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Title of Rule: Revision to Enrollment Fee Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 310.1B

Rule Number: MSB 10-03-09-B

Division / Contact / Phone: CHP+ / Annie Lee / 303-866-3663

RULES ACTION SUMMARY AND FILING INSTRUCTIONS

SUMMARY OF ACTION ON RULE(S)

1. Department / Agency Name: Health Care Policy and Financing / Medical Services Board
2. Title of Rule: MSB 10-03-09-B, Revision to Enrollment Fee Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 310.1B
3. This action is an adoption of: an amendment
4. Rule sections affected in this action (if existing rule, also give Code of Regulations number and page numbers affected):
Sections(s) 310.1B, Colorado Department of Health Care Policy and Financing, Medical Assistance (10 CCR 2505-3).
5. Does this action involve any temporary or emergency rule(s)? No
If yes, state effective date:
Is rule to be made permanent? (If yes, please attach notice of hearing). Yes

PUBLICATION INSTRUCTIONS*

Please replace current existing text at §310.1.B with new text provided. Headings at §310 and §310.1 are for the purpose of clarity only. Paragraph B is the only text change to be published.

Effective 06/30/2010

Title of Rule: Revision to Enrollment Fee Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 310.1B

Rule Number: MSB 10-03-09-B

Division / Contact / Phone: CHP+ / Annie Lee / 303-866-3663

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The rule amends the annual enrollment fee to include the expansion population, which are families with incomes from 205% of FPL to 250% of FPL. The enrollment fee structure itself is not changing, the expansion population is simply being added to the highest income level group, and the same fees apply.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

This rule is in compliance with 42 C.F.R. § 457.560, which regulates cost-sharing imposed by Children's Health Insurance Programs.

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, CRS (2009)
HB 09-1293

Initial Review

Final Adoption

05/14/2010

Proposed Effective Date

06/30/2010

Emergency Adoption

DOCUMENT #01

Title of Rule: Revision to Enrollment Fee Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 310.1B

Rule Number: MSB 10-03-09-B

Division / Contact / Phone: CHP+ / Annie Lee / 303-866-3663

REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

Children's Basic Health Plan clients, whose family income falls between 200% and 250% of the Federal Poverty Level (FPL), will be affected by the proposed rule. These clients will pay an enrollment fee of \$25 for one child and \$35 for two or more children.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

The enrollment fee is the same fee that has been imposed on clients from 150% to 200% of the FPL for a number of years, and should have no significant impact on the impacted classes, who have the highest incomes of CBHP clients.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

There is a very modest effect on revenues, as additional enrollment fees will be generated as a result of this rule. Please see line 10 of table 1 to see the projected revenues from enrollment fees.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

Due to the existing enrollment fee structure, consistency requires that the enrollment fees also apply to the expansion population, which have the highest incomes amongst CHP+ clients. Altering the enrollment fee structure would require a highly costly systems change.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

To achieve consistency while preserving the enrollment fee structure, there are no less costly or intrusive methods.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

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No alternative methods were considered because of the need to adhere to the existing enrollment fee structure.

Table 1 CHP+ to 250% FPL - Summary of Costs						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
1.CHP+ Children to 250% Projected Caseload	6,300	14,700	18,900	21,000	21,400	21,800
2.CHP+ Children Medical Per Capita	\$1,929.26	\$2,011.54	\$2,097.33	\$2,186.78	\$2,280.05	\$2,377.29
3.Total Children Medical Cost	\$12,154,338	\$29,569,638	\$39,639,537	\$45,922,380	\$48,793,070	\$51,824,922
4.CHP+ Dental Per Capita	\$161.40	\$168.28	\$175.46	\$182.94	\$190.74	\$198.88
5.Total Dental Cost	\$1,016,820	\$2,473,716	\$3,316,194	\$3,841,740	\$4,081,836	\$4,335,584
6.CHP+ Prenatal to 250% Projected Caseload	750	1,750	2,250	2,500	2,600	2,700
7.CHP+ Prenatal Medical Per Capita	\$10,859.07	\$11,322.21	\$11,805.10	\$12,308.59	\$12,833.55	\$13,380.90
8.Total Prenatal Medical Cost	\$8,144,303	\$19,813,868	\$26,561,475	\$30,771,475	\$33,367,230	\$36,128,430
9.Total CHP+ Premiums Costs	\$20,298,641	\$49,383,506	\$66,201,012	\$76,693,855	\$82,160,300	\$87,953,352
10.Enrollment Fees	\$109,179	\$254,751	\$327,537	\$363,930	\$370,862	\$377,794
11.State Share (Provider Fee)	\$7,066,312	\$17,195,064	\$23,055,716	\$26,715,474	\$28,626,303	\$30,651,445
12.Federal Funds	\$13,123,150	\$31,933,691	\$42,817,759	\$49,614,451	\$53,163,135	\$56,924,113
13.Total CHP+ Dental Benefit Costs	\$1,016,820	\$2,473,716	\$3,316,194	\$3,841,740	\$4,081,836	\$4,335,584
14.State Share (Provider Fee)	\$355,887	\$865,801	\$1,160,668	\$1,344,609	\$1,428,643	\$1,517,454
15.Federal Funds	\$660,933	\$1,607,915	\$2,155,526	\$2,497,131	\$2,653,193	\$2,818,130

