



PeachCare Premium Payments

Background Information

The PeachCare for Kids program cost-shares with enrollees by requiring monthly premium payments. Premiums are required for all children age 6 and above. Georgia is similar to all other states in using its premium income to offset program costs.

These are the current monthly premium payment guidelines established by the State of Georgia:

- \$10 per child
- Federal Poverty Level 0% – 150% maximum family contribution is \$15
- Federal Poverty Level above 150% maximum family contribution is \$20

Based on federal guidelines, the PeachCare for Kids program is currently not charging the maximum amount allowed for premium payments. The current federal premium payment guidelines are:

- Federal Poverty Level 0% - 150%:
 - \$19 per month per family for 1 – 2 enrollees
 - \$16 per month per family for 3 – 4 enrollees
 - \$15 per month per family for 5 or more enrollees
- Federal Poverty Level above 150% maximum family contribution is 5% of income

The following chart shows how much has been received in revenue from premium payments.

	SFY 2001	SFY 2002	SFY 2003
Premium Revenue	\$5,636,371	\$8,015,333	\$9,492,998

Governor’s Recommendation

The Governor’s Recommendation includes the implementation of a sliding scale premium policy. Under this proposed policy, a family’s premium payment would be based on family income, the number of children in the family, and the federal poverty level (see chart below).

Proposed Sliding Scale Monthly Premiums*

Federal Poverty Level	Number of children impacted*	Annual income for a family of 3	1 child	2 or more children
100 – 150%	89,903	\$15,260 - \$22,890	\$10.00	\$15.00
>150 – 160%	13,278	>\$22,890 - \$24,416	\$20.00	\$40.00
>160 – 170%	12,492	>\$24,416 - \$25,942	\$22.50	\$45.00
>170 – 180%	9,316	>\$25,942 - \$27,468	\$25.00	\$50.00
>180 – 190%	8,011	>\$27,468 - \$28,994	\$27.50	\$55.00
>190 – 200%	6,418	>\$28,994 - \$30,520	\$30.00	\$60.00
>200 – 210%	5,017	>\$30,520 - \$32,046	\$37.50	\$75.00
>210 – 220%	2,795	>\$32,046 - \$33,572	\$40.00	\$80.00
>220 – 230%	3,808	>\$33,572 - \$35,098	\$42.50	\$85.00
>230 – 235%	828	>\$35,098 - \$35,861	\$45.00	\$90.00

*Premiums are required for all children age 6 and above

Newborns

One of the proposed policy changes for the PeachCare program is to eliminate coverage for the month of application. The Department is currently considering making newborns an exception to this policy change, so that newborns will have medical coverage at the time of birth. The mother would be able to pre-apply for coverage based on the expected delivery date or apply for coverage before being discharged from the hospital. The PeachCare program would then pay for all hospital costs related to the newborn except for the delivery (the mother would be responsible for the delivery charges).

Current Premium Payment Guidelines

Under the current premium payment guidelines, an application for PeachCare coverage is considered complete when the premium payment and application have both been received. If the premium payment is received with the application, coverage will be effective the first day of the month of application. If the premium payment is not received with the application, the applicant has 45 days to submit payment in order for coverage to be effective the first day of the month of application. If the premium payment is received after 45 days, coverage will be effective the first day of the month in which the payment was received. The Department is not proposing changes to these guidelines. See scenarios below:

Scenario 1 – Timely Payment

January 15th – Application is submitted without premium payment.

January 16th – Letter is sent stating the premium payment is needed within the next 45 days for application to be considered complete.

February 2nd – Premium payment is received. Child is enrolled effective January 1st. The premium payment received will be for March coverage. The state pays for the first two months of coverage (January and February) of a new eligible per family.

Scenario 2 – Payment after 45 days

January 15th – Application is submitted without premium payment.

January 16th – Letter is sent stating the premium payment is needed within the next 45 days for application to be considered complete.

March 10th – Premium payment is received. Child is enrolled effective March 1st. The premium payment received will be for May coverage. The state pays for the first two months of coverage (March and April) of a new eligible per family. The state will not pay for January or February coverage.

PeachCare Coverage Reinstatement

If a parent misses a premium payment, a payment reminder will be sent. If the premium payment is not received by the specified deadline, the child's coverage will be cancelled. The parent will have to call and request their child be reinstated. The parent must submit payment within the next 45 days for coverage to be effective. Coverage can only be reinstated for the current month; a parent cannot request reinstatement for more than one month of missed payments.

