

## Arc Guide to Cost Effective Health Insurance (CEHI)

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When applicants apply for Medical Assistance (MA) for themselves or a family member, on the MA application they must let the county know if they are enrolled in or can get private insurance coverage. County agencies must evaluate private insurance policies that applicants may have and/or have available to them in order to determine if the private insurance policy is responsible for providing coverage or paying medical costs.

### Cost Effective Coverage

Cost effective coverage is private 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 a similar set of services.

Private healthcare coverage could include, but isn't limited to:

- Group healthcare coverage (for eligible employees through their employer)
- Health insurance purchased by the individual
- COBRA (Consolidated Omnibus Budget Reconciliation Act)\*
- Medicare (Part A & Part B)
- TRICARE (insurance for military personnel & their families)

Adults applying for themselves who are eligible for health insurance through their employer must cooperate by enrolling in the plan and stay enrolled when the employer is determined to be cost effective or they may lose MA coverage.

### Process

Applicants looking for MA, MinnesotaCare or a Qualified Health Plan complete an online MNsure application ([www.mnsure.org](http://www.mnsure.org)) or a [paper MNsure application](#).

Applicants with certified disabilities looking for disability-based MA, MA for Employed Persons with Disabilities (MA-EPD) or help paying Medicare costs complete an [Application for Certain Populations \(DHS 3876\)](#) and return it to their county of residence along with required proofs that are listed on the application.

Applicants must provide information about other coverage that they are enrolled in or have available to them. Applicants note the policyholder's name, policy number, insurance company name, type of insurance (i.e. medical, vision, dental), start/end dates and any family members covered by the policy. Applicants also need to submit copies (front and back) of health insurance cards with their application.

When the county financial worker processes the healthcare application, they make a referral to that 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. Applicants return completed forms to their county's Cost Effective unit. They may be asked to send copies of Explanations of Benefits (EOBs) or other information to their county as well.

Applicants may receive the forms listed below or they may receive other forms their county agency uses for the cost effective determination process.

For further information or advocacy services, contact The Arc Minnesota at 952-920-0855 or toll-free at 833.450.1494 or visit [www.arcminnesota.org](http://www.arcminnesota.org). (Please note: *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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- If the applicant's private insurance coverage is through their or a family member's employer, they receive [DHS 3767 "Request for Group Health Plan Information."](#)
- If the applicant or their family member purchased a private insurance policy from an insurance company or through MNsure, they receive [DHS 3767B "Request for Individual Health Plan Information."](#)

Applicants may call their county's Cost Effective unit with questions about filling out the forms.

Once the county Cost Effective unit receives the forms and processes them, the applicant will be notified by mail if their private insurance policy has been determined "cost effective" or not.

- If the insurance is determined to be cost effective the applicant:
  - must stay enrolled in the private insurance policy. It pays first, and MA pays second (MA may cover services the private insurance policy does not).
  - will be reimbursed for the applicant's private insurance premium cost or may have premium paid directly to the employer or insurance provider.
  - will have their private insurance deductible, co-pays and co-insurance covered by MA.
  - will have "straight" / "Fee for Service" MA coverage.
- If the insurance is determined to be not cost effective the applicant:
  - may drop their private insurance coverage and stay enrolled in MA only.
  - will not be reimbursed for any private insurance costs.
  - may appeal the decision. The notice the county mails has important appeal information and timelines.

Enrollees should call their financial worker when their private insurance changes.

### Resources

\*<http://www.health.state.mn.us/hmo/cobra.htm>

[Minnesota Health Care Programs Eligibility Policy Manual "Cost Effective Insurance"](#)

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