310 ANNUAL ENROLLMENT FEES AND DUE DATE

310.1 For eligible children, the following annual enrollment fees shall be due prior to enrollment in the Children's Basic Health Plan:

B. For families with income, at the time of eligibility determination, between 151% and ~~200~~250% of the federal poverty, the annual enrollment fee shall be:

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Title of Rule: Revision to Co-payments Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 320.1.D

Rule Number: MSB 10-03-22-C

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 303-866-3663

SECRETARY OF STATE

RULES ACTION SUMMARY AND FILING INSTRUCTIONS

SUMMARY OF ACTION ON RULE(S)

1. Department / Agency Name: Health Care Policy and Financing / Medical Services Board
2. Title of Rule: MSB 10-03-22-C, Revision to Co-payments Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 320.1.D
3. This action is an adoption of: an amendment
4. Rule sections affected in this action (if existing rule, also give Code of Regulations number and page numbers affected):
Sections(s) 320.1C, Colorado Department of Health Care Policy and Financing, Medical Assistance (10 CCR 2505-3).
5. Does this action involve any temporary or emergency rule(s)? No
If yes, state effective date:
Is rule to be made permanent? (If yes, please attach notice of hearing). Yes

PUBLICATION INSTRUCTIONS*

Please add new text provided from §320.1.D through §320.1.D.7 to existing text in current section 320.1 of the rule.

Effective 06/30/2010

Title of Rule: Revision to Co-payments Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 320.1.D

Rule Number: MSB 10-03-22-C

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 303-866-3663

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The rule applies the following co-payments fees to the expansion population, which are families with incomes from 200% of FPL to 250% of FPL.

- Ten dollars per office visit;
- Ten dollars per outpatient mental health or substance abuse visit;
- Five dollars per generic prescription;
- Ten dollars per brand name prescription;
- Ten dollars per physical therapy, occupational therapy or speech therapy visit;
 - Ten dollars per vision visit;
 - Twenty dollars per use of emergency care and urgent/after hours care.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

This rule is in compliance with 42 C.F.R. § 457.560, which regulates cost-sharing imposed by Children's Health Insurance Programs.

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, CRS (2009)
HB 09-1293

Initial Review

Final Adoption

05/14/2010

Proposed Effective Date

06/30/2010

Emergency Adoption

DOCUMENT #02

Title of Rule: Revision to Co-payments Rule to Include New Income Expansion to 250% of the Federal Poverty Level for the Children's Basic Health Plan, Section 320.1.D

Rule Number: MSB 10-03-22-C

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 303-866-3663

REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

Children's Basic Health Plan clients, whose family income falls between 200% and 250% of the Federal Poverty Level (FPL), will be affected by the proposed rule. These clients will pay co-payments of \$10 for most provider visits (emergency room visits have a co-payment of \$20), and \$5 (generic) - \$10 (brand name) prescriptions.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

The co-payment amounts were determined with consultation from the CHP+ actuary to confirm that the co-payments are reasonable, and should not have a notable effect on the finances of the families in the expansion population.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

There is a negligible effect on revenues, as additional co-payments generated as a result of this rule will not substantially impact the costs of providing care.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

Due to the existing co-payment structure, consistency requires that co-payments also apply to the expansion population, which has the highest incomes amongst CHP+ clients.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

Due to the existing co-payment structure, consistency requires that the co-payments also apply to the expansion population. Continuing the structure is the least intrusive and relatively low cost method of maintaining consistency in the cost-sharing policies within CHP+.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

No alternative methods were considered because of the need to adhere to the existing enrollment fee structure.

