

FAA5.B Health Insurance Coverage (HEIC HEID)

01 HEIC/HEID - Purpose

[For MA after 2013](#)
[See the EPM](#)

Health insurance and medical support information MUST be keyed on these screens for each MA participant in the case. The information is transmitted to the following:

- AHCCCS (Arizona Health Care Cost Containment System)
- DCSS (Division of Child Support Services)

WARNING

HEIC and HEID are used only for the MA program.

Do NOT key AHCCCS health plans or Indian Health Services (IHS) information on HEID. These health plans are not TPL sources.

(See [Health Insurance Coverage Overview](#) and [Health Insurance Detail Overview](#))

02 Health Insurance Coverage - Overview

[For MA after 2013](#)
[See the EPM](#)

This screen must be keyed with the following information for every MA participant when they meet the following:

- Does or does not have [Third Party Liability](#) (TPL).
- Is or is not [willing to pay a premium](#) for AHCCCS Health Insurance.
- Is a state employee, spouse of a state employee, or child of a state employee.

NOTE HEIC MUST be keyed first to allow AZTECS to proceed to HEID to key TPL information.

A Willing to Pay a Premium

REVISION 13
(07/01/10 –09/30/10)

[For MA after 2013](#)
[See the EPM](#)

Children who do not qualify for Title XIX **AHCCCS** Health Insurance (MA) are potentially eligible for [KidsCare \(KC\)](#) when willing to pay a [premium](#).

EXCEPTION

American Indians are not required to pay a premium for KidsCare. To ensure that the participant is referred to AHCCCS for a KidsCare determination, key Y in the WILLING TO PAY PREMIUM field on HEIC for each American Indian participant.

When a participant is not eligible for Title XIX MA, ask whether either of the following is willing to pay a premium:

- A participant
- A nonparticipant

The participant or nonparticipant must be asked whether they are willing to pay a premium when any of the following occur:

- Receiving a new or renewal application
- [Adding a participant](#) to an MA case
- Processing a [referred MA application](#)

Review the application to determine whether the PI indicated their willingness to pay a premium.

When the application does not indicate whether the PI is willing to pay a premium, contact the PI via telephone for clarification.

When the PI can not be contacted via the telephone, send a [C011 notice](#) to the PI.

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When a participant or nonparticipant IS willing to pay a premium, key Y in the WILLING TO PAY PREMIUM field on HEIC for each participant for whom they are willing to pay a premium.

NOTE AHCCCS determines and notifies the participant of the premium amount when applicable.

When a participant or nonparticipant IS NOT willing to pay a premium, complete the following:

- Key N in the WILLING TO PAY PREMIUM field on HEIC for each participant for whom they are not willing to pay a premium.

NOTE When N is keyed, AZTECS does not send a referral for [KidsCare](#) to AHCCCS.

- Document CADO or the CADO Extension Form (CEF) with the reason the participant or nonparticipant is not willing to pay a premium.

When unable to obtain clarification of willingness to pay a premium, key N in the WILLING TO PAY PREMIUM field on HEIC for each participant.

03 Health Insurance Detail - Overview

[For MA after 2013](#)
[See the EPM](#)

This screen must be keyed for every MA participant who has [Third Party Liability](#) (TPL).

NOTE AHCCCS uses the TPL information keyed on HEID to recover payment from the legally obligated third parties.

04 Third Party Liability (TPL) - Overview

[For MA after 2013](#)
[See the EPM](#)

Third Party Liability (TPL) is the obligation of a legally responsible person or a company to provide any of the following:

- Medical support
- Health insurance
- Accident insurance

Collect TPL information at the following times:

- At each new or renewal interview.
- When adding a participant.
- When a change in employment is reported.

NOTE Jobs Administration provides employment information to [FAA](#) through an alert from ACTS. This information is a possible source of TPL and MUST be explored. (See [Job Entry](#))

[AHCCCS](#) uses the TPL information to identify who is responsible for payment of medical services provided to MA participants.

Policy and procedures regarding Third Party Liability (TPL) are outlined as follows:

- [Assignment of TPL Rights](#)
- [TPL Sources](#)
- [TPL Verification](#)
- [TPL Processing](#)
- [TPL Creditable Insurance](#)
- [AHCCCS Medical Cost Recovery](#)
- [Three Month Bare Period](#)

A Assignment of TPL Rights

[For MA after 2013](#)
[See the EPM](#)

Federal regulations require states to use all other [TPL sources](#) available to pay for all or part of a participant's medical needs. Third Party Liability (TPL) includes, but is not limited to, medical support payments and other insurance (health or accident) coverage.

