

OVERVIEW OF PREMIUM POLICY CHANGES

CURRENT	PROPOSED – OCTOBER 1, 2010
Premiums charged – 100% FPL to 200% FPL	Premiums charged - >150% FPL <ul style="list-style-type: none"> • DRA law change
Eligibility cancelled for nonpayment of premium Re-enrollment prohibited until debt is paid	Same – for members >150% FPL No premium for <150% FPL Debt will still be owed and sent to collections, but member will be allowed to reenroll. <ul style="list-style-type: none"> • CMS direction to change.
Mandatory 4 month minimum payment of premiums after enrollment	Same
Premiums of 5% of monthly income for each individual. Same amount of premium charged for each person, even if more than one person in the household.	We will retain the sliding scale, but have to amend the scale to ensure that the <u>household</u> out of pocket will not exceed 5% of income. This will result in lower premium amounts. <ul style="list-style-type: none"> • Per Federal law maximum out of pocket cost for <u>household</u> cannot exceed 5% of income, burden on the state to keep track and prove that limit is not exceeded for any individual. We likely currently exceed the federal limit even for households of one when copayments are included.
Notice of overdue premium 30 days before case is cancelled.	Notice of overdue premium 60 days <ul style="list-style-type: none"> • Federal regulations require 60 day notice prior to cancellation.