320 COPAYMENTS

320.1 The following copayments shall be due for enrollees at the time of service:

D. For families with income, at the time of eligibility determination, between 201% and 250% of federal poverty level, the copayment shall be:

1. Ten dollars per office visit;
2. Ten dollars per outpatient mental health or substance abuse visit;
3. Five dollars per generic prescription;
4. Ten dollars per brand name prescription;
5. Ten dollars per physical therapy, occupational therapy or speech therapy visit;
6. Ten dollars per vision visit;
7. Twenty dollars per use of emergency care and urgent/after hours care.

**SECRETARY OF STATE
RULES ACTION SUMMARY AND FILING INSTRUCTIONS**

SUMMARY OF ACTION ON RULE(S)

1. Department / Agency Name: Health Care Policy and Financing / Medical Services Board
2. Title of Rule: MSB 10-03-22-B, Revision to the Children's Basic Health Plan Presumptive Eligibility Rule to Expand Eligibility from 200% to 250% of the Federal Poverty Level, Section 170.1
3. This action is an adoption of: an amendment
4. Rule sections affected in this action (if existing rule, also give Code of Regulations number and page numbers affected):

Sections(s) 170.1, Colorado Department of Health Care Policy and Financing, Medical Assistance (10 CCR 2505-3).
5. Does this action involve any temporary or emergency rule(s)? No
If yes, state effective date:
Is rule to be made permanent? (If yes, please attach notice of hearing). Yes

PUBLICATION INSTRUCTIONS*

Please replace current existing text at §170.1 – 1st unnumbered paragraph with the new text provided. Heading at 170 PRESUMPTIVE ELIGIBILITY and at 1§70.1 are for the purpose of clarity only and not for publication.

Effective 06/30/2010

Title of Rule: Revision to the Children's Basic Health Plan Presumptive Eligibility Rule to Expand Eligibility from 200% to 250% of the Federal Poverty Level, Section 170.1

Rule Number: MSB 10-03-22-B

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 303-866-3663

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

The rule amends the presumptive eligibility rule for the Children's Basic Health Plan to include the expansion population, which are families with incomes from 205% of FPL to 250% of FPL. This rule is necessary to allow for full implementation of the expansion, as presumptive eligibility applies to all applicants eligible for Child Health Plan Plus (CHP+).

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

42 C.F.R. § 457.355 allows states' Children's Health Insurance Programs to implement a period of presumptive eligibility for its applicants.

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, CRS (2009)
HB 09-1293

Initial Review

Final Adoption

05/14/2010

Proposed Effective Date

06/30/2010

Emergency Adoption

DOCUMENT #03

Title of Rule: Revision to the Children's Basic Health Plan Presumptive Eligibility Rule to Expand Eligibility from 200% to 250% of the Federal Poverty Level, Section 170.1

Rule Number: MSB 10-03-22-B

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 303-866-3663

REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

Children's Basic Health Plan applicants, seeking health care coverage for children up to the age of 19 and pregnant women aged 19 and older, whose family income falls between 200% and 250% of the Federal Poverty Level (FPL), will be affected by the proposed rule. These applicants will gain access to a period of presumptive eligibility, which allows applicants immediate access to CHP+ health care coverage while the application is processed for eligibility determination.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

The classes of persons affected by the rule will have immediate, same-day access to health care, which will allow them to have healthier families without the incurring the financial burdens that can result from accessing health care. CBHP offers a wide variety of services including: preventive care and immunizations, other doctor visits, specialty care, hospital services, prescriptions, mental health services, hearing aids, eyeglasses; and dental care for children.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

This expansion is funded by funds generated by HB 09-1293, which imposes hospital provider fees to submit for federal matching funds. Please see the table on page 7, which provides a summary of the total costs of the eligibility expansion. The costs of presumptive eligibility are included in these costs.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

The costs are outlined in table 1, on page 7. The major benefit of the proposed rule is that additional children and pregnant women will be immediately eligible for health care coverage (please see table 1, line 1 for projected caseloads), which is consistent with the Department's mission to improve access to cost-effective, quality health care services for Coloradans.

