

**ARIZONA TITLE XXI PROGRAM
FACT SHEET**

Name of Plan:	KidsCare
Date Plan Submitted:	June 23, 1998
Date Plan Approved:	September 18, 1998
Date Plan Effective:	October 1, 1997
Date Amendment #1 Submitted:	February 23, 1999
Date Amendment #1 Approved:	May 21, 1999
Date Amendment #1 Effective:	January 1, 1999
Date Amendment #2 Submitted:	May 26, 1999
Date Amendment #2 Approved:	August 23, 1999
Date Amendment #2 Effective:	October 1, 1999
Date Amendment #3 Submitted:	September 27, 1999
Date Amendment #3 Approved:	December 1, 1999
Date Amendment #3 Effective:	November 1, 1998
Date Amendment #4 Submitted:	October 31, 2000
Date Amendment #4 Approved:	January 26, 2001
Date Amendment #4 Effective:	October 1, 2000
Date Amendment #5 Submitted:	March 29, 2001
Date Amendment #5 Withdrawn:	April 10, 2001
Date Amendment #6 Submitted:	August 17, 2001
Date Amendment #6 Approved:	November 15, 2001
Date Amendment #6 Effective:	October 1, 2001
Date Amendment #7 Submitted:	June 27, 2002
Date Amendment #7 Approved:	September 19, 2002
Date Amendment #8 Submitted:	September 22, 2003
Date Amendment #8 Approved:	December 16, 2003
Date Amendment #8 Effective:	October 1, 2003
Date Amendment #9 Submitted:	January 14, 2004
Date Amendment #9 Approved:	April 2, 2004
Date Amendment #9 Effective:	February 1, 2004/July 1, 2004

Background

- On June 23, 1998, Arizona submitted a title XXI plan to extend health coverage through a separate child health program (KidsCare) to children in families with gross incomes up to 150 percent of the Federal poverty level (FPL) not otherwise eligible for Medicaid. As part of this plan, the income limit was to automatically increase to 175 percent of the FPL on July 1, 1999, then to 200 percent of the FPL on July 1, 2000.
- Under the State's pre-existing Medicaid program, the Arizona Health Care Cost Containment System (AHCCCS), children in families with the following income limits are covered: up to 140 percent of the FPL for children under age 1, up to 133 percent of the FPL for children ages 1 to 6, and up to 100 percent of the FPL for children age 6 or over born after September 30, 1983.

Amendments

- Arizona submitted its first amendment on February 23, 1999, to add circumstances in which a child would not be guaranteed an initial 12 months of continuous coverage.
- Arizona submitted its second amendment on May 26, 1999, to impose premiums on children in families with income above 150 percent of the FPL, effective October 1, 1999. The amendment also revised the phase-in of higher income limits to a single increase to 200 percent of the FPL effective October 1, 1999.
- Arizona submitted its third amendment on September 27, 1999, to target the reporting requirements regarding quality indicators, strategic objectives, and performance goals to the assurances and reports required by title XXI. On October 26, the State requested that two additions be made to this amendment: 1) a clarification that cost sharing of any kind will not be imposed on American Indians; and, 2) a request that children who have reached the lifetime limit on private insurance be considered uninsured for title XXI eligibility purposes.
- Arizona submitted its fourth amendment on October 31, 2000, to accept parental declaration of income for the KidsCare program.
- Arizona submitted its fifth amendment on March 29, 2001. It was withdrawn by the State on April 10, 2001.
- Arizona submitted its sixth amendment on August 17, 2001, to reduce the required period of uninsurance from 6 months to 3 months, waive the period of uninsurance requirement for children who are seriously or chronically ill, and establish a process for a hardship exemption for disenrollment due to non-payment of premiums. The amendment also removes eyeglass limitations, adds non-emergency transportation, and removes the 30-day limitations on inpatient and outpatient behavioral health stays so that the benefit package is equal to the Medicaid package.

- Arizona submitted its seventh amendment on June 20, 2002. This amendment updated and amended the SCHIP state plan to indicate the State's compliance with the final SCHIP regulations.
- Arizona submitted its eighth amendment on September 22, 2003. This amendment increases monthly premiums for enrollees with incomes above 175 percent of the FPL and eliminates copayments for all enrollees.
- Arizona submitted its ninth amendment on January 14, 2004. This amendment increases monthly premiums for KidsCare enrollees with family incomes above 150 percent of the FPL, effective February 1, 2004. This amendment also imposes premiums on KidsCare enrollees with family incomes above 100 to 150 percent of the FPL, effective July 1, 2004.

Children Covered Under Program

- The State reported that 90,468 children were ever enrolled in KidsCare during Federal fiscal year 2003.

Administration

- This program is administered by the State Medicaid agency, the Arizona Health Care Cost Containment System (AHCCCS).

Health Care Delivery System

- Arizona provides KidsCare services through established AHCCCS health plans. American Indians may choose to receive services through the Indian Health Service (IHS), 638 tribal facilities, or one of the AHCCCS plans.

Benefit Package

- The benefit package is the Medicaid benefit package. If an American Indian selects the IHS or a tribal facility, AHCCCS provides any KidsCare services not provided by these entities on a fee for service basis off-reservation.

Cost Sharing

- The monthly premium amounts are \$10 for one child and \$15 total for two or more children in families with income at or above 100 percent through 150 percent of the FPL.
- The monthly premium amounts are \$20 for one child and \$30 total for two or more children in families with income above 150 percent through 175 percent of the FPL.
- The monthly premium amounts are \$25 for one child and \$35 total for two or more children in families with income above 175 percent through 200 percent of the FPL.

- There is a hardship exemption to the disenrollment process for non-payment of premiums. The hardship criteria include uncovered medically necessary expenses or insurance premiums for non-SCHIP eligible household members that exceed 10 percent of the household's countable income, unanticipated major expenses related to maintenance of shelter or transportation to work, and death of a household member.

Coordination Between SCHIP and Medicaid

- The State uses a joint application for KidsCare and Medicaid. Medicaid screening is part of the KidsCare eligibility determination process. Records of KidsCare eligibility are maintained in a database that is also used for Medicaid eligibility. Current Medicaid eligibility is checked before determining KidsCare eligibility. Medicaid eligibility always overrides KidsCare eligibility.

Crowd-Out Strategy

- Children must be without group health insurance for 3 months in order to be eligible for KidsCare. Eligibility workers will obtain a declaration as to whether the family member or employer has voluntarily discontinued employer-sponsored dependent insurance coverage in order to allow a child to participate in KidsCare. Exceptions to the 3-month period of uninsurance will be granted for newborns, for children who lost coverage due to a parent's involuntary loss of employment, for children who have reached the lifetime limit on private insurance coverage, and for children who are seriously or chronically ill.
- AHCCCS monitors substitution under its Quality Control and Quality Assurance process to analyze the extent to which applicants drop other health coverage.

Outreach Activities

- Education regarding KidsCare is conducted through collaborative arrangements with other state, county and city agencies as well as programs that conduct education in rural and inner-city areas.
- Education efforts and the distribution of applications are targeted to those Agencies, organizations and other entities that currently serve targeted low-income children. Organizations distributing the applications and information about KidsCare are offered training to assist with completing the application form and collecting information. An applicant may also receive assistance to complete the application form by calling the AHCCCS 24-hour toll-free number.

Financial Information

Total FFY '04 Allotment -- \$87,023,654
FFY '04 Enhanced Federal Matching Rate -- 77.08%

Last update: April 2, 2004