

# NC Health Choice

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## OVERVIEW

### ***What is it?***

NC Health Choice is a free or reduced cost health insurance program for uninsured children birth through age 18.

### ***Who is it for?***

Children who have family incomes that are too high for Medicaid coverage, but equal to or less than 200% of the federal poverty guidelines.

### ***Where are applications taken?***

Applications are available through local Departments of Social Services or public health departments. Applications will also be available through many pediatricians offices, day care centers, schools and other non-profit agencies. Families can call 1-800-367-2229 to find the nearest place to get an application, or to receive an application by mail.

## INTRODUCTION

Congress created a new child health insurance program as part of the Balanced Budget Act of 1997. The child health insurance program, called NC Health Choice in North Carolina, provides comprehensive health benefits for certain uninsured children under age 19. To qualify, the child must be a resident of North Carolina, uninsured, ineligible for Medicaid, and have a family income that is equal to or less than 200% of the federal poverty guidelines. Children with family incomes in excess of 150% of the federal poverty guidelines have to pay a one-time enrollment fee and copayments for certain health services. There are no resource requirements in this program.

*Once a child is determined to be eligible for the program, the child will continue to receive insurance coverage for 12 months, unless the child obtains other health insurance coverage. This program is not an entitlement program, so children may be put on waiting lists if the state exhausts its funding; however the state expects that there is adequate funding to cover all uninsured children who qualify for this program.*

## BENEFITS/ SERVICES

### **Covered Benefits**

NC Health Choice provides children with comprehensive health insurance that covers most of a child's health care needs. There are some cost-sharing requirements for families with incomes above 150% of the federal poverty guidelines (see below). The insurance covers:

- *Hospital care.* Includes semiprivate room, medically necessary supplies, medications, laboratory tests, radiological services, operating and recovery rooms, and professional care.
- *Outpatient care.* Includes diagnostic services, therapies, laboratory services, x-rays, and outpatient services.
- *Physician and clinic services.* Including office visits.
- *Preventive services.* Covers four well-baby visits for children birth up to age one, three visits for children between one and two years of age, one visit for children between the ages of two and seven, and one visit every three years for children between the ages of seven and 18; immunizations are also covered.
- *Surgical services.* Includes standard surgical procedures, related services, surgeon's fees, and anesthesia (some surgical procedures require precertification).
- *Clinic services.* Includes services provided at health centers, school-based health centers, and other ambulatory health care facilities.
- *Prescription drugs.*
- *Laboratory and radiology services.*
- *Inpatient mental health services.* Requires precertification.
- *Outpatient mental health services.* Covers the first 26 outpatient visits/year (precertification required after 26 outpatient visits).
- *Durable medical equipment and supplies.* Covers certain equipment and supplies, such as wheelchairs, nebulizers or hospital beds which are medically necessary for the treatment of specific illnesses or injuries.
- *Vision.* Includes a routine eye examination once every 12 months, eyeglass lenses or contact lenses once every 12 months, replacement of eyeglass frames once every 24 months, and optical supplies and solutions.
- *Hearing.* Includes auditory diagnostic testing services and hearing aids and accessories (prior approval required for hearing aids and accessories).
- *Home health care.* Limited to patients who are homebound and need care that can only be provided by licensed health care professionals or when a physician certifies that the patient would otherwise be confined to a hospital or skilled nursing facility. Professional health care is covered, care provided by an unlicensed caregiver is not.
- *Nursing care.*
- *Dental care.* Includes oral examinations, teeth cleaning, and scaling twice during a 12-month period, full mouth x-rays once every 60 months (five years), bitewing x-rays of the back teeth once during a 12 month period, and routine fillings.
- *Inpatient substance abuse treatment and outpatient substance abuse treatment.* Coverage subject to the same limitations as mental health coverage.
- *Therapy.* Covers physical therapy, occupational therapy and speech therapy.
- *Case management and care coordination.*
- *Hospice care.*

Children with special needs may receive services beyond these listed if the services are medically necessary.

- *Prenatal care and childbirth* are not covered. Children who become pregnant. are eligible for Medicaid coverage. See Medicaid chapter.

## Children with Special Needs

Children with special health needs may be eligible for additional services, including case management. To qualify, the child must have a birth defect, developmental disability, chronic or complex illness that is likely to continue indefinitely, interferes with the child's daily routine, and requires extensive medical intervention or family management. Typically, a child will be evaluated to determine if he or she has a special health care need when a provider recommends services not normally covered by the NC Health Choice benefits package.

Children with special needs may receive the same services provided to Medicaid-eligible children, except that long-term care services are not covered and respite care is limited to emergency respite. In effect, children with special needs may receive additional therapy services, personal care services, or durable medical equipment not fully covered under the core NC Health Choice program. Children are not required to apply separately for additional services.

### APPLICATIONS

The state has developed a two-page application that families can use in applying for either the NC Health Choice program or Medicaid. Children will first be evaluated for Medicaid eligibility. If the family's income is too high, then the children will be evaluated to determine eligibility for the NC Health Choice program.

*Note: Children who are financially eligible for Medicaid can not obtain NC Health Choice coverage.*

Families may apply using mail-in applications found at county Departments of Social Services, health departments, many health care providers, and other human service agencies. In addition, the family may also file an application directly at the Department of Social Services. Assistance is available in filing out the application through local social services offices and at specially designated outstations (such as community, migrant and rural health centers and local health departments).

Applicants will be required to submit income verification (such as pay check, wage stubs or tax returns) and social security numbers for the children. Before children can be enrolled, families with incomes above 150% of the federal poverty guidelines must pay an enrollment fee of \$50 for one child or \$100 for two or more children to the county Department of Social Services (see below).

