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EDITORIAL NOTE: Nomenclature changes to part 457 appear at 75 FR 48852, Aug. 11, 2010 and 77 FR 17213, 2013.

Subpart A—Introduction; State Plans for Child Health Insurance Programs and Outreach Strategies

SOURCE: 66 FR 2670, Jan. 11, 2001, unless otherwise noted.

§ 457.1 Program description.

Title XXI of the Social Security Act, enacted in 1997 by the Balanced Budget Act, authorizes Federal grants to States for provision of child health assistance to uninsured, low-income children. The program is jointly financed by the Federal and State governments and administered by the States. Within broad Federal rules, each State decides eligible groups, types and ranges of services, payment levels for benefit coverage, and administrative and operating procedures.

§ 457.2 Basis and scope of subchapter D.

(a) *Basis.* This subchapter implements title XXI of the Act, which authorizes Federal grants to States for the provision of child health assistance to uninsured, low-income children.

(b) *Scope.* The regulations in subchapter D set forth State plan requirements, standards, procedures, and conditions for obtaining Federal financial participation (FFP) to enable States to provide health benefits coverage to targeted low-income children, as defined at § 457.310.

§ 457.10 Definitions and use of terms.

For purposes of this part the following definitions apply:

Actuarially sound principles means generally accepted actuarial principles and practices that are applied to determine aggregate utilization patterns, are appropriate for the population and services to be covered, and have been certified by actuaries who meet the qualification standards established by the Actuarial Standards Board.

Advanced payments of the premium tax credit (APTC) has the meaning given the term in 45 CFR 155.20.

Affordable Insurance Exchange (Exchange) has the meaning given the term ''Exchange'' in 45 CFR 155.20.

American Indian/Alaska Native (AI/AN) means—

(1) A member of a Federally recognized Indian tribe, band, or group;

(2) An Eskimo or Aleut or other Alaska Native enrolled by the Secretary of the Interior pursuant to the Alaska Native Claims Settlement Act, 43 U.S.C. 1601 et. seq.; or

(3) A person who is considered by the Secretary of the Interior to be an Indian for any purpose.

Applicant means a child who has filed an application (or who has an application filed on their behalf) for health benefits coverage through the Children's Health Insurance Program. A child is an applicant until the child receives coverage through CHIP.

Application means the single, streamlined application form that is used by the State in accordance with § 435.907(b) of this chapter and 45 CFR 155.405 for individuals to apply for coverage for all insurance affordability programs.

Child means an individual under the age of 19 including the period from conception to birth.

Child health assistance means payment for part or all of the cost of health benefits coverage provided to targeted low-income children for the services listed at § 457.402.

Children's Health Insurance Program (CHIP) means a program established and administered by a State, jointly funded with the Federal government, to provide child health assistance to uninsured, low-income children through a separate child health program, a Medicaid expansion program, or a combination program.

Combination program means a program under which a State implements both a Medicaid expansion program and a separate child health program.

Combined eligibility notice means an eligibility notice that informs an individual, or multiple family members of a household of eligibility for each of the insurance affordability programs and enrollment in a qualified health plan through the Exchange, for which a determination or denial of eligibility was made, as well as any right to request a review, fair hearing or appeal related to the determination made for each program. A combined notice must meet the requirements of § 457.340(e) and contain the content described in § 457.340(e)(1), except that information described in § 457.340(e)(1)(i)(C) may be provided in a combined notice issued by another insurance affordability program or in a supplemental notice provided by the State. A combined eligibility notice must be issued in accordance with the agreement(s) consummated by the State in accordance with § 457.348(a).

Comprehensive risk contract means a risk contract between the State and an MCO that covers comprehensive services, that is, inpatient hospital services and any of the following services, or any three or more of the following services:

(1) Outpatient hospital services.

(2) Rural health clinic services.

(3) Federally Qualified Health Center (FQHC) services.

(4) Other laboratory and X-ray services.

(5) Nursing facility (NF) services.

(6) Early and periodic screening, diagnostic, and treatment (EPSDT) services.

(7) Family planning services.

(8) Physician services.

(9) Home health services.

