

## **Template CS10 – Children Who Have Access to Public Employee Coverage**

**Statute:** Sec. 2110(b)(2)(B) and (b)(6) of the SSA

**Regulation:**

**Additional References:** SHO # 11-002, dated April 4, 2011

### **INTRODUCTION**

This template applies only to States with separate child health assistance programs.

Template CS10 displays only for and must be completed by States that elected the option to provide coverage to Children Who Have Access to Public Employee Coverage in the Separate CHIP Options template CS4.

In this template, states provide information with regards to eligibility criteria, including income standards, specific to this population group.

### **BACKGROUND**

Prior to passage of the Affordable Care Act, section 2110(b) of the Social Security Act excluded from eligibility CHIP children who are eligible for State employee health benefits plan.

An individual is considered eligible for health benefits coverage under a State health benefits plan if a more than nominal contribution to the cost of health benefits coverage under a State health benefits plan is available from the State or public agency. A contribution is considered more than nominal if the State or public agency makes a contribution toward the cost of an employee's dependent(s) that is \$10 per family, per month, more than the State or public agency's contribution toward the cost of covering the employee only.

In response to concerns raised that some children of State employees did not have access to comprehensive, affordable coverage, the definition of a targeted low-income child in section 2110(b)(2)(B) of the Act was amended by the ACA by permitting States to extend CHIP eligibility to children of State employees if one of two conditions is met:

#### Maintenance of Agency Contribution Condition

For this condition to be met, States must demonstrate that they have been consistently contributing to the cost of employee coverage, with increases for inflation, since 1997.

This condition is met when the public agency expenditures for health coverage for employees that have dependent coverage is not less than the amount of such expenditures in the 1997 State fiscal year, increased by the percentage increase of the medical care expenditure category of the Consumer Price Index.

This does not require a case-by-case determination but can be calculated on an average basis for each public agency or it can be done in the aggregate for all multiple agencies having the same contribution rate structures.

### Hardship Condition

For this condition to be met, States must demonstrate that the coverage currently available through the public employee system poses a financial hardship for families. In making a hardship determination, States would assess whether the annual aggregate premiums and cost-sharing imposed by the State health benefits plan would exceed 5 percent of a family's income during the year the child would be enrolled in CHIP.

### State Plan Option

States may offer this option to a subset of their CHIP eligible population. For example, States may limit coverage under this option to children in families with family income under 250% of the FPL although coverage for targeted low-income children is offered up to 300% of the FPL. States also have the option of limiting coverage under this option to certain public agencies.

The State may also choose to apply one of the conditions to a subset of their CHIP eligible population and the other to a different subset.

Additional information may be found in SHO # 11-002, dated April 4, 2011.

Note: If States have questions or need technical assistance regarding the methodology for expanding CHIP to children who have access to public employee coverage, the CMS project officer may provide guidance.

## **TECHNICAL GUIDANCE**

This template is broken down into the following sections:

- Eligibility Determination Assurance
- Selection of Condition/Criteria
- Exclusion Assurance

### Eligibility Determination Assurance

Template CS10 begins with the CHIP Agency being asked to provide assurance that it determines eligibility for this group in accordance with the provisions that follow.

The State provides this affirmative assurance by checking the box next to the assurance statement. If the State does not check this box, the system will not accept this template for review and approval.

### Selection of Condition/Criteria

The State is then asked to select one of the following two options:

- Maintenance of agency contribution as provided in 2110(b)(6)(B) of the SSA
- Hardship criteria as provided in section 2110(b)(6)(C) of the Social Security Act

For each option selected, States are asked to provide household income standards and to identify the population(s) to whom that option is offered.

Household Income

States are asked to choose between one of two options:

- The same as the standards for Targeted Low Income Children
- Lower than the income standards for Targeted Low Income Children

If the State selects ‘The same as the standards for Targeted Low Income Children’, the system will assign the standards to this group that the CHIP Agency entered for TLIC and no additional entries need to be made by the Agency

If the State selects ‘Lower than the income standards for Targeted Low Income Children’, the system displays a Y/N question as to whether income standards are applied statewide.

- If the answer is yes, another Y/N question displays asking if there are any exceptions, e.g. populations in a county which may qualify either under a statewide income standard or a county income standard.
  - If the answer to this second question is no, that is income standards are statewide with no exceptions, a grid asking for age and income is displayed for the CHIP Agency to complete. See guidance for Template CS6 for instructions on completing the age and income standards grid.

*Validation: the system will cross check each FPL range entered against FPL standards for TLIC children of the same age to ensure that the upper end of the income standard does not exceed that of TLIC of the same age.*

If the validation fails, an error message gets displayed and the Agency is given the opportunity to correct.

- If the answer to this second question is yes, then the State must type in an explanation which includes a description of the overlapping geographic area and the reason for having different income standards.

**Review Criteria**

***The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the State's election meets applicable federal statutory, regulatory and policy requirements.***

- The State must then enter both their statewide income standards (see guidance for CS6) as well as income standards which vary by geography. See instructions below for completion of geographic standards.

