

**ALABAMA PLAN AMENDMENT FOR  
STATE CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT  
STATE CHILDREN'S HEALTH INSURANCE PROGRAM  
MAY 1998**

**Section 1. General Description and Purpose of the State Child Health Plans (Section 2101)**

The state will use funds provided under Title XXI primarily for (Check appropriate box):

- 1.1.  Obtaining coverage that meets the requirements for a State Child Health Insurance Plan (Section 2103); **OR**
- 1.2.  Providing expanded benefits under the State's Medicaid plan (Title XIX); **OR**
- 1.3.  A combination of both of the above.

**PLEASE NOTE THAT PHASE II WILL BE KNOWN AS "AL-Kids" AND IN ANY FUTURE AMENDMENTS TO THE STATE PLAN, BENEFITS PARTICULAR TO CHILDREN WITH SPECIAL HEALTH CARE NEEDS WILL BE KNOWN AS "AL-Kids Plus".**

**Section 2. General Background and Description of State Approach to Child Health Coverage** (Section 2102 (a)(1)-(3)) and (Section 2105)(c)(7)(A)-(B))

- 2.1. Describe the extent to which, and manner in which, children in the state including targeted low-income children and other classes of children, by income level and other relevant factors, such as race and ethnicity and geographic location, currently have creditable health coverage (as defined in section 2110(c)(2)). To the extent feasible, make a distinction between creditable coverage under public health insurance programs and public-private partnerships (See Section 10 for annual report requirements).

**Implementation of Phase I CHIP began February 1, 1998 with Medicaid coverage for targeted, low-income children who are under the age of 19 years, and who are living in families with incomes below 100% of the Federal Poverty Level (FPL). As of April 29, 1998, 4,133 children have been provided health insurance through Phase I CHIP. The State is currently averaging approximately 400-500 new enrollees per week. It is anticipated that by October 1, 1998, 12,000 children will have been enrolled under Phase I.**

- 2.2. Describe the current state efforts to provide or obtain creditable health coverage for uncovered children by addressing: (Section 2102)(a)(2)
- 2.2.1. The steps the state is currently taking to identify and enroll all uncovered children who are eligible to participate in public health insurance programs (i.e. Medicaid and state-only child health insurance):

**Through CHIP Phase I, the Alabama Medicaid Agency, working with the Alabama Department of Public Health, has taken several major steps to identify and enroll all uncovered children who are eligible to participate in this public health insurance program. Twenty-three new eligibility workers have been hired. They plus 94 existing eligibility workers are trained in CHIP eligibility criteria as well as other Medicaid eligibility criteria. These eligibility workers are located in out stationed locales (health departments, hospitals, community health centers). A list of workers and their base locales can be found in Attachment A.**

**In order to streamline the CHIP/Medicaid enrollment process, the Alabama Medicaid Agency initiated continuous eligibility for all Medicaid children under the age of 19 years, on April 1, 1998. Continuous eligibility means that Medicaid enrolled children maintain their Medicaid coverage continuously for one year from enrollment or re-determination.**

**Additionally, numerous presentations, regarding CHIP, have been made by knowledgeable professionals who are members of the broad based CHIP Advisory Council (formerly the CHIP Workgroup). These presentations include addresses to education professionals, rural health groups, child care management agencies, parents of children with special health care needs, Indian Health Service staff, the general public, etc. Some specific activities include:**

- Notice to all Medicaid recipients, about 300,000 households**
- Notice to all Medicaid providers, about 10,000**
- Joint news conference with Medicaid Commissioner, State Health Officer and members of the CHIP Commission in January 1998**
- News releases and camera-ready materials for newspapers**
- Articles published in newsletters of health care provider associations—Medical Association of the State of Alabama, Alabama Hospital Association, and others**
- Radio spots**
- 150,000 brochures have been distributed to date for out stationed Medicaid workers, public health workers, county human resources workers, family services centers, primary health care centers,**

**hospitals, advocacy and professional organization, and in the school system, principles and guidance counselors**

**Brochures distributed at state meeting of Alabama Conference of Social Work, Medical Association, American Academy of Pediatrics-Alabama Chapter, and others**

**Copies of the brochure and several letters may be found in Attachment B.**

- 2.3. Describe how the new State Title XXI program(s) is(are) designed to be coordinated with such efforts to increase the number of children with creditable health coverage so that only eligible targeted low-income children are covered:  
(Section 2102)(a)(3)

**Each step of the outreach and enrollment processes has been carefully coordinated with the Alabama Medicaid Program as well as other state, quasi-governmental agencies, and private entities so that new efforts coordinate with and build upon existing state efforts. These steps were engineered by the broad based CHIP Workgroup (now the CHIP Advisory Council) in order to ensure that outreach and enrollment processes are streamlined, functional, and coordinated. Below is an annotated listing of these processes.**

**Phase I**

- Increased capacity of toll-free lines - The Medicaid Agency increased the capacity of its toll free consumer telephone line so that potential enrollees may receive timely information about both CHIP and Medicaid. The ADPH MCH toll free consumer telephone line was also reinforced with information about both CHIP and Medicaid.**
- Data changes - Internal changes were made to the Medicaid Agency's data systems so that when children's insurance eligibility changes between CHIP and Medicaid due to age or income changes, the conversion in insurance will be seamless.**
- Dual purpose eligibility workers - All SOBRA out stationed eligibility workers will continue to certify children for both CHIP Phase I as well as Title XIX Medicaid.**

**AL-Kids**

- Transferral of enrollment forms - The CHIP enrollment contractor (State Employees' Insurance Board or SEIB) and the Alabama Medicaid Agency are physically located two city blocks apart. Eligibility application forms can be easily transferred from one agency to the other (possibly on a daily basis if necessary) so that children can be enrolled in the appropriate insurance program without undue delay.**
- Formalization of the CHIP Workgroup - The CHIP Workgroup is being transitioned into a formal broad based advisory group for CHIP. This CHIP Advisory Council will be able to assist in planning and suggest major outreach and enrollment efforts so that coordination among insurers is maintained. The Council will include one or more Medicaid representatives.**
- Common eligibility application form - Medicaid and CHIP will use a common application eligibility form so that completion of the form will be easier for both applicant and worker, and so that in case a child is determined to be ineligible for one program while eligible for the other, re-entry of data by the applicant will be eliminated.**

**Section 3. General Contents of State Child Health Plan (Section 2102)(a)(4)**

- 3.1. Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children: (Section 2102)(a)(4)

**Program Operation & Administration**

The Alabama Department of Public Health (Department) will use the State Employees Insurance Board (SEIB) and other independent contractors to administer certain aspects of the AL-Kids program including, but not limited to, the following:

1. Determining and performing all eligibility verification and enrollment functions relating to AL-Kids;
2. Providing all eligible persons involved in AL-Kids an individual policy or certificate that states the insurance protection provided, the method and place of filing claims, and to whom benefits are payable. The policy or certificate will indicate that coverage was obtained through CHIP;
3. Establishing a premium billing procedure for collection of premiums from insured persons on a periodic basis;
4. Submitting quarterly reports;
5. Determining the net written and earned premiums, the expense of administration, the paid and incurred losses for the year and the incurred but unreported claim liability and reporting this information.