During the eleventh month of eligibility, the family will be sent a mail-in application form to renew coverage for their children. The enrollment fee must be paid annually for families with incomes in excess of 150% of the federal poverty guidelines.

### ELIGIBILITY REQUIREMENTS

#### General Eligibility Requirements

To be eligible, a child must be a resident of North Carolina, uninsured for a certain length of time, and have a family income within certain specified limits. Immigrants are subject to the same exclusions as in the Medicaid program (see Medicaid chapter). There are no resource eligibility requirements for this program.

## Uninsured

NC Health Choice is targeted to uninsured children who meet the eligibility requirements. Due to the limited funding and federal requirements of this program, children with existing private health insurance coverage can not qualify. In addition, to discourage families from dropping private health insurance coverage, children must have been uninsured for two months before they will qualify for NC Health Choice (called a “waiting period”).

The waiting period will be waived if the child lost Medicaid eligibility due to a change in family income, or has lost employer-sponsored health care coverage due to a termination of employment, cessation by the employer of employer-sponsored health coverage, or cessation of the employer’s business.

## Income Eligibility

The income eligibility limits vary depending on the number of people in the family’s household and the age of the child. To qualify, the family’s countable monthly income must fall within the ranges listed below. Children in families with incomes below these limits will qualify for Medicaid (see Medicaid chapter).

*Note: Families with more than one child should look at the income guidelines for each child separately. Some families may have children who qualify for Medicaid and as well as children who qualify for NC Health Choice.*

Family Size	Age of Child					
	Under age 1		1-5		5-18	
	Medicaid	NC Health Choice	Medicaid	NC Health Choice	Medicaid	NC Health Choice
1	\$1271	\$1272 - \$1374	\$914	\$915 - \$1374	\$687	\$688 - 1374
2	1706	1707 - 1844	1226	1227 - 1844	922	923 - 1844
3	2140	2141 - 2314	1539	1540 - 2314	1157	1158 - 2314
4	2575	2576 - 2784	1851	1852 - 2784	1392	1393 - 2784
5	3010	3011 - 3254	2164	2165 - 3254	1627	1628 - 3254
6	3445	3446 - 3724	2477	2478 - 3724	1862	1863 - 3724
7	3879	3880 - 4194	2789	2790 - 4194	2097	2098 - 4194
8	4314	4315 - 4664	3102	3103 - 4664	2332	2333 - 4664
Each add'l child	435	436 - 470	313	314 - 470	235	236 - 470

*Example:* A family of four with two children (ages six months and seven) with a countable monthly income of \$2000 would have one child eligible for Medicaid (because the family income for a family of four with a child under the age of one is less than \$2,538), and one child eligible for NC Health Choice. The younger child will maintain Medicaid eligibility for 12 months, and then will qualify for NC Health Choice if the family remains income eligible.

These income guidelines are revised on April 1st of every year. These are the income guidelines in effect through March 31, 2000.

## **Fees**

Families with incomes above 150% of the federal poverty guidelines will be required to pay an annual enrollment fee, plus certain copayments. There are no fees or copayments for families with lower incomes.

### ***Enrollment fee***

The enrollment fee is \$50 for one child, or \$100 for two or more children. The enrollment fee must be paid before a child can obtain coverage. There are no monthly premiums in this program.

### ***Copayments***

- \$5 for each physician visit, clinic visit, dental or optometry visit. There are no copayments for preventive services such as screenings or immunizations
- \$5 for each outpatient hospital visit
- \$6 for each prescription
- \$20 for unnecessary use of the emergency room

### ***150% of the federal poverty guidelines***

Only families with incomes in excess of 150% of the federal poverty guidelines are required to pay an annual enrollment fee or copayments:

<b>Family Size</b>	<b>150% of FPG Monthly Limits (1998)</b>
1	\$1,030
2	1,383
3	1,735
4	2,088
5	2,440
6	2,793
7	3,145
8	3,498

Each additional person      add \$353

These guidelines are in effect until March 31, 2000.

## **PRIORITIZATION SYSTEM**

If funds run short, the state will serve children on a first-come, first-serve basis.

## **APPEAL RIGHTS**

There are several different appeals processes, depending on whether the family is appealing an eligibility determination or service denial. Families who are appealing eligibility determinations have the same appeal rights afforded to Medicaid recipients (see Medicaid chapter).

Issues that arise over the coverage of a particular service are handled differently.

- *Denials of regularly covered services.* Children or their families can appeal denials of covered service to the NC State Employees and Teachers Major Comprehensive Medical Plan (State Employees Health Plan). If the family is dissatisfied with the outcome of this initial appeal, they can appeal further to the Board of Trustees of the State Employees Health Plan. Questions about these appeals should be addressed to: 919-733-9623.
- *Denials of services for children with special needs.* Children with special needs who are denied coverage for additional services can appeal to the Children and Youth Section, Division of Women's and Children's Health, NC Department of Health and Human Services. Questions about these appeals should be addressed to: 919-737-3028 .

**FINANCING** The program is financed by the federal and state governments. The federal government pays approximately 74% of program costs, the state pays approximately 26%.

**ADMINISTRATION** The program is administered through the NC Division of Medical Assistance. Claims are paid through the North Carolina State Employees and Teachers Comprehensive Major Medical Plan.

**SOURCES OF LAW** Federal statute: PL 105-33 (Title XXI of the Social Security Act)  
State statute: GS 108A-70.18 et. seq.

**FOR MORE INFORMATION** Division of Medical Assistance  
NC Department of Health and Human Services  
1985 Umstead Dr.  
PO Box 29529  
Raleigh, NC 27626-0529  
919-857-4262

<http://www.sips.state.nc.us/DHR/DMA/cpcont.htm>

Tollfree hotline: 1-800-367-2229

Services for the deaf and hard of hearing: 1-800-976-1922 (TTY)