

**AN EVALUATION OF THE
PREMIUM SHARING
DEMONSTRATION PROJECT**

**A Report to the
Premium Sharing Demonstration Project
Oversight Committee**

**Prepared by
Martha Cronin
Arizona Legislative Council
October 1, 1999**

ARIZONA LEGISLATIVE COUNCIL

MEMO

October 6, 1999

TO: Members of the Premium Sharing Demonstration Project Oversight Committee

FROM: Martha Cronin, Research Analyst

RE: Semiannual Report on the Premium Sharing Demonstration Project

I have enclosed the semiannual report on the Premium Sharing Demonstration Project that Legislative Council is required to submit to the Premium Sharing Demonstration Project Oversight Committee pursuant to Laws 1997, Chapter 186, Section 6, Subsection B.

Attachment

cc: Liana Martin
Keri Sparks
Jason Bezozo

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EXECUTIVE SUMMARY

The Premium Sharing Program (PSP) is a three year pilot program that provides low-cost health insurance for those individuals who earn just enough to make them ineligible for many entitlement programs, but are not otherwise able to afford private insurance and do not receive insurance through their workplace. These individuals are often referred to as the “notch” group or the working poor.

The PSP requires enrollees to pay a portion of the premiums and to pay copayments and deductibles for services rendered. The intent is to bridge the gap between publicly-subsidized health insurance and private-market health insurance. The PSP is administered by the Arizona Health Care Cost Containment System (AHCCCS) through the Premium Sharing Administration and operates in four counties: Maricopa, Pima, Pinal and Cochise. Enrollment began February 1, 1998.

Legislative Council is required by law to submit a semiannual report to the premium sharing demonstration project oversight committee that provides (a) an analysis of client satisfaction; (b) program enrollment information; (c) the average annual income of the enrollee; (d) annual medical service expenditure; (e) the total monies collected from enrollees; (f) information necessary to analyze and evaluate the project’s effectiveness or impact and (g) a review of the actual medical costs incurred and the premiums charged. This is the fourth such report submitted to the Committee.

Previous reports were primarily a snapshot in time of program summary information, including financial, enrollment, application and client satisfaction data. This report, although very similar to prior reports, includes some information that allows for comparisons to be made over time. With a few notable exceptions, the profile that emerges of the *typical* enrolled household and individual in the PSP has been fairly consistent over the past year of the program. The primary enrolled population appears to be employed small households earning an income above the FPL. As of September 1, 1999, the median enrolled monthly household income was \$989, and the average enrolled monthly household income was \$1,077. The average includes high-income outliers in the chronic population, so the median household income is a better indicator of the typical enrollee income. The median enrolled monthly household income is 107% of the FPL.

Member satisfaction surveys are mailed in December of each year, so enrollee satisfaction data was not included in this report but will be available for inclusion in the April, 2000 report. An analysis of disenrollment survey data, however, indicates that disenrollees were generally satisfied with the PSP and with the medical care they received.

With the exception of the first quarter when startup costs were high, total revenues have outpaced total program expenses. However, for the quarter ending June 30, 1999, total expenses and total revenues were nearly identical, with a per member per month total revenue gain of only \$0.71. This extremely small difference between per member per month revenues and expenditures indicates that projected program expenditures were right on target.

BACKGROUND

The Uninsured Population

A 1996 Louis Harris & Associates study (Harris study), commissioned by the Flinn Foundation, estimated that 600,000 (15%) Arizonans are without any form of health insurance. An identical study conducted by the same group in 1989 reported that 450,000 (13%) of Arizonans lacked health insurance. Flinn Foundation executive director John Murphy stated: "To reduce the number of uninsured persons, Arizona needs to explore options such as...helping to subsidize the cost of health insurance for those who are employed but earn too little to pay the full cost."

The Harris study identified "low income" as the primary factor determining whether individuals are uninsured. Perhaps surprisingly, "unemployment" was not a key determinant in being uninsured, although some individuals became uninsured as a result of losing a job. The 1996 study found that about 85% of Arizona's uninsured adults, and 92% of uninsured children, live in households with an employed primary wage earner.

Another defining characteristic of the uninsured was the extended length of time that most individuals remained uninsured. The study indicated that 75% of Arizona's uninsured adults had not been insured at all during the preceding two years.

The findings of the Harris study, along with the increasing attention to health insurance at the national level, have sparked interest among lawmakers at the state and federal level to reduce the number of individuals without health insurance, particularly those individuals with lower incomes. The Arizona Legislature's Premium Sharing Demonstration Project (PSDP) is a response to this growing concern.

Legislative History

In November of 1994, Arizona voters passed an initiative measure

ARS § 42-3251 levies and imposes a tobacco tax on all cigarettes, cigars, smoking tobacco, plug tobacco, snuff and other forms of tobacco. ARS § 36-771 establishes a tobacco tax and health care fund and ARS § 42-3252 directs the treasurer to deposit all tobacco tax monies and interest earnings on those monies into the fund. ARS §§ 36-772 through 36-775 establish four accounts of the tobacco tax and health care fund, one of which is the medically needy account. The Arizona Health Care Cost Containment System (AHCCCS) is directed to use the monies in the medically needy account to provide health care services to medically needy persons, medically indigent persons and low income children.

ARS § 36-774 specifies the use of the monies in the medically needy account as follows:

Monies that are deposited in the medically needy account shall only be used to

supplement funds appropriated by the legislature for the purpose of providing levels of service established pursuant to title 36, chapter 29, article 1 to eligible persons as defined under section 36-2901 or any expansion of those levels of service or for any successor program established by the legislature providing levels of services that are substantially equivalent to, or expanding, those provided pursuant to title 36, chapter 29, article 1 to eligible persons.

ARS § 36-2923 establishes the premium sharing demonstration project fund for AHCCCS to use for the project “to provide uninsured persons access to medical services provided by system providers.” This fund consists of monies deposited from the medically needy account of the tobacco tax and health care fund.

According to ARS § 36-2921, paragraph 8, AHCCCS must:

Withdraw the sum of twenty million dollars in each of fiscal years 1996-1997, 1997-1998 and 1998-1999 for deposit in the premium sharing demonstration project fund established by section 36-2923 to provide health care services to any person who is eligible for an Arizona health care cost containment system premium sharing demonstration program enacted by the legislature.

Laws 1997, chapter 186, section 3 as amended by Laws 1997, second special session, chapter 1, section 1 established the PSDP. The law authorizes AHCCCS to contract with their health plans to “provide [medical] services to uninsured persons.” The legislative intent of the PSDP is to provide medical services to uninsured individuals while ultimately helping them achieve self-sufficiency for their health care needs. By requiring enrollees to pay a portion of the premiums, and to pay copayments and deductibles for services rendered, the intent is to bridge the gap between publicly-subsidized health insurance and private-market health insurance. The target population for the PSDP is the working poor, sometimes referred to as the “notch” group. These are individuals who earn just enough income to make them ineligible for many entitlement programs. A secondary population for the PSDP is the chronically ill. The Legislature’s intent is to provide medical services to chronically ill individuals who meet specific requirements since many individuals who have chronic illnesses are unable to obtain insurance in the private market due to prohibitive expenses for treating their chronic conditions.

PSDP enrollees must have incomes between 0% and 200% of the Federal Poverty Limit (FPL), must have been without health insurance for at least six months preceding application and must be Arizona residents. (Laws 1997, chapter 186, section 3 as amended by Laws 1997, second special session, chapter 1, section 1). Additional requirements are also listed. Chronically ill enrollees with incomes between 200% and 400% of the FPL are required to have been receiving services through the Medically Needy/Medically Indigent (MN/MI) program for at least the 12 months preceding application. All enrollees with incomes below 200% of the FPL may not pay more than 4% of their annual household “blended” premium with no direct state subsidy (\$410). (Laws 1997, chapter 186, section 3 as amended by Laws 1997, second special session, chapter 1, section 1). A maximum of 200 chronically ill individuals may enroll in the PSDP. (Laws 1997, chapter 186, section 4 as

amended by Laws 1997, second special session, chapter 1, section 2).

During the 1999 Legislative session, statutory changes were made to the Premium Sharing Program that affect certain administrative aspects of the program. Those changes included provisions allowing the Premium Sharing Administration to increase administrative spending from the medically needy account from 2% to 4%. Other statutory changes included provisions limiting the 12-month ban from re-enrollment to individuals who voluntarily disenroll or who fail to pay premiums. In addition, the requirement for being "bare" for 6 months will no longer apply to individuals who involuntarily lost insurance coverage. (Laws 1999, Chapter 313).

The Arizona Legislative Council is required to submit a report semiannually to the premium sharing demonstration project oversight committee. The report shall contain the following information regarding the demonstration project:

1. An analysis of client satisfaction.
2. Program enrollment information.
3. The average annual income of the enrollee.
4. The annual medical service expenditure.
5. The total monies collected from enrollees.
6. Information necessary to analyze and evaluate the project's effectiveness or impact.
7. A review of the actual medical costs incurred and the premiums charged.

(Laws 1997, chapter 186, section 6, subsection B).

Project Design

During the implementation phase, the PSDP became known as the Premium Sharing Program (PSP). AHCCCS is contracting with three health plans for the PSP: Arizona Physicians, University Physicians and Mercy Care. The PSP is operating in four counties: Maricopa, Pima, Pinal and Cochise. Health Care Group of Arizona (HCGA) is administering the PSP including billing, applications, customer service and data management.

Before the PSP's inception, HCGA, AHCCCS and representatives from the health plans met to address all implementation issues, including application development, contract development, changes to that Arizona Administrative Code and billing and process issues.

RESEARCH QUESTIONS

The identification of research questions is the key component in any study or evaluation. The purpose of identifying research questions is to guide the evaluation in determining the types of information the various stakeholders need to know. Research questions determine what data need to be collected and how they need to be analyzed. Research questions can include items relating to achievement of program objectives, program effectiveness, program efficiency, coverage of a target population, particular demographic characteristics or enrollees, financial considerations and administrative concerns. A preliminary list of questions is provided below.

List of questions

Demographic and Statistical Questions

- What is the typical demographic profile of PSP applicants and enrollees?
- Will the PSP enrollees be a healthy population or consist primarily of individuals with pre-existing health conditions?
- Why do households enroll in the PSP?
- Which family members are typically "bare"? Are parents already insured?

Coverage Questions

- Is the premium sharing population the working poor, "notch" group?
- Will individuals with chronic illnesses fill the 200 available slots quickly?
- Will there be a higher demand for chronically ill slots than those available?

Financial Questions

- Are capitation rates appropriate for general population and chronically ill enrollees?
- Are premiums charged to general population and chronically ill enrollees appropriate?
- How many more general population enrollees could be served if no chronically ill individuals were enrolled?

Administrative and Efficiency Questions

- Is the premium sharing mail application form and process effective, efficient and easy to understand?
- How have applicants perceived billing, application processing and customer service?
- Are there more efficient alternatives for enrolling households in PSP?

Impact and Effectiveness Questions

- Are premium sharing clients satisfied with the PSP?
- Are premium sharing clients satisfied with their medical care?
- Does PSP enrollment lead to self-sufficiency for health insurance?
- Are there inherent difficulties in pooling general population individuals and chronically ill individuals in the same program?
- Are households moving on and off various state health insurance programs such as the PSP, AHCCCS, KidsCare and Health Care Group?
- How do potential applicants react to these programs and perceive the various program options and eligibility requirements?

METHODOLOGY AND DATA COLLECTION

Arizona Legislative Council (LC) research staff is using quantitative and qualitative data to evaluate the PSP. Quantitative data are objective, codable data taken from data collection instruments such as closed-ended surveys and applications. These data are useful for determining frequencies, percentages, cross-tabulations, averages and other types of statistical measures. Qualitative data are not easily codable and are generally much more subjective in nature. They are useful for capturing opinions and beliefs that cannot be easily obtained from a survey. Qualitative data are also useful for uncovering issues not previously addressed in data collection instruments.

Quantitative Data

LC research staff is using five quantitative data collection instruments in the evaluation: 1) the revised AHCCCS PSP application, 2) the HCGA member health history form, 3) a disenrollment survey, 4) a member survey and 5) a diagnostic and encounter data report. The application, health history form, disenrollment survey and member survey (with cover letters) are shown as Attachments A, B, C and D. The PSP brochure is also included as Attachment E.

The application is a product of AHCCCS with significant input from HCGA, the health plans and LC research staff. Applications are processed by mail by HCGA, the data are entered and managed by HCGA and selected data are sent bi-annually to LC research staff. The application data include demographic and eligibility data and the application is the primary data collection instrument used in the evaluation.

The member health history form is also processed by mail, the data are recorded by HCGA and selected data are sent monthly to LC research staff. The health history form shows preexisting health condition data.

The disenrollment survey was developed by LC research staff synthesizing questions from the three health plans' existing disenrollment surveys. HCGA began using the survey in their October 15 mailing and the survey is conducted monthly as enrollees disenroll. The completed surveys are sent directly to HCGA who provide data entry and management. This survey records disenrollees and provides information on reasons enrollees disenroll and their level of satisfaction with the PSP.

The member survey seeks to assess enrollees' satisfaction with the PSP, specifically their medical care and customer service. The member survey also attempts to probe respondents' feelings about whether and how premium sharing is making a difference in their lives. HCGA mailed the first set of surveys on December 1, 1998 and will continue to administer the survey annually. They also provide data entry and management. Selected data is forwarded to LC research staff and the health plans. Analysis of the member survey is included in the April report each year.

A diagnostic and encounter data report will also be forwarded to LC research staff for inclusion in the April, 2000 report. This report will show the types of treatments enrollees receive and their

associated costs. An examination of these data will reveal what treatments are most common among enrollees and what treatments are most costly.

Qualitative Data

Qualitative data will be obtained by interviewing several sources, including members of the AHCCCS PSP implementation team, HCGA PSP administrators, the health plan administrators and selected community health center employees.