**Program Operation-Benefits and Services**

In order to assure delivery of the insurance product(s), the Department will utilize a private health care delivery organization(s) to provide benefits and services. Both indemnity plan(s) and or managed care plans(s) will be accepted. The Department will fund AL-Kids benefits on a self-insured basis. The selected vendor(s) will be required to perform, including but not limited to, the following:

1. Furnishing coverage information and ID cards;
2. Member service responses to claims inquiries;
3. Claims certification, investigation, adjudication, and internal appeals process;
4. Processing and distribution of benefit payments to providers;
5. Appropriate and accurate fee administration;
6. Strict financial accounting and reconciliation;
7. Effective management of access to networks (if applicable);
8. Demonstrated capability to serve Alabama membership;
9. Effective medical, pharmacy and dental management;
10. Production of claims, contract, and other legal forms as required;
11. Establishment and maintenance of appropriate banking arrangements;
12. Continuous and accurate electronic transmission of all data;
13. Production of reports that capture claim and utilization experience and trends;
14. Other special services as may be requested from time to time
15. Have a network of physicians, dentists, pharmacies, and other providers capable of meeting the demands of the AL-Kids Program.
16. Provide a medical home for each enrollee.

Proposals are currently being reviewed which reflect both regional and statewide coverages in response to an RFP disseminated by the Department. The Department intends to award up to two (2) contracts per region, yet it reserves the right to make qualitative decisions on a region by region basis. Attachment C (at Appendix 7) contains an outline of the access regions which will be used to evaluate vendors on current membership and network of physicians and dentists. These regional delivery systems were established based on the coverage areas of insurance companies currently offering benefits in Alabama as well as population distribution.

**Since this is a new endeavor for the State as a response to federal legislation, there is no available claims and enrollment experience.**

**CHIP shall make health care coverage available to all individuals eligible for AL-Kids on a "guaranteed issue" basis with no exclusions of coverage for pre-existing conditions, and on a "guaranteed renewable" basis for those eligible.**

3.2. Describe the utilization controls under the child health assistance provided under the plan for targeted low-income children: **(Section 2102)(a)(4)**

**Utilization control mechanisms will be in place for the AL-Kids program to ensure that children use only health care that is appropriate, medically necessary, and/or approved by the State or the participating health plan.**

**Before being approved for participation in the AL-Kids program, health plan vendors must develop and have in place utilization review policies and procedures, demand management, and disease state management mechanisms.**

**Section 4. Eligibility Standards and Methodology. (Section 2102(b))**

- 4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102)(b)(1)(A))

**Note: no individual will be denied eligibility based on a preexisting medical condition.**

4.1.1. **”** Geographic area served by the Plan: \_\_\_\_\_

4.1.2. **X** Age: \_\_\_\_\_

**A child is eligible for AL-Kids upon presentation of documentation that the child is less than 19 years of age.**

4.1.3. **X** Income: \_\_\_\_\_

**This amendment reflects an expansion of income eligibility above 133% of the Federal**

**Poverty Level (FPL) for children less than six years of age and 100% of FPL for those aged 6-18.**

**It is the State's intent to cover as many children as possible up to 200% of the FPL. If during the year State matching funds are not available at sufficient levels for coverage of all children to this income level and funding is depleted before the end of the fiscal year, it is the State's intent to place eligible children on a waiting list until adequate funding becomes available to resume enrollment.**

**The definition of household size is the same as that for children under the Medicaid poverty level definition which includes the parent(s) in the home, unborn children, and children under 19. Income will be determined by totaling all earned and unearned income received on an annual basis. Unlike Medicaid, deductions and disregards will not be considered under AL-Kids. The Department and Medicaid will collaborate closely to assure coverage through the appropriate program (i.e., Medicaid or CHIP) for those children whose incomes fall near the low-end threshold.**

**Income will be based on self-declaration as recorded on the application. However, for quality assurance purposes, a sample of AL-Kids enrollees' families' incomes will be verified through a data sharing mechanism between the Department and the Alabama Department of Revenue, which collects State income taxes.**

4.1.4. **”** Resources (including any standards relating to spend downs and disposition of resources): \_\_\_\_\_

4.1.5. **X** Residency: \_\_\_\_\_

**A child must be a resident of the State of Alabama to be eligible for AL-Kids. Residency will be based on self-declaration as recorded on the application.**

4.1.6. **X** Disability Status (so long as any standard relating to disability status does not restrict eligibility): \_\_\_\_\_

**Children will be eligible for AL-Kids regardless of disability.**

4.1.7. **X** Access to or coverage under other health coverage: \_\_\_\_\_

**A child will not be eligible for AL-Kids if s/he has any other health insurance coverage or is eligible for Medicaid.**

**Alabama will be implementing several measures to minimize the effects of crowd-out in the AL-Kids program. These efforts include the continuation of the Alabama Child Caring Foundation which assists**

uninsured children in obtaining health care coverage at no cost to the family. The AL-Kids program will require a premium contribution for children whose income is above 150% of the FPL, which is the group most likely to access employer coverage. This family contribution will be a disincentive for families to drop group employer coverage for the AL-Kids program. Additionally, since the AL-Kids package was designed to be similar to the standard benefit levels offered through most employers, there is no incentive to drop employer-based dependent coverage in favor of AL-Kids based on benefit levels alone.

In addition, the State will be developing a data network, the Alabama Health Care Information Network, which will operate a master patient index of current private health care coverage of Alabama citizens. AL-Kids will be able to access the network to ascertain if applicants have health care coverage. It is anticipated that Blue Cross Blue Shield will participate in the network. Since Blue Cross Blue Shield currently provides 85% of the private health insurance coverage in the State, AL-Kids should have a high success rate in identifying children with private health care coverage.

4.1.8. **X** Duration of eligibility \_\_\_\_\_

Eligibility for AL-Kids will commence on the first day of the month following the month of enrollment. Exceptions to this will be allowed for newborns who may be pre-enrolled prior to birth and for whom coverage will begin at birth. Coverage for all AL-Kids enrollees will be continuous for one year unless the child moves out of state, becomes covered by other health insurance, becomes eligible for Medicaid or state employees insurance, becomes institutionalized, or reaches the age of 19 years. Children must have their eligibility redetermined each year. An individual will be "locked in" to the plan s/he enrolls in for a period of one year. Exceptions will be made for those children whose parent(s)/guardian(s) move from one provider region to another. If an individual is pregnant at the time of termination, her eligibility will extend to 60 days post-partum regardless of an age or financial reason for otherwise terminating her coverage. Other exceptions for good cause will be considered.

