

# Important Changes to Health Insurance Coverage for Children and Families in Rhode Island

## Rhode Island KIDS COUNT December 2008

Important changes are being made to the RItE Care/RItE Share and other Medical Assistance programs as a result of the FY08 Supplemental and FY09 Budgets, including these detailed below.

### RItE Care Premiums

- An *increase* in monthly premiums paid by children and families enrolled in RItE Care between 150% FPL and 250% FPL was implemented on October 1, 2008. This is a change from previous premium levels, which started at 150% FPL and were set at 3% of income.
- A *new* monthly premium of \$45 for families enrolled in RItE Care earning between 133% FPL and 149% FPL was implemented on November 1, 2008. RItE Care premiums previously were charged only to families earning over 150% FPL.

% of FPL	Monthly Incomes for a family of three (will vary based on family size)	Previous monthly family premium	New monthly family premium
133% - 149% FPL	\$1,950 - \$2,199	\$0	<b>\$45</b>
150% - 184% FPL	\$2,200 - \$2,712	\$61	<b>\$86</b>
185% - 199% FPL	\$2,713 - \$2,932	\$77	<b>\$106</b>
200% - 250% FPL	\$2,933 - \$3,666	\$92	<b>\$114</b>

- Currently, families who do not pay their required monthly RItE Care premiums for two consecutive months are required to serve a sanction period of four months in which they lose their RItE Care health insurance. DHS anticipates that the sanction policy will be changed from a four month sanction to a “pay up and get back on” rule. Families who do not pay their monthly premiums for two consecutive months will lose their RItE Care health insurance as they did before. However, they will be able to re-enroll when they pay the outstanding balance (which can be a maximum of two months’ worth). For families who are able to afford the premiums, this will mean that they will be able to re-enroll without serving a sanction period. For families who can not afford the monthly premiums, this means that they will not be able to re-enroll in RItE Care until they can. While initial plans called for implementation of this change in late 2008, the final timeframe has not yet been determined.

### Generic Only Drug Benefit for RItE Care Members

- The pharmacy benefit for RItE Care members (children and parents) will soon require increased use of generic drugs. Exceptions will be made for a limited number of brand name drugs (within certain therapeutic classes of drugs and single agents) according to the health plans’ preferred drug lists (PDL) and prior authorization processes. DHS is finalizing implementation plans for this initiative, which now has a target start date of February 1, 2009.

### Parent Eligibility Rollback and Benefit Changes

- Parent eligibility in RItE Care was reduced from 185% FPL to 175% FPL on October 1, 2008. An estimated 1,000 parents with incomes between 176% FPL and 185% FPL lost their RItE Care coverage as a result of this change. This rollback did not apply to pregnant or post-partum women, who retained their eligibility levels.
- There also may be changes to the RItE Care benefit package for parents. Certain services that previously were covered, such as dental services, may no longer be covered for parents. Details and timeline are still to be announced by DHS.

## **Mandatory Enrollment of Children with Special Health Care Needs in Managed Care**

- Starting October 1, 2008, approximately 1,800 children with special health care needs who previously received health care through the Medicaid fee-for-service program are now required to enroll in one of two RItE Care managed care health plans (Neighborhood Health Plan of Rhode Island and UnitedHealthcare of New England). For the purposes of this program, children with special health care needs are defined as those of are eligible for Medical Assistance based on their disability (SSI or Katie Beckett), and children who receive adoption subsidies.
- Children in substitute care (foster care) are considered to be children with special health care needs and already are enrolled in managed care through Neighborhood Health Plan of Rhode Island. There is no change in RItE Care enrollment for this population.
- Children with special health care needs who have other health insurance (such as through their parents' employer) in addition to Medicaid also are exempt from this mandatory managed care program.

## **New Recertification Requirements for Extended Family Planning (EFP) Beneficiaries**

- The Extended Family Planning (EFP) program provides extended family planning services for women who are no longer eligible for RItE Care after they deliver their child because their income falls between 176% FPL and 250% FPL. As of October 1, 2008, an estimated 600 post-partum women who are enrolled in EFP are now required to recertify their enrollment prior to the 12 month of coverage in order to receive a second 12 months of EFP services. Previously, women were enrolled for up to 24 months without a recertification requirement. This new requirement will be implemented as their 12 month enrollment period comes up, rather than requiring recertification of all women currently enrolled in the program at once. If the woman has a child who is already enrolled in RItE Care, the recertification for the child for RItE Care will serve as the recertification for the woman for EFP. If the woman does not have a child already enrolled in RItE Care, a recertification form will be sent.

## **RItE Share – “Pay In Lieu of Benefits”**

- Previously, if an employer offers “pay in lieu of benefits” and a parent chose to receive increased pay instead of enrolling in employer sponsored insurance (ESI), the family can enroll in RItE Care. As of September 1, 2008, the family is now required to enroll in ESI as a condition of Medical Assistance eligibility. The family will be enrolled in RItE Share. If a parent fails to comply, the parent(s) will be dropped from RItE Care/RItE Share coverage and the children will remain in RItE Care.

## **Important RItE Care Changes - Month By Month**

September 1, 2008	RItE Share “Pay in Lieu of Benefits” change
October 1, 2008	Parent eligibility rollback to 175% FPL
October 1, 2008	Premiums increased for families between 150% FPL and 250% FPL
October 1, 2008	EFP recertification required at 12 months
October / November 1, 2008	Mandatory managed care for Children with Special Health Care Needs
November 1, 2008	New premiums for families between 133% FPL and 149% FPL
February 1, 2009	Generic Only Drug Benefit
TBD	“Pay Up and Get Back On” policy for premiums
TBD	Parent benefit changes (timing and specifics TBD)