

5-31

Secretary of State  
Certificate and Order for Filing  
**TEMPORARY ADMINISTRATIVE RULES**  
A Statement of Need and Justification accompanies this form..

I certify that the attached copies\* are true, full and correct copies of the TEMPORARY Rule(s) adopted on [March 31, 2008] by the

Office of Private Health Partnerships

Date prior to or same as filing date  
442

Agency and Division

Administrative Rules Chapter Number

Cindy Bowman

250 Church St SE

503-378-4674

Rules Coordinator

Address

Telephone

to become effective March 31, 2008 through September 26, 2008.

Date upon filing or later

A maximum of 180 days including the effective date.

**RULE CAPTION**

Gives FHIAP the ability to terminate members when projected program costs exceed available funds.

**Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.**

**RULEMAKING ACTION**

List each rule number separately, 000-000-0000.

Secure approval of new rule numbers (Adopted rules) with the Administrative Rules Unit prior to filing

**ADOPT:**

**AMEND:** 442-005-0270

**SUSPEND:**

Stat. Auth.: ORS 735.728

Other Auth.:

Stats. Implemented: ORS 735.720 through 735.740

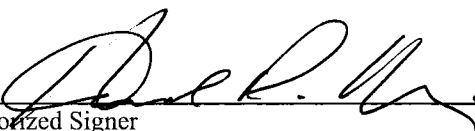
**RULE SUMMARY**

FHIAP is amending 442-005-0270 to allow termination of enrollees in order to reduce membership to a level that can be supported by projected budgeted funds. Effective November 1, 2007, FHIAP lost the ability to use SCHIP matching funds (Title XXI) for adults in the FHIAP program. Although, the Centers for Medicare and Medicaid Services (CMS) is allowing use of Title XIX (Medicaid) funds for this population, the impact of the policy change is a decrease in the federal match rate. Title XIX rates are approximately 12 percent lower than Title XXI match rates creating a projected shortfall of \$5.6 million in General Fund. FHIAP must disenroll adults in the program until the required reduction is reached.

**FILED**

MAR 31 2008

ARCHIVES DIVISION  
SECRETARY OF STATE



Howard "Rocky" King

03/31/08

Authorized Signer

Printed name

Date

\*With this original and Statement of Need, file one photocopy of certificate, one paper copy of rules listed in Rulemaking Actions, and electronic copy of rules.

ARC 940-2005

OPHP 1-2008 (TEMP)

**STATEMENT OF NEED AND JUSTIFICATION**

A Certificate and Order for Filing Temporary Administrative Rules accompanies this form.

Office of Private Health Partnerships

442

Agency and Division

Administrative Rules Chapter Number

In the Matter of: Administrative Rule Chapter 442, Division 005, Rule 0270 is being amended.

Rule Caption:

Gives FHIAP the ability to terminate members when projected program costs exceed available funds.

Statutory Authority: ORS 735.728

Other Authority:

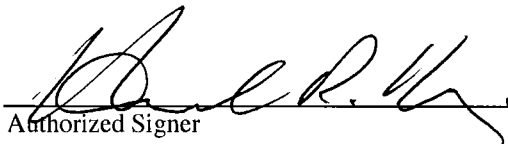
Stats. Implemented: ORS 735.720 through 735.740

Need for the Temporary Rule(s):

FHIAP is amending 442-005-0270 to allow termination of enrollees in order to reduce membership to a level that can be supported by projected budgeted funds. Effective November 1, 2007, FHIAP lost the ability to use SCHIP matching funds (Title XXI) for adults in the FHIAP program. Although, the Centers for Medicare and Medicaid Services (CMS) is allowing use of Title XIX (Medicaid) funds for this population, the impact of the policy change is a decrease in the federal match rate. Title XIX rates are approximately 12 percent lower than Title XXI match rates creating a projected shortfall of \$5.6 million in General Fund. FHIAP must disenroll adults in the program until the required reduction is reached.

Documents Relied Upon, and where they are available: CMS approval letter received March 19, 2008

Justification of Temporary Rule(s): See "Need for Rule"



Howard "Rocky" King

03/31/08

Authorized Signer

Printed name

Date

## Termination of Subsidy

Termination from the FHIAP program occurs when:

- (1) Payment of the member's share of the insurance premium is not postmarked by the date stipulated in correspondence from FHIAP;
- (2) The member is no longer a resident of Oregon;
- (3) The member terminates or is terminated from the member's health benefit plan and fails to notify FHIAP;
- (4) The insurance plan that covers an eligible child of any member terminates or is terminated, and the member does not replace the eligible child's health insurance within 120 calendar days from the date FHIAP notifies the member to replace the child's coverage.
- (5) The member is determined to be ineligible at reapplication or any time during the subsidy year. Ineligibility results if:
  - (a) A member is eligible for or receiving Medicare on or before the date the application was signed. Subsidy may remain in force for the remainder of the applicant's 12-month eligibility period if the applicant became eligible for Medicare after signing the application.
  - (b) A member is incarcerated beyond 30 continuous calendar days.
  - (c) Any member is enrolled in OHP and FHIAP simultaneously and fails to timely terminate from one program after being notified by FHIAP that they must do so.
  - (d) Any information submitted is inconsistent and does not allow for eligibility determination.
  - (e) FHIAP staff makes an administrative error when determining eligibility and the applicant should have been denied and error is identified during an audit of the member's file.
  - (f) An applicant or member in the individual market becomes eligible for a benchmark-approved group plan with an employer contribution and doesn't enroll within 30 days of the first opportunity of enrollment in the group plan.
  - (g) The member failed to submit required or requested information or submitted inadequate or unclear information such that FHIAP cannot make an eligibility determination.
- (6) In the group market, the member fails to provide monthly verification of coverage, premiums, and employer contribution within 30 days from the date FHIAP requests such documentation.
- (7) The member fails to pay an overpayment amount as per OAR 442-005-0280.
- (8) The member fails to return their reapplication within 45 days from the date it was mailed to them.
- (9) A member is found to have committed misrepresentation on the FHIAP application. If a civil penalty is imposed, the member is ineligible to enroll or re-enroll in FHIAP.
- (10) Projected program costs exceed the funding available to cover subsidy payments for those enrolled.