Coordinated content means information included in an eligibility notice regarding, if applicable—

(1) The transfer of an individual's or household's electronic account to another insurance affordability program;

(2) Any notice sent by the State to another insurance affordability program regarding an individual's eligibility for CHIP;

(3) The potential impact, if any, of—

(i) The State's determination of eligibility or ineligibility for CHIP on eligibility for another insurance affordability program; or

(ii) A determination of eligibility for, or enrollment in, another insurance affordability program on an individual's eligibility for CHIP; and

(iii) [Reserved]

(4) The status of household members on the same application or renewal

form whose eligibility is not yet determined.

Cost sharing means premium charges, enrollment fees, deductibles, coinsurance, copayments, or other similar fees that the enrollee has responsibility for paying.

Creditable health coverage has the meaning given the term ''creditable coverage'' at 45 CFR 146.113 and includes coverage that meets the requirements of § 457.410 and is provided to a targeted low-income child.

Electronic account means an electronic file that includes all information collected and generated by the State regarding each individual's CHIP eligibility and enrollment, including all documentation required under § 457.380 and including any information collected or generated as part of a review process conducted in accordance with subpart K of this part, the Exchange appeals process conducted under 45 CFR part 155, subpart F or other insurance affordability program appeals process.

Emergency medical condition means a medical condition manifesting itself by acute symptoms of sufficient severity (including severe pain) such that a prudent layperson, with an average knowledge of health and medicine, could reasonably expect the absence of immediate medical attention to result in—

(1) Serious jeopardy to the health of the individual or, in the case of a pregnant woman, the health of a woman or her unborn child;

(2) Serious impairment of bodily function; or

(3) Serious dysfunction of any bodily organ or part.

Emergency services means health care services that are—

(1) Furnished by any provider qualified to furnish such services; and (2) Needed to evaluate, treat, or stabilize an emergency medical condition.

Enrollee means a child who receives health benefits coverage through CHIP.

Enrollment cap means a limit, established by the State in its State plan, on the total number of children permitted to enroll in a State's separate child health program.

Exchange appeals entity has the meaning given to the term ''appeals entity,'' as defined in 45 CFR 155.500.

External quality review (EQR) means the analysis and evaluation by an EQRO, of aggregated information on quality, timeliness, and access to the health care services that an MCO, PIHP, or PAHP, or their contractors furnish to CHIP beneficiaries.

External quality review organization (EQRO) means an organization that meets the competence and independence requirements set forth in § 438.354 of this chapter, and holds a contract with a State to perform external quality review, other EQR-related activities as set forth in § 438.358 of this chapter, or both.

Federal fiscal year starts on the first day of October each year and ends on the last day of the following September.

Federally qualified HMO means an HMO that CMS has determined is a qualified HMO under section 2791(b)(3) of the Public Health Service Act.

Fee-for-service entity means any individual or entity that furnishes services under the program on a fee-for-service basis, including health insurance services.

Group health insurance coverage has the meaning assigned at 45 CFR 144.103.

Group health plan has the meaning assigned at 45 CFR 144.103.

Health benefits coverage means an arrangement under which enrolled individuals are protected from some or all liability for the cost of specified health care services.

Health care services means any of the services, devices, supplies, therapies, or other items listed in § 457.402.

Health insurance coverage has the meaning assigned at 45 CFR 144.103.

Health insurance issuer has the meaning assigned at 45 CFR 144.103.

Health maintenance organization (HMO) plan has the meaning assigned at § 457.420.

Health services initiatives means activities that protect the public health, protect the health of individuals, improve or promote a State's capacity to deliver public health services, or strengthen the human and material resources necessary to accomplish public health goals relating to improving the health of children (including targeted low-income children and other low-income children).

Household income is defined as provided in § 435.603(d) of this chapter.

Insurance affordability program is defined as provided in § 435.4 of this chapter.

Joint application has the meaning assigned at § 457.301.

Joint review request means a request for a review under subpart K of this part which is included in an appeal request submitted to an Exchange or Exchange appeals entity or other insurance affordability program or appeals entity, in accordance with the signed agreement between the State and an Exchange or Exchange appeals entity or other program or appeals entity in accordance with § 457.348(b).

Low-income child means a child whose household income is at or below 200 percent of the poverty line for the size of the family involved.

Managed care entity (MCE) means an entity that enters into a contract to provide services in a managed care delivery system, including but not limited to managed care organizations, prepaid health plans, and primary care case managers.