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5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

There are no less costly or intrusive methods to expand coverage to this population.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of

Table 1 CHP+ to 250% FPL - Summary of Costs						
	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15
1.CHP+ Children to 250% Projected Caseload	6,300	14,700	18,900	21,000	21,400	21,800
2.CHP+ Children Medical Per Capita	\$1,929.26	\$2,011.54	\$2,097.33	\$2,186.78	\$2,280.05	\$2,377.29
3.Total Children Medical Cost	\$12,154,338	\$29,569,638	\$39,639,537	\$45,922,380	\$48,793,070	\$51,824,922
4.CHP+ Dental Per Capita	\$161.40	\$168.28	\$175.46	\$182.94	\$190.74	\$198.88
5.Total Dental Cost	\$1,016,820	\$2,473,716	\$3,316,194	\$3,841,740	\$4,081,836	\$4,335,584
6.CHP+ Prenatal to 250% Projected Caseload	750	1,750	2,250	2,500	2,600	2,700
7.CHP+ Prenatal Medical Per Capita	\$10,859.07	\$11,322.21	\$11,805.10	\$12,308.59	\$12,833.55	\$13,380.90
8.Total Prenatal Medical Cost	\$8,144,303	\$19,813,868	\$26,561,475	\$30,771,475	\$33,367,230	\$36,128,430
9.Total CHP+ Premiums Costs	\$20,298,641	\$49,383,506	\$66,201,012	\$76,693,855	\$82,160,300	\$87,953,352
10.Enrollment Fees	\$109,179	\$254,751	\$327,537	\$363,930	\$370,862	\$377,794
11.State Share (Provider Fee)	\$7,066,312	\$17,195,064	\$23,055,716	\$26,715,474	\$28,626,303	\$30,651,445
12.Federal Funds	\$13,123,150	\$31,933,691	\$42,817,759	\$49,614,451	\$53,163,135	\$56,924,113
13.Total CHP+ Dental Benefit Costs	\$1,016,820	\$2,473,716	\$3,316,194	\$3,841,740	\$4,081,836	\$4,335,584
14.State Share (Provider Fee)	\$355,887	\$865,801	\$1,160,668	\$1,344,609	\$1,428,643	\$1,517,454
15.Federal Funds	\$660,933	\$1,607,915	\$2,155,526	\$2,497,131	\$2,653,193	\$2,818,130

the proposed rule.

Expanding income eligibility limits to cover additional uninsured children and pregnant women is the central method through which Children's Health Insurance Programs expand eligibility. Therefore, other methods were not considered.

170 PRESUMPTIVE ELIGIBILITY

170.1 An eligible person may apply for presumptive eligibility for immediate temporary medical services through designated presumptive eligibility sites.

To be eligible for presumptive eligibility, an applicant household's declared income shall not exceed ~~200~~250% of federal poverty level and he/she shall be a United States citizen or a documented immigrant of at least five years.

THIS PAGE NOT FOR PUBLICATION

Title of Rule: Revision to the Children's Basic Health Plan Calculation of Family Income Rule to Eliminate the 2.5% Income Disregard, Section 150.3

Rule Number: MSB 10-03-22A

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 3038663663

**SECRETARY OF STATE
RULES ACTION SUMMARY AND FILING INSTRUCTIONS**

SUMMARY OF ACTION ON RULE(S)

1. Department / Agency Name: Health Care Policy and Financing / Medical Services Board
2. Title of Rule: MSB 10-03-22A, Revision to the Children's Basic Health Plan Calculation of Family Income Rule to Eliminate the 2.5% Income Disregard, Section 150.3
3. This action is an adoption of: an amendment
4. Rule sections affected in this action (if existing rule, also give Code of Regulations number and page numbers affected):

Sections(s) 150.3, Colorado Department of Health Care Policy and Financing, Medical Assistance (10 CCR 2505-3).
5. Does this action involve any temporary or emergency rule(s)? No
If yes, state effective date:
Is rule to be made permanent? (If yes, please attach notice of hearing). Yes

PUBLICATION INSTRUCTIONS*

Please replace current existing text at §150.3 through §150.3.F with new text provided from §150.3 through §150.3.E (paragraph F has been deleted.)