4.1.9. **X** Other standards (identify and describe):  
\_\_\_\_\_

The only other eligibility disqualification is being the dependent of a State employee.

4.2. The State assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B))

4.2.1. **X** These standards do not discriminate on the basis of diagnosis.

4.2.2. **X** Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.

4.2.3. **X** These standards do not deny eligibility based on a child having a pre-existing medical condition.

- 4.3. Describe the methods of establishing eligibility and continuing enrollment.  
(Section 2102)(b)(2))
- 

#### Applying the AL-Kids Eligibility Standards

The eligibility standards for initial enrollment are as follows:

- Under 19 years of age
- Between 100%-200% FPL
- Ineligible for Medicaid
- Not covered by another health insurance policy
- Not eligible for State Employees Insurance or dependent coverage under this plan
- Not in an institution
- Resident of Alabama
- Eligible □immigrant□ children

For re-enrollment, all of the preceding standards apply and in addition, the family must be current with any required premium payments. If the family is not current, it must become current before re-enrollment can be established.

#### Organization and Infrastructure Responsible for Making and Reviewing Eligibility Determinations

The Department will contract with the State Employees□ Insurance Board (SEIB) which will be responsible for making and reviewing eligibility determinations for AL-Kids. The SEIB was established by the Alabama Legislature in 1965. This is a statutory board which was initially created to provide a health insurance plan for State employees. However, in recent years the role of SEIB has expanded into other areas. Attachment D contains an organizational chart for the SEIB.

#### Process for Enrollment

SEIB will receive AL-Kids applications from numerous sources (families, hospitals, doctors□ offices, etc.). SEIB staff will review documentation and input data from the application into an automated system which will review the data for eligibility and, if appropriate, enroll the child in the AL-Kids system. (If an incomplete application is received, SEIB will contact the family in an attempt to obtain the necessary information. If this attempt does not yield the needed information, SEIB will request that a local outreach worker assist the family in obtaining the needed information.) When a child is enrolled in AL-Kids, SEIB will notify the family of the child□s enrollment. SEIB will also send enrollment notification to the insurance plan which the family/child has chosen. The plan will send the family all the information it needs to utilize AL-Kids coverage. The plan will also send the family premium payment information and a premium coupon book as appropriate. If the child is thought to be ineligible for AL-Kids due to possible eligibility for Medicaid, SEIB staff will transfer the application and/or automated data to the Alabama Medicaid Agency. Medicaid will assume processing of the application following their usual rules and procedures. This process will work in reverse if the application is processed initially for Medicaid through the Alabama Medicaid Agency. SEIB will notify the family of its actions. If the child is found to be ineligible for any other reason, SEIB will notify the family.

- 4.4. Describe the procedures that assure:

The following assurances are underlined by strong contractual and intergovernmental associations that the Alabama Department of Public Health (the CHIP lead agency), the SEIB, outreach workers, and the Alabama Medicaid Agency share. These legitimate relationships are supported by solid collegial relationships among staffs within the above State agencies and the Alabama Child Caring Foundation. A chart depicting the outreach, enrollment, and referral flow can be found in Attachment E.

- 4.4.1. Through intake and follow up screening, that only targeted low-income children who are ineligible for either Medicaid or other creditable coverage are furnished child health assistance under the State child health plan. (Section 2102)(b)(3)(A))

---

The State of Alabama assures that through outreach assistance, enrollment processing, and quality assurance reviews, only targeted low-income children will be furnished child health assistance under the plan. Outreach workers, located in each county in the State, will assist families in completing application forms. These workers will rapidly identify children with incomes above and below the AL-Kids eligibility levels. Children with incomes above the eligibility level will be referred to the Alabama Child Caring Foundation. Children with incomes below the eligibility level will be referred to Medicaid. A second level of screening to assure that only targeted low-income children are enrolled will be at the enrollment level. The applicant parent must declare that s/he has no other insurance. Enrollment processing will consist of a combination of enrollment worker review and an automated screening, conducted via contract with the SEIB. (See section 4.3. for a description of this process.) Finally, quality assurance reviews will be conducted on a sample of AL-Kids enrollees. A sample of AL-Kids enrollees' families' incomes will be verified through a data sharing mechanism between the Department and the Alabama Department of Revenue which collects State income taxes. Yet another screening mechanism has already been described in Section 4.1.7, paragraph 2. Children found to be ineligible will be removed from the program.

- 4.4.2. That children found through the screening to be eligible for medical assistance under the State Medicaid plan under Title XIX are enrolled for such assistance under such plan. (Section 2102)(b)(3)(B))

The State of Alabama assures that through outreach assistance and enrollment screening processes, children found to be eligible for medical assistance under the State Medicaid plan will be enrolled for assistance under that plan. When a child is identified by an outreach worker as potentially eligible for Medicaid, the family will be referred to the most convenient Medicaid eligibility worker or, if an application has already been completed, the completed application form will be sent to Medicaid. Medicaid will process it contacting the family as they currently do with all mail-in applications to get any additional verifications or documentation. As detailed previously, SEIB will perform enrollment procedures for CHIP. SEIB and the Alabama Medicaid Agency are physically located two city blocks apart. Eligibility forms can be easily transferred from one agency to the other (possibly on a daily basis if necessary) so that children can be enrolled in the appropriate insurance program.

- 4.4.3. That the insurance provided under the State child health plan does not substitute for coverage under group health plans. (Section 2102)(b)(3)(C))

---

The State of Alabama assures that insurance provided under AL-Kids will not substitute for coverage under group health plans. Alabama will be implementing several measures to minimize the effects of crowd-out in the CHIP program. These efforts include the continuation of the Alabama Child Caring Foundation which assists low-income uninsured children in obtaining health care coverage at no cost to the family. AL-Kids outreach workers will refer families to this program as appropriate. The Alabama Child Caring Foundation plans to restructure its package as needed for coverage after AL-Kids is fully implemented.

The AL-Kids program will also require a premium contribution for children whose income is above 150% of the FPL, which is the group most likely to access employer coverage. This family contribution will be a disincentive for families to drop group employer coverage for the AL-Kids program. Additionally, since the AL-Kids package was designed to be similar to the standard benefit levels offered through most employers, there is no incentive to drop employer-based dependent coverage in favor of AL-Kids based on benefit levels alone.

