

**NORTH CAROLINA TITLE XXI PROGRAM
FACT SHEET**

Name of Plan:	North Carolina CHIP Program
Plan Submitted:	May 14, 1998
Plan Approved:	July 14, 1998
Plan Effective Date:	October 1, 1998
Amendment #1 Submitted:	October 21, 1998
Amendment #1 Approved:	January 15, 1999
Amendment #1 Effective:	September 30, 1998
Amendment #2 Submitted:	March 26, 1999
Amendment #2 Approved:	June 23, 1999
Amendment #2 Effective:	March 12, 1999
Amendment #3 Submitted:	July 12, 1999
Amendment #3 Approved:	September 30, 1999
Amendment #3 Effective:	July 1, 1999
Amendment #4 Submitted:	August 3, 2000
Amendment #4 Approved:	October 19, 2000
AI/AN Cost Share Exemption Effective:	May 1, 2000
Special Needs Children Effective:	October 1, 2000
Amendment #5 Submitted:	November 21, 2000
Amendment #5 Approved:	February 16, 2001
Amendment #5 Effective:	January 1, 2001
Amendment #6 Submitted:	October 12, 2001
Amendment #6 Approved:	January 9, 2002
Amendment #6 Effective:	October 8, 2001
Amendment #7 Submitted:	March 1, 2005
Amendment #7 Approved:	June 30, 2005
Amendment #7 Effective:	August 24, 2001 and February 1, 2004
Amendment #8 Submitted:	February 28, 2006
Amendment #8 Approved:	May 10, 2006
Amendment #8 Effective:	January 1, 2006

Background

- On May 14, 1998, North Carolina submitted its Title XXI State plan, which created a separate State health insurance program to provide coverage to uninsured children whose family income does not exceed 200 percent of the Federal poverty level (FPL). Enrollees whose annual income increases above 200 percent of the FPL to 225 percent of the FPL will be allowed to buy into the program for one year at full cost.

Title XXI Amendments

- North Carolina submitted its first amendment request on October 21, 1998. This amendment reflected State legislation amending the definition of "uninsured" so that the State's required period of uninsurance would not apply to children who had coverage through the Caring Foundation, which coverage had ceased. This amendment was approved on January 15, 1999.
- North Carolina submitted a second amendment on March 26, 1999. This amendment reflected the change in North Carolina General Statute, which expands the acceptable sites for the delivery of clinic services to include School-Based Health Centers. This amendment was approved on June 23, 1999.
- North Carolina submitted a third amendment on July 12, 1999. This amendment reflected changes in North Carolina's General Statute, which allowed the expansion of the dental services benefit by providing fluoride applications, sealants, simple extractions, therapeutic pulpotomies, and prefabricated stainless steel crowns. This amendment was approved on September 30, 1999.
- North Carolina submitted its fourth amendment on August 3, 2000. This amendment eliminated cost sharing for documented Native Americans and exempted special needs children from the 2-month waiting period of uninsurance required for program eligibility if health insurance benefits have been terminated due to a long-term disability or substantial reduction in or limitation of lifetime medical benefits or benefit category. This amendment was approved on October 19, 2000.
- North Carolina submitted its fifth amendment on November 21, 2000. This amendment established a freeze on new program enrollment effective January 1, 2001, at which time enrollment was approximately 72,000. North Carolina lifted the freeze on new enrollment effective October 8, 2001.
- North Carolina submitted its sixth amendment on October 12, 2001. This amendment reopens the program to all eligible enrollees by ending the active waiting list effective October 8, 2001. The amendment also eliminates the 60-day period of uninsurance currently called for in the State's Title XXI plan.

