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State/Territory Name: Pennsylvania

State Plan Amendments (SPA) #: PA-14-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) SPA Summary Form
- 3) Approved SPA Pages

The complete title XXI state plan for Pennsylvania consists of the most recent state plan posted on Medicaid.gov under CHIP and State Plan Amendments. The link is provided below. The following approved templates are in addition to, or replace sections of the state's posted current state plan. The attached approval letter(s) explain how these templates fit into that state plan.

Link to state title XXI state plans and amendments: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-State-Program-Information.html>

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

JAN 29 2015

Franca M. D'Agostino
Executive Director
Pennsylvania Insurance Department
Bureau of Children's Health Insurance Program (CHIP)
1142 Strawberry Square
Harrisburg, PA 17120

Dear Ms. D'Agostino:

I am pleased to inform you that the Centers for Medicare & Medicaid Services has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number PA-14-0001 submitted on June 20, 2014. This SPA relates to Modified Adjusted Gross Income (MAGI) Eligibility and has an effective date of January 1, 2014.

In SPA number PA-14-0001, page CS15 provides assurance that the state will apply methodologies based on MAGI for all separate CHIP covered groups. Page CS7 indicates that, using the approved MAGI conversion plan income thresholds, the state will cover targeted low-income children. Page CS10 allows the state to cover children who have access to public employee coverage and updates the supporting documentation. Page CS13 indicates that the state elects to cover children born to mothers enrolled as targeted low-income children in CHIP as deemed newborns. These pages are attached to this letter and should be incorporated into the current CHIP state plan according to the table below. Where the current CHIP state plan contains relevant information, the new pages should replace and supersede the corresponding information throughout the current state plan.

| New State Plan Page | Impact on Current State Plan Section |
|--|--|
| CS15: MAGI-Based Income Methodologies | Section 4.3: Add new subsection; supersede information in Section 4.1.3 on income counting |
| CS7: Targeted Low-Income Children | Sections 4.1.1, 4.1.2, 4.1.3: Supersede all |
| CS10: Children Who Have Access to Public Employee Coverage | Section 4.4.1: Supersede information on dependents of employees of a public agency |
| CS10: Hardship Exception | Appendix: Supersede current documentation |
| CS13: Deemed Newborns | Section 4.3: Add new subsection; supersede information in Section 4.1.9 on CHIP deeming |

Your title XXI project officer, Ms. Ticia Jones, is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Jones' contact information is as follows:

Centers for Medicare & Medicaid Services

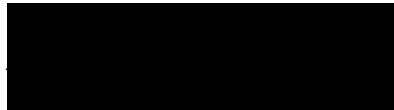
Center for Medicaid and CHIP Services
Mail Stop: S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-8145
Facsimile: (410) 786-5882
E-mail: Ticia.Jones@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Jones and to Mr. Francis McCullough, Associate Regional Administrator (ARA) in our Philadelphia Regional Office. Mr. McCullough’s address is:

Centers for Medicare & Medicaid Services
The Public Ledger Building, Suite 216
150 South Independence Mall West
Philadelphia, PA 19106

If you have additional questions, please contact Ms. Kelly Whitener, Director, Division of State Coverage Programs, at (410) 786-0719. We look forward to continuing to work with you and your staff toward the approval of your remaining MAGI Eligibility SPAs.

Sincerely,



Eliot Fishman
Director

Enclosure

cc:

Mr. Francis McCullough, ARA, CMS Region III, Philadelphia

Control Panel

General Information

File Management

Tribal Input

Summary

Children's Health Insurance Program Eligibility: Summary Page

State/Territory Pennsylvania

name: **Transmittal Number:**

Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.

PA-14-0001

Type of SPA:

- MAGI Eligibility & Methods
- XXI Medicaid Expansion
- Establish 2101(f) Group
- Eligibility Processing
- Non-Financial Eligibility

Proposed Effective Date

01/01/2014 (mm/dd/yyyy)

Federal Statute/Regulation Citation

2102(b)(1)(B)(v) of the SSA and 42 CFR 457.310, 315 and 320

Federal Budget Impact

- This SPA has a budget impact.

Total budget impact:

State Funds: \$

Federal Funds: \$

Subject of Amendment

Please provide a brief summary of SPA changes.

