



Arizona

2016 CHIP Fact Sheet

For nearly two decades the Children’s Health Insurance Program (CHIP) has provided health coverage to children in families with low to moderate income. Each state has the option to cover its CHIP population within its Medicaid program, design and structure a separate CHIP program, or establish a combination program using both options.

The Affordable Care Act (ACA) extended federal CHIP funding through fiscal year 2015, required states to maintain Medicaid and CHIP eligibility standards for children through 2019, and increased the federal CHIP matching rate by 23 percentage points.¹ The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended federal CHIP funding at its current levels through September 2017.²

Key Highlights:

Program Type: Arizona operates a combination* CHIP program, called KidsCare.

Number of Children Covered: In FY2014, 54,361 children were covered by KidsCare.**

State’s Enhanced Federal Match Rate: For FY2017, the federal match is 100%.

**While the state considers the CHIP program to be a separate program, technically it is a combination program due to the transition required by the ACA of children below 133% FPL from separate CHIP to Medicaid.*

***Data from Medicaid and CHIP Payment and Access Commission Dec. 2015 MACStats report (Report notes that children who transitioned between CHIP and Medicaid were reported in both programs rather than the program in which they were last enrolled, resulting in artificially high totals.)*

Note: Enrollment in Arizona’s CHIP program, KidsCare, had been previously frozen but was reopened in July 2016. Although the program enrollment had been frozen since 2010, thousands of children were added to the state’s CHIP-funded coverage through the KidsCare II waiver, effective from May 2012-January 2014.

Participation Rate: 87.8% of eligible children in Arizona participated in either Medicaid or KidsCare in 2014, the last year for which we have national data. The national average was 91% in 2014.³

Eligibility Levels: States establish CHIP eligibility levels within federal rules. Under the ACA’s maintenance of effort requirement, they must maintain CHIP eligibility levels they had in place when ACA was enacted until September 30, 2019. Beginning in 2014, eligibility levels for CHIP were revised based on [Modified Adjusted Gross Income \(MAGI\)](#).

Modified Adjusted Gross Income (MAGI) Eligibility Levels for CHIP/Title XXI in Arizona (by Age Group) in 2016			
	Ages 0 – 1	Ages 1 – 5	Ages 6 – 18
Medicaid Expansion	N/A	N/A	104-133% FPL
Separate CHIP	148-200% FPL	142-200% FPL	134-200% FPL

Source: Medicaid and CHIP Payment and Access Commission (MACPAC), “Chapter 5: Design Considerations for the Future of Children’s Coverage: Focus on Affordability,” March 2016 Report to Congress on Medicaid and CHIP. Note: Eligibility levels do not include the mandatory 5% income disregard.

Benefit Package: States that operate Medicaid expansion CHIP programs must follow Medicaid rules, including providing all Medicaid covered benefits to enrolled children. In separate CHIP programs, states have substantial flexibility in designing CHIP benefit packages within broad federal guidelines. In addition to general medical and dental benefits, other benefits offered in Arizona’s CHIP program include (but are not necessarily limited to):

- Inpatient and outpatient behavioral health services
- Physical and occupational therapy

¹ The increased federal CHIP matching rate began in FY2016; states’ federal matching rates currently range from 88 to 100 percent.

² Information in this fact sheet has been verified by the state.

³ Genevieve Kenney et al., Children’s Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA. May 2016.

<http://www.urban.org/sites/default/files/alfresco/publication-pdfs/2000787-Childrens-Coverage-Climb-Continues-Uninsurance-and-Medicaid-CHIP-Eligibility-and-Participation-Under-the-ACA.pdf>

- Vision exams and corrective lenses
- Hearing exams and hearing aids
- Services for speech, hearing, and language disorders
- Durable medical equipment

Delivery System: Both Medicaid and KidsCare use a managed care delivery system.

Premiums & Cost Sharing: Within federal parameters, states can set CHIP program premium and cost sharing levels. In total, any family contribution to the cost of coverage cannot exceed five percent of family income annually.

Premiums and Selected Cost Sharing in KidsCare, 2016

Family Income Level	Premiums	Office Visits	Inpatient Services	Prescription Drugs
≤150% FPL	\$10/\$15 max	None	None	None
151-175% FPL	\$40/\$60 max	None	None	None
176-200% FPL	\$50/\$70 max	None	None	None

Note from state: Because Arizona's CHIP program had no income deductions, there was no MAGI conversion.

Strategies to Simplify Enrollment and Renewals Implemented in Arizona

Strategy	Used
Use of presumptive eligibility	No
Use of 12-month continuous eligibility	No
Use of express lane eligibility	No
Premium assistance	No

The ACA required states to implement the following strategies beginning January 2014: eliminating in-person interviews, removing asset tests, creating joint application and renewal forms, and adopting automatic/administrative renewals. For definitions of strategies in this chart, see the Centers for Medicare and Medicaid Services December 2009 State Health Official letter, available at <https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/sho09015.pdf>

Other Program Characteristics: Below are some other key program characteristics of KidsCare.

Does Arizona...	
Require a waiting period? ⁴	Yes, 3 months ⁵
Offer a buy-in option? ⁶	No
Cover dependents of public employees? ⁷	No
Cover lawfully residing children without a five-year waiting period? ⁸	No

Source: *Medicaid and CHIP Eligibility, Enrollment, Renewal and Cost Sharing Policies as of January 2016: Findings from a 50-State Survey*. Kaiser Family Foundation and Georgetown University Center for Children and Families.

Quality Measures: States may report on a "[core set](#)" of quality measures for children. Arizona reported on 3 measures for federal fiscal year 2014. Among the measures are access to preventive dental services and dental treatment services, listed below.

Percentage of Eligibles Receiving Preventive Dental Services and Dental Treatment Services (FFY2014)

	Preventive Dental Services	Dental Treatment Services
Arizona	45.7%	22.1%

Source: Department of Health and Human Services, *2015 Annual Report on the Quality of Care for Children in Medicaid and CHIP*, February 2016.

⁴ States may implement waiting periods up to 90 days in CHIP. A waiting period is the length of time a child must be uninsured before enrollment in CHIP.

⁵ Information provided by the state.

⁶ States can allow families with incomes above the upper income eligibility limit to pay the full cost to purchase coverage for their uninsured children through CHIP.

⁷ CHIPRA provided states the option to cover the income-eligible dependents of state employees under CHIP.

⁸ CHIPRA provided states the option to remove the five-year waiting period for lawfully residing children.

For more information, visit www.nashp.org.

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