LC Research staff will also investigate the possibility of conducting focus groups with PSP enrollees and similar populations who are not enrolled in the PSP. The purpose of these focus groups would be to enhance the qualitative data by providing discussion-oriented opinions of members and potential members regarding eligibility, health care services, processes and treatment.

The purposes of obtaining these types of qualitative data are to assess the overall administrative procedures of the PSP, uncover issues not contained in the quantitative data, assess the opinions of stakeholders from their perspectives regarding the PSP and identify recommendations for PSP improvement.

PREMIUM SHARING PROGRAM SUMMARY

This section summarizes aggregate PSP statistics and operations including financial information, application figures and enrollment information.

Financial Summary

AHCCCS is authorized to spend \$20,000,000 a year for the operation of the PSP. AHCCCS is authorized to use up to 4% of the monies transferred from the medically needy account on administration (Laws 1999, Chapter 313, section 15). AHCCCS prepays capitated rates to the three health plans and collects premiums from households enrolling in the PSP. The capitated rates vary by household size and health category, whether general population or chronic illness. Table 1 shows the monthly capitated rates paid by AHCCCS to the health plans.

Table 1. Monthly Capitated Rates by Tier Size and Category

Category	Tier Size (Number of Household Members Enrolling)		
	One Person	Two Persons	Three or more Persons
General Population	\$270	\$390	\$680
Chronic	\$770	\$1,540	\$2,310

Attachment F compares actual AHCCCS financial data with projected budget figures for the 1999 state fiscal year. Revenues include the draw-downs from the medically needy account of the tobacco tax and health care fund, investment income earned and member premiums. Expenditures include premiums paid to health plans and administrative costs.

Program revenues for the 1999 state fiscal year included the \$20,000,000 draw-down from the medically needy account, a \$400,000 draw-down for administration, \$735,776 in member premiums and \$3,172,287 in investment interest. Total program revenues were \$24,308,063.

Expenditures for that same period include \$428,638 in administrative costs and \$7,844,610 in premiums paid to the health plans. Total program expenditures were \$8,273,248. For the fiscal year ending June 30, 1999, there was a \$16,034,815 positive balance of revenues over expenditures. This amount represents a positive variance between the amount budgeted and the actual amount of revenues versus expenditures of \$3,747,515. With the exception of the first quarter when startup costs were high, total revenues have outpaced total program expenses. There are several possible explanations for this. On the revenue side, investment income has been good and has had more time to accumulate interest on a greater principle amount. Expenditures may have been lower than anticipated because program enrollment started slowly and the projected member months were over 11,000 greater than the actual member months. In addition, enrollment of chronically ill individuals did not occur as rapidly as anticipated.

One should be cautioned from making judgements based on an analysis of the financial summary over the entire fiscal year, however, because program enrollment has increased rapidly over the course of the year and the chronic population has increased as well. For the last quarter of the fiscal year (between April 1 and June 30, 1999), per member per month medical expenses increased by 11% over the previous quarter. Without utilization data, it is difficult to infer reasons for the increase in expenses during the last quarter of fiscal year 1999. However, one should note that for the quarter ending June 30, 1999, total expenses and total revenues were nearly identical, with a per member per month net revenue gain of only \$0.71, indicating that over time expenditure projections were right on target.

The premium sharing demonstration project fund balance as of June 30, 1999 was \$58,398,385. Since AHCCCS has drawn down all of its scheduled monies for the PSP, the only revenues expected for the remainder of the PSP are investment income and member premiums. These monies will fund capitation payments and administrative expenses through the program's termination on January 30, 2001.

The average member premium share is \$19 per month. This amount accounts for approximately 8% of the total premium cost.

Applications and Enrollment

At any point in time an applicant to the PSP may be classified in one of four status categories. Applicants either get enrolled, are found ineligible, or are found eligible but do not enroll. Enrollees also may disenroll from the PSP. This status is dynamic and changes frequently. All applicants from the beginning of the PSP are classified in one of these four status categories throughout the program, changing as their situation changes. Therefore, adding enrollees, ineligible applicants, eligible, non-enrolled applicants and disenrollees provides the total number of applicants at any given time. The following application and enrollment numbers are taken as of September 1, 1999.

Table 2 shows the total number of applications and their enrollment status. Approximately 33% of applicants (individuals) have been enrolled in the PSP, 14% have been disenrolled, 47% of applicants were ineligible and 6% were eligible, but were not enrolled.

Table 2. Applications and Enrollment Status

Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
4,940	6,998	941	2,114	14,993

Table 3 shows total **applications** by county separated by households and individuals. Every application, regardless of the number of household members receives a household unit number. Single applicants count as one household as well as applicants with eight-member families. The “individuals” half of the table captures all premium sharing applicants’ household members. A total of 6,813 households comprising 14,993 individuals have applied to the PSP. Approximately 50% of individuals applying to the PSP live in Maricopa County, 31% live in Pima County, 12% live in Cochise County and 7% live in Pinal County. Less than 1% of individuals applying to the PSP live in counties not participating in the PSP. Nearly 97% of individual applicants are classified as general population with the remaining 3% classified as chronically ill.

Table 3. Applications by Category and County

County	Households				Individuals			
	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total
Maricopa	3,191	146	11	3,348	7,259	259	20	7,538
Pima	2,096	60	8	2,164	4,463	98	13	4,574
Cochise	791	18	0	809	1,764	36	0	1,800
Pinal	463	12	0	475	1,023	22	0	1,045
Other	17	0	0	17	36	0	0	36
Total	6,558	236	19	6,813	14,545	415	33	14,993

Table 4 shows **enrollment** levels by category and county. A total of 3,101 households comprising 4,940 individuals are enrolled in the PSP. Approximately 49% of these enrollees live in Maricopa County, 31% live in Pima County, 13% live in Cochise County and 7% live in Pinal County. Approximately 96% of enrollees are classified as general population while the remaining 4% are chronically ill. Only two chronically ill individuals earning between 200% and 400% of the FPL were enrolled in the PSP as of September 1, 1999.

Table 4. Enrollment by Category and County

County	Households				Individuals			
	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total
Maricopa	1,399	70	0	1,469	2,325	90	0	2,415
Pima	960	44	2	1,006	1,467	57	2	1,526
Cochise	394	11	0	405	624	18	0	642
Pinal	215	6	0	221	350	7	0	357
Total	2,968	131**	2	3,101	4,766	172*	2	4,940

* 57 of the 172 individuals listed as chronically ill are actually in the general population health category because all household members are enrolled as chronic if at least one member is chronically ill. These nonchronically ill members pay the “chronic” premium, but do not count as one of the 200 chronic slots.

** The number of chronically ill households exceeds the number of chronically ill individuals because household units retain their chronic status even if the chronically ill member of the household disenrolls.

Table 5 shows the number of **ineligible** applicants by county and category. A total of 1,931 households comprising 6,998 individuals have been determined ineligible. Approximately 51% of the ineligible individuals live in Maricopa County, 30% live in Pima County, 12% live in Cochise County and 7% live in Pinal County. Less than 1% of the ineligible individuals live in counties not participating in the PSP. Approximately 98% of the ineligible individuals were classified as general population, while 2% were classified as chronically ill.

Table 5. Ineligible Applicants by Category and County

County	Households				Individuals			
	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total
Maricopa	950	28	7	985	3,460	82	15	3,557
Pima	573	6	4	583	2,040	29	9	2,078
Cochise	203	6	0	209	829	16	0	845
Pinal	135	4	0	139	479	12	0	491
Other	15	0	0	15	27	0	0	27
Total	1,876	44	11	1,931	6,835	139	24	6,998

Table 6 shows the number of **disenrollees** by county and category. A total of 1,143 households comprising 2,105 individuals have been disenrolled from the PSP. Approximately 50% of the disenrollees live in Maricopa County, 32% live in Pima County, 10% live in Cochise County and 8% live in Pinal County. Approximately 96% of the disenrollees were classified as general population, while 4% were classified as chronically ill.

Table 6. Disenrollees by Category and County

County	Households				Individuals			
	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total	General Population	Chronic 0% - 200%	Chronic 200%-400%	Total
Maricopa	526	30	2	558	989	58	2	1,049
Pima	361	9	1	371	674	10	1	685
Cochise	121	1	0	122	209	2	0	211
Pinal	90	2	0	92	157	3	0	160
Total	1,098	42	3	1,143	2,029	73	3	2,105

Comparing tables 3 through 6, one finds that the only significant difference among the status categories for the four counties is a lower disenrollment rate for Cochise county (10% of disenrollees vs. 13% of enrollees) as compared to slightly higher disenrollment rates for Maricopa, Pima and Pinal counties. The significance of these data continues to be the disproportionately higher number of applicants and enrollees than had been originally anticipated from Pima, Pinal and Cochise Counties as compared to Maricopa County. Most striking is the higher rate of enrollment in Cochise County. The expectation was that 67.7% of enrollees would be from Maricopa County, 22% from Pima County, 5.1% from Pinal County and 4.7% from Cochise County. The actual percentages of enrollees, as described above, are 49%, 31%, 7% and 13% respectively.

There does not appear to be any significant difference within the enrollment categories among the four status categories. This indicates that chronically ill individuals do not weigh heavily in one status or another when compared to the general population.

Table 7 summarizes the reasons for ineligibility. Eligibility is determined at the household level which is why N=1,926. The primary reason for ineligibility has been the nonpayment of the initial two months premium (43%). Approximately 24% of the applicants were ineligible because they exceeded the income limits. Another 9% were ineligible because they were already covered by private insurance, and 7% were deemed ineligible because they had AHCCCS coverage.

Table 7. Reasons for Ineligibility

Reasons for Ineligibility	Number	Percent
Nonpayment of Initial Premium	832	43%
Exceeds Income Limit	470	24%
Already Has Private Coverage	179	9%
Previous Health Coverage Last Six Months	142	7%
Has AHCCCS Coverage	127	7%
Has Medicare Coverage	109	6%
Does not Reside in Participating County	17	<1%
Applicant Voluntarily Withdrew Request	16	<1%
Ineligible Resident Alien Status	7	<1%
Ineligible for Chronically Ill Program	7	<1%
Disenrolled from PSP Within Last 12 Months	6	<1%
Has VA Coverage	5	<1%
No AHCCCS for 12 of 15 Months	5	<1%
Deceased	3	<1%
Insufficient Time as an Arizona Resident	3	<1%
Nonpayment of Billed Premium	1	<1%
Applied for KidsCare	1	<1%
Cannot Determine Eligibility	1	<1%
Total	1,926	100%

Table 8 summarizes the reasons for the Premium Sharing Administration (PSA) disenrolling the enrollee. Although similar, this table should not be confused with Table 29 that also identifies reasons for disenrollment. Table 8 identifies the actual reason that the PSA had to disenroll the enrollee, whereas Table 29 attempts to get at the underlying reasons and causes for disenrollment using the disenrollment survey. The most common reason for enrollees to be disenrolled from the PSP is failure to pay their monthly premium (44%). Approximately 23% were disenrolled because they did not complete and return their six month eligibility review form.

Table 8. Reasons for Disenrollment

Reasons for Disenrollment	Number	Percent
Nonpayment of Billed Premium	503	44%
Six Month Eligibility Review Form not Returned	268	23%
Income too High	113	10%
Medicare Eligible	75	7%
Voluntarily Disenrolled	47	4%
PSA Determined Ineligible	35	3%
AHCCCS Coverage	35	3%
Other Health Care Coverage	15	1%
Grievance Enrollment Terminated	13	1%
Insufficient Funds not Replaced (Bad Check)	9	<1%
Moved to Nonparticipating County	9	<1%
Open Enrollment – Health Plan Change	8	<1%
County Change	6	<1%
Change in Income	4	<1%
Dependent Turned 19	1	<1%
KidsCare Coverage	1	<1%
Quality Control Review	1	<1%
Deceased	1	<1%
Total	1,144	100%

HOUSEHOLD AND INDIVIDUAL PROFILES

This section presents household and member data necessary to evaluate the PSP. Profiles identify and examine quantitative data taken from the application, health history form, disenrollment form and member survey. Included are statistical measures, such as frequencies, means and cross-tabulations that describe demographic and other trends and phenomena. Administrative information will be synthesized in future reports from the qualitative data described in the methodology and data collection section.

Household Profiles

The following tables represent household-specific data summarized from application and enrollment data December 1, 1997 through September 1, 1999.

Table 9 describes monthly household income by application status. Nearly 79% of households enrolled in the PSP earn less than \$1,500 per month and approximately 74% of applicants' household monthly income is less than \$1,500. Because the monthly income alone does not capture the influence of household size, table 10 summarizes household incomes as a percentage of FPL.

Table 9. Monthly Household Income Distribution

Monthly Income Amount	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
\$0 - \$499	423	666	70	132	1,291
\$500 - \$999	1,154	308	241	391	2,094
\$1,000 - \$1,499	863	320	185	299	1,667
\$1,500 - \$1,999	437	260	85	165	947
\$2,000 - \$2,499	153	187	31	89	460
\$2,500 - \$2,999	58	91	18	37	204
\$3,000 - \$3,499	11	52	3	19	85
\$3,500 and greater	2	47	3	12	64
Total	3,101	1,931	636	1,144	6,812
Median Enrolled Monthly Household Income: \$989					
Average Enrolled Monthly Household Income: \$1,077					

Table 10 shows that 59% of all enrolled households earn more than the FPL. Likewise, 58% of total applicants earn more than the FPL. With the majority of applicants and enrollees above the FPL, it appears quite possible that the “notch” group represents much of the enrollment in the PSP. Of significance is that 21% of all ineligible applicants earn greater than 200% of the FPL, while only 8% of total applicants earn greater than 200% of FPL.