In addition, the State will be developing a data network, the Alabama Health Care Information Network, which will operate a master patient index of current private health care coverage of Alabama citizens. AL-Kids will be able to access the network to ascertain if applicants have health care coverage. Blue Cross Blue Shield and the Association of Health Maintenance Associations in Alabama are already participants in the network. Since Blue Cross Blue Shield currently provides 85% of the private health insurance coverage in the State, AL-Kids should have a high success rate in identifying children with private health care coverage.

- 4.4.4. The provision of child health assistance to targeted low-income children in the State who are Indians (as defined in section 4<sup>(c)</sup> of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c). (Section 2102)(b)(3)(D))

**The State of Alabama assures the provision of child health assistance to targeted low-income children in the State who are Indians (as defined in section 4<sup>(c)</sup> of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c)). As Stated in section 4.1, the AL-Kids program will provide Statewide coverage. Through this Statewide coverage, the provision of health assistance will be ensured to targeted low-income children in the State who are Indians (as defined in section 4(c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c)).**

- 4.4.5. Coordination with other public and private programs providing creditable coverage for low-income children. (Section 2102)(b)(3)(E))

---

**The State of Alabama assures coordination with other public and private programs providing creditable coverage for low-income children. Please refer to sections 4.4.2 for coordination with the Medicaid Program and section 4.4.3. for coordination with the Alabama Child Caring Foundation.**

## **Section 5. Outreach and Coordination (Section 2102(c))**

Describe the procedures used by the State to accomplish:

- 5.1. Outreach to families of children likely to be eligible for assistance or under other public or private health coverage to inform them of the availability of, and to assist them in enrolling their children in such a program: (Section 2102(c)(1))

**Outreach for AL-Kids will be conducted through Statewide efforts and in each county through partnerships and possibly contracts. These efforts will consist of a three-pronged approach: (1) a Statewide media campaign; (2) outreach conducted by trained workers; and, (3) outreach conducted through existing programs and agencies. The purposes of all of these activities will be to inform individuals about the availability of CHIP and AL-Kids and what they have to offer, and assist individuals in completing application forms. While outreach will be conducted by a variety of individuals and in a variety of settings, there will be one chief point of contact for outreach in each county. The individual and agency which fills the role of chief point of contact may vary from county to county. Each feature of the three-pronged outreach approach is described below:**

- Statewide media campaign - The media campaign will focus on informing individuals about the availability of CHIP and AL-Kids and what they have to offer as well as providing information regarding where applications or other information may be obtained.**
- Outreach conducted by trained workers - Where appropriate, outreach workers will be employed, via contract, to disseminate information about the program and to assist individuals in completing and submitting applications. These outreach workers will probably be based in the county health department but also utilize numerous off-site locales and alternative working hours. These outreach workers may also be contacted by SEIB (through the chief point of outreach contact) when an incomplete application is received and other means of gaining the needed information from the applicant/family have been exhausted.**
- Outreach conducted through existing programs and agencies - Information about CHIP, applications, and application assistance will be available through existing child-related programs such as the Child Care Management Agencies and their targeted child day care centers, Maternal and Child Health Block Grant Program clinics, WIC clinics, community health centers, Indian Health Services, school nurse programs, school counselor programs, other social service agencies, etc. These programs and agencies have successful histories of serving the target population and the CHIP program will utilize their contact with this population to broaden outreach efforts. Dissemination of CHIP information to these entities will be made easy since representatives of these agencies and programs serve on the CHIP Advisory Council.**

- 5.2. Coordination of the administration of this program with other public and private health insurance programs: (Section 2102(c)(2))

**Referrals between AL-Kids and Medicaid will take place at two levels in the application processes of both programs. The referral processes will be made easy due to the facts that both programs will be using the same application form and the AL-Kids eligibility determination point (SEIB) and the Medicaid Agency are geographically only two city blocks apart.**

**At the local level, AL-Kids and Medicaid workers will be knowledgeable of eligibility standards for both programs. AL-Kids outreach workers and Medicaid eligibility workers will work closely together to refer applicants and applications to each other as appropriate. If an inappropriate application (AL-Kids or Medicaid) reaches the state enrollment offices (either SEIB for AL-Kids or the Alabama Medicaid Agency for Medicaid) the application will be sent to the correct program office. If necessary, applications will be physically exchanged on a daily basis.**

**Current outreach efforts for Medicaid center around the availability of out stationed eligibility workers, the distribution of informational brochures, presentations to forums, and the availability of a toll-free telephone informational line. Health Department staff is working closely with the Alabama Medicaid Agency to assure that their staff are kept current on developments within CHIP. AL-Kids eligibility information will be provided to Medicaid staff and vice versa, so that outreach for both programs can be accomplished, at best simultaneously and, at least in a non-conflicting manner. This cross training will be true from the State level down to the local level including out stationed Medicaid and AL-Kids workers.**

**Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)**

6.1. The State elects to provide the following forms of coverage to children:  
(Check all that apply.)

- 6.1.1.  Benchmark coverage; (Section 2103(a)(1))
  - 6.1.1.1.  FEHBP-equivalent coverage; (Section 2103(b)(1))  
(If checked, attach copy of the plan.)
  - 6.1.1.2.  State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.) \_\_\_\_\_
  - 6.1.1.3.  HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)  
\_\_\_\_\_

The benefit package offered by the health maintenance organization with the largest insured commercial, non-Medicaid enrollment of covered lives was selected after several well attended public meetings where the benefits of the three benchmark plans were compared with the assistance of the insurers/administrators for the three plans. The policy memorandum analyzing the benefits of the three plans and the recommendation of the HMO package which was subsequently adopted is shown as Attachment F. The full Certificate of Coverage is shown in Attachment G.

**NOTE ABOUT AL-Kids Plus:** One reason the HMO with the largest commercial enrollment in the state was selected as the benchmark coverage is the numerous aspects within the package which will be advantageous to children with special health care needs such as rehabilitation services, home health services, durable medical equipment, skilled nursing care services and others. The Department has already begun working with other State agencies and members of the CHIP Advisory Council to identify funds and services that could be included in a wrap around (plus) package for children with special health care needs. The Department anticipates a future plan amendment to add this feature.

