



RON CHAPMAN, MD, MPH  
Director & State Health Officer

State of California—Health and Human Services Agency  
California Department of Public Health



EDMUND G. BROWN JR.  
Governor

OFFICE OF AIDS  
Insurance Assistance Section

Management Memorandum  
Memorandum Number: 2013-04

DATE: December 3, 2013

TO: OFFICE OF AIDS-HEALTH INSURANCE PREMIUM PAYMENT  
(OA-HIPP) ENROLLMENT WORKERS

SUBJECT: OA-HIPP POLICIES AND PROCEDURES FOR CLIENTS ELIGIBLE  
FOR MEDI-CAL EXPANSION AND COVERED CALIFORNIA

The purpose of this memorandum is to educate OA-HIPP Enrollment Workers about the eligibility criteria and enrollment process for Medi-Cal Expansion and Covered California and to document OA's policies and procedures regarding how to enroll clients who obtain health coverage through Covered California into OA-HIPP.

## Background

The Patient Protection and Affordable Care Act (ACA) ensures that all legal U.S. residents are able to obtain affordable health care coverage, regardless of any pre-existing condition(s). In addition, ACA requires states to establish a marketplace for people to buy health insurance or have one set up by the federal government. California was the first state to enact legislation to implement this provision of ACA by creating Covered California.

Significant changes to California's health insurance landscape will commence on January 1, 2014, including:

1. Medi-Cal will be expanded to cover people between 19 to 64 years old, including people without disabilities, with income less than 138 percent of the federal poverty level (FPL), based on family size. For a single individual, the qualifying income would be less than \$15,856 and for a family size of four the allowable income would be approximately \$32,499. The coverage is free for those who qualify and clients will have no out-of-pocket health care expenses.

2. Covered California will offer affordable health plans to legal California residents who earn more than 138 percent FPL. Each plan will provide a comprehensive package of services, known as essential health benefits. Individuals may also be eligible for federal premium assistance and/or cost-sharing subsidies which would lower their health care expenses.

### **Medi-Cal Expansion**

All ADAP clients with income less than 138 percent FPL must apply for Medi-Cal Expansion if potentially eligible. Once enrolled in Medi-Cal Expansion, the client will be dis-enrolled from ADAP and OA-HIPP.

ADAP will continue to serve clients enrolled in standard Medi-Cal with a share of cost (up to the share of cost amount), Medi-Cal clients co-enrolled in Medicare Part D who need drug copayment assistance and clients enrolled in Medi-Cal HIPP who need co-payment assistance.

### **Covered California Premium Assistance and Cost Sharing Subsidies**

Premium assistance (formerly known as “tax credit”) may be available for individuals with income from 138 percent up to 400 percent FPL (which is approximately \$15,856 - \$45,960 for individuals). The premium assistance will be sent to the health plan directly by the federal government and applied to the client’s monthly premium, thus reducing the cost of the premium. At time of Covered California enrollment, clients will need to take 100 percent of the monthly premium assistance, if eligible, in order to enroll in OA-HIPP.

Individuals who earn from 138 percent up to 250 percent FPL (which is approximately \$15,856 - \$28,725 for individuals) may be eligible for additional subsidies that will reduce out-of-pocket health care expenses, including copays and deductibles. The cost-sharing subsidy is only available if the client selects a silver plan (known as the “Enhanced Silver” plan.)

Enhanced Silver Plans – Clients who earn between 138 - 200 percent FPL (approximately \$15,971 - \$22,980 for individuals) will have the lowest out-of-pocket costs by choosing the “Enhanced Silver” plan.

Platinum Plans – Clients who earn between 201 percent FPL and \$50,000 will have the lowest out-of-pocket costs by choosing a “Platinum” plan.

### **OA-HIPP Premium Assistance for Covered California Health Plans**

OA-HIPP will pay premiums for all eligible clients co-enrolled in ADAP who obtain health insurance coverage through Covered California. As previously stated, the client will be required to take the maximum monthly federal premium assistance amount, if eligible, in order to enroll in OA-HIPP. For example, if a client chose a platinum policy that included a \$500 monthly premium and that client was eligible for \$200 in federal premium assistance each month, the client would be required to apply the full \$200 to the monthly premium each month. After the premium assistance is applied, the client would be expected to only pay \$300 each month. If this hypothetical client applied to OA-HIPP and was taking any amount other than \$200 in premium assistance, his/her application would be denied. This policy will ensure that OA-HIPP is paying the lowest possible insurance premium.

