Amendment Request for Idaho's 1115 Demonstration

Title XIX Non-Pregnant, Childless Adult Waiver Approved Period: January 1, 2010 – September 30, 2014

I. SUMMARY

Idaho has supported an approved premium subsidy program since 2004. The programs have experienced significant evolution since their implementation. The Children's Access Card implemented as a statewide section 1115 Demonstration in 2004. The adult subsidy program, Access to Health Insurance, was added under an amendment in 2005. The objective of the programs has historically been to make health insurance more affordable by providing premium subsidy to families and individuals with incomes at or below 185 percent of the Federal Poverty Level (FPL). The programs were originally funded by a premium tax implemented by the State and Title XXI funding from the Federal Government.

The programs target small businesses (2-50 employees) that do not offer a health benefit plan. The State provides up to \$100 per month in assistance per enrolled employee, spouse or child. The assistance is paid to offset each participant's share of the employer-sponsored health insurance premium, with a maximum of \$500 per month per family. In July 2006, the program was amended to require a 50 percent employer contribution toward the cost of the health benefit plan.

The passage of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), required the State to remove the non-pregnant childless adults from Title XXI funding no later than December 31, 2009. In response, Idaho submitted an amendment request to the Centers for Medicare and Medicaid Services (CMS) to move the eligible non-pregnant childless adults into a section 1115 Demonstration under Title XIX funding. CMS approved Idaho's request and the premium assistance to Non Pregnant, Childless Adults Demonstration was implemented for the period of January 1, 2010, through September 30, 2014. The Title XXI waiver was most recently renewed for the period of September 1, 2010, through September 30, 2013.

After September 30, 2013, coverage will end for the adults receiving title XXI premium assistance. Idaho is requesting CMS approval to transition these adults to title XIX coverage for the period of October 1, 2013, through December 31, 2013. This will allow these beneficiaries to maintain coverage until they are able to access premium subsidy support through the health insurance exchange in January 2014.

II. BUDGET NEUTRALITY

This change will result in cost savings since the maximum amount paid for monthly premiums is \$100, as compared to a per member per month amount of approximately \$700 for direct title XIX coverage for adults under Idaho's basic benchmark plan. The state has completed the attached budget neutrality spreadsheet supplied by CMS.

III. STATE'S PROPOSED CHANGES TO THE STANDARD TERMS AND CONDITIONS

The State proposes to amend the Title XIX Standard Terms and Conditions to include former Access Card Parents as outlined below:

1. Program Description, Objectives and Eligibility Criteria to include criteria for this new demonstration population as follows:

Add population called "Premium Assistance to Access Card Parents". This population to consist of: Adults, ages 19-64 currently enrolled in Idaho's Title XIX section 1115 Children's Access Card Demonstration as of September 30, 2013.

- Have income between 133 185% of FPL
- Have a child (children) eligible for Medicaid or CHIP
- U.S. citizens/legal residents
- Residents of Idaho
- Not otherwise eligible for coverage through the State Plan
- Not eligible for Medicare or Veterans benefits
- Employed by a small business (2-50 employees) or are the spouse of an employee in a small business
- Only covered under Medicaid through the section 1115 Demonstration

There is no resource limit for this demonstration population.

2. The State proposes to update the benefit definition to include the following description:

The sole benefit provided to Premium Assistance to Access Card Parents, formerly covered under the Title XXI Demonstration, is assistance in paying the employee's share and/or employee's spouse's share of the monthly premium cost of qualifying employer-sponsored insurance (ESI) plans, for the period of October 1, 2013 – December 31, 2013

3. The State proposes to freeze enrollment beginning October 1, 2013.

4. The State proposes an update to Reporting Requirements as follows:

The monthly, quarterly and annual enrollment reporting requirements to include the addition of a new demonstration population called: "Premium Assistance to Access Card Parents".

Please see proposed revisions, attached.

Amendment Request for Idaho's Title XXI Demonstration

Title XXI Children's Access Card Demonstration Waiver Approved Period: September 1, 2010 – September 30, 2013

I. SUMMARY

Idaho has supported an approved premium subsidy program since 2004. The programs have experienced significant evolution since their implementation. The Children's Access Card implemented as a statewide section 1115 Demonstration in 2004. The adult subsidy program, Access to Health Insurance, was added under an amendment in 2005. The objective of the programs has historically been to make health insurance more affordable by providing premium subsidy to families and individuals with incomes at or below 185 percent of the Federal Poverty Level (FPL). The programs were originally funded by a premium tax implemented by the State and Title XXI funding from the Federal Government.

The programs target small businesses (2-50 employees) that do not offer a health benefit plan. The State provides up to \$100 per month in assistance per enrolled employee, spouse or child. The assistance is paid to offset each participant's share of the employer-sponsored health insurance premium, with a maximum of \$500 per month per family. In July 2006, the program was amended to require a 50 percent employer contribution toward the cost of the health benefit plan.

The passage of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), required the State to remove the non-pregnant childless adults from Title XXI funding no later than December 31, 2009. In response, Idaho submitted an amendment request to the Centers for Medicare and Medicaid Services (CMS) to move the eligible non-pregnant childless adults into a section 1115 Demonstration under Title XIX funding. CMS approved Idaho's request and the premium assistance to Non Pregnant, Childless Adults Demonstration was implemented for the period of January 1, 2010, through September 30, 2014.

The Title XXI waiver was most recently renewed for the period of September 1, 2010 through September 30, 2013. After September 30th, coverage will end for the adults receiving title XXI premium assistance. The children whose families are receiving title XXI premium assistance will be forced to move to direct CHIP coverage for this time period and then face an additional transition of coverage (on January 1, 2014 under the full implementation of the Affordable Care Act) to either direct coverage under Title XIX, Title XXI or through premium assistance under the Health Insurance Exchange. The state requests an extension of this waiver for the period of October 1, 2013 – December 31, 2013 for these children in order to minimize disruption in coverage for these families.

Demonstration participants ages 6-18 with family incomes between 100 - 133% of FPL will be eligible for direct coverage under Title XIX in January 2014 under the eligibility changes mandated by the Affordable Care Act.

Families with children ages 0-18 with incomes above 133% of FPL will have the choice to enroll their children in subsidized (family or individual) coverage through the health insurance exchange or elect direct coverage for their children under Title XXI.

Allowing these families to maintain the same form of coverage during the bridge period will allow for a single and relatively uncomplicated transition to exchange or expansion coverage, rather than multiple transitions with high potential for negative impacts on their health care.

II. BUDGET NEUTRALITY

This change will result in cost savings since the maximum amount paid for monthly premiums is \$100, as compared to a per member per month amount of approximately \$150 for direct coverage.

III. STATE'S PROPOSED CHANGES TO THE STANDARD TERMS AND CONDITIONS

The State proposes to amend the Title XXI Standard Terms and Conditions as follows:

- 1. Remove Demonstration Population 3 (adult population), effective October 1, 2013.
- 2. Extend Title XXI Coverage for Populations 1 and 2 through December 31, 2013.
- 3. Update Reporting Requirements to exclude adult population measurements.

Please see proposed revisions, attached.