- 6.2. The State elects to provide the following forms of coverage to children:  
(Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a))

**The full description of covered benefits, including the scope, amount and duration of services and any exclusions or limitations, are described in the Certificate of Coverage shown in Attachment G, principally at sections 9 through 12.**

- 6.2.1.  Inpatient services (Section 2110(a)(1))
- 6.2.2.  Outpatient services (Section 2110(a)(2))
- 6.2.3.  Physician services (Section 2110(a)(3))
- 6.2.4.  Surgical services (Section 2110(a)(4))
- 6.2.5.  Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))
- 6.2.6.  Prescription drugs (Section 2110(a)(6))
- 6.2.7.  Over-the-counter medications (Section 2110(a)(7))
- 6.2.8.  Laboratory and radiological services (Section 2110(a)(8))
- 6.2.9.  Prenatal care and prepregnancy family services and supplies (Section 2110(a)(9))
- 6.2.10.  Inpatient mental health services, other than services described in 6.2.18., but including services furnished in a State-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10))
- 6.2.11.  Outpatient mental health services, other than services described in 6.2.19, but including services furnished in a State-operated mental hospital and including community-based services (Section 2110(a)(11))
- 6.2.12.  Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12))
- 6.2.13.  Disposable medical supplies (Section 2110(a)(13))
- 6.2.14.  Home and community-based health care services (See instructions) (Section 2110(a)(14))
- 6.2.15.  Nursing care services (See instructions) (Section 2110(a)(15))
- 6.2.16.  Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))
- 6.2.17.  Dental services (Section 2110(a)(17))
- 6.2.18.  Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))
- 6.2.19.  Outpatient substance abuse treatment services (Section 2110(a)(19))
- 6.2.20.  Case management services (Section 2110(a)(20))

- 6.2.21. **X** Care coordination services (**Section 2110(a)(21)**)
- 6.2.22. **X** Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (**Section 2110(a)(22)**)
- 6.2.23. **”** Hospice care (**Section 2110(a)(23)**)
- 6.2.24. **X** Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (See instructions) (**Section 2110(a)(24)**)
- 6.2.25. **X** Premiums for private health care insurance coverage (**Section 2110(a)(25)**)
- 6.2.26. **X** Medical transportation (**Section 2110(a)(26)**)  
**(Ambulance Services)**
- 6.2.27. **X** Enabling services (such as transportation, translation, and outreach services (See instructions) (**Section 2110(a)(27)**)
- 6.2.28. **X** Any other health care services or items specified by the Secretary and not included under this section (**Section 2110(a)(28)**)  
**Transplantation Services**  
**Emergency and Urgent Care Services**  
**Skilled Nursing Facility Services**  
**Vision Services**

## Section 7. Quality and Appropriateness of Care

- 7.1. Describe the methods (including external and internal monitoring) used to assure the quality and appropriateness of care, particularly with respect to well-baby care, well-child care, and immunizations provided under the plan. (2102(a)(7)(A))

---

The State is in the process of developing a mechanism to assess the quality and appropriateness of care provided through AL-Kids. The State plans to utilize the expertise within the University of Alabama at Birmingham (UAB) School of Public Health in the development of this assessment mechanism. It is anticipated that both process measures as well as outcome measures will be considered when assessing the quality and appropriateness of care. Among the items being considered for tracking are the use of several claims data indicators such as whether or not children truly have a "medical home"; how well they are adhering to the recommended scheduled well-child exams; whether or not they are appropriately immunized; whether or not non-trauma based emergency room use is going down; how referrals are being made and if specialty care and related services are being received; and, patterns of prescription drug use. The State is also considering using other data-bases that can provide general indicators of child health and well-being such as the State's immunization registry (once it is fully operational), adolescent pregnancy rates and health care utilization patterns identifiable off birth certificates, and the results of child death review efforts. Alabama is also considering methods of monitoring customer/patient/provider satisfaction.

Will the State utilize any of the following tools to assure quality?  
(Check all that apply and describe the activities for any categories utilized.)

- 7.1.1.  Quality standards  
7.1.2.  Performance measurement

The State will ensure quality through contracted performance measures. These measures have been adapted in conjunction with the standards recommended by the AAP. These standards may be found in Attachment H.

- 7.1.3.  Information strategies

Vendors are required to provide key health indicators information. These information requirements are listed in Appendix 9 of the RFP which, as noted earlier, may be found in Attachment C.

- 7.1.4.  Quality improvement strategies

The performance guarantees and provider recoupment policy were included in the RFP and will be included in the contract with the health plans.

- 7.2. Describe the methods used, including monitoring, to assure access to covered services, including emergency services. (2102(a)(7)(B))

---

The Department will work with UAB and SEIB to develop a methodology to assure access to covered services as specified in the RFP. A provider recoupment policy will be included in each contract with health plans.

**Section 8. Cost Sharing and Payment (Section 2103(e))**

8.1. Is cost-sharing imposed on any of the children covered under the plan?

8.1.1.  YES

8.1.2.  NO, skip to question 8.5.

8.2. Describe the amount of cost-sharing and any sliding scale based on income:  
(Section 2103(e)(1)(A))

**There will not be any cost-sharing of any type for families at or below 150% of poverty.  
For families above 150% of poverty the cost sharing will be as follows:**

8.2.1. Premiums: \_\_\_\_\_

**There will be a premium per child, per year. The premium can be paid annually at \$50 per child or monthly at \$6 per child for 10 months, for a total annual payment of \$60 per child. A family's total premium payments will not exceed three times the selected payment method per year (i.e., \$150 if premiums are paid once annually and \$180 if premiums are paid in ten installments). Coupon books will be sent to enrolled children and premiums can be paid through state banking institutions. Children can not be re-enrolled at the end of a year without premiums being current.**

8.2.2. Deductibles: None

8.2.3. Coinsurance: None

8.2.4. Other: Copayments

**There are no copayments for preventive services. The only permitted copayments are:**

**\$5 Inpatient hospital confinement.**

**\$5 Physician office visits EXCEPT those for preventive care, well baby care, immunizations, and physical examinations.**

**\$5 Emergency services, waived if admitted.**

**\$5 Urgent care services.**

**\$5 Inpatient chemical dependency, per confinement.**

**\$1 Generic prescription drug.**

**\$3 Brand name prescription drug.**

**\$5 Dental services, basic and major, none for preventive services.**

**Copayments are described in more detail in Section 13 of the Certificate of Coverage attached as Attachment G.**

8.3. Describe how the public will be notified of this cost-sharing and any differences based on income:  
\_\_\_\_\_

**Beneficiaries, providers, and the public will be informed of the cost-sharing requirements in the Program's application and enrollment materials. Copays will also be listed in plan disclosure documents such as the Certificate of Coverage. Outreach workers and administrative staff who answer phone inquiries will be trained to discuss with families the copayments required, and the \$500 annual limit.**

- 8.4. The State assures that it has made the following findings with respect to the cost sharing and payment aspects of its plan: **(Section 2103(e))**
- 8.4.1. **X** Cost-sharing does not favor children from higher income families over lower income families. **(Section 2103(e)(1)(B))**
  - 8.4.2. **X** No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. **(Section 2103(e)(2))**
  - 8.4.3. **X** No child in a family with income less than 150% of the Federal Poverty Level will incur cost-sharing that is not permitted under 1916(b)(1).
  - 8.4.4. **X** No Federal funds will be used toward State matching requirements. **(Section 2105(c)(4))**
  - 8.4.5. **X** No premiums or cost-sharing will be used toward State matching requirements. **(Section 2105(c)(5))**
  - 8.4.6. **X** No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under the this title. **(Section 2105(c)(6)(A))**
  - 8.4.7. **X** Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. **(Section 2105(d)(1))**
  - 8.4.8. **X** No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest. **(Section 2105(c)(7)(B))**
  - 8.4.9. **X** No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). **(Section 2105(c)(7)(A))**
- 8.5. Describe how the State will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's annual income for the year involved: **(Section 2103(e)(3)(B))**

