

441—86.5(514I) Effective date of coverage.

86.5(1) *Initial application.* Coverage for a child who is determined eligible for the hawki program on the basis of an initial application for either hawki or Medicaid shall be effective the first day of the month following the month in which the application is filed, regardless of the day of the month the application is filed. However, when the child does not meet the provisions of paragraph 86.2(4) “a,” coverage shall be effective the first day of the month following the month in which health insurance coverage is lost. Also, a one-month waiting period shall be imposed for a child who is subject to a monthly premium pursuant to paragraph 86.8(2) “c” when the child’s health insurance coverage ended in the month of application. EXCEPTIONS: A waiting period shall not be imposed if any of the following conditions apply:

- a. The child is moving from Medicaid to hawki.
- b. The child has a medical condition that, without medical care, would cause serious disability, loss of function, or death.
- c. The cost of health insurance coverage for the child exceeds 5 percent of the family’s gross income. The cost of health insurance for the child shall be the difference between the premium for coverage with and without the child.
- d. The health insurance was provided through an individual plan.
- e. The child’s health insurance coverage was lost due to:
 - (1) Domestic violence.
 - (2) Divorce or death of a parent.
 - (3) An involuntary loss of employment that qualified the parent for dependent coverage, including but not limited to layoff, business closure, reduction in hours, or termination.
 - (4) A job change to a new employer that does not offer the parent dependent coverage or that requires a waiting period before children can be enrolled in dependent coverage.
 - (5) Utilization of the maximum lifetime coverage amount.
 - (6) Expiration of coverage under COBRA.
 - (7) Discontinuation of dependent coverage by the parent’s employer.
 - (8) A reason beyond the control of the parent, such as a serious illness of the parent, fire, flood, or natural disaster.
- f. The child’s parent is determined eligible for advance payment of the premium tax credit for enrollment in a qualified health plan through the Health Insurance Marketplace because the employer-sponsored insurance in which the family was enrolled is determined unaffordable in accordance with 26 CFR 1.36B-2(c)(3)(v).
- g. The cost of family coverage that includes the child exceeds 9.5 percent of the annual household income.

86.5(2) *Referrals from Medicaid.*

- a. Cancellation of Medicaid. Coverage for children who are determined eligible for the hawki program due to cancellation of Medicaid benefits shall be effective the first day of the month after Medicaid eligibility is lost in order to ensure that there is no break in coverage. However, when such a child does not meet the provisions of paragraph 86.2(4) “a,” coverage shall be effective the first day of the month following the month in which health insurance coverage is lost.
- b. EXCEPTION: If the child lost Medicaid eligibility solely because of the loss of income disregards from the implementation of the modified adjusted gross income methodology, the child may be covered under the hawki program for up to 12 months following the loss of Medicaid eligibility, regardless of the presence of other health insurance coverage.

86.5(3) *Annual renewals.* Coverage for children who are determined eligible for the hawki program on the basis of an annual renewal shall be effective the first day of the month following the month in which the previous enrollment period ended.

86.5(4) *Children added to an existing hawki enrollment period.* Coverage for children who are determined eligible for the hawki program on the basis of a request from the family to add the child to an existing enrollment period shall be effective the first day of the month following the month in which the request was made. However, if the child does not meet the provisions of paragraph 86.2(4) “a,” coverage

shall be effective the first day of the month following the month in which health insurance coverage is lost unless the child is subject to a one-month waiting period in accordance with paragraph 86.2(4) “b.”

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