transfer process do not require any additional notice from the Marketplace. After December 15, 2016, the applicant must have a gap filling referral sent from the Marketplace. In rare cases, when an applicant receives a notification stating they can purchase insurance but cannot get an Advance Premium Tax Credit, and the IM agency has not received a gap filling referral from the Marketplace yet, the applicant should apply for BadgerCare Plus. If the applicant is financially ineligible for BadgerCare Plus under MAGI rules, the IM agency must assess the applicant under gap filling rules using annual income.

CARES

IDENTIFYING GAP FILLING REFERRALS

Workers will now see the Gap Filling Indicator on the ACCESS application in the FFM Referral Information section, as well as on the FFM Referral page. Since not all FFM account transfers are sent with a gap filling referral, only applications that have the Gap Filling Indicator should be re-tested for BadgerCare Plus based on annual income.

For applications that have the Gap Filling Indicator, workers will need to determine if the applicant(s) is eligible based on annual countable income expected for the year that eligibility is being determined. This may include a combination of previously received income, income currently being received, and prospective income expected to be received for the remaining months of the year.

FFM REFERRAL INFORMATION - APPENDIX				
Your Transfer ID is [REDACTED]				
Person Age: 53	Tracking Information			
	FFM Referral Individual ID			
	[REDACTED]			
	Referral Information			
	FFM Filing Date	Income	FFM Group Size	Referral Activity Reason
	07/01/2016	\$0.00	0	GF
	Referral Program Information			
	MAGI Eligibility Indicator	CHIP Eligibility	Non MAGI Eligibility	LTC Indicator
	No	No	No	No
	Emergency Medicaid Indicator	Refugee Medicaid Eligibility Indicator	Primary Person Indicator	
No	No	Yes		

Figure 1 FFM Referral Information Section

Navigation Menu

- FS Clock
- Override AG Review Dates
- W-2 Post Eligibility
- Post Confirmation
- Query
 - Confirmed Assistance
 - Group Summary
 - Case Member History
 - Change / SMRF / Renewal Details
 - FFM Referral**
 - Benefit Issuance
- Worker Tools
 - ESET Tool
 - IMQA 2nd Party
 - SSI-MA Administration
 - Client Scheduling
 - Worker Tasks
 - Fair Hearings Tracking
 - Case Management
 - Client Correspondence
 - 1095-B Administration
 - Data Exchange
 - Reference Tools
 - System Tools

FFM Referral [Cancel] [Reset]

Effective Period

* Begin Month: 06 / 2016 Last Updated: 06/14/2016

Delete Reason: [Dropdown]

Referral Information

* Individual: [Redacted]

* FFM Filing Date: 06 / 10 / 2016

* Income: \$ 5000 .00

* FFM Income FPL %: 374.53

* FFM Group Size: 2

Referral Activity Reason: GF - GAP FILLING

Referral Program Information

MAGI Eligibility: Yes

CHIP Eligibility: No

Non-MAGI (EBD MA): No

LTC: No

Emergency Medicaid: No

Refugee Medicaid: No

Tracking Information

* FFM Application ID: [Redacted]

* FFM Referral Individual ID: [Redacted]

* Transfer ID: [Redacted]

ACCESS Tracking Number: [Redacted]

Enter New Begin Month: MM / YYYY Go

Figure 2 FFM Referral Page

CWW has been enhanced so that the Application Summary will also show the Gap Filling Indicator in the Special Attention section to assist agencies with identifying gap referrals prior to assigning ACCESS applications to be processed.

Name	Birth Date	Gender	SSN	U.S. Citizen	Relationship	Programs Requested	HC Programs	Disabled	Language	Match
	02/11/1963	FEMALE		Yes	PP	HC	CLA	No		EXACT

Application Information

ACCESS Application Number: [View] Status: **Unassigned**

Filing Date: **07/01/2016** Community Access Point Number: []

Data Collection Method: **Federally Facilitated Marketplace** Item Type: **Referral**

Phone/Mail Application Submitted Worker: []

Office Information

County / Tribe: **MILWAUKEE COUNTY** Eligibility Office: []

Assigned Worker: [] IM Consortium: **STATE CONSORTIUM**

Contact Information

County of Residence: [] Homeless: **No**

Household Address: []

Phone: []

CWW Information

Resulting RFA: [] Resulting Case: []

Special Attention

Description
Signature matches name
Gap Filling Referral

Programs

Programs	Filing Date
Health Care	07/01/2016

Figure 3 Application Summary Page with Gap Filling Referral Flag

On September 24, 2016, CWW was enhanced so that this indicator will also be searchable in the RFAs/Application inbox and agencies can search specifically for gap referrals.

Advanced Search

Inbox Search Criteria [Restore to Default Search Criteria] [Save Search Criteria]

County/Tribe: 13 - DANE COUNTY []

IM Consortium: []

Additional Search Criteria

Assignment Status: Assigned Eligibility Office: [] Worker ID: []

Unassigned

Programs Requested: AnyProgram []

Health Care FoodShare FamilyPlanning Waiver

Caretaker Supplement Child Care W-2

Health Care Programs: AnyProgram []

BadgerCare Plus BadgerCare Plus CLA

EBD Medicaid Institution

Special Attention: Tuberculosis EmergencyMedicaid

LTC Gap

Language: AnyLanguage []

Figure 4 RFAs/Application Inbox Search

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CONTACTS

BEPS CARES Information and Problem Resolution Center

DHS/DHCAA/BEPS/PH