

**H-3800 ACT 421 CHILDREN'S MEDICAID OPTION (TEFRA)****H-3810 GENERAL INFORMATION**

Effective January 1, 2022, the Act 421 Children's Medicaid Option (Act 421-CMO) will cover children with disabilities who are living in the community and who meet the level of care provided in an institution.

Only the income and resources of the Act 421-CMO child are counted in the eligibility determination process. This allows children with complex medical needs to qualify based on their own income and resources to receive medical services in a less-costly home setting, instead of an institution when such care can be provided safely at home.

**Note:**

Parental income and resources can be used to explore eligibility for Medicaid and CHIP programs that offer full benefits before ACT 421 –CMO with the exception of LAP and FOA. Consider eligibility for ACT 421- CMO before LAP and FOA which have premiums.

**H-3810.1 Coverage**

Act 421-CMO beneficiaries receive the full range of Medicaid covered services.

**H-3810.2 Medical Certification**

BHSF Form 142 – Notice of Medical Certification indicates if the applicant/beneficiary meets the level of care requirements for hospital, skilled nursing facility, or intermediate care facility for individuals with intellectual disabilities (ICF/IID).

The Office for Citizens with Developmental Disabilities (OCDD) Local Governing Entity (LGE) issues the BHSF Form 142.

The BHSF Form 142 documents the following:

- Approval or disapproval of the level of care; and
- The effective date of medical certification.

The LGE assesses the Act 421-CMO beneficiary annually to determine that the level of care requirement continues to be met. \*\*

### H-3810.3 Special Income Level (SIL)

Income eligibility is based on the applicant/beneficiary's gross income. Gross income is compared to the SIL rate. The SIL rate is three times the Supplemental Security Income (SSI) Federal Benefit Rate (FBR) for an individual. Refer to [Z-700 SIL Rate, Resource Limits & Personal Care Needs Allowance](#).

## H-3820 ELIGIBILITY DETERMINATION PROCESS

Determine eligibility by applying the following criteria. The elements have been listed in the most logical order, but work on all steps simultaneously.

### H-3820.1 Determine Assistance/Benefit Unit

The assistance/benefit unit consists of the applicant/beneficiary. Each applicant/beneficiary must meet all eligibility requirements.

### H-3820.2 Establish Categorical Requirement

Establish that the applicant/beneficiary:

- Is under the age of 19;
- Meets the level of care provided in a hospital, skilled nursing facility or intermediate care facility, but lives at home; and
- Has a physical or mental impairment, or a combination of conditions, that is disabling under the Social Security Administration listing of impairments;

**Note:**

Disability determinations must be made by the Medicaid Eligibility Determination team (MEDT) unless disability has been established by SSA. Refer to [G-1600 Securing Disability Decisions for Non-Magi \(Formerly B and D\) Categories](#)

**H-3820.3 Establish Non-Financial Eligibility**

Verify eligibility for the applicant/beneficiary with regard to the following factors:

- [Assignment of Third Party Rights](#) I-200
- [Citizenship/Identity/Qualified Non-Citizen Status](#) I-300
- [Enumeration](#) I-600
- [Medical Certification](#) I-1000
- [Residence](#) I-1900

**H-3820.4 Establish Need****A. Determine Composition of the Income Unit**

The income unit consists of the applicant/beneficiary.

**B. Determine Composition of the Resource Limit**

The resource unit consists of the applicant/beneficiary.

**Note:**

Data collection through the Asset Verification Service (AVS) is not appropriate for individuals under the age of 18.

**C. Determine Need/Countable Income**

Determine the gross income of the applicant/beneficiary. Parent-to-child income deeming is not applicable. Refer to [I-1530 Need - SSI-Related Income](#) and [Z-700 SIL Rate, Resource Limits & Personal Care Needs Allowance](#).

The applicant/beneficiary must be income eligible based on their own income to be eligible for Act 421-CMO. If the total gross income of the applicant/beneficiary is over the SIL, the applicant/beneficiary is ineligible for Act 421-CMO.

#### D. Determine Need/Countable Resources

Determine countable resources of the applicant/beneficiary. Parent-to-child resource deeming is not applicable. Refer to [I-1630, Need – Non-MAGI Related Resources](#).

Compare countable resources to the SSI resource limit for an individual. Refer to [Z-900 Resource Limits by Program](#). If countable resources are equal to or less than the SSI resource limit for an individual, the applicant/beneficiary is resource eligible for the Act 421-CMO program.

If countable resources are greater than the SSI resource limit for an individual, the applicant/beneficiary is resource ineligible.

#### H-3820.5 Eligibility Decision

Evaluate all eligibility requirements and verifications received to make the eligibility decision to either reject, close, certify or continue eligibility.

#### H-3820.6 Certification Period

The certification period for Act 421-CMO shall not exceed 12 months.

Eligibility cannot begin prior to the first of the month of the medical certification and no earlier than three months prior to the application date.

#### H-3820.7 Notice of Decision

Send the notice of decision to the applicant/beneficiary. A copy of the notice will be issued to the LGE.