Effective 06/30/2010

Title of Rule: Revision to the Children's Basic Health Plan Calculation of Family Income Rule to Eliminate the 2.5% Income Disregard, Section 150.3

Rule Number: MSB 10-03-22A

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 3038663663

STATEMENT OF BASIS AND PURPOSE

1. Summary of the basis and purpose for the rule or rule change. (State what the rule says or does and explain why the rule or rule change is necessary).

This rule change will eliminate the 2.5% income disregard that is currently applied to CHP+ applicants whose incomes are above 200% of FPL, effectively making the income limit for CHP+ 205% of FPL.

2. An emergency rule-making is imperatively necessary

to comply with state or federal law or federal regulation and/or

for the preservation of public health, safety and welfare.

Explain:

3. Federal authority for the Rule, if any:

On August 17, 2007, the Centers for Medicare & Medicaid Services (CMS) issued a letter to State health officials limiting the flexibility of States to set income eligibility standards for their Children's Health Insurance Programs (CHIP). The letter became commonly known as the August 17th Directive, and led states like Colorado to pursue other ways to expand eligibility, such as applying income disregards. On February 4, 2009, President Obama rescinded the August 17th letter via presidential memo, and eliminated the need for income disregards. The memo is available at <http://ccf.georgetown.edu/index/cms-filesystem-action?file=policy/cms%20directive/presidential%20memorandum%20on%20chip.pdf>.

4. State Authority for the Rule:

25.5-1-301 through 25.5-1-303, CRS (2009)
HB 09-1293

Initial Review

Final Adoption

05/14/2010

Proposed Effective Date

06/30/2010

Emergency Adoption

DOCUMENT #08

Title of Rule: Revision to the Children's Basic Health Plan Calculation of Family Income Rule to Eliminate the 2.5% Income Disregard, Section 150.3

Rule Number: MSB 10-03-22A

Division / Contact / Phone: Child Health Plan Plus / Annie Lee / 3038663663

REGULATORY ANALYSIS

1. Describe the classes of persons who will be affected by the proposed rule, including classes that will bear the costs of the proposed rule and classes that will benefit from the proposed rule.

On its own, this rule change would have the effect of eliminating eligibility for those CHP+ applicants whose incomes are between 200% and 205% of FPL. However, this rule change is being made as part of a series of changes being made to implement the expansion of CHP+ eligibility up to 250% of FPL.

2. To the extent practicable, describe the probable quantitative and qualitative impact of the proposed rule, economic or otherwise, upon affected classes of persons.

Please see answer to question 1 above.

3. Discuss the probable costs to the Department and to any other agency of the implementation and enforcement of the proposed rule and any anticipated effect on state revenues.

Because this rule change is being made in conjunction with other rule changes that allow for the implementation of expanding CHP+ income eligibility from 200% of FPL to 250% of FPL, the probable costs to the Department are related to the expansion, and do not stem from this one rule change alone.

4. Compare the probable costs and benefits of the proposed rule to the probable costs and benefits of inaction.

Inaction would make the implementation of expanding CHP+ income eligibility to 250% difficult because the income disregard adds another step to income eligibility determination, but there are no specific costs associated with this rule change. Also, the income disregard is no longer necessary due to the rescission of the federal directive limiting expansions of CHIP. The benefit of enacting this rule change would be to help simplify and streamline the implementation of the CHP+ income expansion.

5. Determine whether there are less costly methods or less intrusive methods for achieving the purpose of the proposed rule.

NA - no costs or intrusiveness are associated with this proposed rule.

6. Describe any alternative methods for achieving the purpose for the proposed rule that were seriously considered by the Department and the reasons why they were rejected in favor of the proposed rule.

No alternative methods were considered.

150 CALCULATION OF FAMILY INCOME

150.3 The following are allowable deductions to income for the same month income is provided:

- A. Day and elder care expenses;
- B. Expenses for medical services, prescriptions or durable medical equipment;
- C. Child support payments;
- D. Alimony payments; and
- E. Health insurance premiums.
- F. ~~On or after March 1, 2008, for a family that is over income limits, the Department shall apply a 2.5% income disregard of the family's income.~~