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DMS Operations Memo 25-19

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

Affected Programs:
- ☐ BadgerCare Plus
- ☒ FoodShare
- ☒ Medicaid
- ☐ SeniorCare
- ☐ Caretaker Supplement
- ☐ FoodShare Employment and Training

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Policy Changes for Medicaid and FoodShare Related to Katie Beckett Medicaid Disability Determinations

CROSS-REFERENCE

- Medicaid Eligibility Handbook, Chapter 29 Katie Beckett and Chapter 5 Elderly, Blind, or Disabled, Section 27.1.4 Minors in a Medical Institution, Section 1.2 Continuous Coverage for Qualifying Children, and Section 3.1.1.1 Redeterminations for Changes in Circumstance
- FoodShare Eligibility Handbook, Section 3.8.1 Elderly, Blind, or Disabled (EBD) Individuals
- Operations Memo 25-17, Maintaining Coverage During Redeterminations of Eligibility for Additional Programs and Pending Disability Determinations

EFFECTIVE DATE

November 1, 2025

PURPOSE

This memo announces policy changes regarding how disability determinations made for Katie Beckett Medicaid (KBM) are treated for other Medicaid programs and FoodShare.

BACKGROUND

KBM is a full-benefit Medicaid program for children with disabilities who have complex health care needs and live at home. KBM workers determine eligibility for KBM. Eligibility for KBM requires a disability determination, which is completed by the Bureau of Clinical Policy and Pharmacy (BCPP).

BCPP uses the same criteria for disability determinations as the Social Security Administration (SSA) and the Disability Determination Bureau (DDB).

Previously, only disability determinations made by SSA or DDB were accepted for purposes of Elderly, Blind and Disabled (EBD) Medicaid eligibility determinations. This policy is changing to avoid gaps in coverage for members whose KBM eligibility is ending and who are waiting for SSA or DDB to complete a new disability determination.

Previously, KBM members were not considered disabled for FoodShare. This policy is being changed to align with federal rules for the Supplemental Nutrition Assistance Program (SNAP).

Operations Memo 25-17, "Maintaining Coverage During Redeterminations of Eligibility for Additional Programs and Pending Disability Determinations" announced that effective November 1, 2025, when a KBM member no longer meets program requirements due to a change in circumstances (other than turning 19, death, de-request, or moving out of state), coverage under KBM is maintained while eligibility for other categories of health care is being determined, as long as certain criteria are met.

Because KBM workers only determine eligibility for KBM, redeterminations must be completed by the Income Maintenance (IM) agency after receipt of a health care application.

When a member experiences a change in circumstances, such as being institutionalized, and no longer meets KBM requirements, they may remain eligible for KBM during a continuous coverage period. Once a KBM member turns 19, however, they will no longer be eligible for KBM even if they have not yet concluded their 12-month continuous coverage period.

POLICY

DISABILITY DETERMINATIONS FOR MEMBERS MOVING FROM KBM TO OTHER MEDICAID PROGRAMS

Effective November 1, 2025, a KBM disability determination can be used temporarily to meet the disability requirement for all categories of EBD Medicaid, provided the member lost KBM eligibility for a reason other than medical cessation of disability and submits all requested information timely to obtain a determination by the DDB. Since KBM disability determinations are made by BCPP, a new determination by the DDB is required to ensure eligibility aligns with adult criteria or current medical status.

Timely submission of information means a health care application is submitted to Income Maintenance (IM) within three months of KBM coverage ending. This policy allows the KBM disability determination to serve as a bridge for members transitioning to other forms of Medicaid, preventing gaps in coverage while a DDB determination is pending. When an application is received, if the former KBM member otherwise meets all financial and non-financial requirements, they will be enrolled in an

EBD Medicaid program and asked to submit the Medicaid-Disability Application, F-10112 (also known as the MADA), and an Authorization to Disclose Information to Disability Determination Bureau (DDB), F-14014 (also known as the ADDD). If the MADA and ADDD forms are submitted by the requested date, the former KBM member will continue to be considered to meet the disability requirement for all Medicaid programs until a decision is made on their DDB disability application. Eligibility will be redetermined once a final DDB decision is issued.

If the health care application is submitted more than three months after KBM coverage ends, or if the required forms are not submitted timely, the KBM disability determination will no longer satisfy the disability requirement for other Medicaid programs. The member will need a DDB disability determination to enroll or maintain their enrollment in an EBD Medicaid program.

Members who submit a health care application, but do not submit the required MADA and ADDD forms on time, will no longer meet the disability requirement for EBD Medicaid programs. However, they may still be eligible for a Medicaid program that does not require a disability determination, such as BadgerCare Plus.