Table 10. Distribution of Household Income by Percentage of the Poverty Limit

Household Monthly Income as Percentage of the FPL	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
0% - 49%	256	628	52	82	1,018
50% - 99%	1,012	283	208	310	1,813
100% - 149%	1,168	353	235	394	2,150
150% - 199%	660	251	138	229	1,278
200% - 400%	5	388	2	124	519
> 400%	0	24	0	5	29
Total	3,101	1,927	635	1,144	6,807
Median Enrolled Monthly Household Income (as percentage of FPL): 107%					
Average Enrolled Monthly Household Income (as percentage of FPL): 117%					

Table 11 lists the reasons applicants stated for applying to the PSP. The most frequently stated reason for applying to the PSP is that the employer does not offer insurance, with nearly 26% of enrollees selecting this response. An additional 13% of enrollees stated that their employer offers insurance, but they cannot afford it. About 11% are disabled and otherwise not insured, 9% of enrollees are retired but not on Medicare and 8% do not qualify for employer insurance because they are in a part-time job that does not offer health insurance. Less than 5% cited unemployment as the reason they were applying to the PSP and only five enrollees applied because they needed a transplant.

Table 11. Reasons for Applying to PSP

Reason for Applying	Enrollees	Ineligible Applicants	Eligible, non-enrolled	Disenrollees	Total Applicants
Employer Does not offer Insurance	786	456	173	301	1,716
Other	560	242	99	157	1,058
Employer Offers Insurance But I Can't Afford It	387	355	115	157	1,014
Disabled, Cannot Afford	324	216	80	127	747
Retired, not on Medicare	279	123	32	93	527
Employed Part-time, Do not Qualify for Insurance	234	130	51	103	518
Unable to Obtain Insurance Due to Preexisting Condition	160	112	12	56	340
Unemployed, Can't Afford	145	110	38	71	364
I Have Insurance, But not For My Dependents	66	77	11	45	199
Chronically Ill	78	58	12	21	169
Cannot Afford Private Insurance	30	27	11	7	75
Need a Transplant	5	8	2	0	15
Total	3,054	1,914	636	1,138	6,742

Table 12 identifies the source of medical care for enrollees just prior to their enrollment in the PSP. The purpose of this question is to determine how uninsured people receive medical care and what options they have, considering almost all PSP enrollees must be without coverage for six months prior to enrolling in the PSP (excluding AHCCCS recipients and certain chronically ill individuals).

Despite the fact that many of these enrollees were “bare,” 48% indicated that they received their regular medical care from a doctor’s office. Nearly 22% indicated that they received their care from a community health center, 18% indicated that they received no regular medical care, 6% received their care from the emergency room, 3% indicated they received their care from private clinics and another 3% sought healthcare from a source not listed.

Table 12. Source of Current Medical/Health Care

Source of Current Health Care	Enrollees	Ineligible Applicant	Eligible, Non-enrolled	Disenrollees	Total Applicants
Doctor’s Office	1,321	867	213	489	2,890
Community Health Clinic	596	326	145	231	1,298
None	483	287	121	174	1,065
Emergency Room	171	127	50	86	434
Private Clinic	83	44	14	32	173
Other	80	121	0	67	268
Indian Health Services	0	2	0	1	3
Total	2,734	1,774	543	1,080	6,131

Table 13 shows previous health insurance coverage by enrollment status. In order to be eligible for the PSP, applicants must not have had health insurance for the previous six months, excluding AHCCCS recipients and chronically ill individuals earning between 200% and 400% of the FPL. Approximately 42% of enrollees have been previously enrolled in AHCCCS, 19% indicated that they have had no previous health insurance, while nearly 23% have had employer-sponsored insurance in the past. Only 6% of enrollees have had private health insurance in the past. Among ineligible applicants, about 27% had employer insurance while only 35% had AHCCCS coverage.

Table 13. Previous Health Insurance Coverage

Previous Health Insurance	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
AHCCCS	1,040	573	229	440	2,282
Employer Insurance	555	449	103	201	1,308
None	475	293	9	234	1,011
Private Insurance	144	119	19	33	315
Other	127	160	0	120	407
Community Clinic	110	60	39	18	227
Total	2,451	1,654	399	1,046	5,550

Table 14 shows the level of payments typically made by the PSP applicants prior to their enrollment in the PSP. Unfortunately, LC research staff believes that these data are likely inaccurate and that respondents misunderstood the question. The table shows that 58% of enrollees indicated that they paid full medical costs for their health treatments. Given the income levels and situations of this population, it is highly unlikely that even a few could afford full medical payments. Respondents to this question probably tried to infer that they paid their bills in full. Their bills probably represented only a fraction of the total medical cost.

Table 14. Current Out-of-Pocket Costs

Current Out-of-Pocket Costs	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrolled	Total Applicants
Full Payments	1,336	784	170	576	2,866
Co-payments Only	433	424	59	211	1,127
No Payments	541	389	101	245	1,276
Total	2,310	1,597	330	1,032	5,269

Table 15 lists household size by enrollment status. Nearly 40% of households enrolled in the PSP were singles with 71% of enrolled households consisting of one or two person households. The large percentage of single households may indicate that there is a gap in services for this population. Future household size data must be monitored to determine if this trend continues. The tier size is also an important figure. Although not shown as a table, tier size represents the number of individuals in a household who actually enroll in the PSP. The household size is the number of individuals in the household, regardless of how many members of the household enroll in the PSP. Households are required to enroll all eligible members, but occasionally some members do not qualify because they may not be “bare,” or they fail to meet other requirements. This explains why household size is different from tier size. Approximately 65% of enrolled households are tier one, 21% are tier two, 6% are tier three and 7% are tier four.

Table 15. Household Size

Household Size	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
One	1,236	816	262	494	2,808
Two	965	515	162	299	1,941
Three	366	262	82	143	853
Four	292	184	62	116	654
Five	173	105	48	72	398
Six	53	30	11	18	112
Seven or more	16	19	9	3	47
Total	3,101	1,931	636	1,145	6,813
Average Household Size: 2.17. Average Tier Size: 1.55.					

Table 16 shows enrollees’ choice of health plan. Both Arizona Physicians and Mercy Care are offered in all four participating counties. University Physicians is offered in Pima and Cochise Counties. Approximately 53% of enrolled households chose Arizona Physicians, 34% chose Mercy Care and 13% chose University Physicians.

Table 16. Choice of Health Plan

Health Plan	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
Arizona Physicians	1,641	NA	NA	623	2,264
Mercy Care	1,067	NA	NA	376	1,443
University Physicians	393	NA	NA	146	539
Total	3,101	NA	NA	1,145	4,246

Household Profiles Over Time

Table 17 presents many of the above household characteristics in a format that allows for comparisons to be made at various points in time over the past year. The data show that the characteristics of the *typical* PSP enrolled household have been quite consistent over the past year, suggesting that those households enrolled in the program probably fit the profile of households that were originally targeted for the program by the Premium Sharing Administration.

There have been some changes, however, in enrolled households' sources of healthcare prior to enrolling in the PSP and in the types of health insurance that enrollees had received previously. The percentage of enrolled households that reported that they received no healthcare prior to enrolling in the PSP has consistently risen—by 2% since last March and by 4% from one year ago. The fact that 18% of respondents in September of this year indicated that they received no health care prior to enrolling in the PSP may be interpreted to suggest that the PSP is filling a previous gap in healthcare services; however, this is somewhat misleading. The 4% increase over one year ago is easily explained by the fact that the response category “None” was not included in the first version of the application. Early enrollees in the PSP probably checked the category “Other” if they had no previous healthcare. This explains why the percentage of household enrollees that checked the “Other” response category has decreased by six percentage points in one year.

In addition, the percentage of enrolled households that previously received health insurance coverage through AHCCCS has increased by a total of five percentage points since September of 1998 and by two percentage points since last March. The number of households reporting that they had no health insurance prior to enrollment in the PSP has decreased by seven percentage points in the last six months.

Table 17. Longitudinal Summary of Enrolled Household Characteristics

Household Characteristics		September 1998	March 1999	September 1999
Monthly Household Income Distribution	\$0 - \$499	13%	13%	14%
	\$500 - \$999	38%	36%	37%
	\$1,000 - \$1,499	30%	30%	28%
	\$1,500 - \$1,999	11%	14%	14%
	\$2,000 - \$2,499	5%	4%	5%
	\$2,500 - \$2,999	2%	2%	2%
	\$3,000 - \$3,499	<1%	<1%	<1%
	\$3,500 and greater	<1%	<1%	<1%
Source of Current Health Care	Doctor's Office	46%	50%	48%
	Community Health Clinic	23%	20%	22%
	None	14%	16%	18%
	Emergency Room	6%	6%	6%
	Private Clinic	2%	2%	3%
	Other	9%	5%	3%
Previous Health Insurance	AHCCCS	37%	40%	42%
	Employer Insurance	21%	21%	23%
	None	23%	26%	19%
	Private Insurance	4%	4%	6%
	Other	4%	8%	9%
Current Out-of-Pocket Costs	Full Payments	58%	59%	58%
	Co-payments Only	20%	20%	19%
	No Payments	22%	21%	23%
Household Size	One	40%	41%	40%
	Two	30%	31%	31%
	Three	12%	11%	12%
	Four	10%	9%	9%
	Five or more	8%	8%	8%
Choice of Health Plan	Arizona Physicians	52%	53%	53%
	Mercy Care	35%	34%	34%
	University Physicians	13%	13%	13%

Table 18 shows the numbers of enrolled households at various points in time. Household enrollment in the PSP has increased by 134% since September of 1998.

Table 18. Number of Enrolled Households

	September 1998	March 1999	September 1999
Number of Enrollees	1,323	1,991	3,101

Individual Profiles

The following tables (17 through 23) represent individual-specific data summarized from application and enrollment data from December 1, 1997 through September 1, 1999. Individual-specific data differ from household-specific data because individual-specific data include personal information on all members of the household. This is information regarding each individual, whereas household data are only supplied by the applicant (usually the head of the household).

Table 19 shows the employment status by enrollment status. Although only 37% of enrollees are shown as being employed full-time, this statistic is somewhat misleading. Because enrollees (members) include children, who are not typically employed, employment levels appear lower than they probably are.

Table 19. Employment Status

Employment Status	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
Full-time	1,057	1,167	229	441	2,894
Not in Labor Force	753	1,215	4	636	2,608
Part-time	651	415	119	225	1,410
Retired	205	468	0	134	807
Looking For a Job	86	124	0	90	300
Full-time Seasonal	45	46	6	20	117
Part-time Seasonal	40	29	7	18	94
Total	2,837	3,464	365	1,564	8,230

Table 20 shows race by enrollment status. Approximately 59% of enrollees are White, non-Hispanic. This is fairly consistent with the percentage of whites in the total **application** population. Nearly 33% of enrollees are Hispanic, about 3% are African-American, 2% are Asian or Pacific Islander and less than 1% of enrollees are Native American. Approximately 1% of enrollees described their race as “other.” In Arizona’s general population, 68% of the population is White, non-Hispanic, 20% of the population is Hispanic, 6% Native American, 4% African-American and 2% Asian or Pacific Islander.

Table 20. Race

Race	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
White, non-Hispanic	2,843	3,596	524	1,105	8,068
Hispanic	1,589	2,620	330	764	5,303
African-American	161	357	34	85	637
Asian or Pacific Islander	94	82	12	25	213
Native American	42	70	11	18	222
Other	71	99	9	43	141
Total	4,800	6,824	920	2,040	14,584

Table 21 shows age distribution by status. Age is an important demographic characteristic for the PSP. Nearly 77% of enrollees are between the ages of 18 and 65 with almost 23% of enrollees less than 18 years old. In Arizona’s entire population, 26% of the population is under 18 years old and about 61% of the population is between the ages of 18 and 65 (1996 census estimate). Age statistics will continue to be important to track because many of the children in the PSP will be eligible for the KidsCare Program.

Table 21. Age Distribution

Age Category	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
Less than 18 years	1,125	2,918	178	651	4,872
18 – 64 years, 12 months	3,782	3,640	758	1,386	9,566
65 and over	33	440	5	77	555
Total	4,940	6,998	941	2,114	14,993

Table 22 shows gender by enrollment status. Approximately 64% of enrollees are female while only 51% of ineligible applicants are female.

Table 22. Gender

Gender	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
Female	3,183	3,536	605	1,271	8,595
Male	1,757	3,462	336	843	6,398
Total	4,940	6,998	941	2,114	14,993

Table 23 shows citizenship by enrollment status. Approximately 85% of enrollees are United States citizens, 9% are legal aliens and 6% are naturalized citizens. Less than 1% of all applicants did not meet the citizenship requirement.

Table 23. Citizenship

Citizenship	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
U.S. Citizen	4,182	6,215	803	1,857	13,057
Legal Alien	434	515	90	173	1,212
Naturalized Citizen	324	220	48	84	676
Does not Meet Citizenship Requirements	0	48	0	0	48
Total	4,940	6,998	941	2,114	14,993

Table 24 shows the most prevalent preexisting health conditions among enrollees and disenrollees only. Enrollees indicate their preexisting conditions on the health history form after they are enrolled in the PSP. This explains why conditions for ineligible applicants and eligible, non-enrolled applicants are not shown. Enrollees are not limited to the number of conditions they may indicate. About 34% of enrollees did not indicate any preexisting conditions. Approximately 24% of enrollees indicated they have allergies, the most common preexisting condition. An additional 16% of enrollees have arthritis, bursitis or joint problems and nearly 16% have high blood pressure or high cholesterol.