---

**Alabama ensures that the annual aggregate cost-sharing for a family does not exceed five percent (5%) of a family's income as is required by Section 2103(3)(B) of Title XXI.**

**There is no cost sharing for families at or below 150 % for FPL.**

**To protect families who have incomes above 150% of FPL against excessive medical expenses and comply with the statutory limit of no more than 5 percent of family income being expended on cost sharing expenses, AL-Kids will have an annual \$500 limit on out of pocket expenses per family. For a single parent family with three children at 150 percent of poverty the statutory maximum would be about \$1,203. Because of the low premium and low copayment structure very few families, if any, are likely to exceed the \$500 limit on out of pocket expenses and would certainly not approach the 5 percent of income limit. Families will be informed in all literature and outreach workers will be trained to educate families about the \$500 limit on out of pocket expenses. Families will be encouraged to keep receipts for all copayments and premiums in a "shoe box" method so that once the \$500 maximum is reached they will have the necessary documentation to stop cost-sharing, as well as re-claim any over-paid co-pays/premiums.**

- 8.6. The State assures that, with respect to pre-existing medical conditions, one of the following two Statements applies to its plan:

- 8.6.1. **X** The State shall not permit the imposition of any pre-existing medical condition exclusion for covered services (**Section 2102(b)(1)(B)(ii)**); **OR**
- 8.6.2. **”** The State contracts with a group health plan or group health insurance coverage, or contracts with a group health plan to provide family coverage under a waiver (see Section 6.3.2. of the template). Pre-existing medical conditions are permitted to the extent allowed by HIPAA/ERISA (**Section 2109(a)(1),(2)**). Please describe:
-

## Section 9. Strategic Objectives and Performance Goals for the Plan Administration (Section 2107)

9.1. Describe strategic objectives for increasing the extent of creditable health coverage among targeted low-income children and other low-income children: (Section 2107(a)(2))  
(Unchanged from Phase I.)

9.2. Specify one or more performance goals for each strategic objective identified: (Section 2107(a)(3))

### Performance Goal for Objective 1:

By February 1, 1998, the capacity within the Alabama Medicaid Agency, in the following critical areas, will be appropriately expanded to meet the target of enrolling approximately 12,000 children in Year I of Alabama's Title XXI Program: (1) data systems with regard to eligibility determination, enrollment, participant information, health service utilization, billing, health status, provider information, etc.; (2) personnel (eligibility workers, administrative staff, and support staff), (3) staff training, (4) publications/documents (program manuals, literature for program personnel, consumers and providers, etc.)

### Performance Goal for Objective 2:

By February 1, 1999, mechanisms to conduct ongoing outreach will have been developed and implemented in the three broad areas (1) update/expansion of existing outreach activities; (2) activities to identify, enroll, and serve Alabama's growing qualified Hispanic population; (3) an increase in the number of eligibility workers so that at least 14,000 previously uninsured children will be identified as potential Title XXI eligibles in Phase I.

### Performance Goal for Objective 3:

By October 1, 1999, 17,000 previously uninsured low-income children will have or have had health insurance coverage through Phase I CHIP.

### Performance Goal for Objective 4:

By February 1, 1999, 100% of those children enrolled in Alabama's Title XXI Program (except those exempted from participation in managed care such as children in foster care) will have a medical home as evidenced by documented assignment of a provider for Phase I enrollees or a usual source of care for each child enrolled in AL-Kids.

### Performance Goal for Objective 5:

No change.

### Performance Goals for Objective 6:

1. By May 1998, a plan to expand health care coverage to children between 100 and 200% of the federal poverty level will have been submitted to HCFA.

2. No change.

3. No change.

4. By April 1, 1999, a plan to insure access to specific services for children with special health care needs will have been developed. One reason the HMO with the largest commercial enrollment in the state was selected as the benchmark coverage is the numerous aspects within the package which will be advantageous to children with special health care needs such as rehabilitation services, home health services, durable medical equipment, skilled nursing care services and others. The Department has already begun working with other State agencies and members of the CHIP Advisory Council to identify funds and services that could be included in a wrap around (plus) package for children with special health care needs. The Department anticipates a future plan amendment to add this feature.

**5. By October 1, 1999, 20,000 previously uninsured low-income children will have or have had health insurance coverage through AL-Kids.**

9.3. Describe how performance under the plan will be measured through objective, independently verifiable means and compared against performance goals in order to determine the State's performance, taking into account suggested performance indicators as specified below or other indicators the State develops:

(Section 2107(a)(4)(A),(B))

**Measurement of Performance**  
(only measures with changes have been included)

Measure	Rough Definition of Measure
<i>Infrastructure</i>	
<b>Publications/Documents</b>	- 100% of program manuals and literature for program personnel, literature for consumers and literature for providers will contain up-to-date information (as appropriate to the document) regarding the program, its rules and regulations, and pertinent Departmental policies; will be written at appropriate grade levels; and will reach eligibles and providers. Documents will be translated, as appropriate, into Spanish.
<i>Outreach</i>	
<b>Identification of eligible children</b>	- At least 13,000 children will be assessed for eligibility in Alabama's Title XXI Program during Year I.
<i>Insurance Coverage/Expansion of coverage</i>	
<b>Provision of Medicaid coverage to previously uncovered children</b>	- At least 12,000 previously uninsured, low- income children will be enrolled in Ala- bama's Title XXI Program by 10/1/98.
<i>Medical Home</i>	
<b>One primary medical provider (or provider site) for each enrollee</b>	Documentation of assignment of a primary medical provider to each child enrolled in Phase I of the program and documentation of a usual source of care for each child enrolled in AL-Kids.
<i>Effectiveness of Care</i>	
<b>Adolescent immunization status</b>	% of 13-year-olds who received a second dose of MMR.

