OMB #: 0938-0707
Exp. Date:

REDLINE FORM

MODEL APPLICATION TEMPLATE FOR STATE CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT STATE CHILDREN'S HEALTH INSURANCE PROGRAM

1.4 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment **(42 CFR 457.65)**:

Effective date:
Original State Plan – February 1, 1998
Amendment 1 – Establishment of ALL Kids: October 1, 1998
Amendment 2 – Establishment of ALL Kids PLUS: October 1, 1999
Amendment 3 – Disregards: June 1, 2001
Amendment 4 - Compliance: August 24, 2001
Amendment 5 – Waiting List, Cost Sharing, Benefit Changes: October 1, 2003
Amendment 6 – Discontinuance of the Waiting List and other Clean-Up changes November 23, 2004
Amendment 7 – Raise the upper income eligibility limit to 300% of FPL and other minor changes: October 1, 2009
Amendment 8 – Include a private foundation grant as an additional source of state funding: October 27, 2009
Amendment 9 – Establishment of a Prospective Payment System for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs): October 1, 2009;
Addendum on Dental Benefits Under Title XXI: October 1, 1998
Amendment 10 – Eligibility for children of employees of a public agency (state employees and public education employees): January 1, 2011
Amendment 11 – Provisions for Implementing Temporary Adjustments to Enrollment Determination and/or Redetermination Policies and Cost Sharing Requirements for Applicants/Renewals living in and/or working in FEMA or Governor declared disaster areas at the time of a disaster event. In the event of a disaster, the State will notify CMS of the intent to provide temporary adjustments to its enrollment and/or redetermination policies, the effective and duration dates of such adjustments and the FEMA or Governor declared disaster counties/areas. ~~impacted by the disaster~~. Effective: April 15, 2011

Implementation date:

Original State Plan – February 1, 1998
Amendment 1 – Establishment of ALL Kids: October 1, 1998
Amendment 2 – Establishment of ALL Kids PLUS: October 1, 1999
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Amendment 9 – Establishment of a Prospective Payment System for Federally Qualified Health Centers (FQHCs) and Rural Health Clinics (RHCs): August 25, 2010;
Addendum on Dental Benefits Under Title XXI: October 1, 1998
Amendment 10 – Eligibility for children of employees of a public agency (state employees and public education employees): January 20, 2011
Amendment 11 – Provisions for Implementing Temporary Adjustments to Enrollment Determination and/or Redetermination Policies and Cost Sharing Requirements for Applicants/Renewals living in and/or working in FEMA or Governor declared disaster areas at the time of a disaster event. In the event of a disaster, the State will notify CMS of the intent to provide temporary adjustments to its enrollment and/or redetermination policies, the effective and duration dates of such adjustments and the FEMA or Governor declared counties/areas . ~~impacted by the disaster~~.
Implementation Date: April 15, 2011

4.3. Describe the methods of establishing eligibility and continuing enrollment. **(Section 2102)(b)(2)) (42CFR 457.350)**

Applying the ALL Kids Eligibility Standards

The eligibility standards for initial enrollment are as follows:

Under 19 years of age
From just above the upper Medicaid income eligibility level (133% of FPL for children under 6 years old and 100% of FPL for children aged 6-18) to and including 300% FPL
Not be enrolled in or eligible for Medicaid

Not covered by another group health insurance policy or have had coverage voluntarily terminated within the last 90 days (exceptions to this can be found in Sections 4.1.7 and in 4.4.4.3)

~~Not eligible for state health benefits coverage under a state health benefits plan~~

Not in an institution

Resident of Alabama

Citizen of the US or an eligible "immigrant" child (The definition of an eligible immigrant child is the definition described in the January 14, 1998 "Dear State Health Official" letter from HCFA and HRSA. This letter indicates that any child born in the United States is a citizen and eligible to receive services funded by CHIP in addition to:

- **All legal immigrant children who were in the US before August 22, 1996,**
- **Refugees, asylees and certain Cuban, Haitian and Amerasian immigrants,**
- **Unmarried, dependent children of veterans and active duty service members of the Armed Forces, and**
- **Legal immigrants arriving on or after August 22, 1996, and in continuous residence for 5 years.**

Applying the ALL Kids PLUS Eligibility Standards

The eligibility standards for initial enrollment are as follows:

Be enrolled in the basic ALL Kids Program

Have a condition for which a PLUS service is available

Be in need of a PLUS agency authorized ALL Kids PLUS service for which the participating agency has funds available

