

June 05, 2000

Andriette Johnson
HCFA Regional Office
Atlanta Federal Center
61 Forsyth Street, N.W.
Atlanta, GA 30303-8909

RE: Pre-existing Coverage

Dear Ms. Johnson:

As you know, under our CHIP Plan Mississippi has a six-month waiting period for children with previous creditable health insurance coverage. The 2000 Session of Mississippi Legislature passed and Governor Ronnie Musgrove signed House Bill 1469. This bill seeks to eliminate or secure the least restrictive waiting period for children who have or had full health insurance coverage within the last six months. Consequently, I am submitting the following amended concept to our State Children's Health Insurance Plan for your consideration.

Under Section 4, Eligibility Standards and Methodology of the Plan, the following standards will be used to determine eligibility of the targeted low-income children:

- 1) Geographic area served by the Plan: Statewide.
- 2.) Age: Birth through 18 years.
- 3.) Residency: Currently residing in State with intent to stay.
- 4.) Income: 200% FPL
- 5.) Access to or coverage under other health coverage: Children who are eligible for Medicaid will not be eligible for CHIP or who have creditable health coverage under another plan at the time of application. Creditable health insurance is defined in Section 2.3 of the State Plan.
- 6.) Duration of eligibility: 12 months from date of initial determination or until the child reaches age 19 or becomes eligible for Medicaid, whichever occurs first.

The above stated eligibility criteria will apply to all children applying for health insurance coverage under the separate health program of our State Plan. Under this proposal, an uninsured child applying for benefits will have at least a thirty-day period for processing before the effective date of coverage begins. Those applying for benefits under the employer-sponsored plan, when implemented, will still have the 6-month waiting period if they have had previous coverage. Medicaid eligibility is not affected by previous coverage.

Under Section 4.4 Describe the procedures that assure:

- 4.4.1 Through intake and follow-up screening, that only targeted low-income children who are either Medicaid or other creditable coverage are furnished child health insurance under the state child health plan.

The current application for MS Health Benefits Program asks the applicant two questions regarding their access to health insurance. The first question: “Could you get health insurance for your children through any employer-named if you had the money to pay the premiums?” The second question asks: “Has anyone applying for health benefits had any health insurance coverage in the past 6 months? If yes, name the insurance company, policy number, the insured, policy holder’s name and social security number and end date of coverage.” The responses to these questions will provide a database to monitor enrollment trends and patterns relative to previous coverage and access to employer coverage. The State will further explore methods of monitoring current status of the insured statewide through an exchange of information with Blue Cross Blue Shield and the State Insurance Department. Blue Cross Blue Shield currently provides insurance coverage for the majority of insured population in the State and is the provider of insurance coverage for our CHIP eligible. The State Insurance Department maintains a listing of the active insurance companies in the State.

Comment: Have we approached the Insurance Department on their assistance? Isn't this something that the Governor should do? Please remind me.

In summary, the State proposes to address the crowd-out provision by:

- screening all applicants for Medicaid eligibility;
- verifying insurance status of the applicant at the time of application through a data match process and self declaration; and,
- monitoring the number of children enrolled in SCHIP who had coverage within six months of application.

Division of Medicaid will plot quarterly the information provided from the above-described process in order to monitor the number of children who were covered by health insurance at or prior to application. If the data indicates that 15% of the enrolled children had dropped insurance coverage within the six months prior to applying, we will propose additional crowd-out prevention strategies which may include, but not limited to, a waiting period prior to coverage with some exceptions. We will further conduct a crowd-out study to define situational issues that influenced families to drop or lose previous health insurance coverage prior to applying for SCHIP.

Thus, the State proposes to have no waiting period for children applying for coverage under the separate insurance plan who meet the described eligibility criteria and do not have Medicaid or other creditable insurance at the time of application. The effective date of implementation is October 1, 2000. We appreciate your consideration of this proposed amendment and look forward to your prompt response.

Sincerely,

~~Maria D. Morris,~~
~~CHIP Coordinator~~
Rica Lewis-Payton
Executive Director