



ARIZONA STATE SENATE
Forty-ninth Legislature, First Regular Session

PROGRAM PRESENTATION
KidsCare and KidsCare Parents

Background

The KidsCare program, also referred to as the Children's Health Insurance Program (CHIP), provides health coverage to children in families with incomes below 200 percent federal poverty level (FPL), but above the levels required for the regular Arizona Health Care Cost Containment System (AHCCCS) program. The KidsCare program receives Federal Title XXI monies at approximately a 3 to 1 match rate. The Federal Title XXI monies are deposited into the CHIP Fund, and the CHIP Fund is then appropriated, along with the state General Fund match, to fund KidsCare.

Beginning in October 2002, the KidsCare program was expanded to cover the parents of children enrolled in KidsCare. The expansion, termed as *KidsCare Parents*, has provided AHCCCS coverage to parents of children in KidsCare whose household incomes are between 100 percent to 200 percent FPL. In 2008, the Legislature granted permanent statutory authority to the KidsCare Parents program (Laws 2008, Chapter 288).

According to AHCCCS, as of February 1, 2009, there were 59,577 children enrolled in KidsCare, and 8,640 parents enrolled in KidsCare Parents (<http://www.azahcccs.gov/Statistics>).

Fiscal Information

According to the Joint Legislative Budget Committee (JLBC), in FY 2008-2009, the Legislature appropriated \$32,996,800 in state General Fund monies to AHCCCS for KidsCare services. This appropriation took into consideration an estimated \$7.1 million in premiums, which are used to offset the cost of services. Monthly premiums range from \$10 to \$35, depending on household income and the number of children enrolled. Of the originally appropriated amount, \$18,307,500 remains in the CHIP Fund as of February 1, 2009.

Additionally, \$8,336,300 was appropriated from the state General Fund to AHCCCS for KidsCare Parents for FY 2008-2009. Premiums are also used to offset the costs of the program. Premiums for this population total three percent to five percent of the family's monthly income, depending on income level for coverage of all parents and children. In addition, parents are required to pay an enrollment fee of \$15 to \$25 per parent. Of the originally appropriated amount, \$4,738,900 remains unexpended as of February 1, 2009.

PROGRAM PRESENTATION

KidsCare and KidsCare Parents

Page 2

Committee Activity

AHCCCS presented information about KidsCare and KidsCare Parents to the Healthcare and Medical Liability Reform Committee on Wednesday, February 18, 2009 (Attachment 1). The Committee also received testimony from members of the public speaking on behalf of KidsCare.

Additionally, AHCCCS testified about the federal reauthorization of SCHIP programs (Attachment 2). The Children's Health Insurance Program Reauthorization Act, or CHIPRA, was signed into law on February 4, 2009. The reauthorization extends the authority for SCHIP programs until September 30, 2013, and provides increased funding through an additional federal cigarette tax of 62 cents per pack. AHCCCS estimates that Arizona's allotment of CHIP monies will increase by 15 percent, from \$149.1 million to \$171.2 million per year.

FY 2008-2009 Budget Action

According to JLBC, the FY 2008-2009 budget adjustment enacted on January 31, 2009, did not impact KidsCare or KidsCare Parents programs.

Attachments

- 1) *KidsCare Fact Sheet*. Presented by AHCCCS to the Senate Healthcare and Medical Liability Reform Committee on February 18, 2009.
- 2) *SCHIP Reauthorization 2009*. Presented by AHCCCS to the Senate Healthcare and Medical Liability Reform Committee on February 18, 2009.

Prepared by Senate Research

March 2, 2009

ER/tam