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Health Care Policy / Medical Policy
Robert Day, Director

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June 11, 2003

Tanya Haun
Health Insurance Specialist
Centers for Medicaid and Medicare State Operations
Mail Stop S2-01-16
7500 Security Blvd.
Baltimore, MD 21244-1850

RE: Kansas Children's Health Insurance Program under Title XXI of the
Social Security Act

Dear Ms. Haun:

Enclosed for your review and approval is proposed SPA #03-01 which changes premiums from \$30 to \$20 per month per family where family income is between 151% and 175% of the federal poverty limit. The state plan amendment also changes the rates from \$45 to \$30 per month per family where family income is between 176% and 200% of the federal poverty limit.

We have included two versions of SPA #03-01. One version shows the changes to be made by striking out language which is to be deleted and underlining language which is to be added. The other version is the clean version which will be added to our State Plan manual and is the version that we ask that you stamp with the approval date.

We appreciate your cooperation in working with us in amending the HealthWave State Plan to best serve the needs of children in Kansas. If you or your staff have any questions regarding this proposed SPA please contact Rita Haverkamp at (785) 296-5107.

Sincerely,

Janet Schalansky
Secretary

JS/RSH/rh
enclosure

cc: Sharon Johnson
SRS File Copy

Section 8. Cost Sharing and Payment (Section 2103(e))

~ **Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan**, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan? (42CFR 457.505)

8.1.1. • YES

8.1.2. ~ NO, skip to question 8.8.

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge and the service for which the charge is imposed or time period for the charge, as appropriate.

(Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) &(c), 457.515(a)&(c))

8.2.1. Premiums: \$20 per month per family where family income is between 151% and 175% of FPL
\$30 per month per family where family income is between 176% and 200% of FPL

8.2.2. Deductibles: None

8.2.3. Coinsurance or copayments: None

8.2.4. Other: None

8.3. Describe how the public is notified, including the public schedule, of this cost-sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)(1)(B)) (42CFR 457.505(b))

Information regarding premiums is provided with the application and upon eligibility determination and redetermination if the family is in premium paying status. The HealthWave website (www.kansashealthwave.org), brochure, provider's offices, billboards all have premium information.

8.4. The state assures that it has made the following findings with respect to the cost sharing in its plan: (Section 2103(e))

8.4.1. • Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B)) (42CFR 457.530)

8.4.2. • No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2)) (42CFR 457.520)

8.4.3. • No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. (Section 2103(e)(1)(A)) (42CFR 457.515(f))

9.10 Provide a one year projected budget. A suggested financial form for the budget is attached. The budget must describe: (Section 2107(d)) (42CFR 457.140)

Actual and Projected Budget for Kansas SCHIP Program - as of June 2003

	Federal Fiscal Year 2002 costs	Federal Fiscal Year 2003	Federal Fiscal Year 2004
Benefit Costs			
Insurance payments			
Managed care	45,488,531	49,451,150	57,610,000
per member/per month rate X # of member months	149.02 X 305,249	131.92 X 374,858	133.84 X 430,448
Fee for Service	464,353	500,000	550,000
Total Benefit Costs	45,952,884	49,951,150	58,160,000
(Offsetting beneficiary cost sharing payments)	646,553	1,065,960	1,862,150
Net Benefit Costs	45,306,331	48,885,190	56,297,850
Administration Costs			
Personnel			
General administration			
Contractors/Brokers (e.g., enrollment contractors)	4,357,032	4,708,123	5,704,812
Claims Processing			
Outreach/marketing costs	148,345		
Other			
Total Administration Costs	4,505,377	4,708,123	5,704,812
10% Administrative Cost Ceiling	5,034,037	5,431,688	6,255,317
Federal Share (multiplied by enhanced FMAP rate)	35,934,166	38,646,138	45,830,253
State Share	13,877,542	14,947,175	17,329,914
TOTAL PROGRAM COSTS	49,811,708	53,593,313	63,153,167

- ~ Planned use of funds, including --
 - Projected amount to be spent on health services;
 - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
 - Assumptions on which the budget is based, including cost per child and expected enrollment.
- ~ Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.