Table 24. Most Prevalent Preexisting Health Conditions

Preexisting Health Conditions	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrollees	Total Applicants
None	1,682	NA	NA	815	NA
Allergies	1,180	NA	NA	475	NA
Arthritis, Bursitis, Joint Problems	793	NA	NA	269	NA
High Blood Pressure/High Cholesterol	780	NA	NA	257	NA
Headaches	602	NA	NA	264	NA
Asthma, Lung Disorders, Bronchitis, or Emphysema	541	NA	NA	259	NA
Ear, Nose and Throat Problems	463	NA	NA	223	NA
Back, Spine, or Bone Disorder	442	NA	NA	158	NA
Mental Disorders	433	NA	NA	180	NA
Heart Attack/Chest Pains	407	NA	NA	177	NA
Diabetes	394	NA	NA	131	NA
Female Disorders	347	NA	NA	147	NA
Eye Disorders/ Cataracts, Glaucoma	344	NA	NA	112	NA
Fractures	324	NA	NA	131	NA
Cancer, Tumor, Cyst	303	NA	NA	127	NA
Obesity	299	NA	NA	91	NA
Hemorrhoids	297	NA	NA	109	NA
Total	N = 4,940	NA	NA	N = 2,114	NA

Table 25 shows chronic conditions by enrollment status. The most common chronic conditions for the 121 enrolled chronically ill individuals are chronic liver disease (21%), chronic rheumatoid arthritis (17%), cardiomyopathy (16%) and metastatic cancer (15%).

Table 25. Chronic Conditions

Chronic Conditions	Enrollees	Ineligible Applicants	Eligible, Non-enrolled	Disenrolled	Total Applicants
Chronic Liver Disease	25	7	2	5	39
Chronic Rheumatoid Arthritis	20	3	2	7	32
Cardiomyopathy	19	3	4	7	33
Metastatic Cancer	18	13	4	12	47
HIV / AIDS	6	3	4	2	15
History of Solid Organ Transplant	6	1	0	1	8
Hematologic Cancer	5	2	1	7	15
Multiple Sclerosis	5	4	2	1	12
Congenital Heart Disease	4	0	2	5	11
Chronic Pancreatitis	3	1	0	1	5
Pulmonary Hypertension	2	0	1	1	4
Muscular Dystrophies	2	0	0	0	2
Hodgkins Disease	2	0	0	0	2
Growth Hormone Deficiency	2	0	0	0	2
Hemophilia	1	0	0	0	1
Amyotrophic Lateral Sclerosis	1	0	0	0	1
Total	121	37	22	49	229

Individual Profiles Over Time

Table 26 summarizes the above individual-specific data from this report and from the two previous reports for those persons who were **enrolled** in the PSP. This and previous reports have shown simply a snapshot in time of various characteristics of individuals enrolled in the PSP at the time that the data was extracted. This table provides some insight into how characteristics of the *typical* premium sharing enrollee have changed (or not changed) over time.

For the most part, the demographic characteristics of enrollees that have been examined for this and previous reports have been quite consistent over the past year of the program. In fact, for the categories of both citizenship and gender the *typical* enrollee has not changed from one year ago. In September of 1998, 64% of enrollees were female and 91% were U.S. citizens and that was also the case as of September of 1999.

The most pronounced demographic differences in the enrollee population are in age distribution and employment status. Just last March, 30% of enrollees were under the age of 18 and as of September that number had dropped to 23% of enrollees. This drop is easily explained by the fact that all new applicants are screened for KidsCare eligibility, therefore it is expected that over time, as new applicants under the age of 18 are determined to be eligible for KidsCare, the zero to 18 year old demographic will be reduced in the premium sharing enrollee population.

The change in employment status is directly related to this change in age distribution. Children under the age of 18 who typically are not in the labor force are included in the employment status count; therefore, it follows that as fewer children are in the enrollment pool, a greater percentage of those enrolled will be adults who are in the workforce. The data bear this out. In September of 1998 only 24% of premium sharing enrollees worked full time, while in September of 1999, 37% of the enrollee population worked full time. The change over the past year becomes even more pronounced if the numbers of individuals who work part time are included. In September of 1998, only 37% of enrollees worked either full or part time, but in September of 1999, 60% of enrollees had full or part time jobs. This increase is probably too large to be explained solely by the decrease in total numbers of children under the age of 18, suggesting that the “notch” group or *working poor* are being successfully targeted for enrollment in the PSP.

Table 26. Longitudinal Summary of Member Demographic Characteristics

Member Characteristics		September 1998	March 1999	September 1999
Employment Status	Full-Time	24%	28%	37%
	Not in Labor Force	46%	39%	27%
	Part-time	13%	15%	23%
	Retired	9%	10%	7%
	Looking for a Job	5%	5%	3%
	Full-time Seasonal	1%	1%	2%
	Part-time Seasonal	1%	1%	1%
Age Distribution	Less than 18 years	29%	30%	23%
	18 – 64 years, 12 months	70%	70%	77%
	65 and over	<1%	<1%	<1%
Race	White, non-Hispanic	54%	59%	59%
	Hispanic	37%	33%	33%
	African-American	4%	4%	3%
	Asian or Pacific Islander	2%	2%	2%
	Other	2%	1%	1%
	Native American	1%	1%	<1%
Gender	Female	64%	63%	64%
	Male	36%	37%	36%
Citizenship	U.S. Citizen	85%	87%	85%
	Legal Alien	9%	8%	9%
	Naturalized Citizen	6%	5%	6%

Table 27 shows the increase in enrollment in the PSP over the past year. PSP enrollment has more than doubled over the past year.

Table 27. PSP Individual Enrollees Over Time

	September 1998	March 1999	September 1999
Number of Enrollees	2,268	3,407	4,940

Diagnostic and Encounter Data

As indicated in the methodology section, future reports will include diagnostic and encounter data for premium sharing enrollees. These data will show the types of treatments enrollees receive and their associated costs. An examination of these data will reveal which treatments are most common among enrollees and which are most costly. This information will be available for inclusion in the April, 2000 report.

Interview and Focus Group Summaries

Also stated in the methodology section, LC research staff will conduct interviews with members of the AHCCCS PSP implementation team. HCGA PSP administrators, the health plan administrators and selected community health center employees. Results of these interviews will appear in future reports near the end of the demonstration period. LC research staff will also investigate the possibility of conducting focus group research to enhance the quantitative data.

MEMBER SATISFACTION ANALYSIS

Disenrollment Survey

HCGA mails a disenrollment survey, developed by LC research staff, to disenrolled heads of household each month as enrollees disenroll from the PSP. The purpose of the disenrollment survey is to assess disenrollees' perspectives as to why they were disenrolled, how their situation has changed since they were enrolled and their satisfaction of the PSP when they were enrolled. 201 surveys have been completed and returned. The results are summarized in the tables below.

Table 28 summarizes the reasons for disenrollment. These results are different from those in table 8 because they are generated from the disenrollment survey responses, not the PSA. Approximately 23% of disenrollees indicated that they now earn too much to be eligible, while 18% stated that they were disenrolled because of late payments. Approximately 15% have health insurance with their new jobs and about 10% have become AHCCCS eligible.

Table 28. Reasons for Disenrollment

Reasons for Disenrollment	Frequency	Percent
I earn too much to be eligible.	32	23%
My payment was late.	25	18%
I have health insurance with my new job.	21	15%
I am now AHCCCS eligible.	14	10%
I can't afford the monthly premium.	10	7%
I forgot to pay the premium.	8	6%
I can't afford the co-payment.	7	5%
I am now covered on my spouse's plan.	5	4%
I am dissatisfied with the coverage.	4	3%
I am unhappy with the health plan.	4	3%
I moved to another location where premium sharing is not offered.	3	2%
I am enrolled in KidsCare.	3	2%
My doctor is no longer with the health plan I selected.	1	<1%
Total	137	100%

Table 29 shows that nearly three-quarters of respondents knew they would be disenrolled from the PSP for 12 months.

Table 29. Awareness of Mandatory Disenrollment Time Length

Aware	Frequency	Percent
Yes	119	74%
No	41	26%
Total	160	100%

Table 30 shows that 69% of disenrollees plan to reenroll in the PSP when they are eligible.

Table 30. Reenrollment Likelihood

Plan to Reenroll	Frequency	Percent
Yes	114	69%
No	51	31%
Total	165	100%

Table 31 shows the factors in health plan selection. The two most important factors determining respondents' health plan selection are a family or friend recommending the plan and the respondents' doctors being part of that network.

Table 31. Health Plan Selection

Factors in Choice of Plan	Frequency	Percent
My family or a friend recommended the plan.	35	24%
My doctor is part of that network.	49	33%
Because of their advertising in the brochure.	27	18%
I was a previous member.	27	18%
No particular reason.	9	6%
Total	147	100

Table 32 indicates disenrollees' overall satisfaction with the PSP and with the medical care they received. Respondents appear generally satisfied with all program attributes. Although, the PSA customer service, health plan customer service and availability of appointment times scores are somewhat lower than other program attributes.

Table 32. Premium Sharing Program and Medical Care Satisfaction

5 = very satisfied, 1 = very dissatisfied

Program Attributes	Average Score
Monthly Premium Cost	4.5 (N = 192)
Covered Services	4.5 (N = 187)
Location of Doctors	4.4 (N = 187)
Hospital Care	4.3 (N = 119)
Choice of Doctors	4.3 (N = 186)
Doctor Care	4.3 (N = 174)
Overall Quality of Services	4.2 (N = 177)
Premium Billing Process	4.2 (N = 187)
Pharmacy Services	4.2 (N = 160)
Health Plan Customer Service	4.0 (N = 181)
Availability of Appointment Times	4.0 (N = 173)
PSA Customer Service	3.8 (N = 177)
Total	NA

Member Survey

In December of each year, HCGA mails a member survey, designed by LC research staff, to all PSP enrollees. The purpose of the member survey is to measure enrollees' satisfaction with the PSP and to explore their perceptions regarding the PSP and other general health concerns. The results of this survey are included each year in the April report.

FINDINGS AND CONCLUSIONS

The PSP has been enrolling individuals since February 1, 1998. Legislative Council research staff has identified some preliminary findings or observations that could lead to future program conclusions. These are summarized below:

⇒ The growth of the Premium Sharing Program, although slow at first, has rapidly increased. As of September 1, 1999, 4,940 individuals were enrolled in the PSP. This number represents a 118% increase in enrollment over one year's time. There has been a 45% enrollment increase since last March. Enrollment will be capped at slightly over 6,000 individuals, the estimated point at which expenditures will reach the funding level of \$20 million per year.

⇒ As of September 1, 1999, 117 chronically ill individuals were enrolled in the PSP. This number has increased by 95% over the chronically ill enrollment numbers reported in the March, 1999 report. However, the number of enrolled chronically ill individuals remains below the 200 cap.

⇒ For the quarter ending June 30, 1999, total expenses and total revenues were nearly identical, with a per member per month total revenue gain of only \$0.71. This extremely small difference between per member per month revenues and expenditures indicates that projected program expenditures were right on target.

⇒ The distribution of applicants and enrollees by county continues to be unexpected, with a disproportionately larger share of enrollees residing in Pima, Pinal and Cochise county and fewer than expected applicants from Maricopa county.

⇒ The *typical* PSP enrollee is a white, non-Hispanic female, between the ages of 18 and 65, is a U.S. citizen and works, either full or part-time. For the most part, the demographic characteristics of enrollees have been quite consistent over the past year of the program, with the exception of a reduction in the numbers of enrollees in the zero to 18 age category and an increase in the numbers of individuals who work full or part-time.

⇒ The 7% reduction in enrollees under the age of 18 since last March is most likely attributable to the fact that new PSP applicants are now screened for KidsCare. As future child applicants are found to be eligible for KidsCare, fewer individuals in the zero to 18 age category will be in the enrollment pool.

⇒ There has been a pronounced increase in the numbers of enrollees who work, either full or part-time, and a reduction in the numbers of individuals who are not in the labor force. This increase in working enrollees is, at least in part, attributable to a reduction in the number of enrollees in the zero to 18 age category; however, the increase is substantial. Last March, approximately 43% of enrollees worked either full or part-time, and as of September of 1999, that number had increased to 60% of enrollees. This observation may indicate that the "notch" group, or working poor, are being successfully targeted for enrollment in the PSP.

⇒ The characteristics of the *typical* PSP enrolled household have been quite consistent over the past year, suggesting that those households enrolled in the program probably fit the profile of households that were originally targeted for the program by the Premium Sharing Administration. The primary enrolled population appears to be employed small households earning an income above the FPL. As of September 1, 1999, the median enrolled monthly household income is \$989, and the average enrolled household size is 2.17 individuals. The median enrolled monthly household income is 107% of the FPL.

⇒ The percentage of enrolled households that previously received health insurance coverage through AHCCCS has increased by a total of five percentage points since September of 1998 and by two percentage points since last March. The number of households reporting that they had no health insurance prior to enrollment in the PSP has decreased by seven percentage points in the last six months.

⇒ Whereas, approximately 42% of enrollees have been previously enrolled in AHCCCS and only 29% have had private or employer coverage, disenrollment survey results show that 38% of disenrollees indicate that they were disenrolled because they now either earn too much to be eligible or have insurance with a new job. Only 10% of disenrollees indicate that they were disenrolled because they have become AHCCCS eligible. These results may imply that enrollees are disenrolling to a lower subsidized situation than previously in their lives.

ATTACHMENTS



APPLICATION FOR THE PREMIUM SHARING PROGRAM

Family Size	200% FPL*	
	Annual	Monthly
1	\$16,100	\$1,342
2	21,700	1,808
3	27,300	2,275
4	32,900	2,742
Additional members	+5,600	+467

Family Size	400% FPL*	
	Annual	Monthly
1	\$32,200	\$2,684
2	43,400	3,618
3	54,600	4,550
4	65,800	5,484
Additional members	+11,200	+934

The Premium Sharing Program (PSP) provides health care benefits to individuals who:

- reside in Cochise, Maricopa, Pima, or Pinal counties;
- do not currently have health care insurance or coverage and who have been without health care insurance or coverage except for AHCCCS for the past 6 months;
- have a gross annual household income that does not exceed 200% of the federal poverty level guidelines (FPL); or
- have a chronic illness listed on Page 7, and their gross household income does not exceed 400% of the FPL. If their gross annual household income is at or below 200% FPL they must have been without health care insurance/coverage for the last 6 months. If their income is above 200% FPL and at or below 400% FPL, they must have been an MI/MN AHCCCS member for 12 of the last 15 months.

