

**09/07/09 Response to August 28, 2009 Request for Additional Information on
Rhode Island CHIP SPA #7**

Section 4.1.5 – Residency

- 1. In your response to our question on the response to determine if the applicant intends to stay in the State, the response indicated that the applicant would self-declare and that “legal permanent resident children would be treated no differently than any other group in that regard.” Do you mean that the non-citizens covered under section 214 are “lawfully residing aliens”?**

Yes, lawfully residing aliens.

- 2. Please describe how the State would undertake to determine State residence if evidence appears to contradict the recipient’s declaration. This is equally applicable with respect to the requirement in 214 to determine immigration status at the annual redetermination of eligibility.**

The State does not want to be paying for individuals **not** residing in the State, whether on initial application or upon the annual redetermination of eligibility, even though they may be individuals who are “lawfully residing aliens” **in the United States**. If evidence of residency appears to contradict the recipient’s declaration, further documentation will be required to clear up the matter or it will be turned over to the Fraud Detection Unit for further investigation .

Section 9.10 – Budget

- 1. In our August 12 letter CMS asked the State to explain why children who are legal permanent residents have a net benefit cost of \$298.07 in FFY2010 but “other covered populations” have a net benefit cost of \$325.24. Your response indicated that net benefit cost benefit for “other covered populations” includes unborn children who are currently in the state plan and pregnant women whose eligibility in the state plan is pending. Also, the net benefit cost is higher because it includes SOBRA costs associated with labor and delivery.**

Please remove the costs for unborn children and pregnant women, including SOBRA labor and delivery costs and recalculate and resubmit the per member per month rate.

The revised budget is attached.

- 2. Please verify that the proposed enrollment will not change as a result of clarifying the populations that will be eligible under the SPA.**

The proposed enrollment will not change. In making this verification, it needs to be understood that the proposed enrollment is not a proposed “cap” on enrollment. It represents the State’s best judgment as to how many lawfully residing children (as allowed by CHIPRA) could be found eligible under the CHIP State Plan in FFY 2010. Enrollment would only be “capped” for CHIP should the State reach its Federal CHIP allotment.

3. Please revise the budget to reflect the corrected PMPMs and enrollment numbers as needed.

A revised budget is attached reflecting the revised pmpms for “other covered populations” by removing the unborn children and pregnant women and their associated SOBRA costs.

Addition of SCHIP coverage for legally present children as allowed under CHIPRA (SPA #7)	LPR CHILDREN AGES 0-18 FPL 0 - 250%	LPR CHILDREN AGES 0-18 FPL 0 - 250%	OTHER COVERED POPULATIONS SCHIP eligible children	Total
	QUARTER ENDED SEPT 2009	FFY2010	FFY2010	FFY2010
State's enhanced FMAP rate	66.81%	66.84%	66.84%	66.84%
Member Months	3,846.00	15,384.00	166,059.08	181,443.08
Benefit Costs				
Payments to Managed Care Plans	\$712,237	\$2,884,461	\$27,877,141	\$30,761,602
Insurance Payments (RItShare)				
<i>per member/per month rate @ # of eligibles</i>	\$185.19	\$187.50	\$167.87	\$169.54
Fee for Service	\$148,559	\$594,238	\$9,089,533	\$9,683,770
Total Benefit Costs	\$860,797	\$3,478,699	\$36,966,674	\$40,445,373
Offsetting beneficiary cost sharing payments (Prem Coll'n)	0	0		
Net Benefit Costs	\$860,797	\$3,478,699	\$36,966,674	\$40,445,373
<i>per member/per month rate @ # of eligibles</i>	\$223.82	\$226.12	\$222.61	
Administration Costs				
Personnel	\$288,856	\$61,778	\$656,495	\$718,273
General administration	\$235,049	\$50,271	\$534,205	\$584,476
Contractors/Brokers	\$1,235,910	\$264,329	\$2,808,900	\$3,073,229
Claims Processing	\$43,910	\$9,391	\$99,798	\$109,189
Outreach/marketing costs	\$2,412	\$516	\$5,483	\$5,999
Other	\$1,114	\$238	\$2,530	\$2,768
Total Administration Costs	\$95,644	\$386,522	\$4,107,412	\$4,493,934
10% Administrative Cap	\$95,644	\$386,522	\$4,107,408	\$4,493,930
Federal Share	\$638,998	\$2,583,514	\$27,453,917	\$30,037,430
State Share	\$317,443	\$1,281,707	\$13,620,166	\$14,901,873
TOTAL COSTS OF APPROVED SCHIP PLAN	\$956,441	\$3,865,221	\$41,074,082	\$44,939,303