Redetermination Process

Redetermination (renewal) is completed every 12 months. For renewal, all of the preceding standards apply and in addition, the family must be current with any outstanding premium balances. In order to facilitate continuous coverage, notices of any premium balances owed are sent to the family periodically throughout the year including a premium notice sent with the renewal form. ~~A "coming soon" postcard is sent to the family ten weeks prior to the renewal date.~~ The preprinted renewal form is sent to the family eight weeks prior to renewal, and a ~~second postcard is sent as a~~ reminder notice is sent at six weeks prior to the renewal date. Once the renewal form is received, it is processed in exactly the same way as a new application is processed, including a check on Medicaid status and insurance coverage with Blue Cross Blue Shield of Alabama (current and in the past three months.)

At the State's discretion additional time may be allowed for enrollees to complete the renewal process as a result of a disaster event. Additionally, the State may also waive outstanding premium balances for enrollees/applicants living in and/or working in FEMA or Governor declared disaster areas at the time of a disaster event.

Organization and Infrastructure Responsible for Making and Reviewing Eligibility Determinations

The CHIP enrollment unit is responsible for making and reviewing eligibility determinations for ALL Kids. See Attachment C for a description of the CHIP enrollment unit. For ALL Kids PLUS, the Department will contract with the state agencies who serve CSHCN/C not only to supply the financial match but also to conduct ALL Kids PLUS enrollment procedures and to annually redetermine authorization for ALL Kids PLUS benefits the child is receiving.

Process for Enrollment

The ALL Kids enrollment unit receives ALL Kids applications from numerous sources (families, hospitals, doctors' offices, etc.). The enrollment unit staff review and input data from the application into an automated system which reviews the data for eligibility and, if appropriate, prompts the staff to enroll the child in the ALL Kids system. If an incomplete application is received, the staff contacts the family (by telephone and/or letter) in an attempt to obtain the necessary information. The enrollment unit sends enrollment notification to the insurance plan which the family/child has chosen. Once the enrollment transaction has been completed, the vendor supplies the family with enrollment materials including an insurance card, explanation of benefits, and information on locating providers. The enrollment unit also sends the family premium payment information as appropriate.

If the child is thought to be ineligible for ALL Kids due to possible eligibility for Medicaid ~~or the Alabama Child Caring Foundation~~, the enrollment unit staff sends the application and/or automated data to the Alabama Medicaid Agency ~~or Alabama Child Caring Foundation, as appropriate~~. Medicaid ~~or the Alabama Child Caring Foundation~~ assumes processing of the application following their usual rules and procedures. The CHIP enrollment unit notifies the family of its actions. This process works in the reverse if the application is processed initially through Medicaid ~~or the Alabama Child Caring Foundation~~. If the child is found to be ineligible for any other reason, the CHIP enrollment unit notifies the family.

ALL Kids PLUS enrollment procedures are conducted by each participating PLUS agency which serves or potentially serves the child. Enrollment procedures will consist of two elements - financial and health-need-based. When a child is referred to an authorizing agency, that agency determines whether or not funds are available to serve the child's need. If funds are available and the child's need(s) can be met by that agency, the child may be enrolled in ALL Kids PLUS through that agency and a case manager is assigned to the child. If the child needs services provided by another authorizing agency, the case manager makes a referral for enrollment with the second agency. The case manager may change depending upon the child's needs.

ALL Kids uses the same application form as SOBRA Medicaid ~~and the Alabama Child Caring Foundation~~.

4.3.1 Describe the state's policies governing enrollment caps and waiting lists (if any). **(Section 2106(b)(7)) (42CFR 457.305(b))**

Check here if this section does not apply to your state.

There are no public notice state laws regarding enrollment caps and waiting lists in ~~S~~CHIP. Due to insufficient state funds, ALL Kids initiated a waiting list beginning with all new enrollees who would have had an effective date October 1, 2003. Public and enrollee notices about the waiting list were issued during the month of September 2003 prior to the impact of the waiting list. On August 23, 2004, ALL Kids reopened enrollment and discontinued use of the waiting list.

If during the year funds are not available at sufficient levels for coverage of all children to income levels described in Section 4.1.3 and funding is projected to be depleted before the end of the fiscal year, it is the State's intent to place eligible children on a waiting list until adequate funding becomes available to resume enrollment. Alabama will provide public notice through press releases, written communication with stakeholders and stakeholder groups, presentations, and written communication from the program to all applicant families whose child(ren) is/are placed on the waiting list.