INSTRUCTIONS FOR COMPLETION

1. Answer all questions, complete all applicable sections, and check all boxes.
2. Include information for all household members (even if they are not eligible for the Premium Sharing Program).
3. **Include proof of income for all household members for the last 3 calendar months.**
4. Include proof of citizenship or qualified alien status (if born outside the United States). If you are submitting a Resident Alien Card you need to submit a copy of the front and back of the card.
5. **Do not send original documents** when submitting proof of income or citizenship/alienage status, **send copies**.
6. Include a statement from your medical provider about your chronic illness, if you have one of the chronic illnesses listed on Page 7.
7. Initial next to each declaration on Page 8.
8. **Sign and date the application on Page 8.**
9. Mail your completed application to: Premium Sharing Administration; 700 East Jefferson, Suite 200; Phoenix, AZ 85034

NOTE: It may be 45 days before you receive a letter about your eligibility for the Premium Sharing Program.

If you need help filling out this application call (602) 258-1636 or 1-888-308-6516.

Please be sure to:

- use pen to complete the application
- complete all sections
- print your answers

Enter the name and address of the individual applying on behalf of the members in the household.

Name (Last, First, MI)		
Home address	Street	City
Mailing address	Street	City
How long have you lived in Arizona?		
<input type="checkbox"/> 0 - 5 mo. <input type="checkbox"/> 6 mo. to 1 yr <input type="checkbox"/> 1 to 2 yrs <input type="checkbox"/> 3 to 4 yrs <input type="checkbox"/> 5 to 6 yrs <input type="checkbox"/> 7+ yrs		

List below information about all members of your household (see definition above).

#1 Name	#2 Birthdate (mm/dd/yy) and Gender	#3 Race (optional)	#4 Social Security Number	#5 Relationship to applicant
1. APPLICANT Last: _____ First: _____ MI: _____	____/____/____ <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> African Amer. <input type="checkbox"/> Native Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Other _____	____-____-____	<input type="checkbox"/> Self <input type="checkbox"/> Spouse <input type="checkbox"/> Son <input type="checkbox"/> Daughter <input type="checkbox"/> Other/explain _____
2. Last: _____ First: _____ MI: _____	____/____/____ <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> African Amer. <input type="checkbox"/> Native Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Other _____	____-____-____	<input type="checkbox"/> Spouse <input type="checkbox"/> Son <input type="checkbox"/> Daughter <input type="checkbox"/> Other/explain _____
3. Last: _____ First: _____ MI: _____	____/____/____ <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> African Amer. <input type="checkbox"/> Native Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Other _____	____-____-____	<input type="checkbox"/> Spouse <input type="checkbox"/> Son <input type="checkbox"/> Daughter <input type="checkbox"/> Other/explain _____
4. Last: _____ First: _____ MI: _____	____/____/____ <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> African Amer. <input type="checkbox"/> Native Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Other _____	____-____-____	<input type="checkbox"/> Spouse <input type="checkbox"/> Son <input type="checkbox"/> Daughter <input type="checkbox"/> Other/explain _____
5. Last: _____ First: _____ MI: _____	____/____/____ <input type="checkbox"/> Male <input type="checkbox"/> Female	<input type="checkbox"/> White <input type="checkbox"/> Hispanic <input type="checkbox"/> African Amer. <input type="checkbox"/> Native Amer. <input type="checkbox"/> Asian <input type="checkbox"/> Other _____	____-____-____	<input type="checkbox"/> Spouse <input type="checkbox"/> Son <input type="checkbox"/> Daughter <input type="checkbox"/> Other/explain _____

HOUSEHOLD DEFINITION

- a single person with or without minor child(ren);
- a married couple with or without minor child(ren); or
- an unmarried couple with in common minor child(ren).

Home phone number () () ()		Work phone number () () ()	
State	Zip Code	County: <input type="checkbox"/> Maricopa <input type="checkbox"/> Pinal <input type="checkbox"/> Pima <input type="checkbox"/> Cochise	
State	Zip Code	Message phone () () ()	

#6 Marital status	#7 Was this person born in the U.S.?	#8 Check the boxes below if you have not had health care coverage within the past 6 months, or if you currently have coverage, or if you have had coverage within the past 6 months from one of the following sources:	#9 Employment status?										
<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law in state of:	<input type="checkbox"/> Yes <input type="checkbox"/> No, send in copy of document to verify citizenship/qualified alien status	<input type="checkbox"/> No coverage last 6 months Medicare Veterans Administration AHCCCS Premium Sharing Program Insurance Co. name: <table style="margin-left: 20px; border: none;"> <tr> <td style="text-align: right;">Currently covered</td> <td style="text-align: right;">Coverage ended</td> </tr> <tr> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>	Currently covered	Coverage ended	<input type="checkbox"/>	_____	Hire date: _____ <input type="checkbox"/> Full-time (FT) <input type="checkbox"/> FT seasonal <input type="checkbox"/> Retired <input type="checkbox"/> Not working <input type="checkbox"/> Part-time (PT) <input type="checkbox"/> PT seasonal						
Currently covered	Coverage ended												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law in state of:	<input type="checkbox"/> Yes <input type="checkbox"/> No, send in copy of document to verify citizenship/qualified alien status	<input type="checkbox"/> No coverage last 6 months Medicare Veterans Administration AHCCCS Premium Sharing Program Insurance Co. name: <table style="margin-left: 20px; border: none;"> <tr> <td style="text-align: right;">currently covered</td> <td style="text-align: right;">coverage ended</td> </tr> <tr> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>	currently covered	coverage ended	<input type="checkbox"/>	_____	Hire date: _____ <input type="checkbox"/> Full-time (FT) <input type="checkbox"/> FT seasonal <input type="checkbox"/> Retired <input type="checkbox"/> Not working <input type="checkbox"/> Part-time (PT) <input type="checkbox"/> PT seasonal						
currently covered	coverage ended												
<input type="checkbox"/>	_____												
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<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law in state of:	<input type="checkbox"/> Yes <input type="checkbox"/> No, send in copy of document to verify citizenship/qualified alien status	<input type="checkbox"/> No coverage last 6 months Medicare Veterans Administration AHCCCS Premium Sharing Program Insurance Co. name: <table style="margin-left: 20px; border: none;"> <tr> <td style="text-align: right;">currently covered</td> <td style="text-align: right;">coverage ended</td> </tr> <tr> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>	currently covered	coverage ended	<input type="checkbox"/>	_____	Hire date: _____ <input type="checkbox"/> Full-time (FT) <input type="checkbox"/> FT seasonal <input type="checkbox"/> Retired <input type="checkbox"/> Not working <input type="checkbox"/> Part-time (PT) <input type="checkbox"/> PT seasonal						
currently covered	coverage ended												
<input type="checkbox"/>	_____												
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<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law in state of:	<input type="checkbox"/> Yes <input type="checkbox"/> No, send in copy of document to verify citizenship/qualified alien status	<input type="checkbox"/> No coverage last 6 months Medicare Veterans Administration AHCCCS Premium Sharing Program Insurance Co. name: <table style="margin-left: 20px; border: none;"> <tr> <td style="text-align: right;">currently covered</td> <td style="text-align: right;">coverage ended</td> </tr> <tr> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>	currently covered	coverage ended	<input type="checkbox"/>	_____	Hire date: _____ <input type="checkbox"/> Full-time (FT) <input type="checkbox"/> FT seasonal <input type="checkbox"/> Retired <input type="checkbox"/> Not working <input type="checkbox"/> Part-time (PT) <input type="checkbox"/> PT seasonal						
currently covered	coverage ended												
<input type="checkbox"/>	_____												
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<input type="checkbox"/> Married <input type="checkbox"/> Single <input type="checkbox"/> Widowed <input type="checkbox"/> Separated <input type="checkbox"/> Divorced <input type="checkbox"/> Common-law in state of:	<input type="checkbox"/> Yes <input type="checkbox"/> No, send in copy of document to verify citizenship/qualified alien status	<input type="checkbox"/> No coverage last 6 months Medicare Veterans Administration AHCCCS Premium Sharing Program Insurance Co. name: <table style="margin-left: 20px; border: none;"> <tr> <td style="text-align: right;">currently covered</td> <td style="text-align: right;">coverage ended</td> </tr> <tr> <td><input type="checkbox"/></td> <td>_____</td> </tr> </table>	currently covered	coverage ended	<input type="checkbox"/>	_____	Hire date: _____ <input type="checkbox"/> Full-time (FT) <input type="checkbox"/> FT seasonal <input type="checkbox"/> Retired <input type="checkbox"/> Not working <input type="checkbox"/> Part-time (PT) <input type="checkbox"/> PT seasonal						
currently covered	coverage ended												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												
<input type="checkbox"/>	_____												

INCOME

This section must include the "GROSS INCOME" (NOT TAKE HOME PAY) FOR ALL MEMBERS OF YOUR HOUSEHOLD EVEN IF THEY ARE NOT ELIGIBLE FOR COVERAGE. You must submit PROOF OF INCOME FOR THE "LAST 3 CALENDAR MONTHS" regardless of the type of income you receive (earned, unearned, or self-employment). A copy of the IRS 1040 (Schedule SE) may be submitted as proof of self employment income.

EARNED INCOME (01) None

Includes wages, tips, commissions, bonuses, sick pay, vacation pay and baby-sitting. Please submit proof of income for the last 3 calendar months as indicated below.

1. Proof of earned income must be submitted in pay date order and include all payments received during the previous 3 calendar months.
2. Pay stubs or letters from employers must show the gross amount earned, the pay period, and date paid during the previous 3 calendar months.
3. If you did not receive a paycheck for one or more weeks during the 3 calendar months, please submit a letter from your employer stating the timeframe and reason you did not work.

Name of person working	Name of employer	Pay Frequency	Gross amount
		<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Twice monthly Date Paid	
		<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Twice monthly Date Paid	
		<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Twice monthly Date Paid	
		<input type="checkbox"/> Weekly <input type="checkbox"/> Monthly <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Twice monthly Date Paid	

SELF-EMPLOYED (19) None

If you are self-employed you must submit the following documentation as proof of income:

- a. A copy of the IRS Form 1040 (Schedule SE) submitted for the previous tax year and a statement signed and dated by the head of household that there has been no substantial change in the income and expenses of the business since the end of the previous tax year.
- b. If you did not file IRS Form 1040 (Schedule SE) for the previous tax year or if you believe the information on the form is not representative of the previous 3 calendar months, a journal or ledger showing all income and expenses during the previous 3 calendar months may be submitted. If such a journal is submitted, documentation must be submitted for each deducted expense such as a matching canceled check, receipt, bill or other documentation.

Name of self-employed household member	Type of business	Gross amount of monthly self-employment income	Monthly self-employment expenses

- IF YOU DO NOT SUBMIT PROOF OF INCOME FOR THE LAST 3 CALENDAR MONTHS, OR YOU SUBMIT PARTIAL PROOF OF INCOME, YOUR ENROLLMENT WILL BE DELAYED UNTIL ALL REQUIRED DOCUMENTS ARE RECEIVED BY THE PSA.
- DO NOT SEND ORIGINAL DOCUMENTS, PLEASE SEND COPIES.
- IF YOU HAVE HAD NO INCOME DURING ONE OR MORE OF THE PAST 3 CALENDAR MONTHS, ATTACH AN EXPLANATION OF HOW YOU HAVE PAID YOUR LIVING EXPENSES SUCH AS RENT, FOOD, ETC. FOR THE PAST 3 CALENDAR MONTHS.

Please complete all of the income sections that apply to you and members of your household. If the section does not apply to you, please check the None box.

UNEARNED INCOME None

If you or a member of your household receives any of the following types of income, check the appropriate box(es) and complete the section below. Proof of income must be submitted for all unearned income received during the last 3 calendar months.

Attach copies of all Benefit Award Letters, Determination Letters and/or Denial Letters.

- | | |
|---|---|
| <input type="checkbox"/> (02) Unemployment insurance | <input type="checkbox"/> (11) Social Security benefits or disability benefits |
| <input type="checkbox"/> (03) Child support/alimony | <input type="checkbox"/> (12) Veterans benefits or military benefits |
| <input type="checkbox"/> (04) Gifts/loans/contributions from friends or relatives | <input type="checkbox"/> (13) Vocational rehabilitation |
| <input type="checkbox"/> (05) BIA/ tribal assistance | <input type="checkbox"/> (14) Job Training Partnership Act (JTPA) |
| <input type="checkbox"/> (06) Student grant/scholarships/loans | <input type="checkbox"/> (15) Rental income |
| <input type="checkbox"/> (07) Public assistance (AFDC, TANF, GA, etc.) | <input type="checkbox"/> (16) Mortgage/sales contract income |
| <input type="checkbox"/> (08) Supplemental Security Income (SSI) | <input type="checkbox"/> (17) Winnings (lottery, bingo, gambling) |
| <input type="checkbox"/> (09) Disability insurance/worker's compensation | <input type="checkbox"/> (18) Interest, dividends, royalties |
| <input type="checkbox"/> (10) Foster care payments | <input type="checkbox"/> (99) Other, explain: |

Explanation/Comments:

Name of person receiving income	Type of income	Gross amount	How often received (monthly, weekly, every 2 weeks, twice monthly, etc.)

REASON FOR APPLYING

Please tell us why you are applying for the Premium Sharing Program by checking one or more of the boxes below.

- My employer does not offer health insurance.
- My employer offers health insurance but I cannot afford the premiums.
- I am a part-time worker and do not qualify for my employer's health insurance plan.
- I have health insurance for myself but not my dependents.
- I am between jobs and cannot afford health insurance.
- I am unable to get health insurance because of a pre-existing medical condition.
- I am retired but I am not yet eligible for Medicare.
- I am chronically ill.
- I am disabled and cannot afford health insurance.
- I need a transplant.
- Other (specify): _____

How did you hear about the premium sharing program? _____

CURRENT SOURCE OF MEDICAL CARE (Check the box(es) below).