Example 1: Carmen is 2 years old and enrolled in KBM. Carmen completed her renewal the previous year in June and is certified for KBM through the end of May of this year. On March 12, Carmen is hospitalized and remains hospitalized in April. On April 12, despite her hospitalization for 30 days, Carmen remains in KBM because she is still within her 12 months of continuous coverage. In April, Carmen receives a letter informing her that her KBM enrollment will end on May 31. The letter states that if she submits a health care application to the IM agency within 30 days of the letter's date, her KBM coverage will be extended until it is determined whether she is eligible for another Medicaid program. On May 5, Carmen's parents submit a health care application to the IM agency. On May 10, the IM agency processes Carmen's application and determines that she is eligible for Institutional Medicaid, and she is enrolled as of June 1. Carmen is sent a letter requesting that she submit the MADA and ADDD forms within 20 days. On May 20, Carmen's parents submit the completed MADA and ADDD forms. Carmen's Katie Beckett disability determination meets the EBD Medicaid disability requirement while she waits for a decision on her DDB application. Carmen's disability application is later approved by the DDB, and her Institutional Medicaid continues with a May renewal date.

Example 2: Tim is 15 years old and enrolled in KBM. Tim completed his renewal last October and is enrolled in KBM through the end of September. In July, it is determined that he no longer requires an institutional level of care, but he remains enrolled in KBM because he is still within his 12 months of continuous coverage. In August, Tim receives a letter informing him that his KBM enrollment will end on September 30. The letter states that if he submits a health care application to the IM agency within 30 days of the letter's date, his KBM coverage will be extended until it is determined whether he is eligible for another Medicaid program. In mid-September, Tim receives a notice informing him that his KBM enrollment will end on September 30. Tim's KBM enrollment ends on September 30 because he did not submit his health care application by the 30-day deadline, so his KBM coverage is not extended. On December 10, Tim's parents submit a health care application to the IM agency requesting a two-month backdate. On December 15, the application is processed, and Tim is determined non-financially and financially eligible for SSI-Related Medicaid. Tim is enrolled in SSI-Related Medicaid with a retroactive start date of October 1. On December 15, Tim is sent a letter requesting that the MADA and ADDD forms be completed and returned within 20 days. Tim's parents submit the MADA and ADDD forms on December 30. Because Tim's application was received within three months of the KBM end

date and he submitted the MADA and ADDD forms timely, the KBM disability determination meets the disability criteria for all EBD Medicaid programs while he waits for a decision on his DDB application. Tim's disability application is later approved by the DDB, and his Medicaid continues with a September renewal date.

Example 3: Sam is enrolled in KBM. Sam turns 19 on August 20. Six months prior to her birthday, Sam receives a letter informing her that her enrollment in KBM will end August 31 due to turning 19. On August 1, Sam submits a health care application, MADA, and ADDD to the IM agency. At adverse action in August, Sam receives a notice informing her that her KBM enrollment will end as of August 31. On August 20, Sam's application is processed, and she is determined non-financially and financially eligible for Medicaid Purchase Plan (MAPP). Sam's KBM disability determination meets the disability requirement for MAPP while she waits for a decision on her DDB application. Sam is enrolled in MAPP beginning September 1. Her disability application is later approved by the DDB, and her Medicaid continues with an August renewal date.

Example 4: Daniel is 5 years old and enrolled in KBM. Daniel completed his renewal last July and is enrolled in KBM through the end of June. In January, it is determined that he no longer requires an institutional level of care, but he remains enrolled in KBM because he is still within his 12 months of continuous coverage. In May, Daniel receives a letter informing him that his KBM enrollment will end on June 30. The letter states that if he submits a health care application to the IM agency within 30 days of the letter's date, his KBM coverage will be extended until it is determined whether he is eligible for another Medicaid program. On June 2, Daniel's parents submit a health care application to the IM agency. On June 10, Daniel is determined eligible for SSI-Related Medicaid. Daniel is enrolled in SSI-Related Medicaid with a start date of July 1. Daniel is sent a letter requesting that the MADA and ADDD forms be completed and returned within 20 days. On June 25, Daniel's parents submit his MADA and ADDD forms. Daniel's disability application is denied by the DDB on September 1. Since Daniel no longer meets the disability requirement for EBD Medicaid programs, he is no longer eligible for SSI-Related Medicaid. If he is ineligible for any other Medicaid program, he will remain in SSI-Related Medicaid until the end of his continuous eligibility period.

FOODSHARE

Members determined disabled by BCPP for KBM are considered disabled for purposes of FoodShare eligibility.

CONTACTS

DHS CARES Problem Resolution Team

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