As a condition of eligibility, the following TPL requirements must be met:

- MA participants must assign their rights to medical support or other TPL payments to [AHCCCS](#).
- A legally responsible person applying on behalf of others must assign the rights of those participants to AHCCCS.

NOTE Assignment is made by signing the application.

B Third Party Liability (TPL) Sources

[For MA after 2013](#)
[See the EPM](#)

Information listed on the application and provided by the [PI](#) during the interview may indicate potential Third Party Liability (TPL) sources and must be investigated.

Types of TPL sources include, but are not limited to, the following:

- [Child Support TPL Benefits](#)
- [Disability Information](#)
- [Employment Sources](#)
- [Job Related Illness or Injury](#)
- [Jobs Alerts in ACTS](#)
- [Managed Care Programs](#)
- [Medicare Part A](#)
- [Medicare Part B](#)
- [Medicare Part D](#)
- [Medicare Supplemental Insurance](#)

FAA5.B Health Insurance Coverage (HEIC HEID)

- [Military Service TPL](#)
- [Participants in School](#)
- [Prepaid Contract Agreement](#)
- [Private Health Insurance](#)
- [Recurring Medical Expenses](#)
- [Unions or Associations](#)
- Vision and Dental Insurance

.01 Child Support TPL Benefits

[For MA after 2013](#)
[See the EPM](#)

Financial support payments from an absent parent may indicate potential medical support. An absent parent may be required by court order to provide medical insurance in addition to support payments.

.02 TPL Disability Information

[For MA after 2013](#)
[See the EPM](#)

Information on the application, or raised during the interview, may indicate the disability is the result of an accident involving casualty coverage or a legally responsible third party. (See [AHCCCS Medical Cost Recovery](#))

.03 TPL Employment Sources

[For MA after 2013](#)
[See the EPM](#)

Employment income and work histories may indicate health insurance is available through a current or former employer.

Payroll deductions listed on pay stubs may indicate that the participant has health insurance.

The Verification of Employment History (FA-053) form is used to verify information regarding employer provided health insurance.

.04 Job Related Illness or Injury TPL

[For MA after 2013](#)
[See the EPM](#)

The following sources may indicate job related Third Party Liability (TPL):

- Railroad Retirement Benefits and Social Security Retirement or Disability Benefits indicate potential eligibility for Medicare.
- Longshore and Harbor Workers' Compensation (LHWC) employees who suffer injury because of conditions arising from employment may file for benefits to cover medical expenses.
- Worker's Compensation or the Industrial Commission may be responsible for the cost of care and services provided to the participant.
- Participants injured performing work related activities may file a Worker's Compensation claim with the Industrial Commission.

WARNING

Do not delay the eligibility determination pending the outcome of the Worker's Compensation claim. When a claim has been filed with Worker's Compensation, complete the Injury/Malpractice Referral (FAA-1147A) form. (See [AHCCCS Medical Cost Recovery](#))

- Black Lung Benefits are awarded on a diagnosis of Black Lung Disease. Benefits are paid under the Coal Mine Workers' Compensation Program administered by the Department of Labor (DOL).

.05 Jobs Alerts in ACTS

[For MA after 2013](#)
[See the EPM](#)

[ACTS alerts](#) may indicate noncompliance with Jobs Work Program Services and also provide employment related, potential insurance or other TPL information.

.06 Managed Care Programs

[For MA after 2013](#)
[See the EPM](#)

[Health Maintenance Organization](#) (HMO), [Preferred Provider Organization](#) (PPO), or [Point-of-Service](#) (POS) plans are administered by a corporation financed by insurance premiums. These plans provide health care services to enrolled members and their families.

Enrolled members usually pay a fixed co-payment and premiums for services provided through these plans.

NOTE Insurance premiums and co-payments paid are an allowable expense deduction for the [MD](#) category.