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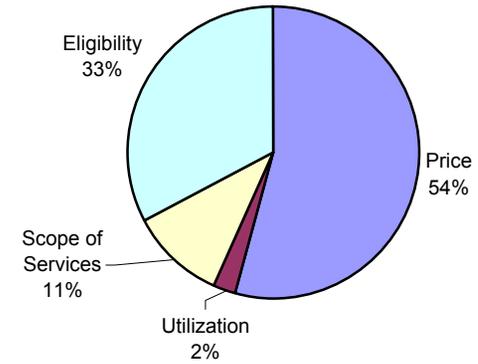
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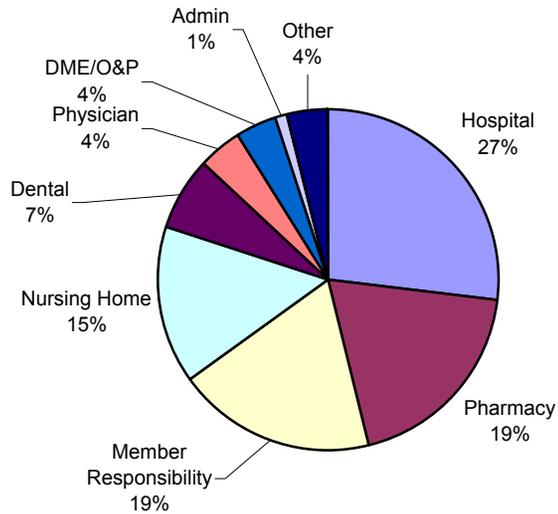
Department of Community Health
 Governor's Recommendations
 FY2004 Amended and FY2005 Budget Reductions
 Total Recommendation: \$83.6 million state funds

SubProgram	CY 2002	
	Average PMPM	
Children	\$	148.27
Medically Fragile Children	\$	568.97
Disabled Adults	\$	800.56
Elderly	\$	907.66
Adults	\$	366.81
PeachCare for Kids	\$	100.52

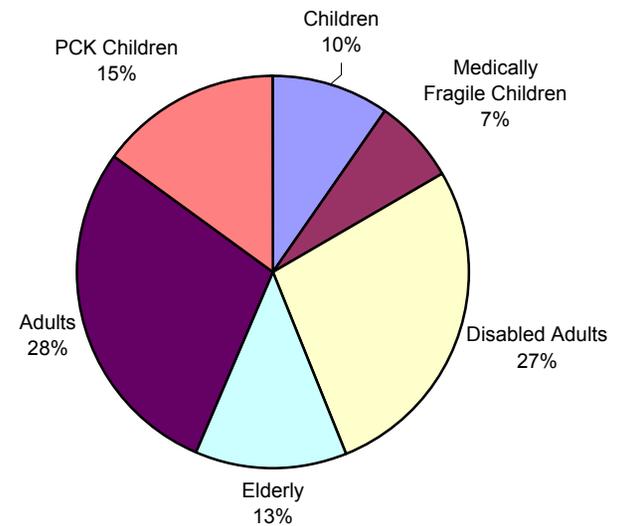
FY 05 Budget Reductions by Cost Drivers



FY 05 Budget Impact by Provider Type



FY 05 Budget Reductions by Subprogram



**Department of Community Health
FY2005 Budget Reductions**

Based on the Governor's Office of Planning and Budget review during September 2003, the Attached Agencies were instructed to identify \$3 million in state funds reductions from their FY 2005 base appropriation.

Georgia Board for Physician Workforce

FY05 Tracking Sheet
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	DCH Request FY 2005 State Funds	Governor's Recommendation FY 2005 State Funds
	Target Amount (1,155,053)	Recommended (2,648,252)
#24	To reduce funding for the Mercer School of Medicine Grant (1,155,053)	(1,155,053)
#25	To reduce funding for the Morehouse School of Medicine Grant (506,494)	(506,494)
#26	To reduce rates through medical student capitation (227,516)	(227,516)
#27	To reduce rates for specialties and residencies through capitation (405,600)	(405,600)
	* Capitation Contracts for Family Practice (\$241,988)	
	* Residency Capitation Grants (\$128,852)	
	* Pediatric Residency Capitation (\$27,740)	
	* Preventive Medicine Capitation (\$7,020)	
#28	To eliminate funding for Student Preceptorships (100,000)	(100,000)
**	GBPW requested to eliminate funding for the Southern Regional Education Board (401,225)	0
**	GBPW had requested reinstatement of reductions to the following: 739,252	0
	* Mercer University School of Medicine - \$372,114	
	* Morehouse School of Medicine - \$163,174	
	* Medical Student Capitation - \$73,297	
	* Family Practice Residency Capitation - \$77,959	
	* Residency Capitation - \$41,510	
	* Pediatric Residency Capitation - \$8,938	
	* Preventive Medicine Capitation - \$2,260	
Total Georgia Board for Physician Workforce		(2,394,663)

State Medical Education Board

FY05 Tracking Sheet
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#29	To reduce funding for the Medical Fair (15,489)	(15,489)
#30	To reduce funding for the Loan Repayment Program (65,000)	(65,000)
**	To reduce funding for Medical Scholarships (22,000)	0
**	SMEB requested to reinstate the following cuts: 27,132	0
	Medical Fair - \$1,132	
	Loan Repayment Program - \$6,000	
	Medical Scholarships - \$2,260	
**	SMEB requested to increase real estate rental 1,686	0
Total State Medical Education Board		(80,489)

Composite Board of Medical Examiners

FY05 Tracking Sheet
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#19	To reduce regular operating expense. (Included in Health Care Regulation Reduction) (15,026)	(15,026)
#22	To reduce per diem and fees to reflect completion of the initial stages of the Physician Profile project. (158,074)	(158,074)
**	Realign object classes to reflect proper operating expenditures. ** adjusted base yes	yes
Total Composite Board of Medical Examiners		(173,100)

Total FY 2005 Reductions - Attached Agencies

(2,303,407) **(2,648,252)**

Comparison of Checkwrites ACS and EDS - CY2002 and CY2003