Character Count: 389 out of 2000

This SPA changes the minimum and maximum income limits for each of the three age groupings of CHIP children; provides coverage to children who have access to public employee coverage if the family meets the state's hardship requirements; provides coverage to a newborn born to a CHIP covered child; and

Signature of State Agency Official

Submitted By: William Shaffer

Last Revision Date: Oct 23, 2014

Submit Date: Jun 20, 2014

BACK

CONTINUE



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program MAGI-Based Income Methodologies

CS15

2102(b)(1)(B)(v) of the SSA and 42 CFR 457.315

- The CHIP Agency will apply Modified Adjusted Gross Income methodologies for all separate CHIP covered groups, as described below, and consistent with 42 CFR 457.315 and 435.603(b) through (i).

In the case of determining ongoing eligibility for enrollees determined eligible for CHIP on or before December 31, 2013, MAGI-based income methodologies will not be applied until March 31, 2014 or the next regularly-scheduled renewal of eligibility, whichever is later.

If the state covers pregnant women, in determining family size for the eligibility determination of a pregnant woman, she is counted as herself plus each of the children she is expected to deliver.

In determining family size for the eligibility determination of the other individuals in a household that includes a pregnant woman:

- The pregnant woman is counted just as herself.
- The pregnant woman is counted just as herself, plus one.
- The pregnant woman is counted as herself, plus the number of children she is expected to deliver.

Financial eligibility is determined consistent with the following provisions:

When determining eligibility for new applicants, financial eligibility is based on current monthly income and family size.

When determining eligibility for current beneficiaries, financial eligibility is based on:

- Current monthly household income and family size.
- Projected annual household income for the remaining months of the current calendar year and family size.

In determining current monthly or projected annual household income, the state will use reasonable methods to:

- Include a prorated portion of the reasonably predictable increase in future income and/or family size.
- Account for a reasonably predictable decrease in future income and/or family size.

Except as provided at 42 CFR 457.315 and 435.603(d)(2) through (d)(4), household income is the sum of the MAGI-based income of every individual included in the individual's household.

Household income includes actually available cash support, exceeding nominal amounts, provided by the person claiming an individual described at §435.603(f)(2)(i) as a tax dependent.

No

- The CHIP Agency certifies that it has submitted and received approval for the conversion for all separate CHIP covered group income standards to MAGI-equivalent standards.

An attachment is submitted.

PRA Disclosure Statement

JAN 29 2015



CHIP Eligibility

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 50 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program Eligibility - Targeted Low-Income Children

CS7

2102(b)(1)(B)(v) of the SSA and 42 CFR 457.310, 315 and 320

Targeted Low-Income Children - Uninsured children under age 19 whose household income is within standards established by the state.

The CHIP Agency operates this covered group in accordance with the following provisions:

Age

Must be under age 19.

Income Standards

Income standards are applied statewide. Yes

Are there any exceptions, e.g. populations in a county which may qualify under either a statewide income standard or a county income standard? No

Statewide Income Standards

Begin with lowest age range first.

Please note that the lower bound for CHIP eligibility should be the highest standard used for Medicaid poverty-level children for the same age group or groups entered here.

| | From Age | To Age | Above (% FPL) | Up to & including (% FPL) | |
|---|----------|--------|---------------|---------------------------|---|
| + | 0 | 1 | 215 | 314 | X |
| + | 1 | 6 | 157 | 314 | X |
| + | 6 | 19 | 133 | 314 | X |

Age ranges may overlap. If there is an overlap, provide an explanation. Include the age ranges for each income standard that has overlapping ages and the reason for having different income standards.

The lower bound income standard for the 6 - 19 age group is equal to 133% FPL instead of the MAGI conversion rate of 119% based on the rules in the final regulation that we should use 133% if it is greater than the converted rate (119%). Children with incomes over the age of 1 with incomes equal to or less than 208% of FPL will be in Free CHIP.

Special Program for Children with Disabilities

Does the state have a special program for children with disabilities? No

JAN 29 2015



CHIP Eligibility

PRA Disclosure Statement

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V.20130709



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program Eligibility - Children Who Have Access to Public Employee Coverage CS10

Sec. 2110(b)(2)(B) and (b)(6) of the SSA

Children Who Have Access to Public Employee Coverage - Otherwise eligible targeted low-income children who have access to public employee coverage on the basis of a family member's employment.