.07 Medicare Part A

[REVISION 03](#)
(01/01/08 – 03/31/08)

[For MA after 2013](#)
[See the EPM](#)

[Medicare](#) Part A is hospital insurance. It covers the following:

- Basic inpatient hospital care
- Skilled nursing facility care
- Home health services
- Hospice

Depending on the length of stay, Medicare Part A pays the following amounts:

- First 60 calendar days, all covered services, except for a single deductible that the Medicare recipient is responsible to pay. This amount must be verified.
- 61 - 90 calendar days, the recipient is responsible for a specified per diem amount. This amount must be verified.
- Over 90 days, the patient is responsible for a different per diem amount. This amount must be verified.

The per diem amount is determined by the Social Security Administration. The Medicare Part A per diem amount is the same for all recipients. The amount the Medicare Part A recipient pays changes each year.

NOTE The per diem amount the recipient is responsible to pay is an allowable expense deduction in the [MD](#) category.

Medicare recipients pay premiums and deductibles. These payments are allowed in the MD category when it is verified there is no other responsible party and no third party liability. (See [Medicare Amounts](#) for additional policy)

The Explanation of Medicare Benefits (E.O.M.B.) notice is verification from [SSA](#) of third party liability. Verify the amount the recipient is required to pay after the Medicare payment is made.

When the E.O.M.B. is not available, only the following are allowable medical expenses:

- The amount, verified by the provider, that the patient is required to pay after the Medicare payment is made.
- Medicare Part A - Hospital deductible per [benefit period\(g\)](#).
- [Medicare Part B](#) - Monthly premium.
- [Medicare Part D](#) – Monthly premium and co-payments.

NOTE These amounts change annually.

.08 Medicare Part B

[REVISION 03](#)
(01/01/08 – 03/31/08)

[For MA after 2013](#)
[See the EPM](#)

[Medicare](#) Part B pays 80% of the approved amount of doctor's bills, lab fees and x-rays for approved services. The patient is responsible for 20% of the approved amount. (See [Medicare Amounts](#) for additional policy)

The Explanation of Medicare Benefits (E.O.M.B.) notice is verification of third party liability. Verify the amount the patient is required to pay after the Medicare payment is made.

When the E.O.M.B. is not available, only the following are allowable medical expenses:

- The amount, verified by the provider, that the recipient is required to pay after the Medicare payment is made.
- [Medicare Part A](#) - Hospital deductible per [benefit period\(g\)](#).
- Medicare Part B - Monthly premium.
- [Medicare Part D](#) – Monthly premium and co-payments.

NOTE These amounts change annually.

.09 Medicare Part D

REVISION 03
(01/01/08 – 03/31/08)

[For MA after 2013](#)
[See the EPM](#)

[Medicare](#) Part D is a prescription drug plan. Most people who participate in Medicare Part D will be required to pay a share of their prescription cost. Medicare recipients with income at or below a set amount and with limited assets will qualify for assistance with premiums and co-payments.

The following are allowable deductions for Medicare Part D:

- Co-payments
- Monthly premiums

.10 Medigap

[For MA after 2013](#)
[See the EPM](#)

[Medicare Supplemental](#) Insurance is private insurance used to supplement Medicare. Medicare Supplemental Insurance pays some or all of the following:

- Medicare deductibles
- Per diem amounts
- Co-payments

Treat Medicare supplemental insurance as any other health insurance policy.

.11 Military Service TPL

[For MA after 2013](#)
[See the EPM](#)

Current or previous military service indicates the potential for health care through ANY of the following:

- Veterans Administration (VA)
- Department of Defense (DOD)
- Civilian Health and Medical Program of the Uniform Services (CHAMPUS)

WARNING

Do not treat veteran's pension adjustments for Unreimbursed Medical Expenses (UME) (as identified on their award letter) as TPL under any circumstances.

Military service includes ANY of the following:

- Active duty.
- Reserves or National Guard.
- Retired from active duty, Reserves, or National Guard.

WARNING

Participants called to active duty from the Reserves or National Guard have the same military health insurance as any other member of the U.S. Armed Forces on active duty. Key the TPL information on HEID to transmit to **AHCCCS**.

When the participant is discharged from active duty back to the Reserves or National Guard, other **TPL** sources must be considered. The discharge date **MUST** be keyed in the POLICY END DATE on **HEID** to transmit the TPL termination to AHCCCS.

