

Children’s Health Insurance Program Eligibility Extension

**Section 1115 Title XXI Research Demonstration
New 5-Year Demonstration Request**

Florida Agency for Health Care Administration



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Program Application Overview

The Florida Agency for Health Care Administration (AHCA) is seeking federal authority from the Centers for Medicare & Medicaid Services (CMS) to implement a new section 1115 (Title XXI) Children's Health Insurance Program (CHIP) demonstration that offers program eligibility to children with family income above 200 percent of the federal poverty level (FPL)¹, up to 300 percent of the FPL, with enrollment subject to monthly premiums. This section 1115 demonstration will operate concurrently with the CHIP state plan which offers health insurance for uninsured children in families with incomes up to 200 percent of the FPL. The state is requesting authority for new premium amounts through this demonstration for all CHIP eligible recipients included in both the CHIP state plan and the section 1115 waiver authorities with incomes between 133 and 300 percent of the FPL. The State is seeking a proposed effective date of April 2024.

I. Demonstration Purpose, Goals, and Objectives and CHIP Program Overview

Demonstration Purpose, Goals, and Objectives

Florida is focused on ensuring that families have Pathways to Prosperity, which are individualized paths to prosperity, economic self-sufficiency, and hope through community collaboration between government entities, the private sector, community organizations, and the nonprofit sector. The Florida Legislature and Governor DeSantis recognized that parents who are working hard to improve their economic situation of their family could potentially lose access to subsidized CHIP health insurance for their children through even a small increase in their income, and that the potential loss of the subsidized coverage could be a disincentive to the parent in their pathway to prosperity and economic self-sufficiency. For example, a parent who worked more hours or received a promotion that increased annual income by \$300 (approximately 1% of the FPL for a family of four with two children) would face an increase in premiums from subsidized CHIP coverage (with premiums of \$240 per year per family) to \$5,748 annually if they chose to participate in Florida's full-pay program.

In response, the Florida Legislature passed House Bill 121 (HB 121), signed into law in June 2023, to increase eligibility for the CHIP-subsidized KidCare programs above the current state plan threshold of 200 percent of the FPL up to 300 percent of the FPL. HB 121 also requires the State to establish new monthly premiums for CHIP enrollees. The new premium structure creates a graduated level of premiums that allows families with growing income to be able to continue to afford health insurance for their children.

This proposed demonstration is critical at this time as Florida's economy thrives, and more families are reporting increased income levels above those allowed for Florida Medicaid eligibility.

Florida's Medicaid redetermination process is already projected to increase enrollment in Florida's KidCare Full-Pay program, as current Medicaid enrollees with income levels too

¹ 200 percent represents the percent of the FPL prior to the application of the modified adjusted gross income (MAGI) conversion.

high for Medicaid and too high for CHIP-subsidized KidCare disenroll and look for other coverage options. Florida estimates 16,328 children with household incomes under 300% FPL will enroll in Full-Pay KidCare in Fiscal Year 2023-2024.

This proposed demonstration is expected to enable Florida to continue to make strides in increasing access to creditable health insurance coverage for lower-income children within the State while supporting increased economic self-sufficiency and pathways to prosperity. Accordingly, the goals and objectives of this demonstration are to:

- Increase enrollment and access to CHIP-subsidized coverage; and,
- Improve or maintain the rate of uninsured children under age 19 in the State of Florida.

CHIP Background

The Florida KidCare Program (KidCare or Program) was created by the Florida Legislature in 1998 in response to the passage of the federal Children’s Health Insurance Program (CHIP) in 1997. The federal CHIP provides funding for states who choose to subsidize health insurance coverage to uninsured children in families with incomes that are too high to qualify for Medicaid but who meet other eligibility requirements. Florida’s KidCare program encompasses four partner programs, that together with the availability of full-pay options for those who do not qualify for subsidized coverage matched by the federal government, offers coverage for all children in the State of Florida. The four programs that comprise Florida KidCare are:

1. **Medicaid for children** – Title XIX medical coverage to eligible children up to 1-year-old with family income that does not exceed 200 percent of the FPL and to eligible children, ages 1-18, with family income that does not exceed 133 percent of the FPL.
2. **MediKids Program** – MediKids provides low-cost health insurance for children ages 1 through 4. The MediKids program is similar to Medicaid. Children enrolled in the MediKids program receive medical services and benefits from Medicaid providers through Medicaid’s Managed Medical Assistance (MMA) program. The program charges monthly premiums but does not impose any other form of beneficiary cost-sharing (i.e., no deductibles, co-payments, or coinsurance).
3. **Children’s Medical Services (CMS)** – CMS is a collection of programs that provides a statewide managed care system for children (under age 19) with special health care needs and provides essential preventive, evaluative, and early intervention services for at-risk children.
4. **Florida Healthy Kids Program** – Florida Healthy Kids offers quality, affordable, child-centered health and dental insurance for children ages 5 through 18. Florida Healthy Kids has a subsidized plan for families who exceed the income eligibility

threshold for Medicaid, as well as full-pay options for those who do not qualify for subsidized coverage.

KidCare is governed by part II of Chapter 409, Florida Statutes (F.S.) and is administered jointly by AHCA, the Department of Children and Families, the Department of Health, and the Florida Healthy Kids Corporation (Corporation) established in Chapter 624, F.S. Table 1 below delineates the roles of each agency and the Corporation:

Table 1: Florida KidCare Organizational Structure

State Agency and Program(s)	Responsibilities
Agency for Health Care Administration (AHCA) (MediKids)	<ul style="list-style-type: none"> • Administers the Medicaid program (Title XIX) • Administers the MediKids program (Title XXI, ages 1-4) • Serves as lead Title XXI contact with the federal Centers for Medicare and Medicaid Services • Distributes federal funds for Title XXI programs • Manages the Florida Healthy Kids Corporation contract • Develops and maintains the Title XXI Florida KidCare State Plan
Department of Children and Families (DCF) (Medicaid for Children)	<ul style="list-style-type: none"> • Determines Medicaid (Title XIX) eligibility • Administers the CMS Behavioral Health Network (Title XXI, ages 0-18)
Department of Health (Children’s Medical Services)	<ul style="list-style-type: none"> • Administers Children’s Medical Services (Titles XIX and XXI, ages 0-18 with special health care needs)
Florida Healthy Kids Corp. (Healthy Kids)	<ul style="list-style-type: none"> • Performs administrative functions for Florida KidCare (eligibility determination, premium collection, marketing, and customer service) • Administers Florida Healthy Kids program (Title XXI, ages 5-18)

II. Demonstration Benefits, Eligibility and Cost-Sharing

Benefits

Florida KidCare health and dental services are delivered through quality plans that offer a choice of local doctors, dentists, specialists, hospitals, pharmacies, and other health care providers. Florida KidCare benefits minimally include but are not limited to: doctor visits, surgeries, check-ups, immunizations, dental and vision care, prescriptions, hospital stays, behavioral health, and emergencies.

Eligibility

Eligibility for Florida KidCare, including Florida Healthy Kids, is determined in part by age and household income, as a percent of the FPL, as indicated in Table 2 below:

Table 2 – Florida KidCare Eligibility and Cost-sharing Structure

Program	Ages	Family Income Eligibility			Existing Monthly Premium Structure	Copay (some services)
		FPL Threshold (Pre MAGI)	FPL Threshold (Post MAGI)	Annual Income ²		
Medicaid for Children	0-1	185-200% FPL	194-210% FPL	\$55,000 – \$60,000	\$0	\$0
MediKids	1-4	133-200% FPL	140-210% FPL	\$41,400 – \$60,000	\$15 for 133-158% FPL	Up to \$10
Healthy Kids	5	133-200% FPL	140-210% FPL	\$41,400 – \$60,000		Up to \$10
	6-18	100-200% FPL	112-210% FPL	\$30,000 – \$60,000		\$20 for 158-200% FPL
Children’s Medical Services	0-18	Up to 200% FPL	Up to 210% FPL	\$0 – \$60,000	(per household)	\$0
Full-Pay (MediKids & Healthy Kids)	1-18	Over 200% FPL	Over 210% FPL	Over \$60,000	\$210 - MediKids \$259 - Healthy Kids (per child)	\$10 or \$15

The demonstration will not change CHIP state plan eligibility for uninsured children in households with income up to the threshold of 200 percent of the FPL. The CHIP state plan will continue to be the basis of eligibility for uninsured children up to and including 200 percent of the FPL.