When a waiting list is implemented, the program has and will continue to receive new applications. These applications will be screened for Medicaid eligibility and then reviewed for ALL Kids eligibility. If a child appears, from the application form, to be eligible for Medicaid, the form will be sent to the Medicaid Agency. ~~If a child appears not to be eligible for Medicaid or ALL Kids but eligible for the Alabama Child Caring Foundation, the form will be sent to that program.~~ Each family whose child is placed on the waiting list will be notified, by letter, of this placement. The notification letter will also contain information stating that the parent may wish to contact Medicaid ~~and/or the Alabama Child Caring Foundation~~ if his situation changes and he believes that his child may be eligible for Medicaid~~one of these programs~~. ~~The letter will also notify the parent that any child on the waiting list is eligible for the Alabama Child Caring Foundation. The letter will further encourage the parent to request that ALL Kids send a copy of his child's application to the Alabama Child Caring Foundation.~~ If the child remains on the waiting list for longer than three (3) months, the family will be periodically notified via letter that the child's name is still on the waiting list.

If the State is using a waiting list, children will be enrolled on ALL Kids from the waiting list on a first on–first off basis as funding permits. When attrition has lowered program enrollment to a level at which there are sufficient state funds to re-open enrollment, children will be removed from the waiting list (on a first on first off basis) and enrolled in ALL Kids. Children who are removed from the waiting list whose application information is greater than 90 days old will be asked to complete a form updating changes in information on their family size, income, and other points of eligibility. Upon receipt of the form, ALL Kids enrollment staff will evaluate the child's eligibility for ALL Kids. Then, either the child will be enrolled in ALL Kids or, based on the information on the form, the information will be sent to the Medicaid Agency ~~or the Alabama Child Caring Foundation~~ and the family will be notified that the child has been referred to ~~another health insurance program~~ Medicaid.

Children who have current enrollment in ALL Kids will be allowed to continue to renew their enrollment as long as they continue to meet all points of eligibility and have their renewal forms and premium balances paid in full prior to the termination dates.

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge and the service for which the charge is imposed or time period for the charge, as appropriate.
(Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) &(c), 457.515(a)&(c))

There will not be any cost sharing of any type for families who are Native Americans or Alaskan Natives. For all other families cost sharing will be as follows in 8.2.1. and 8.2.3.:

8.2.1. Premiums:

There are three (3) categories of enrollees: No Fee (Native Americans and Alaskan Natives). Low-Fee (children with family incomes from the base through 150% FPL), and Fee (children with family incomes from 151% FPL through 300% FPL). There is no cost sharing for children in the NO Fee group. There is a $50 premium per child, per year for children in the Low-Fee group. There is a $100 premium per child, per year for children in the Fee group. Premiums can be paid in one payment or in periodic payments (weekly, monthly, quarterly…) throughout the year. A family's total premium payments do not exceed three times the individual premium rate (i.e. $150 or $300 depending upon the income level of the family). Enrollment data systems do not allow for a family to be billed in excess of these amounts. Outstanding premium balances may be waived at the State's discretion for applicants/enrollees living or working in FEMA or Governor declared disaster areas.

8.7 Please provide a description of the consequences for an enrollee or applicant who does not pay a charge. **(42CFR 457.570 and 457.505(c))**

At ten months into the enrollment period, the family is sent renewal materials which include a statement regarding any outstanding premium payment due along with the date current coverage terminates. Premium payments may be received at anytime throughout the enrollment period. However, if premiums are not paid in full by the end of the enrollment period, the child will not be eligible for renewal. An exception to this is made for families who have filed for bankruptcy during the enrollment year. At the time of renewal, if a family requests that its premium balance be forgiven, forgiveness will be granted if the family submits proof of bankruptcy status. Premiums will be removed 24 months after an enrollee's coverage end date unless the child turned 19 while on the program in which case the premium is removed 12 months after the enrollee's coverage end date. The state does not participate in collection action or impose benefit limitations if enrollees do not pay copayments/coinsurance.

In the event of a disaster, the State may also waive outstanding premium balances upon request at renewal for families living or working in FEMA or Governor declared disaster areas at the

time of a disaster event. If a family requests an outstanding premium balance to be waived, the balance will be waived if the family is determined to have been living or working in FEMA or Governor declared disaster areas based on self-declared application information or other documentation provided by the family.