Check the applicable suggested performance measurements listed below that the State plans to use:  
(Section 2107(a)(4))

- 9.3.1. **X** The increase in the percentage of Medicaid-eligible children enrolled in Medicaid.
  - 9.3.2. **X** The reduction in the percentage of uninsured children.
  - 9.3.3. **X** The increase in the percentage of children with a usual source of care.
  - 9.3.4. **”** The extent to which outcome measures show progress on one or more of the health problems identified by the State.
  - 9.3.5 **X** HEDIS Measurement Set relevant to children and adolescents younger than 19.
- 9.4. **X** The State assures it will collect all data, maintain records and furnish reports to the Secretary at the times and in the standardized format that the Secretary requires. (Section 2107(b)(1))

- 9.5. **X** The State assures it will comply with the annual assessment and evaluation required under Section 10.1. and 10.2. (See Section 10) Briefly describe the State's plan for these annual assessments and reports. (Section 2107(b)(2))

**The Department will provide to the Secretary of DHHS an annual report by January 1, 1999, for federal fiscal year 1998 and annually thereafter. The State will calculate the baseline number of uncovered low-income children by using the Current Population Survey. The number of enrolled eligible children will be compared to these baseline numbers to compute an estimate of the extent of coverage, under both Titles XIX and XXI. These estimates will be categorized by income level, age group, race and ethnicity, and geographic location, as delineated in the table in the model application template and instructions.**

**The State will evaluate the effectiveness of the Children's Health Insurance Program primarily on the basis of achievement of performance measures identified in Sections 9.1.-9.3. The State was deliberate in including a requirement for successful insurers to be able to provide performance data in its RFP let to prospective vendors. For example, vendors were to attest to their ability to provide HEDIS 3.0 measures relevant to children and adolescents younger than 19, asthma inpatient hospital admission rates, proportion of two-year-old children with sickle cell disease who received a dose of polyvalent pneumococcal vaccine, and proportion of pregnant women who received prenatal care during their first trimester. Selection of a vendor will be based, in part, on its ability to provide data on the requested items and to meet specified performance objectives.**

**In addition, the enrollment application for the non-Title XIX portion of the Children's Health Insurance Program the same as that for Title XIX. Accordingly, the State will be able to produce comparable data about the characteristics of enrollees. Enrollment data and claims encounter data will be fully accessible to the State for evaluation both by the plan administrator and by staff of the Alabama Department of Public Health. The plan administrator is the State Employees' Insurance Board of Alabama, which has a well established track record in administration of large and complex health insurance systems and in evaluating claims encounter data. Furthermore the department plans to use in-house and contracted expertise to complete further assessments as needed. In addition, the department has negotiated for benefits vendors to provide all pertinent CHIP information to an independent auditor under the guidance of the department.**

**The principal data sources for AL-Kids will be enrollment data, claims encounter data, computed HEDIS measures, and member-satisfaction data obtained by special surveys. Enrollment data will be collected and processed by employees in the Alabama Medicaid Agency for Phase I and the Department for AL-Kids. The Department through the plan administrator will collect all claims encounter data and HEDIS data from vendors. Vendors are expected also to provide plans for and conduct member-satisfaction surveys. The plan administrator has experience in producing independent analyses of claims data as well as using reports available through proprietary programs such as CHAMP. Ultimately the responsibility for monitoring the progress of the Children's Health Insurance Program lies with the Alabama Department of Public Health.**

- 9.6. **X** The State assures it will provide the Secretary with access to any records or information relating to the plan for purposes of review of audit. (Section 2107(b)(3))
- 9.7. **X** The State assures that, in developing performance measures, it will modify those measures to meet national requirements when such requirements are developed.
- 9.8. The State assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a State under Title XIX: (Section 2107(e))

- 9.8.1. **X** Section 1902(a)(4)(C) (relating to conflict of interest standards)
  - 9.8.2. **X** Paragraphs (2), (16) and (17) of Section 1903(I) (relating to limitations on payment)
  - 9.8.3. **X** Section 1903(w) (relating to limitations on provider donations and taxes)
  - 9.8.4. **X** Section 1115 (relating to waiver authority)
  - 9.8.5. **X** Section 1116 (relating to administrative and judicial review), but only insofar as consistent with Title XXI
  - 9.8.6. **X** Section 1124 (relating to disclosure of ownership and related information)
  - 9.8.7. **X** Section 1126 (relating to disclosure of information about certain convicted individuals)
  - 9.8.8. **X** Section 1128A (relating to civil monetary penalties)
  - 9.8.9. **X** Section 1128B(d) (relating to criminal penalties for certain additional charges)
  - 9.8.10. **X** Section 1132 (relating to periods within which claims must be filed)
- 9.9. Describe the process used by the State to accomplish involvement of the public in the design and implementation of the plan and the method for insuring ongoing public involvement. (Section 2107(c))

**Efforts have been made to make the process of developing the design and implementation of the Children's Health Insurance Program inclusive. News coverage about the advocacy of the Children's Health Insurance Program has been provided regularly since the issue came before the Alabama Legislature.**

**The CHIP Commission met three times, October 7, November 12 and December 17, 1998. The CHIP Task Force Work Groups met twelve times beginning August 6, 1998, and split into subcommittees to develop proposals in the following areas: (1) benefits, (2) eligibility, outreach and enrollment, and (3) funding. These subcommittee meetings were open to interested individuals and groups. At least three news conferences were held by the State Health Officer and/or the Medicaid Commissioner.**

**Public awareness was promoted through means such as television programs. Interested organizations such as Alabama ARISE and Voices for Alabama's Children have provided information to their membership about CHIP. Media coverage has been provided and CHIP information has been made available on the Internet at: <http://www.alapubhealth.org> since October 2, 1998. During the six and one-half month period of October 4 through April 21, 1998, 1,247 hits were made on this site specifically requesting CHIP information. This website includes a description of the program, a calendar of scheduled events, and an opportunity for interested persons to express their opinions about the program's development. The largest number of requests for information (312) came during the month of January. Newspaper editorials have praised the value of this program for our State's children.**

**The CHIP Advisory Council is comprised of employees of the Alabama Medicaid Agency, Public Health Department employees, and other interested parties including representatives of the Alabama Primary Care Association, Alabama ARISE, Voices for Alabama's Children, the Alabama Child Caring Foundation, Alabama Dental Association, Alabama Hospital Association, Alabama Psychological Association, American Academy of Pediatrics-Alabama Chapter, Blue Cross Blue Shield, Children First, Children's Health System, Children's Hospital of Alabama, Family Voices, Health Maintenance Organization Association, Legislative Fiscal Office, Legislative Reference Service, Medical Association of the State of Alabama, University of Alabama at Birmingham, University of South Alabama, University of South Alabama Children's and**

Women's Hospital, United Health Care, as well as other State agencies including the Department of Education, the Department of Human Resources, the Department of Mental Health/Mental Retardation, State Employees' Insurance Board, State Insurance Department, and the Department of Rehabilitation Services.

The Alabama program will continue to inform the general public about CHIP through the news media, to announce planning meetings, and to invite additional groups with an interest in being involved or informed as they become identified.