- North Carolina submitted its seventh amendment on March 1, 2005. This amendment updates and amends the CHIP state plan to indicate compliance with the final CHIP regulations. The amendment also changes cost sharing for prescription drugs.
- North Carolina submitted its eighth amendment on February 28, 2006. This amendment creates a title XXI Medicaid Expansion Program for children from birth through age 5 with family income up to 200 percent of the Federal poverty level (FPL), and will move children in this age range from their current separate CHIP into this Medicaid expansion; delivers services to children in the Medicaid expansion through the Medicaid primary care case management delivery system; limits enrollment in the State's separate SCHIP to children ages 6 through 18 years with family income up to 200 percent of the FPL; limits enrollment growth in the separate CHIP to three percent every 6 months (enrollment on January 1, 2006 was 104,835); establishes notification requirements for implementation of an enrollment cap; and creates a computer-based waiting list for new applicants whose applications cannot be approved because of the enrollment cap.

Children Covered Under the Program

- The State reported that 251,653 children were ever enrolled in CHIP in FFY 2008.

Administration and Phases

- The program is managed through the North Carolina Department of Health and Human Services. The State Employees Health Plan administers benefits and claims processing. Local departments of social services make eligibility determinations.

Health Care Delivery System

- The delivery system for children in the Medicaid expansion program is Medicaid primary care case management delivery system.
- The delivery system for children in the separate child health program is fee for service with some managed care options. Optional Prepaid Health Plans (Health Maintenance Organizations) are available under the State Employees Health Plan, but require additional premium contributions. These plans can choose to eliminate these additional premiums, and therefore participate in Title XXI.

Benefit Package

- Children in the Medicaid expansion program receive the North Carolina Medicaid benefit package.

- The benefit package for children in the separate child health program is the State employee coverage provided through the State Employees Health Plan, plus Medicaid-equivalent benefits for Special Needs Children. Dental, optical, and hearing services are also provided.

Cost Sharing

- Families with incomes between 150 and 200 percent of the FPL will be required to pay a \$50 enrollment fee for one child or \$100 per family for two or more children.
- Families with incomes at or below 150 percent of the FPL will be required to pay the following copayments: \$1 for generic drugs, \$1 for brand drugs when no generic is available, and \$3 for brand drugs when a generic is available. Total copayments will not exceed \$14 per family per month.
- Families with incomes above 150 percent of the FPL will be required to pay the following copayments: \$1 for generic drugs, \$1 for brand drugs when no generic is available, and \$10 for brand drugs when a generic is available; \$5 for physician visits, clinic visits, dental visits, outpatient hospital visits and optometry visits (with the exception of preventative services for which there will be no copayment); and \$20 for unnecessary emergency room use. Total cost sharing will not exceed the statutory cap of 5 percent of gross annual income.
- The Division of Medical Assistance will notify the State Employees Health Plan, through the eligibility information system (EIS), of the limit to the amount of copayments a child may have in order to ensure that the annual aggregate cost sharing for a family does not exceed 5 percent of the family's annual income. The State Employees Health Plan will track the amount of copayments paid by a family and will notify the family when that limit has been met. Families can then take the notification on visits to providers so that they are not charged further copayments.

Coordination between NC Health Choice with Medicaid

- The State uses the same eligibility determination mechanism for both Medicaid and CHIP. Eligibility determinations are made by local departments of social services. During the application process, the existing Title XIX EIS is queried to ascertain if the child has Medicaid coverage. If not, the application is first processed for Title XIX eligibility. Should the child be determined ineligible, then Title XXI eligibility is pursued.

Crowd-Out Strategy

- The applicant must not be covered under any private or employer-sponsored, creditable health insurance plan on the date of enrollment into the program. Cases that qualify due to dropping private insurance will be electronically coded so the

state may determine if the “crowd out” rate is impacted. Each case is processed through a system to match the family to the primary insurance providers in North Carolina. In addition, the claims processor runs periodic screens to double check the child’s insurance coverage. If creditable insurance coverage is found, the claim is denied.

Outreach Strategy

- Outreach is coordinated at the State level through existing public/private partnerships, particularly through collaborative implementation efforts between local departments of health and social services. The statewide guidance for this effort is provided through a committee co-chaired by the Division of Medical Assistance and the Division of Women and Children's Health.

Financial Information

Total FFY' 09 SCHIP Allotment - \$241,660,100
FFY '09 Enhanced Federal Matching Rate – 75.22%

Date last updated: CMS, CMSO, FCHPG, DSCHI, September 1, 2009