The demonstration will be the basis of coverage for uninsured children with household income ranging from above 200 percent of the FPL up to 300 percent of the FPL. The demonstration will also be the basis of authority for the monthly premium structure that will be applied to CHIP enrollees in households with income over 133 percent of the FPL up to the new coverage threshold of 300 percent of the FPL. See Table 3 below for the proposed new monthly premium structure for the Florida KidCare program.

Cost-sharing – Monthly Premium Structure

Families contribute monthly premiums to the cost of the Florida KidCare program based on their household size, income, and other eligibility factors. The premium does not vary by the number of children in the household. In accordance with HB 121, Florida is proposing to establish new premium tiers for CHIP enrollees above 133 percent of the FPL, including the new income coverage band from above 200 percent of the FPL up to 300 percent of the FPL. The new monthly premium structure proposed for the Florida KidCare program is as follows:

² Annual income based on 2023 federal poverty guidelines for a family size of 4 utilizing Pre-MAGI percentages

Table 3 – Proposed New Monthly Premiums for Households³

Proposed Premium Tiers by Federal Poverty Level					
Tier 1 FPL Range	Tier 2 FPL Range	Tier 3 FPL Range	Tier 4 FPL Range	Tier 5 FPL Range	Tier 6 FPL Range
133-175%	175-200%	200-225%	225-250%	250-275%	275-300%
\$17	\$30	\$60	\$95	\$145	\$195

III. Health Care Delivery System

Florida utilizes a managed care delivery system for all children enrolled in CHIP. Children in MediKids are enrolled in a Statewide Medicaid Managed Care program, Managed Medical Assistance plan. Children in Florida Healthy Kids are enrolled in one of three managed care plans contracted with the Florida Healthy Kids Corporation. Children in Children’s Medical Services are enrolled in the Florida Department of Health’s CMS plan. All plans are fully capitated plans that provide a comprehensive array of benefits to enrolled children.

IV. Enrollment & Expenditures

Projected Enrollment

The state’s projected enrollment of uninsured children with household income ranging from above 200 percent of the FPL up to 300 percent of the FPL is listed in Table 4.

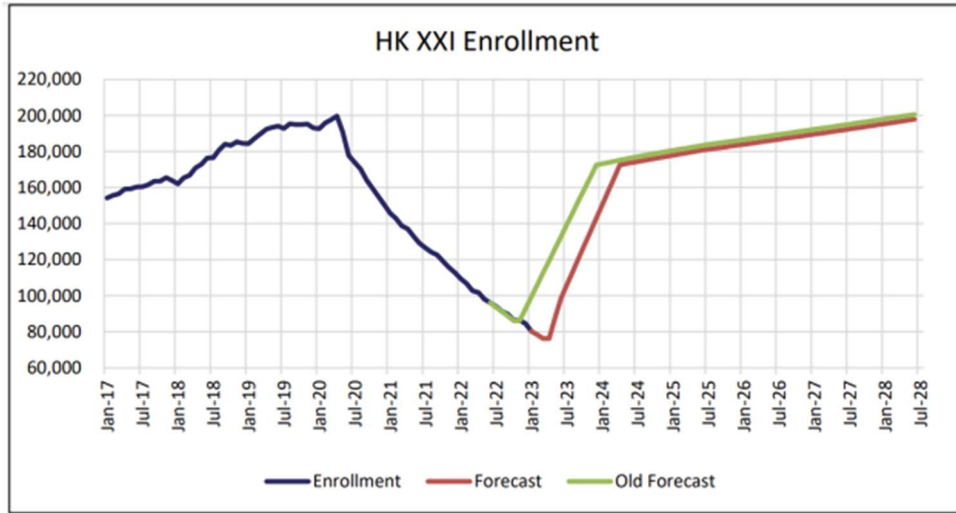
Table 4 – Projected Enrollment

DY01	DY02	DY03	DY04	DY05
14,649	28,926	38,360	41,272	41,874

Enrollment Impact

As of January 2023, 117,092 children are enrolled in KidCare. The State’s 2023-2024 fiscal year projections assume that Medicaid redeterminations, which began in April 2023, will cause a 76.54% caseload growth in the CHIP Florida Healthy Kids portion of the KidCare program over the next year, as indicated by the graph below.