The news media were invited to and attended meetings. Regular reports on CHIP progress are made at State Committee of Public Health meetings, which are attended by the news media. The media were sent copies of a news release announcing the start of the program and promoting its availability for teenagers whose family incomes were at or below 100 percent of the federal poverty level.

A comprehensive 133-page report was released to the Alabama Legislature on January 12, 1998. Many newspaper articles have described the program and newspaper editorials have discussed the benefits of the proposed expansion.

A meeting was held with representatives of the 2,176 member Poarch Band of Creek Indians, the only federally recognized Native American group in Alabama. Six other tribes are recognized by the State. The CHIP Program was explained and discussion centered on ways to coordinate CHIP and Indian Health Service-funded care, the role of traditional Native American healing, outreach methods for children and some demographics of the Poarch Band. The Poarch Band wants to do outreach for CHIP through several avenues including training as outreach workers, putting information into its monthly newsletter which is sent to every member head of household, distributing brochures, putting information into paychecks, doing outreach when they visit schools, and PTA meetings. They are also willing to help develop a fact sheet that can be distributed to providers on cultural ways regarding health.

The CHIP Advisory Council met April 17, 1998. It was informed that the State Department of Education sent three different mailings to all school systems in the State describing CHIP. A fact sheet for parents and the public describing eligibility criteria for CHIP's Phase II also has been drafted.

- 9.10. Provide a budget for this program. Include details on the planned use of funds and sources of the non-Federal share of plan expenditures. (Section 2107(d))

**PHASE I**

**Phase I Medicaid Expansion**

	<b>FY 98</b>	<b>FY 99</b>
<b>October</b>		
<b>November</b>		<b>12,000</b>
<b>December</b>		<b>12,500</b>
		<b>13,000</b>

January			
February			13,500
			861
March			14,000
			1,114
April			14,500
			4,133
May			15,000
			8,000
June			15,500
		12,000	
July			16,000
		12,000	
August			16,500
		12,000	
September			17,000
		<u>12,000</u>	
	<u>17,000</u>		
Monthly benefit Cost Per Eligible	62,108		176,500
			<u>89</u>
			<u>89</u>
Projected Program Benefit Cost			5,527,612
			15,745,389
Administration(Benefits/9)	<u>614,179</u>	<u>1,745,389</u>	
Total Program Cost	<u>6,141,791</u>		<u>17,453,889</u>
State Share 21.48%	1,319,257	3,749,095	
Federal Share	4,822,534	13,704,794	
FY 99 Phase II Private Insurance Projected Funds Available			
FY 98 General Fund Appropriation			
			5,000,000
Less: FY 98 Medicaid Phase I State Share			<u>1,319,257</u>
Estimated Appropriation Carry forward			3,680,743
Add: FY 99 General Fund Appropriation		<u>5,000,000</u>	
Total Projected State Funds Available FY 99			8,680,743

<b>Less: FY 99 Phase I Medicaid State Share</b>	<b><u>3,749,095</u></b>
<b>Funds Available in FY 99 for Phase II Private Insurance</b>	<b><u>4,931,648</u></b>
<b>Projected Program Benefit Cost</b>	<b>20,663,329</b>
<b>Administration(Benefits/9)</b>	<b><u>2,295,925</u></b>
<b>Total Program Cost</b>	<b><u>22,959,255</u></b>
<b>State Share 21.48%</b>	<b>4,931,648</b>
<b>Federal Share</b>	<b>18,027,607</b>

**Section 10. Annual Reports and Evaluations (Section 2108)**

10.1. Annual Reports. The State assures that it will assess the operation of the State plan under this Title in each fiscal year, including: **(Section 2108(a)(1),(2))**

10.1.1. **X** The progress made in reducing the number of uncovered low-income children and report to the Secretary by January 1 following the end of the fiscal year on the result of the assessment, and

10.1.2. **X** Report to the Secretary, January 1 following the end of the fiscal year, on the result of the assessment.

Below is a chart listing the types of information that the State's annual report might include. Submission of such information will allow comparisons to be made between States and on a nationwide basis. **(ALABAMA IS NOT USING THIS TABLE IN THIS AMENDMENT.)**

<u>Attributes of Population</u>	<u>Number of Children with Creditable Coverage</u> <u>XIX OTHER CHIP</u>	Number of Children without Creditable Coverage	<b>TOTAL</b>
Income Level:			
< 100%			
≤ 133%			
≤ 185%			
≤ 200%			
> 200%			
<u>Age</u>			
0 - 1			
1 - 5			
6 - 12			
13 - 18			
<u>Race and Ethnicity</u>			
American Indian or Alaskan Native			
Asian or Pacific Islander			
Black, not of Hispanic origin			
Hispanic			
White, not of Hispanic origin			
<u>Location</u>			
MSA			
Non-MSA			

10.2. **X** State Evaluations. The State assures that by March 31, 2000 it will submit to the Secretary an evaluation of each of the items described and listed below: **(Section 2108(b)(A)-(H))**

- 10.2.1. **X** An assessment of the effectiveness of the State plan in increasing the number of children with creditable health coverage.
- 10.2.2. A description and analysis of the effectiveness of elements of the State plan, including:
  - 10.2.2.1. **X** The characteristics of the children and families assisted under the State plan including age of the children, family income, and the assisted child's access to or coverage by other health insurance prior to the State plan and after eligibility for the State plan ends;
  - 10.2.2.2. **X** The quality of health coverage provided including the types of benefits provided;
  - 10.2.2.3. **X** The amount and level (including payment of part or all of any premium) of assistance provided by the State;
  - 10.2.2.4. **X** The service area of the State plan;
  - 10.2.2.5. **X** The time limits for coverage of a child under the State plan;
  - 10.2.2.6. **X** The State's choice of health benefits coverage and other methods used for providing child health assistance, and
  - 10.2.2.7. **X** The sources of non-Federal funding used in the State plan.
- 10.2.3. **X** An assessment of the effectiveness of other public and private programs in the State in increasing the availability of affordable quality individual and family health insurance for children.

- 10.2.4. **X** A review and assessment of State activities to coordinate the plan under this Title with other public and private programs providing health care and health care financing, including Medicaid and maternal and child health services.
- 10.2.5. **X** An analysis of changes and trends in the State that affect the provision of accessible, affordable, quality health insurance and health care to children.
- 10.2.6. **X** A description of any plans the State has for improving the availability of health insurance and health care for children.
- 10.2.7. **X** Recommendations for improving the program under this Title.
- 10.2.8. **X** Any other matters the State and the Secretary consider appropriate.
- 10.3. **X** The State assures it will comply with future reporting requirements as they are developed.
- 10.4. **X** The State assures that it will comply with all applicable Federal laws and regulations, including but not limited to Federal grant requirements and Federal reporting requirements.