### **ADAP Drug Assistance for Covered California Health Plans**

For ADAP clients co-enrolled in a Covered California health plan, ADAP will pay for their prescription drug deductibles and co-pays for drugs that are on the ADAP formulary and are dispensed from an ADAP pharmacy that is also in-network for the Covered California health insurance plan. These prescription drug costs will count towards the out-of-pocket maximum.

### **Medi-Cal Expansion and Covered California Enrollment**

There is a single, combined application to apply for Medi-Cal Expansion or Covered California. A prospective client can enroll in Medi-Cal anytime; however, enrollment in Covered California can typically only occur during the open enrollment period. The initial open enrollment for Covered California will occur October 1, 2013 through March 31, 2014. Subsequent open enrollment periods will occur annually between October 15 and December 7. Individuals may also be able to enroll in Covered California during the Special Enrollment period which occurs within 60 days of a Qualifying Event, such as:

1. Becoming a new California resident
2. Becoming a legal resident
3. Loss of job / health insurance
4. Birth of child
5. Death of spouse
6. Income increases, disqualifying the client for Medi-Cal Expansion

A client must apply by December 23, 2013 in order for coverage to be in place on January 1, 2014.

Clients can apply for Medi-Cal Expansion or Covered California in the following ways:

1. Online – Clients can visit [www.CoveredCA.com](http://www.CoveredCA.com) and click on the “Start Here” button.
2. Telephone – Clients can call the Customer Service Center at 800-300-1506 and a representative will complete the application for the client over the phone. Hours of operation are Monday to Friday, 8 a.m. to 6 p.m. and Saturday, 8 a.m. to 5 p.m.
3. In person – Clients can obtain a list of Certified Insurance Agents and Certified Enrollment Counselors who can meet with them to assist in completing the application by visiting [www.CoveredCA.com](http://www.CoveredCA.com) or calling 888-975-1142.
4. Paper Application – Available at the link below, clients can fill out the paper application and send to Covered California:
  - a. By fax – 1-888-329-3700
  - b. By mail: Covered California, PO Box 989725, West Sacramento, CA 95798-9725  
[https://www.coveredca.com/PDFs/English/paper\\_application/CCFRM604.pdf](https://www.coveredca.com/PDFs/English/paper_application/CCFRM604.pdf)

The deadline to apply for coverage taking effect on January 1, 2014, has been extended from December 15, 2013, to December 23, 2013, and the deadline for payment has been extended from December 26, 2013, to January 5, 2014.

Beginning January 2014, applicants who submit a complete application to Covered California by the 15<sup>th</sup> day of the month must submit payment on or before the 4<sup>th</sup> day prior to the end of the month to have health insurance on the 1<sup>st</sup> day of the following month. For example, if an applicant submits a complete application to Covered California by January 15 and pays by January 27, his/her health insurance will begin on February 1.

### **OA-HIPP Enrollment and Required Documents**

OA will obtain the Federal Identification Number for all Covered California plans. The following forms and documentation must be submitted during initial OA-HIPP/Covered California enrollment:

- OA-HIPP Application - The application was modified to capture additional data elements pertaining to Covered California.
- Insurance Assistance Section Consent Form
- Insurance Assistance Section ARIES Consent Form – Formerly labeled the “ARIES OA-HIPP/OA-PCIP Client Consent Form, this form was also recently modified to denote that clients will be entered into ARIES as “non-share.”

December 3, 2013

- Billing statement from Covered California plan
- Covered California Welcome Letter

### **OA-HIPP / Covered California Application Processing and Payment Timeframe**

For all OA-HIPP application packages that are received between the 1<sup>st</sup> and 15<sup>th</sup> day of the month *and* contain all required documentation, OA will process and issue premium payments for approved applications so the client's coverage will start the first day of the second month that the application is received. Complete OA-HIPP applications received after the 15<sup>th</sup> day of the month will be processed during the next payment cycle for the subsequent month.

For example:

OA-HIPP Application Received	CC Coverage Begins
February 10	April 1
February 20	May 1

The initial payment will cover the first month the client's insurance becomes effective plus three additional months. Ongoing payments will be paid quarterly.

If the client would like his/her coverage to start sooner, the client will have to pay the first month's premium. For example, if a client submits a complete application to Covered California *and* OA by January 15, the client would need to issue payment to his/her insurance company by January 27 in order for his/her coverage to start February 1. After the insurance company receives payment from OA, the client can contact the insurance company and request a refund for the month they paid. The enrollment worker must notify OA if the client intends to make the initial payment.

Please contact Irina Banar at [Irina.Banar@cdph.ca.gov](mailto:Irina.Banar@cdph.ca.gov) or 916-449-5882 if you have any questions regarding OA-HIPP / Covered California enrollment.

Thank you,



Richard Martin, Chief  
Insurance Assistance Section  
Office of AIDS