

## ILLINOIS SECTION 1115 WAIVER

### Status as of July 2003

- Submitted February 15, 2002 (Revised and final revision submitted September 3, 2002)
- Approved September 12, 2002
- Partially implemented October 1, 2002

### Overview

- Illinois' approved waiver gives the state authority to make the following changes:
  - Use Medicaid and SCHIP funds to expand parent eligibility from 39-185% of poverty, based on availability of state funding, and to offer these parents the choice of direct coverage or a subsidy for the purchase of private insurance, referred to as "premium assistance."
  - Use Medicaid and some SCHIP funds to refinance an existing fully state-funded program, KidCare Rebate, which provides premium assistance to children with incomes between 133-185% of poverty and to offer these children the choice of continuing to receive premium assistance or switching to direct coverage.<sup>1</sup> Prior to the waiver, KidCare Rebate children were ineligible for SCHIP because they had private insurance.
  - Offer existing optional Medicaid children (age 6-18, 100-133% of poverty) and parents (29-38% of poverty) and SCHIP children (133-185% of poverty) the option of receiving premium assistance rather than direct coverage.
- As described above, the waiver allows the state to offer certain parents and children a choice of:
  - Direct coverage, which is either the state's Medicaid or SCHIP benefit package (depending on eligibility). SCHIP benefits are the same as Medicaid benefits for adults, without home and community based waiver or any abortion services. All SCHIP beneficiaries pay copayments and those with incomes above 150% of poverty pay premiums.
  - Premium assistance, which provides individuals a monthly subsidy up to a \$75 per person maximum to purchase group or individual private insurance. There are no required benefit or cost sharing benchmarks for subsidized coverage other than coverage of physician visits and inpatient hospital services. There is no minimum employer contribution. Those who choose premium assistance can switch to direct coverage at any time, and the state must periodically notify them of this option. The state also must inform them of the implications of choosing premium assistance, including the possibility of fewer benefits and higher cost sharing than direct coverage.
- The state can cap enrollment for most groups covered by the waiver. However, if a cap were in place, optional Medicaid children and parents (who were eligible prior to the waiver) could still enroll in direct Medicaid coverage, but not premium assistance.
- For the first year of the demonstration, the state has implemented the following portions of the waiver. It may implement other actions authorized by the waiver in future years.
  - Increased parent eligibility from 39% to 90% of poverty and began enrolling newly eligible parents in direct coverage; it has not yet implemented the premium assistance option for these parents.
  - Began offering KidCare Rebate children the option of direct coverage.
  - Began offering SCHIP children the option of premium assistance, it has not yet implemented the premium assistance option for optional Medicaid children and parents.

### Individuals Covered By Waiver

	Covered by Waiver
<b>Eligible for Medicaid or SCHIP Prior to Waiver</b>	<ul style="list-style-type: none"> <li>• SCHIP children and previously uninsured children 133-185% FPL who choose premium assistance. (Those that choose direct coverage are not covered by the waiver.)</li> <li>• Optional Medicaid children (age 6-18, 100-133% FPL) and parents (29-38% FPL), who choose premium assistance, subject to an enrollment cap. (Those that choose direct coverage are not covered by the waiver.) <i>This premium assistance option has not yet been implemented.</i></li> </ul>
<b>Newly Eligible for Medicaid or SCHIP Under Waiver</b>	<ul style="list-style-type: none"> <li>• Children 133-185% FPL with private insurance at the time they enroll, who receive direct coverage or premium assistance, subject to an enrollment cap. (Previously eligible for state-funded KidCare Rebate.)</li> <li>• Parents 39-90% FPL, who receive direct coverage or premium assistance, subject to an enrollment cap. (Eligibility could be increased to 185% FPL if state funding is available.) <i>The premium assistance option for parents has not yet been implemented.</i></li> </ul>

**Premiums/Enrollment Fees, Benefits, and Cost Sharing Under Waiver**

(This table shows coverage and cost sharing for a selected list of benefits; other benefits not shown on this list may also be covered.)

	Direct Coverage: Medicaid or SCHIP (Same as Medicaid Without Home and Community Based Waiver and Abortion Services)					Premium Assistance	
<b>Premiums/ Enrollment Fees</b>	SCHIP parents and children with income above 150% FPL: \$15-\$40 per month, based on number of eligible family members					No minimum benefit or cost sharing benchmarks except there must be some coverage of physician visits and inpatient hospital services.	
<b>Groups Exempt from Cost Sharing</b>	American Indians/Alaska Natives						
<b>Benefits and Cost-Sharing</b>	<b>Covered</b>	<b>Benefit Limits &amp; Copayments/ Coinsurance</b>	<b>Parents 0-133% FPL</b>	<b>Children &amp; Parents 133-150% FPL</b>	<b>Children &amp; Parents 150-185% FPL</b>		
<i>(Parent coverage has been implemented to 90% FPL.)</i>							
Inpatient Hospital	✓	Parents per stay:	\$3	\$3	\$5	The state will assist families whose private insurance does not cover immunizations with accessing immunizations for their children.	
Outpatient Hospital	✓	Per visit:		\$2	\$5		
Emergency Room	✓	Per visit: Nonemergent use:		\$2	\$5 \$25		
Physician Services	✓	Per visit:	\$2	\$2	\$5		
Lab and X-ray	✓						
Ambulance	✓						
Non-emergency Transportation	✓						
Home Health Care	✓						
Long-term Care	✓			No home and community based waiver services.			
Prescription Drugs	✓	Per generic: Per name brand:	\$3	\$2 \$2	\$3 \$5		
Mental Health and Chemical Dependency	✓	Substance abuse care for parents limited to 100 outpatient hours and 30 inpatient days. Per visit/ admission:					
			\$2	\$2	\$5		
Durable Medical Equipment	✓						
Dental	✓	No preventive care for parents. Per visit:		\$2	\$2		\$5
				Preventive services for children exempt from copays.			
Vision	✓	Parents limited to one exam per 12 months, exceptions allowed; no preventive care for parents Per visit:					
			\$2	\$2	\$5		
		Preventive services for children exempt from copays.					
Hearing	✓	No preventive care for parents.					
PT, OT, SLP	✓						
<b>Other Provisions</b>						\$100 annual maximum copayment limit per family.	

**TABLE NOTES:**

Information on benefit limits from the state plan on file with CMS (<http://www.cms.gov/medicaid/stateplans/map.asp>).

PT = Physical Therapy, OT = Occupational Therapy, SLP = Speech Language Pathology Therapy

<sup>1</sup> Under waiver authority, the state also has used SCHIP funds to refinance portions of its state-funded programs for hemophiliacs and individuals who are uninsurable due to medical conditions.