



Minnesota State Children's Health Insurance Program
§1115 Waiver Extension Request
Summary

May 23, 2005

Introduction

Minnesota was one of the early states to use health care reform waivers to cover its uninsured population. We received one of the first health care reform waivers, currently known as the Minnesota Prepaid Medical Assistance Project Plus (PMAP+) §1115 Waiver. This waiver allows Minnesota, among other things, to obtain federal matching funds for the coverage of pregnant women, children, parents and caretaker adults enrolled in our MinnesotaCare program. By the time State Children's Health Insurance (S-CHIP) financing was available to all states, Minnesota had one of the lowest uninsurance rates for children in the nation. Because the federal S-CHIP law made it difficult for Minnesota to use the S-CHIP matching funds on behalf of children, Minnesota had to find other ways to spend its S-CHIP allotment, via a request for demonstration project waivers. We were able to obtain a federal waiver to cover the expenses of a portion of MinnesotaCare parents and caretakers of children. The PMAP+ Waiver, in combination with the S-CHIP §1115 Waiver, has been an essential component of Minnesota's effort to develop innovative ways to achieve its long-standing goal of continuously reducing the number of Minnesotans who do not have health insurance.

In May 2005, Minnesota received approval from the Centers for Medicare and Medicaid Services (CMS) for a three-year extension of Minnesota's PMAP+ §1115 Medicaid Waiver. Minnesota will now request a three-year extension of S-CHIP §1115 Waiver.

S-CHIP Waiver

The S-CHIP Waiver allows Minnesota to use federal S-CHIP funding to cover MinnesotaCare enrollees who –

- are parents and adult caretakers of children,
- have income from 100% to 200% of the federal poverty level and
- meet all other MinnesotaCare Program requirements.

MinnesotaCare parents and caretakers are part of Minnesota's demonstration project waiver for MinnesotaCare, a program authorized under the Minnesota Prepaid Medical Assistance Project Plus

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(PMAP+) demonstration project waiver. The PMAP+ waiver allows federal funding for the cost of health care at the regular Medicaid match of fifty (50) percent, for expenditures related to children, parents and caretaker adults. The S-CHIP waiver allows the state to earn federal funding at the S-CHIP higher matching rate of sixty-five (65) percent, for a portion of the parents and caretaker adults already covered under the PMAP+ waiver.

S-CHIP Groups

Minnesota has authority under its S-CHIP Plan to use S-CHIP funds for two other groups. In total, Minnesota has approval to cover the following groups with S-CHIP funds:

- Parents and caretakers enrolled in MinnesotaCare who have income from 100% to 200% of the federal poverty level under a §1115 waiver, starting June 2001 (the waiver group).
- Infants up to age two in the MA Program with income between 275% and 280% of the federal poverty level, starting September 1998 (per Minnesota S-CHIP state plan).
- Unborn children of mothers ineligible for federally-funded MA who have income up to 275% of the federal poverty level, starting November 2002 (per Minnesota S-CHIP state plan).

Coverage and Cost-Sharing

The S-CHIP Waiver allows Minnesota to use the existing MinnesotaCare premium and cost-sharing requirements instead of cost-sharing set by S-CHIP law.

The S-CHIP Waiver allows Minnesota to use the existing benefit set of the MinnesotaCare Program for S-CHIP Waiver enrollees.

S-CHIP Waiver Assurances

The state assures that according to federal S-CHIP law and the waiver Minnesota has not:

- decreased eligibility levels for children and pregnant women in Medicaid (Medical Assistance or MA program) or children in MinnesotaCare,
- decreased eligibility standards for children covered by the S-CHIP plan, or

- closed enrollment or used waiting lists for S-SCHIP groups.

Minnesota also assures that it has maintained the following three policies that streamline health care determinations: joint mail-in health care program application; simplified procedures for eligibility redetermination; elimination of an asset test for children and pregnant women.

Minnesota assures that the S-CHIP Waiver avoids “crowding out” of private health insurance through the MinnesotaCare program policies on other insurance including:

- Applicants may not currently have other health coverage nor had other health coverage during the four months immediately preceding the date coverage begins.
- Applicants who were recipients of Medical Assistance and had cost-effective health insurance that was paid by Medical Assistance are exempt from the four month requirement.

Applicants also may not have current access to employer-subsidized health coverage, and employer-subsidized health coverage must not have been lost due to:

- the employer terminating coverage during the 18 months immediately preceding the date coverage begins (this provision does not apply to a family or individual who was enrolled in MinnesotaCare within six months or less of reapplication and who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit); or
- the employee failing to take up coverage offered by the employer during an open enrollment period within the preceding 18 months.

The state assures that it will meet one or more of the requirements for public notification of the intent to request an extension of the S-CHIP §1115 Waiver by a published notice with a thirty-day comment period, an opportunity for comment at a public hearing and discussion of the request at various public meetings with interested parties.

S-CHIP Waiver Extension Request

Minnesota intends to request a 3-year extension of the S-CHIP waiver. The extension would begin in June, 2006.

Minnesota will ask for approval of the same provisions that allow the state to:

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- spend S-CHIP funds on MinnesotaCare parents and caretakers with income between 100% and 200% of poverty, and
- Spend Medicaid funds for this group through the PMAP+ waiver when S-CHIP funds are exhausted.

The state will seek approval to use MinnesotaCare eligibility requirements, premium schedules and cost-sharing, and benefit sets for parents and caretakers.