



Arizona

2014 CHIP Fact Sheet

The Children's Health Insurance Program (CHIP) was created in 1997 to provide quality health coverage for children under 19 in families that earned too much to qualify for Medicaid but were unable to afford coverage in the private market. Each state has the option to cover its CHIP population under its Medicaid program, design and structure a separate CHIP program, or establish a combination program using both options.

The Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009

strengthened the program through increased federal funding, new outreach and enrollment opportunities, mental health parity, the requirement to cover dental care, and other provisions. In 2010, the Affordable Care Act (ACA) extended CHIP funding through federal fiscal year 2015 and required states to maintain Medicaid and CHIP eligibility levels and processes for children through 2019.¹

Participation Rate: 80% of eligible children in Arizona participated in either Medicaid or KidsCare in 2011, the last year for which we have national data. The national average was 87.2% in 2011.²

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 \(MAGI\)](#).

MAGI-Adjusted Income Eligibility Levels for CHIP in Arizona (by Age Group) in 2014		
Ages 0 – 1	Ages 1 – 5	Ages 6 – 18
148-200% FPL	142-200% FPL	134-200% FPL

Notes: Under ACA, states must cover all children with incomes up to 133% FPL in Medicaid, but if they had been covered in CHIP (Title XXI) prior to 2014, the state still receives the Title XXI match. Eligibility levels do not include the mandatory 5% income disregard. Data from CMS eligibility table:

<http://medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/Medicaid-and-CHIP-Eligibility-Levels-Table.pdf>

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

Key Highlights:

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

Number of Children Covered: In FY2013, 80,238 children were covered by KidsCare.*

State's Enhanced Federal Match Rate: For FY2014, the federal match is 77.06%, and for FY2015 it is 77.92%.

**Data from Medicaid and CHIP Payment and Access Commission March 2014 MACStats report. Note: Enrollment in Arizona's CHIP program, KidsCare, is frozen and remains closed to new applicants. The state opened a new temporary program (KidsCare II) which has identical benefits and cost-sharing benefits in May 2012. KidsCare II ended January 31, 2014.*

¹ Information in this fact sheet has been verified by the state.

² Genevieve Kenney et al., *Medicaid/CHIP Participation Rates Among Children: An Update*. September 2013.

http://www.rwjf.org/content/dam/farm/reports/issue_briefs/2013/rwjf407769

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.

Premiums and Selected Cost Sharing in KidsCare, 2013

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: Although MAGI-adjusted income levels for premiums and cost sharing were not available at the time of publication, because Arizona's CHIP program had no income deductions, there was no MAGI conversion.

Efforts to Simplify Enrollment and Renewals: CHIPRA established a five-year incentive program to support state efforts to simplify enrollment and renewal of eligible children in Medicaid and CHIP.³ From FY2009 - FY2013, Arizona did not qualify for incentive payments.⁴

Enrollment and Renewal Strategies Implemented in Arizona, as of December 2013

Strategy	Used	Strategy	Used
Elimination of in-person interview*	✓	Use of presumptive eligibility	
Elimination of asset test*	✓	Use of 12-month continuous eligibility	
Use of joint application and renewal forms*	✓	Use of express lane eligibility	
Automatic/Administrative renewal*	✓	Premium assistance	

*ACA requires states to implement this strategy beginning January 2014. For definitions of strategies in this chart, see the Centers for Medicare and Medicaid Services December 2009 State Health Official letter, available at http://www.insurekidsnow.gov/images/sho_letter.pdf.

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

Does Arizona...	
Require a waiting period? ⁵	Yes, 3 months
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: *Getting Into Gear for 2014: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2012-2013*, <http://kaiserfamilyfoundation.files.wordpress.com/2013/05/8401.pdf>.

Quality Measures: States may report on a "[core set](#)" of quality measures for children. Arizona reported on 7 measures for federal fiscal year 2012. Among the measures is access to primary care providers, listed below.

Percentage of Children and Adolescents Visiting a Primary Care Provider, by Age (FFY 2012)

	12-24 months	25 months – 6 years	7-11 years	12-19 years
Arizona	97%	87.7%	89.9%	87.7%

Data provided by state; measurement period 10/01/2011-9/30/2012. The measure is for the percentage of children ages 12 to 24 months and 25 months to 6 years receiving a visit to a primary care provider within the past year; and every two years for children ages 7 to 11 years and 12 to 19 years. These data include CHIP only.

³ To qualify for incentive payments each fiscal year, states had to implement at least 5 out of 8 specified strategies and increase child enrollment in Medicaid above a state-specific target level.

⁴ InsureKidsNow.gov. "CHIPRA Performance Bonuses: A History (FY 2009 – FY 2013)." <http://www.insurekidsnow.gov/professionals/eligibility/pb-2013-chart.pdf>

⁵ 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 she can enroll in CHIP.

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.