

CORRECTED

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5-19

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 May 15, 2008 by the
Date prior to or same as filing date

Family Health Insurance Assistance Program (FHIAP), OPH

442

Agency and Division

Administrative Rules Chapter Number

Cindy Bowman

250 Church Street SE Suite 200 Salem, OR

503-378-4674

Rules Coordinator

Address

Telephone

to become effective [May 19, 2008] through [November 14, 2008].

Date upon filing or later

A maximum of 180 days including the effective date.

FILED

MAY 19 2008

ARCHIVES DIVISION
SECRETARY OF STATE

RULE CAPTION

Gives FHIAP ability to limit or prohibit adding dependents for budget reasons.

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: 442-005-0250

SUSPEND:

Stat. Auth.: ORS 735.728

Other Auth.:

Stats. Implemented: ORS 735.720 through 735.990

RULE SUMMARY

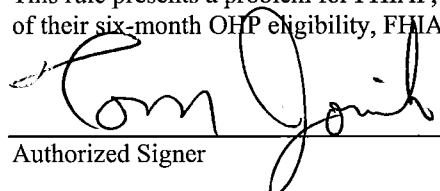
FHIAP is amending 442-005-0250 to give the program the authority to limit or prohibit members' ability to add dependents to enrolled accounts when doing so would cause subsidies to exceed projected budgeted funds.

In late October 2007, the federal government told us that we could no longer use SCHIP funds for adults in the program. This change resulted in a 12 percent reduction in our federal funding and prompted the need to reduce our enrollment by approximately 4000 adult members. To accommodate this reduction, effective June 1, 2008, FHIAP Individual members below 85% federal poverty level (FPL) lost their FHIAP subsidy and chose to either self pay their insurance premium or transfer to the Oregon Health Plan for a minimum of six months.

Although many of the transfer population members who chose OHP will continue to be eligible for the Medicaid program at the end of the guaranteed six month eligibility period, some will not, primarily because asset requirements differ between the two programs. As a result, many who no longer qualify for OHP will be looking for assistance from FHIAP again.

When the decision was made to offer this population an opportunity to transfer to OHP, candidates were given the option to keep their children enrolled in FHIAP or to apply for OHP Plus benefits. A large percent chose to keep their children in FHIAP. Current policy would therefore allow these former members to come back to FHIAP as an add dependent. As outlined in OAR 442-005-0250(1), when a family member is enrolled in FHIAP, other family members can be added to the account (without an application) using an add dependent form.

This rule presents a problem for FHIAP, however. If OHP transfer members are allowed to come back into the program at the end of their six-month OHP eligibility, FHIAP will experience a budget shortfall potentially requiring additional remedies.



Tom Jovick for Howard "Rock" King

May 19, 2008

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 2-2008(TMP)

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Family Health Insurance Assistance Program (FHIAP), OPHP

442

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Cindy Bowman 250 Church Street SE Suite 200 Salem, OR

503-378-4674

Rules Coordinator

Address

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Stat. Auth.: ORS 735.728

Other Auth.:

Stats. Implemented: ORS 735.720 through 735.990

RULE SUMMARY

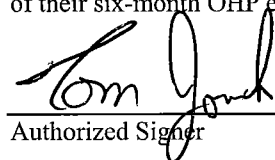
FHIAP is amending 442-005-0250 to give the program the authority to limit or prohibit members' ability to add dependents to enrolled accounts when doing so would cause subsidies to exceed projected budgeted funds.

In late October 2007, the federal government told us that we could no longer use SCHIP funds for adults in the program. This change resulted in a 12 percent reduction in our federal funding and prompted the need to reduce our enrollment by approximately 4000 adult members. To accommodate this reduction, effective June 1, 2008, FHIAP Individual members below 85% federal poverty level (FPL) lost their FHIAP subsidy and chose to either self pay their insurance premium or transfer to the Oregon Health Plan for a minimum of six months.

Although many of the transfer population members who chose OHP will continue to be eligible for the Medicaid program at the end of the guaranteed six month eligibility period, some will not, primarily because asset requirements differ between the two programs. As a result, many who no longer qualify for OHP will be looking for assistance from FHIAP again.

When the decision was made to offer this population an opportunity to transfer to OHP, candidates were given the option to keep their children enrolled in FHIAP or to apply for OHP Plus benefits. A large percent chose to keep their children in FHIAP. Current policy would therefore allow these former members to come back to FHIAP as an add dependent. As outlined in OAR 442-005-0250(1), when a family member is enrolled in FHIAP, other family members can be added to the account (without an application) using an add dependent form.

This rule presents a problem for FHIAP, however. If OHP transfer members are allowed to come back into the program at the end of their six-month OHP eligibility, FHIAP will experience a budget shortfall potentially requiring additional remedies.



Tom Jovick for Howard "Rock" King

May 19, 2008

Authorized Signer

Printed name

Date

STATEMENT OF NEED AND JUSTIFICATION

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

Family Health Insurance Assistance Program (FHIAP), OPHP

442

Agency and Division

Administrative Rules Chapter Number

In the Matter of: Administrative Rule Chapter 442, Division 005, Rule 0250 is being amended.

Rule Caption: Gives FHIAP the authority to limit or prohibit adding dependents for budget purposes.

Statutory Authority: ORS735.728

Other Authority:

Stats. Implemented: ORS 735.720 through 735.740

Need for the Temporary Rule(s):

FHIAP is amending 442-005-0250 to give the program the authority to limit or prohibit members' ability to add dependents to enrolled accounts when doing so would cause subsidies to exceed projected budgeted funds.

In late October 2007, the federal government told us that we could no longer use SCHIP funds for adults in the program. This change resulted in a 12 percent reduction in our federal funding and prompted the need to reduce our enrollment by approximately 4000 adult members. To accommodate this reduction, effective June 1, 2008, FHIAP Individual members below 85% federal poverty level (FPL) lost their FHIAP subsidy and chose to either self pay their insurance premium or transfer to the Oregon Health Plan for a minimum of six months.

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This rule presents a problem for FHIAP, however. If OHP transfer members are allowed to come back into the program at the end of their six-month OHP eligibility, FHIAP will experience a budget shortfall potentially requiring additional remedies.

Documents Relied Upon, and where they are available: None

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



Tom Jovick for Howard "Rocky" King

May 19, 2008

Authorized Signer

Printed name

Date

OAR 442-005-0250

Adding Dependents:

- (1) Members may add dependents to their FHIAP enrollment at any time throughout the 12-month eligibility period as long as the dependent meets the period of uninsurance requirement or exceptions outlined in OAR 442-005-0060.
- (2) FHIAP may limit or prohibit the ability to add dependents when doing so would cause projected program costs to exceed the funding available to cover subsidy payments for those enrolled.
- (3) Premium rates and the member's portion of the premium could change as a result of adding dependents.