

FACT SHEET

Maryland State Plan Amendment (SPA) 07-04

Official Program Name: Seamless Transition of SCHIP Children to Medicaid and the Implementation of Sections 6041 and 6042 of the Deficit Reduction Act (DRA) of 2005 for Maryland's Optional Targeted Low Income Children

Date SPA Submitted: March 14, 2007

Date SPA Approved: May 7, 2007

Date SPA to be Implemented: January 1, 2007

Date SPA to Expire: Not Applicable

SUMMARY

On March 14, 2007, the State of Maryland submitted a SPA to add their SCHIP children with family income between 201 percent and 300 percent of the Federal poverty level (FPL) to Title XIX. Maryland made a decision to add their SCHIP children under title XIX because the State had nearly exhausted all available SCHIP funding for the fiscal 2007. Under the authority of 1902 (r) (2) Maryland provided a disregard of all countable net income which exceeds 200% of the FPL but less than 300% of the FPL for optional targeted low income children under age 19.

Maryland also used the authority of Sections 6041 and 6042 of the DRA of 2005 to impose premiums for targeted low income children under age 19 with income above 200% of the FPL but less than 300% of the FPL. A \$44 premium is imposed on targeted low income children with family income above 200% of the FPL but at or below 250% of the FPL. A \$55 premium is imposed on targeted low income children with family income above 250% of the FPL up to 300% of the FPL. Other features of this SPA include:

- no cost sharing imposed on children with family income above 100% but less than 150% of the PFL
- no cost sharing imposed on children with family income above 150% of the FPL
- total aggregate amount of premiums imposed for all individuals in the family may not exceed 5% of the family income (Maryland has historically set the premium amount at between 2% and 3% of the lower income threshold of the FPL range)
- premiums are billed on a monthly basis
- eligibility is terminated after failure to pay the premium for 60 days
- premium payment may be waived on a case-by-case basis for undue hardship

SCHIP and 1115 amendments were necessary to transition these children from SCHIP to Medicaid.