.12 Participants in School

[For MA after 2013](#)
[See the EPM](#)

Students may have insurance available through their schools.

.13 Prepaid Contract Agreement

[For MA after 2013](#)
[See the EPM](#)

A prepaid contract agreement limits the amount the participant is responsible to pay. Such agreements include, but are not limited to, the following:

- Prepaid birth plan
- Prepaid dental contract

NOTE The [MD](#) family budgetary unit can only claim the amount of the prepaid liability unless services not specified in the agreement were provided.

A prepaid contract agreement may be deducted as an allowable MD expense in the month the contract service is provided.

.14 Private Health Insurance

[For MA after 2013](#)
[See the EPM](#)

Private health insurance is insurance purchased by an individual. This includes [Managed Care programs](#) such as, but not limited to, [HMO](#), [PPO](#), or [POS](#).

The insurance company is the responsible third party.

NOTE Insurance premiums paid to a health insurance company are an allowable expense deduction for the [MD](#) category.

.15 Recurring Medical Expenses

[For MA after 2013](#)
[See the EPM](#)

Participants being treated on a regular basis for the same medical condition may indicate that a participant pays for individual or group health insurance premiums, co-payments, or deductibles.

.16 Unions

[For MA after 2013](#)
[See the EPM](#)

Health insurance may be provided to a participant through membership in a union or an association.

C Third Party Liability (TPL) Verification - Overview

[For MA after 2013](#)
[See the EPM](#)

Third Party Liability (TPL) is verified through an interface between **FAA** and **AHCCCS**. Policy and procedures regarding TPL verification are outlined as follows:

- [FAA TPL Verification](#)
- [Interface TPL Verification](#)

.01 FAA TPL Verification

[REVISION 27](#)
(12/01/13 – 01/31/14)

[For MA after 2013](#)
[See the EPM](#)

When a potential source of Third Party Liability (TPL) is indicated, use the [verification process](#) to obtain the information to key on **HEID**. (See [Documentation Requirements](#) and [TPL Processing](#) for additional policy)

Deny only the responsible participant who refuses to cooperate in providing verification of a TPL source. Key the TP Denial or Closure Reason code to deny the participant.

WARNING

DO NOT DENY a participant who is unable to verify a TPL source.

Verification sources may include, but are not limited to, the following:

- Copy of the insurance card
- Copy of the insurance policy summary page with dates of the coverage period

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- Letter from the carrier verifying group and individual policy ID numbers
- Verification of Employment History (FA-053) form
- Collateral contact to the insurance carrier
- Court order or judgment

When a participant indicates they no longer have TPL, verify the following:

- The date the insurance policy stopped.
- The reason the insurance policy stopped.

When TPL stops complete the following on HEID:

- Key the date in the POLICY END DATE field.
- Key one of the following in the POLICY TERM REASON field:
 - V (voluntary) when the insurance policy stops for any of the following (see [Three Month Bare period](#)):
 - Voluntarily quits employment.
 - Resigns instead of being fired.
 - Non-payment of premium or does not re-enroll.
 - I (involuntary) when the insurance policy stops for any of the following:
 - Fired or laid off
 - Loses coverage when the employer stops benefits

.02 Interface TPL Verification

[For MA after 2013](#)
[See the EPM](#)

Third Party Liability (TPL) information keyed on HEID is transmitted via interface to AHCCCS. This occurs in any of the following situations:

- A new or renewal MA application is approved.
- New TPL information is keyed on HEID.
- Existing TPL information is changed.

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- [Demographic information](#) is changed in **AZTECS**.
- A participant with TPL is added to an active MA case.

AHCCCS verifies any TPL information keyed on HEID through an independent contractor and notifies **FAA** via interface of one of the following within 48 hours:

- Valid - The participant's TPL information is correct and updated information is provided.
- Not valid - TPL information does not exist or was not active in the past 12 months.
- Unmatched - TPL information was not received within 48 hours. Unmatched displays until one of the following occurs:
Information is received.
No information is received for 90 days.
- No Response - FAA considers TPL information invalid when no response is received after 90 days.

AHCCCS also checks the status of existing TPL throughout the calendar year. AHCCCS notifies FAA of the following:

- Existing TPL has terminated.
- An active participant has new TPL that was not known to AZTECS.

AZTECS automatically updates HEID with verified information and any new information. When this occurs, ACHI displays *TPL and the date of the update.