The CHIP Agency operates this covered group in accordance with the following provisions:

Select one of the following conditions as described in Section 2110(b)(6) of the Social Security Act:

- Maintenance of agency contribution as provided in 2110(b)(6)(B) of the SSA.
- Hardship criteria as provided in section 2110(b)(6)(C) of the Social Security Act.

Coverage under this option is extended to children whose household income is:

Select one of the options for the income standard when compared to Targeted Low Income Children

- The same as the standards for Targeted Low-Income Children
- Lower than the income standards for Targeted Low-Income Children

Indicate whether coverage under this option is extended to all children who have access to public employee coverage, or only certain children:

- All children who have access to public employee coverage
- Certain children who have access to public employee coverage:
 - Employees of certain public agencies.
 - Certain types of public employees.

| | Describe type of public employees | |
|----------|--|----------|
| + | This will affect public employees that are part time or seasonal who work enough hours to become eligible for health care benefits, but not enough hours to be eligible for full-time benefits. Such employees contribute an amount determined by the Fund's Trustees toward the cost of the coverage with no state subsidy for their dependent children. Children of those employees whose contributions exceed five percent of their household's annual gross income will meet the hardship exemption. | X |

Attach methodology the state has used to calculate financial hardship.

An attachment is submitted.

The state provides assurance that the state will, on an annual basis, recalculate the financial status to determine if the hardship condition continues to be met.

Children who are eligible for public employee health benefits coverage who are not described above are excluded from eligibility under the plan.



CHIP Eligibility

- Children considered to have access to public employee coverage, and therefore not excluded from CHIP through this option, otherwise meet the definition of targeted low-income child provided at 42 CFR 457.310.

PRA Disclosure Statement

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V.20130917

Hardship Exception for Children of Pennsylvania Public Employees

Pennsylvania CHIP continues to choose to provide coverage to children of employees of a public agency in the state who meet the hardship exception as defined in P.L. 111-148 Section 10203(d)(2)(D). This will only impact those employees that are part time or seasonal who work enough hours to become eligible for health care benefits, but not enough hours to qualify for full-time benefits. Such employees contribute an amount determined by the Fund's Trustees toward the cost of the coverage. Children of those employees whose contributions exceed five (5%) percent of their gross income will meet the hardship exemption.

PEBTF's 2013 Open Enrollment documentation (that's the current enrollment for 2014 calendar year) shows:

Part time employees: HMO Family Option is \$309.72 biweekly (x 26 biweekly pays = \$8,052.72 annually).

For a family to NOT meet the hardship exception, they would need to have a gross annual household income of \$160,054 and higher. Incomes below this amount would qualify to meet the hardship exception regardless of additional copays.

PEBTF's HMO option is cheaper than the PPO option which is \$347.26 biweekly if hired before 8/1/03 and \$384.80 biweekly if hired on or after 8/1/03.

We compare against the HMO option.

For the past 12 months (June 2013 through May 2014), 32 children were found to meet the requirements of the exception.

JAN 29 2015



CHIP Eligibility

OMB Control Number: 0938-1148

Expiration date: 10/31/2014

Separate Child Health Insurance Program Eligibility - Deemed Newborns

CS13

Section 2112(e) of the SSA and 42 CFR 457.360

- Deemed Newborns** - Children born to targeted low-income pregnant women are deemed to have applied for and be eligible for CHIP or Medicaid until the child turns one.

- The state operates this covered group in accordance with the following provisions:

- The child was born to an eligible targeted low-income pregnant woman under section 2112 of the SSA.
- The child is deemed to have applied for and been found eligible for CHIP or Medicaid, as appropriate, as of the date of the child's birth, and remains eligible without regard to changes in circumstances until the child's first birthday.

The state elects the following option(s):

- The state elects to cover as a deemed newborn a child born to a mother who is covered as a targeted low-income child under the state's separate CHIP on the date of the newborn's birth.
- The state elects to recognize a child's deemed newborn status from another state and provides benefits in accordance with the requirements of section 2112(e) of the SSA.
- The state elects to cover as a deemed newborn a child born to a mother who is covered under Medicaid or CHIP through the authority of the state's section 1115 demonstration on the date of the newborn's birth.

PRA Disclosure Statement

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JAN 29 2015