



The Arc Guide to Cost Effective Health Insurance (CEHI)

When applicants are requesting Medical Assistance (MA) coverage, they must disclose if they are enrolled in or have access to private insurance on the healthcare application. To determine if other entities are responsible for providing coverage or paying medical costs, county agencies must evaluate private policies to which applicants may have access. The “Cost Effective Health Insurance” process can benefit both the applicant and the county: the applicant may be eligible for MA to cover private insurance costs like co-pays, deductibles and coinsurance, and the county may save public funds by helping the applicant maintain private insurance coverage primary to MA by covering out-of-pocket costs.

Cost Effective Coverage

Cost effective coverage is other health coverage for which the amount paid for premiums, co-pays, deductibles and other costs is likely to be less than what MA would pay for an equivalent set of services.

Eligible insurance policies could include, but are not limited to:

- Group healthcare coverage (for eligible employees through their employer)
- Individual healthcare coverage
- COBRA
- Medicare (Part A & Part B)
- TRICARE (insurance for military personnel and their families)

Process

Applicants looking for MA, MinnesotaCare or a Qualified Health Plan must complete an online MNSure application (www.mnsure.org) or a paper MNSure application (<http://mn.gov/dhs/general-public/publications-forms-resources/edocs/index.jsp>; search for “DHS 6696”).

Applicants with certified disabilities looking for disability-based MA, MA for Employed Persons with Disabilities or help paying Medicare costs must complete an “Application for Certain Populations” (<http://mn.gov/dhs/general-public/publications-forms-resources/edocs/index.jsp>; search for “DHS 3876”) and return it to their county of residence along with required proofs.

On each of the above applications, applicants must provide information about other coverage that they are enrolled in or have access to. Applicants note the policyholder’s name, policy number, insurance company name, type of insurance (i.e., medical, vision or dental), start/end dates and any dependents covered by the policy. Applicants also need to submit copies of health insurance cards to the processing agency.

For further information or advocacy services, contact The Arc Greater Twin Cities at 952-920-0855 or visit www.arcgreatertwincities.org. Thank you!

This document is not legal advice, and should not be construed as such. Thus, no information herein should replace the sound advice of an attorney.



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When the county financial worker processes the healthcare application, they will make a referral to the county's Cost Effective unit for follow-up. A Cost Effective worker sends the applicant a notice and packet of information to complete and return. (Please note: the forms each county uses may vary slightly).

Forms include:

- *Cost Effective Insurance Information – Employer or Insurance Company*
(<http://mn.gov/dhs/general-public/publications-forms-resources/edocs/index.jsp>; search for “DHS 2841”)
 - Applicants /enrollees provide this form to their employer’s Human Resources representative or to their insurance company’s agent.
- *Cost Effective Insurance Referral Applicant/Enrollee*
(<http://mn.gov/dhs/general-public/publications-forms-resources/edocs/index.jsp>; search for “DHS 2841B”)
 - Applicants/enrollees complete and return this form, with copies of Explanation of Benefits from the past year, to their county agency.

Once all forms are returned to the Cost Effective unit, the worker reviews the policy and makes a cost effective determination. The worker notifies the applicant of the county’s decision by mail.

- If the policy is deemed cost effective, the applicant is required to stay enrolled in the private plan and is eligible to have MA reimburse co-pays, deductibles, premiums and coinsurance.
- If the policy is not cost effective, the applicant may disenroll from the private plan and get all coverage through MA.

Premium Reimbursement

- Counties may either pay premium reimbursements directly to the employer/insurance provider or to the policyholder/applicant.
- Applicants/enrollees must provide verification of premiums paid using a paystub or other acceptable proof clearly showing the premium amount, such as a bank statement.
- Premium reimbursements are paid only for MA eligible applicants/enrollees in a household (with some exceptions).

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Additional Information

Applicants/enrollees who are enrolled in a cost effective policy are excluded from receiving their MA services and coverage through a Managed Care Organization. They receive Fee for Service or “straight” MA. (See the *Arc Guide to Managed Care* for more information.)

If an applicant/enrollee’s private insurance changes for any reason, they must notify the county agency immediately. Cost Effective workers may need additional information to review the policy and make a new cost effective determination.

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