- Please tell us how you currently receive your medical care:
 - Community health clinic
 - Doctor's office
 - Private clinic
 - Emergency room
 - Other (specify): _____
- Please tell us how you currently pay for the medical care you receive:
 - No payments
 - Co-payments
 - Full payments
 - Sliding fee scale
 - Other (specify): _____
- If you previously had health care coverage for you and your family, please tell us how it was provided:
 - Employer insurance
 - Private insurance
 - AHCCCS
 - Community health clinic
 - Other (specify): _____

IMPORTANT: YOU MUST CHOOSE A HEALTH PLAN

Every applicant must choose a health plan. Contact the health plan(s) directly for a list of providers contracted with the health plan(s) in your area. You will be required to stay with the health plan you choose for one year from the date of your initial enrollment. You will not be enrolled with the health plan you selected until you receive a notice indicating that you qualify for the program and have paid your premium. If your payment is received before the 15th day of the month, your coverage will begin the first day of the next month. If received after the 15th day of the month, you will have to reapply. You will receive a notice telling you when your coverage begins.

I am choosing the following health plan for myself and my eligible family members.

- Arizona Physicians IPA** (available in Maricopa, Pima, Pinal and Cochise counties)
(602) 285-9838 or 1-800-437-2542
- Mercy Care** (available in Maricopa, Pima, Pinal and Cochise counties)
(602) 230-9921 or 1-800-624-3879
- University Physicians** (available in Pima and Cochise counties)
1-888-708-2930--Pima; 1-800-459-1325--Cochise

CHRONIC ILLNESS

FILL OUT THIS SECTION ONLY IF YOU OR A MEMBER OF YOUR HOUSEHOLD HAS ANY OF THE ILLNESSES LISTED BELOW:

- List the individual's name. Check the box(es) to the left of the illness(es) the individual named has.
- Answer the questions in the last column.
- For each individual who has one or more of the illnesses listed below attach a statement from your doctor or other medical provider about the chronic illness. If you cannot obtain a statement from your doctor or other medical provider, tell us why and provide the name, address, and telephone number of your doctor or other medical provider.

<p>_____ (Name)</p>	<input type="checkbox"/> Alpha-1-Antitrypsin Deficiency <input type="checkbox"/> Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease) <input type="checkbox"/> Cardiomyopathy <input type="checkbox"/> Chronic liver disease <input type="checkbox"/> Chronic Pancreatitis <input type="checkbox"/> Chronic Rheumatoid Arthritis <input type="checkbox"/> Congenital heart disease <input type="checkbox"/> Cystic Fibrosis <input type="checkbox"/> Growth hormone deficiency <input type="checkbox"/> Hematologic cancer <input type="checkbox"/> Hemophilia <input type="checkbox"/> History of any Solid Organ transplant <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Hodgkins disease <input type="checkbox"/> Metastatic cancer <input type="checkbox"/> Multiple Sclerosis <input type="checkbox"/> Muscular dystrophies <input type="checkbox"/> Pulmonary hypertension <input type="checkbox"/> Sickle Cell disease	<p>Has the individual received at least 12 consecutive months of AHCCCS medical benefits in the last 15 months under the Medically Indigent or Medically Needy Program (MI/MN)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the chronic illness caused by alcohol, drug or chemical addiction?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>_____ (Name)</p>	<input type="checkbox"/> Alpha-1-Antitrypsin Deficiency <input type="checkbox"/> Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease) <input type="checkbox"/> Cardiomyopathy <input type="checkbox"/> Chronic liver disease <input type="checkbox"/> Chronic Pancreatitis <input type="checkbox"/> Chronic Rheumatoid Arthritis <input type="checkbox"/> Congenital heart disease <input type="checkbox"/> Cystic Fibrosis <input type="checkbox"/> Growth hormone deficiency <input type="checkbox"/> Hematologic cancer <input type="checkbox"/> Hemophilia <input type="checkbox"/> History of any Solid Organ transplant <input type="checkbox"/> HIV/AIDS <input type="checkbox"/> Hodgkins disease <input type="checkbox"/> Metastatic cancer <input type="checkbox"/> Multiple Sclerosis <input type="checkbox"/> Muscular dystrophies <input type="checkbox"/> Pulmonary hypertension <input type="checkbox"/> Sickle Cell disease	<p>Has the individual received at least 12 consecutive months of AHCCCS medical benefits in the last 15 months under the Medically Indigent or Medically Needy Program (MI/MN)?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Is the chronic illness caused by alcohol, drug or chemical addiction?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

DECLARATIONS

Pilot program:

I understand and agree that:

1. the Premium Sharing Program (PSP) is a pilot program and that it may end at any time;
2. there are a limited number of spaces in this pilot program and that I will be placed on a waiting list by the Premium Sharing Administration (PSA) if there are not available spaces when I apply;
3. determination of my eligibility status will be delayed if I fail to complete every question on this application, or fail to initial every place indicated on this page;
4. that I must send in a new application and reapply for the PSP, if I have not submitted all requested information and/or documentation within 60 days of the initial submission of my application;
5. that it may take up to 45 days before I receive a letter about my eligibility for the PSP; and
6. that if I am disenrolled from the PSP for any reason, I will be ineligible for the program for twelve (12) months.

_____ (initial)

Fraud:

Have you or any member of your household been found guilty of committing fraud in food stamps, Medicaid, TANF (AFDC) or any state/county program? Yes No If yes, enter name: _____

_____ (initial)

Consent to release information:

I understand and agree to the following:

1. to cooperate with PSA and or health plan personnel in the completion of a full review of my application;
2. to authorize PSA to investigate and contact any sources necessary to establish eligibility and to verify the accuracy of financial or other information which pertains to my eligibility;
3. to further authorize PSA to advise my health care provider whether I have been determined eligible, and the effective date of my coverage; and
4. to the release of information necessary to allow for the evaluation of the PSP.

_____ (initial)

Penalty warning:

I understand and agree that the information provided on this form is subject to verification by state officials, and that, if anything is inaccurate, my benefits under the Premium Sharing Program may be denied or discontinued.

_____ (initial)

I understand and agree that it is fraud for any person to knowingly withhold information, or to give false information, with the intent to receive or continue to receive medical assistance benefits for which he or she is not eligible. I further understand and agree that I will be subject to criminal prosecution and I will be required to reimburse PSA for any benefits I receive or members of my household receive as a result of withholding information or giving false information.

_____ (initial)

Statement of Truth:

I swear under penalty of perjury that the verbal or written statements regarding myself and the persons in my home, income and all other items that pertain to my household's possible eligibility for the Premium Sharing Program are true and correct to the best of my knowledge. I have read and understand all of the declarations herein, including the penalty warning regarding criminal prosecution for providing false information.

Applicant's signature	Date	Witness' signature (if signed with a mark)	Date
-----------------------	------	--	------

REMINDERS

- | | |
|--|---|
| <ul style="list-style-type: none"> ✓ Send proof of income for the 3 calendar months preceding the date you send in your application. ✓ Send proof of citizenship or alien status, if born outside of the U.S. (if submitting a Resident Alien Card, please send a copy of the front and back of the card). | <ul style="list-style-type: none"> ✓ Send a statement from your doctor or Medical Provider if you have one of the chronic illnesses listed on Page 7. ✓ Be sure you have completed all sections, checked all appropriate boxes, and initialed and signed the application. |
|--|---|

Determination of your eligibility and enrollment in the Premium Sharing Program will be delayed if any of the items listed above are incomplete or not submitted.

Attachment B



Office Use Only
Effective Date: _____
Health Plan: _____

HEALTH HISTORY QUESTIONNAIRE

Please complete a separate Health History Questionnaire for each household member eligible for coverage.

Enrollee's Last Name:	First Name:	MI	Social Security/Member ID No.:	Household Unit No.:
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SECTION I - MEDICAL MANAGEMENT

No.	CONDITION	Y	N	No.	CONDITION	Y	N	No.	CONDITION	Y	N	No.	CONDITION	Y	N
01	Allergies			13	Cirrhosis, jaundice, or other liver disorder			25	Hemorrhoids			37	Skin disorder		
02	Alcoholism, drug abuse, or drug addiction			14	Colitis or other intestinal disorder, intestinal bleeding			26	Hernia or rupture			38	Stroke/CVA		
03	Anemia, leukemia, hemophilia, lymph system disorder, bone marrow transplant			15	Convulsions or epilepsy			27	High blood pressure, elevated cholesterol, triglycerides			39	Thyroid, goiter, glandular problems		
04	Arthritis, bursitis, joint problems or diseases			16	Diabetes, sugar in urine			28	Kidney stones or problems			40	Ulcers (any type)		
05	Asthma, lung disorders, bronchitis or emphysema			17	Ear, nose, throat problems, otitis, infection, tonsillitis			29	Nervous system disorder, neuritis			41	Vascular, blood vessel, circulation disorder, phlebitis, varicose veins		
06	AIDS			18	Eye disorder, cataracts, glaucoma, crossed eyes			30	Obesity			42	Venereal disease/STD		
07	Back, spine, or bone disorder, amputation			19	Female disorders - uterus, ovaries; menstrual (heavy bleeding or missed periods)			31	Paralysis, polio, muscular dystrophy, multiple sclerosis			43	Pregnancy *See Section IV		
08	Birth defect			20	Fractures (state site)			32	Physical defect, deformity			44	HIV Positive		
09	Bladder disorder, blood in urine			21	Gallbladder disorder, gall stones, cholecystectomy			33	Prostate or male sex organ problems			45	Weight gain/loss, eating disorders, anorexia/Bulimia		
10	Brain disorder, concussion, head injury			22	Gout			34	Prosthetic implants			46	Miscarriage		
11	Breast disorder, cancer, reconstruction, implants			23	Headaches			35	Psychiatric or mental disorders; nervousness, anxiety, or depression			47	Other		
12	Cancer, tumor, cyst			24	Heart attack, chest pain, angina, palpitation, heart murmur, shortness of breath; other heart problems			36	Rheumatic fever						

If you have answered "Yes" to any condition (1 - 47) listed above, please explain below and attach extra pages if needed. Please provide information regarding the last doctor visit and/or physical examination for ALL household members eligible for coverage.

No	Condition, Injury, Symptom of Ill Health or Findings of Examination	Onset Date Mo./Year	Date of Last Treatment	Degree of Recovery	Name and Address of Hospital and Attending Provider

1. Are you currently receiving benefits through the Veteran's Administration? Yes No
2. If yes, list the medical condition(S) for which you are receiving benefits: _____

Please complete both sides of the Health History Questionnaire.

SECTION II - MEDICATION MANAGEMENT

1. Are you currently taking any prescribed medication? Yes No If yes, please list below.
 2. Have you taken other prescription medications in the past 6 months? Yes No If yes, please list below.

Name of Individual	Condition	Medication	Dosage and Frequency	Date Prescribed	Date Discontinued	Name and Address of Prescribing Physician

SECTION III - PCP SELECTION

PCP Selected:

Enrollee _____

Spouse _____

Dependent _____

Dependent _____

Dependent _____

Is this your current PCP? Yes No

SECTION IV - PREGNANCY MEDICAL MANAGEMENT

The following questions are asked for "pregnancy medical management" only.

1. Are you currently pregnant? Yes No
 2. Have you been receiving prenatal care? Yes No
 3. What is your expected delivery date? _____
 4. Who is your current Obstetrician? _____

SECTION V - CHRONIC ILLNESS SECTION

If you have been enrolled in the Chronic Illness portion of the program, please indicate which of the following chronic diseases you have.

- Alpha-1-Antitrypsin Deficiency
- Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)
- Cardiomyopathy
- Chronic Liver Disease
- Chronic Pancreatitis
- Chronic Rheumatoid Arthritis
- Congenital Heart Disease
- Cystic Fibrosis
- Growth Hormone Deficiency
- Hematologic Cancer
- Hemophilia
- History of any Solid Organ Transplant
- HIV/AIDS
- Hodgkins Disease
- Metastatic Cancer
- Multiple Sclerosis
- Muscular Dystrophies
- Pulmonary Hypertension
- Sickle Cell Disease

DECLARATION:

I certify that the information provided on this form is complete and true to the best of my knowledge. I understand that any physician, nurse or hospital that has advised, treated, or rendered services to me and is in possession of any information or records with respect thereto, is authorized and directed to furnish to the Premium Sharing Administration or my health plan all information and records relating thereto. I further understand that any costs associated with providing such information will be at my expense and not at the expense of the Premium Sharing Administration or my health plan.

Enrollee Signature:

Date:

Attachment C

PREMIUM SHARING PROGRAM DISENROLLMENT SURVEY

By filling out this survey, you are helping the State improve the Premium Sharing Program. All results are confidential.