8.7.1 Please provide an assurance that the following disenrollment protections are being applied:

X State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, copayments, coinsurance, deductibles or similar fees prior to disenrollment. **(42CFR 457.570(a))**

At one month, four months, seven months, and 10 months, families are notified of any outstanding premium payments. They are notified that premiums must be paid in full in order to renew at the end of the enrollment period.

X The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-payment of cost-sharing charges. **(42CFR 457.570(b))**

The amount of family income written on the renewal form is reviewed by enrollment workers at the time of renewal. If it is known to ALL Kids that a family is experiencing financial difficulty, the ALL Kids Social Work Consultant and/or ALL Kids Regional staff may assist the family in locating assistance ~~from~~ for premium payment. Non-payment of premiums is forgiven if the family provides proof of bankruptcy status during the enrollment period or if the family has been affected by disaster events (living or working in FEMA or Governor declared disaster areas at the time of a disaster event).

X In the instance mentioned above, that the state will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. **(42CFR 457.570(b))**

At the time of renewal, if the family's income has dropped but is still above the Medicaid eligibility level, if the decision is made to forgive the unpaid premium(s), the child is renewed and placed in the appropriate ALL Kids category. If a family's income has dropped below the ALL Kids eligibility level, the application is automatically sent to Medicaid.

X The state provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. **(42CFR 457.570(c))**

This type of grievance is handled in the same impartial manner in which other grievances are handled as described in Attachment D.

9.10. Provide a one year projected budget. A suggested financial form for the budget is attached. The budget must describe: **(Section 2107(d)) (42CFR 457.140**

- Planned use of funds, including --
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
  - Assumptions on which the budget is based, including cost per child and expected enrollment.
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.

CHIP Budget Plan FY2011

Enhanced FMAP rate 77.98	Federal Fiscal Year Costs	Non-Federal plan expenditures
Benefit Costs		
Insurance payments		
Managed care		
Fee for Service	$ 200,872,650	
Total Benefit Costs	**$ 200,872,650**	
(Offsetting beneficiary cost sharing payments)	$ (4,851,777)	
Net Benefit Costs	**$ 196,020,873**	
Administration Costs		
Personnel	$ 5,372,994	
General administration	$ 2,180,963	
Contractors/Brokers (e.g., enrollment contractors)	$ 0	
Claims Processing	$ 0	
Outreach/marketing costs	$ 2,100,000	
Other	$ 723,409	
Total Administration Costs	**$ 10,377,366**	
10% Administrative Cost Ceiling	$ 21,780,097	
Federal Share (multiplied by enh-FMAP rate)	$ 160,949,347	
State Share	$ 45,448,892	
TOTAL PROGRAM COSTS	**$ 206,398,239**	

State funding comes from three sources: State General Fund appropriations, Tobacco Settlement funds, and a private grant. A Robert Wood Johnson Foundation (RWJF) grant was awarded to Alabama to increase enrollment and retention of eligible children in Alabama's health insurance programs, known as ALL Kids and SOBRA Medicaid (the Alabama Medicaid program for pregnant women and children). The grant is for $994,883 and the award dates are February 15, 2009 - February 14, 2013.

Adding eligibility for children of employees of public agencies is projected to

increase program enrollment by 12,000 members in FY2011. The increased enrollment would increase program costs by approximately $14 million with this increase reflected in the figures above. Average per member per month claims cost is $200.73.

Based on actuarial analysis the State does not anticipate any notable budgetary impact for FY2010 resulting from transitioning to PPS due to the relatively small percent of program claims expenditures attributable to FQHCs and RHCs. However, the State expects PPS expenditures to be higher than what was projected for fee for service expenditures to FQHCs and RHCs based on this analysis. For FY 2010, fee for service expenditures to FQHCs and RHCs are estimated to be between $402,000 - $431,000 with approximately 2,613- 2,750 medical visits and 719-757 dental visits. Replacing the cost of each visit with PPS rates, total projected expenditures become $459,000 - $483,000, resulting in approximately $52,000 – $56,000 more dollars.

It is estimated 55,000 members will utilize dental services during FY2010.

Implementation of provisions to temporarily extend the renewal period up to 90 days and waive outstanding premium balances due to disaster events for enrollees living in or working in FEMA or Governor declared disaster areas is not expected to have an impact on the budget. The program anticipates those who renew coverage would have likely renewed coverage within the given timeframe if not for the disruption due to the disaster event.