³ Premiums will increase by three percent each year.



Florida’s current work to complete Medicaid redeterminations in the post public health emergency return to normal operations per CMS guidance, has resulted in an estimated 16,328 children in Fiscal Year 2023-2024 with household income under 300% FPL who would only be eligible for enrollment in Full-Pay KidCare at an approximate annual premium of \$3,114 plus nominal co-pays for certain services. The proposed demonstration will increase the upper eligibility band for KidCare eligibility, thereby making many Full-Pay KidCare enrollees now eligible for (more affordable) subsidized-KidCare coverage. Accordingly, the proposed demonstration is expected to impact projected overall CHIP enrollment by increasing the number of lower-income uninsured children eligible for enrollment in KidCare by approximately 165,000 children over the initial five years of implementation.

This new premium structure is not expected to impact general disenrollment trends or processes. Total projected enrollment in KidCare, including disenrollments due to failure to pay the monthly premium, was utilized to calculate the total costs for the demonstration.

Projected Expenditures

The state’s projected medical assistance expenditures for coverage of uninsured children with household income ranging from above 200 percent of the FPL up to 300 percent of the FPL is listed in Table 5.

Table 5 – Projected Title XXI (CHIP) Expenditures

DY01	DY02	DY03	DY04	DY05
\$16,999,053	\$69,794,099	\$106,984,015	\$125,152,604	\$135,457,940

The title XXI CHIP allotment neutrality analysis workbook for this 5-year request is provided as a separate attachment to this application.

V. Evaluation Parameters

The State, in consultation with a to-be selected evaluator, will identify validated performance measures that will assess the impact of the demonstration on CHIP enrollees. In addition, the State intends to work with the selected evaluator to identify meaningful comparison groups in designing the evaluation plan. It is the intent of the State to follow all CMS evaluation design guidance in working with the State’s selected evaluator to draft an evaluation plan. See the proposed evaluation parameters in Table 5 below.

Table 5 – Proposed Evaluation Parameters

Proposed Hypothesis	Anticipated Measure(s)	Proposed Data Sources
The demonstration will increase enrollment and access to CHIP coverage.	Number of children with family income over 200% of FPL up to 300% of FPL enrolled in CHIP.	Florida CHIP claims and enrollment records
The demonstration will improve or maintain the rate of uninsured children under age 19 in the State of Florida.	Reported uninsurance rates: Number of children up to age 19 in Florida without health coverage	U.S. Census Bureau Data, American Community Survey (ACS)

VI. Waiver and Expenditure Authorities

Table 6 – Proposed Waiver and Expenditure Authorities

Section 1115(a)(1) Waiver Authorities	<i>Florida does not anticipate needing any waivers of the provisions under Title XXI of the Social Security Act to implement this demonstration.</i>
Section 1115(a)(2) Expenditure Authorities	Expenditure authority to offer CHIP coverage (through Florida KidCare) to uninsured children in households with income above 200 percent of the FPL up to 300 percent of the FPL.
	Expenditure authority to implement a monthly premium structure to be imposed on CHIP enrollees with income above 133 percent of the FPL up to 300 percent of the FPL as a condition of enrollment.

VII. Documentation of State Public Notice Process

The abbreviated notice was published on January 23, 2024 via Florida Administrative Register. Notice for tribal consultation was sent on January 23, 2024 to the Miccosukee and Seminole Tribes via email. As outlined in these public notices, AHCA is providing a minimum 30-day public comment period from January 23, 2024 at 3:00 pm EST, through February 21, 2024 at 3:00 pm EST. The draft section 1115 demonstration application and related public notice materials are posted for the minimum 30-day public comment period starting January 23, 2024 at 3:00 pm EST, on the Federal Waivers Home page located on the AHCA website: <https://ahca.myflorida.com/medicaid/medicaid-policy-quality-and-operations/medicaid-policy-and-quality/medicaid-policy/federal-authorities/federal-waivers>.

The rest of this application section will be completed in the final submission to CMS after the State completes the full state public notice process in alignment with CMS requirements. In addition to publishing notices, AHCA will conduct two public hearings on the proposed application as outlined in the State's published public notices as well as on AHCA's website. AHCA will also collect and analyze all public comments received during the 30-day comment period into a report summary reflecting common trends and themes for inclusion in the final submission to CMS.