Review HEID with the PI at each MA renewal to verify the AHCCCS interface information received. AZTECS purges the invalid and no response information after 12 months.

D TPL Processing

REVISION 11
(01/01/10 –03/31/10)

[For MA after 2013](#)
[See the EPM](#)

Third Party Liability (TPL) information keyed on **HEID** is transmitted via interface to **AHCCCS**.

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The following fields MUST be keyed for TPL information on HEID to transmit to AHCCCS:

- CARRIER NAME

Key the insurance carrier's name exactly as it appears in the Carrier Name table in AZTECS [LISTCODE](#).

NOTE When the insurance carrier is not in the Carrier Name table send a [Code Request Turn Around Document](#) to the [PST](#) via e-mail.

- NAME (Policy holder)

- POLICY NUMBER

- SSN (Policy holder)

NOTE When the policy number is keyed, the policy holder's SSN is not required. When the policy holder's SSN is keyed, the policy number is not required.

- CREDITABLE INSUR

- POLICY TERM REASON

NOTE The CREDITABLE INSUR and POLICY TERM REASON fields are required for [KidsCare \(KC\)](#) referrals to AHCCCS.

AZTECS automatically updates HEID with information received from AHCCCS. (See [Interface Verification](#))

E Creditable Insurance

[For MA after 2013](#)
[See the EPM](#)

The participant may have group health insurance or other health insurance that is creditable. Creditable insurance includes, but is not limited to, the following:

- Individual or group health insurance provided through an employer, government or private plan

NOTE The insurance can be fee-for-service or through a [Managed Care program](#).

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- [Medicare Part A](#) and [Medicare Part B](#) insurance
- [Medicare Supplemental Insurance](#)

EXCEPTION

The following types of health coverage are NOT considered creditable insurance as the coverage is limited:

- Disability income insurance
- Hospital indemnity or fixed indemnity insurance
- Limited benefits such as dental, vision, or long term care coverage
- Specified disease or illness coverage
- Worker's Compensation

The participant's insurance MUST be verified as creditable or non-creditable, when questionable. Contact the insurance provider to verify whether the insurance is creditable.

When the participant has creditable insurance they are not eligible for [AHCCCS](#) Health Insurance for Parents or KidsCare.

WARNING

Health insurance IS NOT considered creditable in either of the following situations:

- The participant has out of state health insurance and care is not available in Arizona.
- The participant must travel at least 75 miles one way to obtain medical care.

When [TPL](#) is determined to be creditable or non-creditable, key the applicable code in the CREDITABLE INSUR field on [HEID](#) as follows:

- Y - Creditable Insurance
- N - Non-Creditable Insurance

F AHCCCS Medical Cost Recovery

REVISION 13
(07/01/10 – 09/30/10)

[For MA after 2013](#)
[See the EPM](#)

AHCCCS is entitled to recover their costs incurred in providing medical care when another party is found responsible for these costs. This may occur, but is not limited to, the following incurred medical expenses:

- A participant was injured
- A participant was involved in an accident
- A participant was involved in medical malpractice

There may be evidence that an MA participant has been injured or involved in an accident within the past three years and another party is or may be responsible for resulting costs. When this occurs, complete the Injury/Malpractice Referral (FAA-1147A) form. When the participant is determined eligible for MA, send the FAA-1147A to [Research and Analysis](#) (R&A).

NOTE Place a copy of the FAA-1147A in the [case file\(g\)](#) with the current application.

The types of coverage include, but are not limited to, the following:

- Accidental death and dismemberment insurance
- Automobile liability or medical insurance
- General liability insurance
- Worker's Compensation

When the information is not available, indicate UNKNOWN on the FAA-1147A and submit the form to R&A. Do not delay the eligibility determination.

G Three Month Bare Period

REVISION 11
(01/01/10 –03/31/10)

For MA after 2013
See the EPM

When creditable insurance is voluntarily stopped, the participant is not eligible for KidsCare for a period of three months after the health insurance stopped. This is referred to as the three month bare period.

The three month bare period and the date of eligibility is determined when both of the following are keyed on **HEID** for each participant:

- The date in the EXPIRATION DATE OF POLICY field
- The reason in the POLICY TERM REASON field

(See TPL Verification for additional policy)