Title of Rule:	Revision to the Medical Assistance Rule Concerning Premium Amounts for the Medicaid Buy-In Program
Rule Number:	MSB 12-03-02-A
Division / Contact / Phone:	Eligibility / Marivel Guadarrama / 3926

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 proposed rule amends 10 CCR 2505-10, Section 8.100.6.O to comply with federal regulations. Specifically, CMS has required for the premium amounts to be decreased in order to comply with a premium no greater than 7.5% of income for a client. Decreasing these premiums amounts will allow for premium amounts commensurate with the client's income to increase affordability within the Medicaid Buy-In Program for Working Adults with Disabilities.

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:

   The federal authority for this rule is located in Section 201 of the Ticket to Work and Work Incentive Improvement Act of 1999, Public Law 106-170.

4. State Authority for the Rule:

   25.5-1-301 through 25.5-1-303, C.R.S. (2011);
   25.5-6-1401 through 25.5-6-1406, C.R.S. (2011)

Initial Review		Final Adoption	**04/13/2012**
Proposed Effective Date	**06/01/2012**	Emergency Adoption	

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DOCUMENT # 03

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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.

   The rule will affect working adults with disabilities income greater than or equal to 133% FPL but less than 450% of FPL regardless of resources.

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 rule will allow these persons owe a lesser premium amount than what is currently approved in rule. Anticipated caseload is 57 for fiscal year 2011-2012 and 1,695 for fiscal year 2012-2013.

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.

   The probable costs to the Department will be the difference between the previously established premium amounts and the new premium amounts. These are total fund costs, and will be paid for exclusively from cash funds collected from hospital provider fees and federal matching funds. No General Fund will be required.

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

   The Department must implement the proposed rule pursuant to a CMS requirement and is necessary in order to obtain Federal financial participation (FFP) for the Medicaid Buy-In Program.

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

   N/A

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.

   None

8.100.6.O. Medicaid Buy-In Program for Working Adults with Disabilities

1. To be eligible for the Medicaid Buy-In Program for Working Adults with Disabilities:

    a. Applicants must be at least age 16 but less than 65 years of age.

    b. Income must be less than or equal to 450% of FPL after income disregards. See 8.100.5.F for Income Requirements and 8.100.5.H for Income disregards. Only the applicant's income will be considered.

    c. Resources are not counted in determining eligibility.

    d. Individuals must have a disability as defined by Social Security Administration medical listing or a limited disability as determined by a state contractor.

    e. Individuals must be employed. Please see Verification Requirements at 8.100.5.B.1.c.

    f. Individuals will be required to pay monthly premiums on a sliding scale based on income.

        1. The amount of premiums cannot exceed 7.5% of the individual's income.

        2. Premiums are waived for the first month of eligibility and any retroactive period.

        3. Premium amounts are as follows:

            a. There is no monthly premium for individuals with income at or below 40% FPL.

            b. A monthly premium of $25 is applied to individuals with income above 40% of FPL but at or below 133% of FPL.

            c. A monthly premium of $~~100~~ 90 is applied to individuals with income above 133% of FPL but at or below 200% of FPL.

            d. A monthly premium of $~~225~~ 130 is applied to individuals with income above 200% of FPL but at or below 300% of FPL.

            e. A monthly premium of $~~400~~ 200 is applied to individuals with income above 300% of FPL but at or below 450% of FPL.

        4. The premium amounts will be updated at the beginning of each State fiscal year based on the annually revised FPL if the revised FPL would cause the premium amount (based on percentage of income) to increase by $10 or more.

        5. A change in client net income may impact the monthly premium amount due. Failure to pay premium payments in full within 60 days from the premium due date will result in client's assistance being terminated prospectively. The effective date of

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the termination will be the last day of the month following the 60 days from the date on which the premium became past due.

2. Retroactive coverage is available according to 8.100.3.E, however is not available prior to program implementation

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