*Validation: the system will cross check each FPL range entered against FPL standards for TLIC children of the same age to ensure that the upper end of the income standard does not exceed that of TLIC of the same age.*

If the validation fails, an error message gets displayed and the Agency is given the opportunity to correct.

- If the answer to whether income standards are applied statewide is no, the State must then select between two options:
  - Standard varies by county or city, or
  - Standard varies in some other geographic way

Standard varies by county or city

If 'Standard varies by county or city' gets checked, a dropdown list of counties is displayed for selection. States should select all the counties having the same standards at one time. Once a State has indicated that it has selected all the counties having the same income standards, a grid asking for age and income information is displayed for the CHIP Agency to complete. See guidance for Template CS6 for instructions on completing the age and income standards grid. After the age and income standards grid is completed, the process of selecting counties and completing the age and income grid standards grid is repeated until all the counties have been selected.

*Validation: the system will cross check each FPL range entered against FPL standards for TLIC children of the same age to ensure that the upper end of the income standard does not exceed that of TLIC of the same age.*

If the validation fails, an error message gets displayed and the Agency is given the opportunity to correct.

After the county standards have been completed, a Y/N question is displayed, asking if have any cities within your State have their own separate income standards. If the answer is yes, the CHIP Agency must enter in the name of the city. The age and income standards screen is then displayed and must be completed for each city named. If there are multiple cities within the State with separate income standards, the State may reselect the city name field and repeat

the process until all the cities have been entered. See guidance for Template CS6 for instructions on completing the age and income standards grid.

*Validation: the system will cross check each FPL range entered against FPL standards for TLIC children of the same age to ensure that the upper end of the income standard does not exceed that of TLIC of the same age.*

If the validation fails, an error message gets displayed and the Agency is given the opportunity to correct.

Standard varies in some other geographic way

If ‘Standard varies in some other geographic way’ gets checked, the State is asked to name and describe the geographic area. States may name multiple geographic areas. The age and income standards screen is then displayed and must be completed for each geographic name entered. If there are multiple geographic areas within the State with separate income standards, the State may reselect the name field and repeat the process until all the geographic areas have been entered. See guidance for Template CS6 for instructions on completing the age and income standards grid.

*Validation: the system will cross check each FPL range entered against FPL standards for TLIC children of the same age to ensure that the upper end of the income standard does not exceed that of TLIC of the same age.*

If the validation fails, an error message gets displayed and the Agency is given the opportunity to correct.

Population(s) to Whom this Option is Offered

States are asked to indicate the population(s) offered this option by checking one of the following options:

- All children who have access to public employee coverage
- Children of employees of certain public agencies
- Children of certain types of public employees

If the State selects ‘Children of employees of certain public agencies’, the State then enters the type of agency. If more than one agency, the State can re-select the ‘type of agency’ field until all the State agencies have been entered.

If the State selects Children of certain types of public employees, the State is asked to describe the type of public employees. If more than one type of public employees, the State can re-select the ‘describe type of public employee’ field until all the types of public employees have been entered.

**Review Criteria**

***The description should be sufficiently clear, detailed and complete to permit the reviewer to determine that the State's election meets applicable federal statutory, regulatory and policy requirements.***

After the State has completed the income and population sections it must attach a copy of the documentation demonstrating that the State meets the conditions specific to that option:

**Review Criteria**

***For maintenance of effort, the documentation should include the methodology the State used to calculate the maintenance of agency contribution. The documentation should be sufficiently clear, detailed and complete to permit the reviewer to determine that the State's election meets applicable federal statutory, regulatory and policy requirements.***

For technical assistance in developing the methodology, please contact CMS.

The State is then asked to provide assurance that it will, on an annual basis, recalculate expenditures for each participating public agency to determine if the maintenance of effort condition continues to be met.

**Review Criteria**

***For hardship, the documentation should include the methodology the State used to calculate the financial hardship. The documentation should be sufficiently clear, detailed and complete to permit the reviewer to determine that the State's election meets applicable federal statutory, regulatory and policy requirements.***

For technical assistance in developing the methodology, please contact CMS.

The State is then asked to provide assurance that it will, on an annual basis, recalculate the financial status to determine if the hardship condition continues to be met.

Under each option, the State is also asked to provide another more general assurance that children considered to have access to public employee coverage, and therefore not excluded from CHIP through this option, meet the definition provided at 457.310(c)(1).

The State provides these affirmative assurances by checking the box next to each assurance statement. If the State does not check this box, the system will not accept this template for review and approval.

**Exclusion Assurance**

If the State does not cover all children of public employees, i.e. the State selected either children of employees of certain public agencies or children of certain types of public employees, an additional assurance will display. Here, the Agency assures that 'Children who are eligible for public employee health benefits coverage who are not described above are excluded from eligibility under the plan'.

The State provides this affirmative assurance by checking the box next to the assurance statement. If the State does not check this box, the system will not accept this template for review and approval.