1. Please select the reason that you were disenrolled from the premium sharing program? Check all that apply.

- | | |
|---|---|
| <input type="checkbox"/> I can't afford the monthly premium | <input type="checkbox"/> I have health insurance with my new job |
| <input type="checkbox"/> I can't afford the co-payment | <input type="checkbox"/> I am now covered on my spouse's plan |
| <input type="checkbox"/> My payment was late | <input type="checkbox"/> I earn too much money to be eligible |
| <input type="checkbox"/> I forgot to pay the premium | <input type="checkbox"/> I am now AHCCCS eligible |
| <input type="checkbox"/> I am dissatisfied with the coverage | <input type="checkbox"/> I moved to another location where premium sharing is not offered |
| <input type="checkbox"/> I am unhappy with the plan | <input type="checkbox"/> I am enrolled in Kidscare |
| <input type="checkbox"/> My doctor is no longer with the health plan I selected | <input type="checkbox"/> Other, please specify _____ |

2. Did you know that you will be disenrolled from premium sharing for 12 months? Yes No

3. If you are eligible to reenroll in premium sharing after these 12 months, do you plan to enroll? Yes No

4. Why did you select the health plan that you chose? Check all that apply.

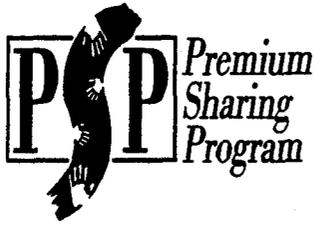
- | | |
|---|---|
| <input type="checkbox"/> I was a previous member | <input type="checkbox"/> My family or a friend recommended the plan |
| <input type="checkbox"/> My doctor is part of that network | <input type="checkbox"/> No particular reason |
| <input type="checkbox"/> Because of their advertising in the brochure | <input type="checkbox"/> Other, please specify _____ |

5. Please circle the number which best describes your level of satisfaction with the following.	Very Satisfied	Satisfied	Neither Satisfied nor Dissatisfied	Dissatisfied	Very Dissatisfied	Does not Apply
a. With the premium sharing program, how satisfied were you with the..						
Monthly Premium Cost	5	4	3	2	1	NA
Covered Services (physician visits, hospital visits, etc.)	5	4	3	2	1	NA
Premium Billing Process	5	4	3	2	1	NA
Choice of Doctors	5	4	3	2	1	NA
Location of Doctors	5	4	3	2	1	NA
Health Plan Customer Service	5	4	3	2	1	NA
Premium Sharing Administration Customer Service	5	4	3	2	1	NA
Overall Quality of Services	5	4	3	2	1	NA
b. With your medical care, how satisfied were you with the...						
Doctor Care / Services	5	4	3	2	1	NA
Availability of Appointment Times	5	4	3	2	1	NA
Hospital Care	5	4	3	2	1	NA
Pharmacy Services	5	4	3	2	1	NA

6. If you have comments, please write them in the spaces below.

Please return the survey in the enclosed self addressed stamped envelope. If you have any questions, please call 258-1636 or 1-888-308-6516

Thank You



PREMIUM SHARING ADMINISTRATION

Arizona Health Care Cost Containment System

700 East Jefferson Street, Suite 200, Phoenix, Arizona 85034

602-258-1636 or 1-888-308-6516

Date

Dear Sir/Madam:

We recently received notification that your household has been disenrolled from the Premium Sharing Program. In order for us to best serve our customers and to provide quality services, we are asking members who recently disenrolled to take a minute and complete the survey on the back of this letter. Your comments are very important to us and will be considered in our evaluation of the program. Please return the survey to us in the enclosed stamped, self-addressed envelope as soon as possible.

Thank you for your participation in this very important evaluation.

Sincerely,

Premium Sharing Administration

**PREMIUM SHARING PROGRAM
MEMBER SURVEY**

Attachment D

By filling out this survey, you are helping the State improve the Premium Sharing Program. Your answers will not affect your enrollment in the premium sharing program. All results are confidential.

1. Since you have been enrolled in premium sharing, please indicate the number of visits you have made to a doctor's office or hospital for the following purposes. Write the number of visits next to each item.

- | | |
|-----------------------------------|------------------|
| _____ Regular check-up | _____ Transplant |
| _____ Physical injury | _____ Illness |
| _____ Vaccination | _____ Surgery |
| _____ Other, please specify _____ | |

2. Since you have been enrolled in premium sharing, how often have you received prescription drugs from the pharmacy?

- | | |
|------------------------------------|--|
| <input type="checkbox"/> 1-2 times | <input type="checkbox"/> 5-6 times |
| <input type="checkbox"/> 3-4 times | <input type="checkbox"/> more than 6 times |

3. Please circle the number which best describes your level of satisfaction with the following.

	Very Satisfied	Satisfied	Neither Satisfied nor Dis-satisfied	Dis-satisfied	Very Dis-satisfied	Does Not Apply
a. With the premium sharing program, how satisfied are you with the..						
Monthly Premium Cost	5	4	3	2	1	NA
Covered Services (physician visits, hospital visits, mental health, etc.)	5	4	3	2	1	NA
Premium Billing Process	5	4	3	2	1	NA
Choice of Doctors	5	4	3	2	1	NA
Location of Doctors	5	4	3	2	1	NA
Health Plan Customer Service						
Courteous	5	4	3	2	1	NA
Timely	5	4	3	2	1	NA
Helpful	5	4	3	2	1	NA
Premium Sharing Customer Service						
Courteous	5	4	3	2	1	NA
Timely	5	4	3	2	1	NA
Helpful	5	4	3	2	1	NA
Overall Quality of Services	5	4	3	2	1	NA
b. With your medical care, how satisfied are you with the...						
Doctor Care / Services	5	4	3	2	1	NA
Availability of Appointment Times	5	4	3	2	1	NA
Hospital Care	5	4	3	2	1	NA
Pharmacy Services	5	4	3	2	1	NA

4. How long had you been without a health or medical plan before you enrolled in premium sharing?

- | | |
|--|--|
| <input type="checkbox"/> fewer than six months | <input type="checkbox"/> Between one year and five years |
| <input type="checkbox"/> 6 months to a year | <input type="checkbox"/> Greater than five years |

5. Please circle the number which best describes your level of agreement with the following statements.

	Strongly Agree	Agree	Neither Agree nor Disagree	Dis-agree	Strongly Disagree	Does Not Apply
The Premium Sharing Program has been very helpful to me.	5	4	3	2	1	NA
The Premium Sharing application was easy to complete.	5	4	3	2	1	NA
I plan to be enrolled in premium sharing until my health improves.	5	4	3	2	1	NA
Without premium sharing, I would not be getting health care.	5	4	3	2	1	NA

I plan to be enrolled in premium sharing as long as the program is available.	5	4	3	2	1	NA
I believe premium sharing is temporary for me until I get private insurance.	5	4	3	2	1	NA
Applying to all of the different state health care programs are confusing to me.	5	4	3	2	1	NA
Premium sharing is helping me to become self-sufficient for my health needs.	5	4	3	2	1	NA

Please return the survey in the enclosed self addressed stamped envelope. If you have any questions, please call 258-1636 or 1-888-308-6516.

Thank You



PREMIUM SHARING ADMINISTRATION

Arizona Health Care Cost Containment System

700 East Jefferson Street, Suite 200, Phoenix, Arizona 85034
602-258-1636 or 1-888-308-6516

Date

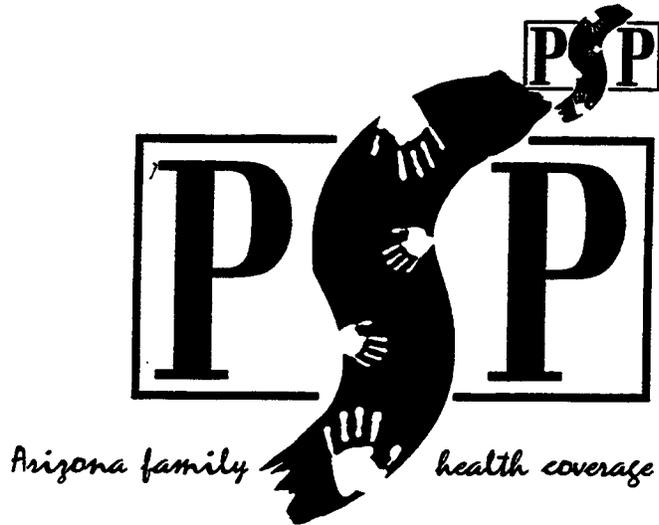
Dear Sir/Madam:

In order for us to best serve our members and provide quality health care, we are asking members to take a minute to complete the survey on the back of this letter. Your comments are very important to us and will be considered in our evaluation of the program. Please return the survey to us in the enclosed stamped, self-addressed envelope as soon as possible.

Thank you for your participation in this very important evaluation.

Sincerely,

Premium Sharing Administration



***Premium
Sharing
Program***

***Applicant
Information
Brochure***



Premium Sharing Administration
700 East Jefferson Street, Suite 200
Phoenix, Arizona 85034

1/1/99



Si usted solo habla Espanol y necesita ayuda para completar este formulario, comuniquese con el Premium Sharing Administration al (602) 258-1636 o de larga distancia sin pagar al 1 (888) 308-6516.

General Information

AHCCCS has established the Premium Sharing Program to provide health care benefits to uninsured individuals with income up to the levels established by the legislature. The Premium Sharing Program is designed to help individuals and families get affordable medical coverage. Individuals who have been determined eligible and pay the required monthly premium can receive a comprehensive package of medical services.

The Premium Sharing Program is currently a pilot program available to residents of Cochise, Maricopa, Pima and Pinal counties. The number of people that can participate in this pilot program is limited. If you submit an application and there are no spaces available, you will be placed on a waiting list. You may be notified to update your application or reapply if an opening becomes available. Openings occur when members leave the program. Spaces will be filled in the order that the applications are received.

Application for Medicaid Benefits

Before you apply for Premium Sharing coverage, you may want to submit an application to DES or the county eligibility office. You or your children (*KidsCare*) may be eligible for another AHCCCS medical benefits program in which you will not have to pay a premium for your coverage. To find out if you or your children qualify for one of these programs, call (602) 542-9935 (in the Phoenix area) or toll-free at 1-800-352-8401 (elsewhere in Arizona) for more information about where to go and how to apply. If you have applied for DES or the county office for yourself and/or your family and are not eligible for coverage under any of the existing federal or state Medicaid programs, attach copies of your denial letters to your application, if available.

What Services are Covered?

- Inpatient and outpatient hospital services, including emergency room visits
- Pregnancy care and delivery
- Physician services and outpatient services provided in clinics, offices, and Community Health Centers
- Laboratory, X-ray and medical imaging
- Prescribed medications
- Emergency dental care and extractions
- Medical supplies equipment and prosthetic devices, not including hearing aids or dentures
- Treatment of medical conditions of the eye, excluding the eye exam and prescriptive lenses (*prescriptive lenses are covered if they are the sole prosthetic device after a cataract extraction*)
- Early Periodic Screening Diagnostic Treatment (EPSDT) services for those under age 19
- Family planning services
- Podiatry services
- 30 days of inpatient and 30 days of outpatient behavioral health services annually

Note:

1. Non-emergency transportation is not covered.
2. Transplants are not covered unless you are enrolled as chronically ill.



CoPayments

You will be required to pay the following copayments at the time you receive services. Failure to pay these copayments may stop your coverage.

- \$10** for each doctor's office visit (including EPSDT services)
- \$25** for each emergency room visit (waived if you are admitted to the hospital)
- \$50** for each inpatient stay in the hospital
- \$50** for each emergency room visit that is not an emergency
- \$3** for each prescription filled with a generic drug or 50% of the cost of a prescription filled with a brand name drug unless there is no generic equivalent)
- \$8** for each laboratory visit
- \$8** for each x-ray service
- \$50** for each behavioral health admission to an inpatient behavioral facility
- \$10** for individual outpatient behavioral health services
- \$5** for outpatient behavioral health group services

Note: If, on the same day, you see a doctor and have laboratory work and x-rays done at the same service site, only one copayment of \$10 will be required.



Who is Eligible?

An individual must meet all eligibility criteria in order to qualify for benefits. The following are some of the eligibility criteria for the Premium Sharing Program. *You must:*

- Reside in a participating county (Cochise, Maricopa, Pima or Pinal).
- Meet the citizenship or alienage requirements.
- Not be covered by Medicare or Medicaid (AHCCCS) and receiving Supplemental Security Income (SSI) payments associated with a disability or blindness.
- Not be receiving medical benefits under any other AHCCCS program (excluding Family Planning Services).
- Not have Veterans Administration (VA) coverage for a medical condition (if you are VA eligible for any medical conditions, you are ineligible for treatment of those conditions under the Premium Sharing Program).
- Not currently be insured and have not had any health insurance for the past 6 months.
- Have a gross household income which is at or below 200% of the Federal Poverty Level. *If you meet the qualifications for chronically ill (page 10 & 11), you may be eligible for a higher income level.* Refer to the enclosed insert sheet for current information on the Federal Poverty Level.
- Not have committed an act of fraud or abuse in the Temporary Assistance to Needy Families (TANF), General Assistance, Food Stamps, the Medicaid program or any state or county medical program or other insurance company.
- Not have been disenrolled from the Premium Sharing Program within the past 12 months.

Note:

The Federal Poverty Level is a standard that the federal and state governments use to determine if a family is considered in need based on family size and income. The Federal Poverty income level changes annually in April.



Applying for the Premium Sharing Program

In order to qualify for the Premium Sharing Program, you must submit an application and meet all of the eligibility criteria. *Reference page 5 to determine if you and/or other members of your family meet the eligibility requirements for the Premium Sharing Program.*

The application form tells you what proof you need to attach in order for your application to be processed. To find out where you can get an application, or if you need assistance in completing an application, or have questions, call (602) 258-1636 or 1-888-308-6516; or write:

**Premium Sharing Administration
700 East Jefferson Street, Suite 200
Phoenix, Arizona 85034**

When completing the application, make sure that you:

- Answer all questions;
- Select a health plan (*once you have been enrolled and paid your premium, you cannot change health plans except during open enrollment*). If you are selecting a health plan based on a primary care physician, we recommend that you contact the health plan to ensure the physician is affiliated with the health plan you have chosen;
- Read and initial next to *all* declarations;
- Sign the last page of the application;
- Include proof of income, citizenship documentation, or medical statement, as required.

If your application is not complete and/or you do not submit required documentation, your eligibility determination will be delayed. After two requests for missing information, you will have to reapply.



If you are determined eligible, you will be mailed an information packet containing the following:

- List of primary care physicians contracted with the health plan you selected
- Health history questionnaire (*selection of primary care physician*)
- Acceptance letter telling you the amount of premium you must pay and when your coverage will begin. *Initially, you are required to pay the first 2 months of premium in advance. After that, you will receive a monthly billing statement for 1 month's premium.*

The PSA must *receive* the health history questionnaire and 2 months premium by the *due date* indicated in the Acceptance Letter. If received after the due date, you will have to reapply.

Note:

1. Premium payments are due 30 days in *advance* of the month of coverage.
2. After you are enrolled, you will receive a monthly billing statement. Always pay the full amount shown on your statement by the "due" date. *Failure to pay your premium by the due date may result in your coverage being terminated for nonpayment of premium.* If this should happen, you would not be eligible to re-enroll for 12 months from the date your coverage ended.
3. Every 6 months there will be a redetermination of your eligibility to participate in the program.



Who Do I List on My Application?

In addition to yourself, include the following family members on your application, if applicable:

Your spouse (legally married or common-law married in a state that recognizes common law marriages). Include spouses who are temporarily away from the home due to employment or who are seeking employment within Arizona.

Biological or adopted dependent children, or children for whom you are a legal guardian, who are under the age of 19 and unmarried.

How Much Income Can I Have?

If you are *not* chronically ill, your income must be at or below 200% of the Federal Poverty Level. The gross income of all household members is used to make this determination, even if there are household members who are not eligible for the program.

To estimate your income, use the total gross income received for all household members during the 3 calendar months before the month you apply, and divide it by 3. Compare it to the income limits for your family size listed in the enclosed insert.

When you submit your application, be sure to attach proof of income received for every household member during the 3 calendar months before the month you are applying. For example, if you were applying in September, you would submit copies of all income received in June, July, and August. This would also include income earned in one month but received in another (i.e., if you received a check on June 3rd for pay period ending May 30th, you would submit the June 3rd pay stub because the income was *received* in June).

Proof of income may include copies of check stubs, a statement of earnings from your employer, benefit letters such as Social Security or pension letters. Self-employed individuals may submit a copy of their tax return for the previous year along with a statement that there has not been a substantial change in their income from the previous year, if applicable. They may also send a ledger of income and expenses (receipts must be included for all expenses).

If you did not have income during the 3 month period, you must submit a statement telling us how you paid for your living expenses (mortgage, rent, utilities, food, etc.).

If you do not attach your household's proof of income, your application will not be accepted and the Premium Sharing Administration will send you a letter notifying you of the missing income. This will delay your eligibility determination. Also, if after the second notification you are still missing information you will have to reapply.

The enclosed insert lists income limits for different family sizes.

How Much Will I Pay?

If you are eligible for the Premium Sharing Program, you will be required to pay a monthly premium for your coverage. The monthly premium for your household cannot exceed 4% of your gross household income unless you are chronically ill and your income is above 200% of the Federal Poverty Level.

If you qualify for the chronically ill portion of the program, and your income is above 200% but at or below 400% of the Federal Poverty Level, you will be required to pay the full premium.



Chronic Illness

The Premium Sharing Program may approve up to 200 chronically ill individuals for participation in the chronic illness portion of the program. In order to qualify you must:

1. Have one of the approved chronic illnesses listed on the following page and provide a statement from your doctor about your chronic illness.
2. If your income is at or below 200% of the Federal Poverty Level, you must have been without health care coverage (except for AHCCCS) during the last 6 months.
3. If your income is above 200% but at or below 400% of the Federal Poverty Level, you must have been on AHCCCS for 12 consecutive months.

The gross income of all household members is used to make this determination, even if there are household members who are not eligible for the program. To estimate your income, use the total income received for all household members during the 3 calendar months before the month you apply, and divide it by 3. Compare it to the chronically ill income limits listed on the enclosed insert.



Approved Chronic Illnesses

- Alpha-1-Antitrypsin Deficiency
- Amyotrophic Lateral Sclerosis (Lou Gehrig's Disease)
- Cardio Myopathy
- Chronic Liver Disease
- Chronic Pancreatitis
- Chronic Rheumatoid Arthritis
- Congenital Heart Disease
- Cystic Fibrosis
- Growth Hormone Deficiency
- Hematologic Cancer
- Hemophilia
- History of any Solid Organ Transplant
- HIV/AIDS
- Hodgkin's Disease
- Metastatic Cancer
- Multiple Sclerosis
- Muscular Dystrophies
- Pulmonary Hypertension
- Sickle Cell Disease



How Do I Get Care?

- Once you are eligible for the Premium Sharing Program and pay your premium, you will be enrolled with the health plan you have chosen. This selection will remain in effect for one year from the date of the initial enrollment, unless you fail to pay your premium or are found ineligible for some other reason.
- You will receive a notice telling you when your coverage will begin.
- The health plan you selected will send you an identification card approximately 2 weeks after your coverage begins. In the meantime, if you need medical care *after your coverage begins* and before you receive your identification card, contact your health plan.
- Once your coverage begins the primary care physician you selected will be responsible for coordinating your care.
- If you receive services that are not covered by this program, you will be responsible for payment of those services.

The last three pages of this brochure provides information about each of the health plans participating in the Premium Sharing Program.



Rights and Responsibilities

You have the right to:

- Be treated fairly and equally regardless of race, color, religion, national origin, sex, age or political beliefs.
- Be notified in writing of decisions made on your case.
- Review the program manuals that contain the rules and regulations of the Premium Sharing Program if you want to question the decisions made on your case.
- Have the information you give regarding your eligibility to remain confidential.
- Ask for a fair hearing if you do not agree with the decision on your case, including denial of your eligibility, closure of the case, the amount of your premium or the chronic illness determination.

You must meet the following responsibilities in order to be eligible for the Premium Sharing Program.

- You must provide complete and accurate information needed to show that you qualify for benefits under the Premium Sharing Program. You must attach all requested documents to your application.
- You must report changes to your household income source, income changes of more than \$50 per month, changes in health care coverage for you or your family, changes in where you live or get your mail and changes to the number of people in the household. If you move out of a county served by this pilot program, you will be disenrolled.
- You must make your premium payments by the due date in order to be covered by the Premium Sharing Program. If you do not, you will be disenrolled from the program and ineligible to re-enroll for 12 months.



Arizona Physicians

Serving Maricopa, Pima, Pinal and Cochise Counties

Our doctors and hospitals provide quality health care for over 130,000 Arizonans.

You Get Great Coverage

We offer maternity care, well-child check-ups, and immunizations. We also offer emergency, urgent and specialty care.

You Can Get Help All day, Every Day

Our 24-hour telephone advice line gives you access to a registered nurse for immediate help.

You Get To Choose Your Own Doctor

We make it easy to do with one of the state's largest network of doctors.

Receive Care At Arizona's Leading Hospitals

Our hospitals and other medical facilities include some of the most respected in Arizona. These are a few:

Good Samaritan
Tucson Medical Center
Thunderbird Samaritan
Kino
Maryvale Samaritan
Carondelet St. Mary's
Desert Samaritan
Casa Grande Regional

Phoenix Childrens'
Scottsdale Memorial-Osborn
Benson Hospital
Scottsdale Memorial-North
Copper Queen Community
Wickenburg Regional
Northern Cochise Community
Northwest Hospital

Sierra Vista Hospital

Call us at 602-285-9838 or
1-800-437-2542

Arizona Physician IPA, Inc. has received full accreditation from the National Committee for Quality Assurance (NCQA).



Meet Mercy Care

Serving Maricopa, Pima, Pinal and Cochise Counties

Mercy Care is your front door to a vast network of doctors, hospitals, pharmacies and many other healthcare services.

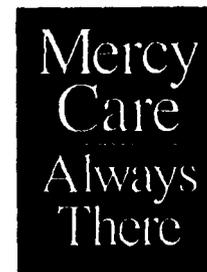
We are a not-for-profit company and our mission is service.

We serve the community. We serve people. We believe in treating the whole person - in body, mind and spirit. And we believe in the dignity of every individual. We continually look for ways to bring these beliefs to everything we do.

Since we began, we have had one goal; quality healthcare for the people of Arizona. Today, we are one of the oldest and largest managed care providers in the state, serving over 80,000 members a year throughout Arizona.

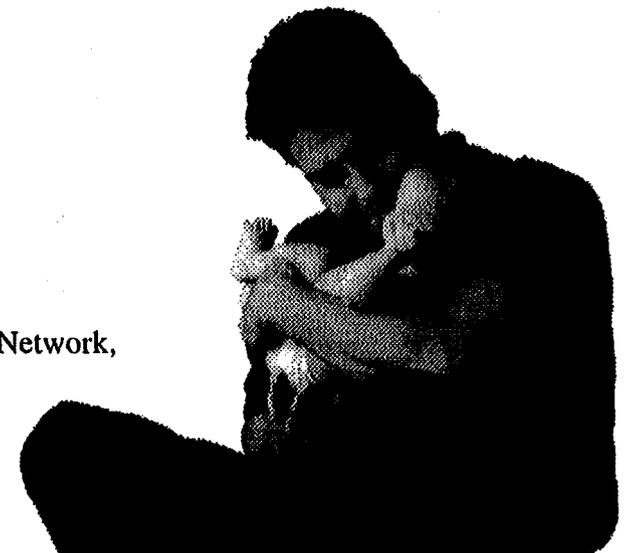
We now welcome the opportunity to be of service to you and your family.

If you would like more information, please call our member services department at 602-230-9921 or if outside the Phoenix area call us at 1-800-624-3879.



Carondelet Health Network,
Mercy Healthcare
Arizona, and You

Mercy Care Plan





University Physicians

Serving Pima and Cochise Counties

The University Connection to Great Care

Our plan is operated by the faculty doctors from The University of Arizona College of Medicine. University Medical Center was listed as one of the Best Hospitals in America by the U.S. News & World Report magazine and 119 of our physicians were selected by their peers as the Best Doctors in America.

Serving Pima and Cochise Counties

Whether you need a doctor in Pima or Cochise Counties, you can choose a physician who is close to your home or work. We offer the best of both worlds - the ability to see community practitioners who you know and trust and, if the need arises, access to the world-renowned expertise of University Medical Center.

We're Part of Your Community

The University Physicians offers people another advantage - local offices. Service representatives in Sierra Vista or Tucson are available to serve members.

We're Ready to Help!

If you need help selecting physicians or need answers to questions, we're just a phone call away.

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The logo features the text 'THE UNIVERSITY PHYSICIANS' in a bold, serif font. Below the text is a decorative horizontal line with a downward-pointing triangle at its center.

Attachment F

ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM PREMIUM SHARING DEMONSTRATION PROJECT FUND SFY 1999

For the Period Ending June 99, 1999

FUND BALANCE	ADMIN	PROGRAM	TOTAL
July 1, 1998	\$ 140,533	\$ 42,223,154	\$ 42,363,687
Revenues Over/(Under) Expenditures	(28,638)	16,063,453	16,034,815
Administrative Adjustments for Fiscal Year 1998 *	(117)	-	(117)
June 99, 1999	<u>\$ 111,778</u>	<u>\$ 58,286,607</u>	<u>\$ 58,398,385</u>

	ANNUAL	CURRENT MONTH			YEAR TO DATE		
	BUDGET	BUDGET	ACTUAL	VARIANCE FAV (UNFAV)	BUDGET	ACTUAL	VARIANCE FAV (UNFAV)
REVENUES							
Program	\$ 20,000,000	\$ -	\$ -	\$ -	\$ 20,000,000	\$ 20,000,000	\$ -
Administration	400,000	-	-	-	400,000	400,000	-
Member Premiums	816,300	-	4,544	4,544	816,300	735,776	(80,524)
Investment Interest Revenue	2,903,700	-	241,492	241,492	2,903,700	3,172,287	268,587
Total Revenues	<u>24,120,000</u>	-	<u>246,036</u>	<u>246,036</u>	<u>24,120,000</u>	<u>24,308,063</u>	<u>188,063</u>
EXPENDITURES							
Administration:							
Personal Services	80,500	-	3,040	(3,040)	80,500	78,877	1,623
Employee Related Expenditures	20,500	-	529	(529)	20,500	16,632	3,868
Professional and Outside Services	214,900	-	7,371	(7,371)	214,900	111,473	103,427
Other Operating Expenditures	120,200	-	7,245	(7,245)	120,200	195,431	(75,231)
Capital Equipment	-	-	-	-	-	-	-
NonCapital Equipment	13,700	-	1,681	(1,681)	13,700	26,225	(12,525)
Administration Total	<u>449,800</u>	-	<u>19,866</u>	<u>(19,866)</u>	<u>449,800</u>	<u>428,638</u>	<u>21,162</u>
Program:							
Premiums Paid to Health Plans	11,382,900	-	-	-	11,382,900	7,844,610	3,538,290
Program Total	<u>11,382,900</u>	-	-	-	<u>11,382,900</u>	<u>7,844,610</u>	<u>3,538,290</u>
Total Expenditures	<u>11,832,700</u>	-	<u>19,866</u>	<u>(19,866)</u>	<u>11,832,700</u>	<u>8,273,248</u>	<u>3,559,452</u>
Revenues Over/(Under) Expenditures	<u>\$ 12,287,300</u>	\$ -	<u>\$ 226,170</u>	<u>\$ 226,170</u>	<u>\$ 12,287,300</u>	<u>\$ 16,034,815</u>	<u>\$ 3,747,515</u>
PROGRAM MEMBER MONTHS	<u>45,350</u>	-	-	-	<u>45,350</u>	<u>34,118</u>	<u>(11,232)</u>

Note 1: For the contract periods February 1, 1998 through September 30, 1998 and October 1, 1998 through September 30, 1999, there is a 100% reconciliation between actual medical expenses and premiums paid to health plans. The amount of potential liabilities due to the health plans, determined by the outcome of this reconciliation, is estimated to be \$483,000 at this time.

Note 2: The cost of transplants is not included in the premiums paid to the health plans; therefore, this cost will be paid in addition to the premiums. Current transplant liability is estimated to be \$278,000.

* The administrative adjustment for FY 1998 represents an administration expenditure of \$117 for internal data processing service rendered in FY 1998.

Note: FAV = Favorable Variance; UNFAV = Unfavorable Variance