Managed care organization (MCO) means an entity that has, or is seeking to qualify for, a comprehensive risk contract under this part, and that is—

(1) A Federally qualified HMO that meets the requirements of subpart I of part 489 of this chapter; or

(2) Makes the services it provides to its CHIP enrollees as accessible (in terms of timeliness, amount, duration, and scope) as those services are to other CHIP beneficiaries within the area served by the entity and

(3) Meets the solvency standards of § 438.116 of this chapter.

Medicaid expansion program means a program under which a State receives Federal funding to expand Medicaid eligibility to optional targeted low-income children.

Optional targeted low-income child has the meaning assigned at § 435.4 (for States) and § 436.3 (for Territories) of this chapter.

Period of presumptive eligibility has the meaning assigned at § 457.301.

Poverty line/Federal poverty level means the poverty guidelines updated annually in the FEDERAL REGISTER by the U.S. Department of Health and Human Services under authority of 42 U.S.C. 9902(2).

Preexisting condition exclusion has the meaning assigned at 45 CFR 144.103.

Premium assistance program means a component of a separate child health program, approved under the State plan, under which a State pays part or all of the premiums for a CHIP enrollee or enrollees' group health insurance coverage or coverage under a group health plan.

Premium Lock-Out is defined as a State-specified period of time not to exceed 90 days that a CHIP eligible child who has an unpaid premium or enrollment fee (as applicable) will not be permitted to reenroll for coverage in CHIP. Premium lock-out periods are not applicable to children who have paid outstanding premiums or enrollment fees.

Prepaid ambulatory health plan (PAHP) means an entity that—

(1) Provides services to enrollees under contract with the State, and on the basis of prepaid capitation payments, or other payment arrangements that do not use State plan payment rates.

(2) Does not provide or arrange for, and is not otherwise responsible for the provision of any inpatient hospital or institutional services for its enrollees.

(3) Does not have a comprehensive risk contract.

Prepaid inpatient health plan (PIHP) means an entity that—

(1) Provides services to enrollees under contract with the State, and on the basis of prepaid capitation payments, or other payment arrangements that do not use State plan payment rates.

(2) Provides, arranges for, or otherwise has responsibility for the provision of any inpatient hospital or institutional services for its enrollees.

(3) Does not have a comprehensive risk contract.

Presumptive income standard has the meaning assigned at § 457.301.

Primary care case management means a system under which:

(1) A PCCM contracts with the State to furnish case management services (which include the location, coordination and monitoring of primary health care services) to CHIP beneficiaries; or

(2) A PCCM entity contracts with the State to provide a defined set of functions to CHIP beneficiaries.

Primary care case management entity (PCCM entity) means an organization that provides any of the following functions, in addition to primary care case management services, for the State:

(1) Provision of intensive telephonic or face-to-face case management, including operation of a nurse triage advice line.

(2) Development of enrollee care plans.

(3) Execution of contracts with and/or oversight responsibilities for the activities of fee-for-service providers in the fee-for-service program.

(4) Provision of payments to fee-for-service providers on behalf of the State.

(5) Provision of enrollee outreach and education activities.

(6) Operation of a customer service call center.

(7) Review of provider claims, utilization and practice patterns to conduct provider profiling and/or practice improvement.

(8) Implementation of quality improvement activities including administering enrollee satisfaction surveys or collecting data necessary for performance measurement of providers.

(9) Coordination with behavioral health systems/providers.

(10) Coordination with long-term services and supports systems/providers.

Primary care case manager (PCCM) means a physician, a physician group practice or, at State option, any of the following in addition to primary care case management services:

(1) A physician assistant.

(2) A nurse practitioner.

(3) A certified nurse-midwife.

Provider means any individual or entity that is engaged in the delivery of services, or ordering or referring for those services, and is legally authorized to do so by the State in which it delivers the services.

Public agency has the meaning assigned in § 457.301.

Qualified entity has the meaning assigned at § 457.301.

Risk contract means a contract under which the contractor—

(1) Assumes risk for the cost of the services covered under the contract.

(2) Incurs loss if the cost of furnishing the services exceeds the payments under the contract.

Secure electronic interface is defined as provided in § 435.4 of this chapter.

Separate child health program means a program under which a State receives Federal funding from its title XXI allotment to provide child health assistance through obtaining coverage that meets the requirements of section 2103 of the Act and § 457.402.

Shared eligibility service is defined as provided in § 435.4 of this chapter.

State means all States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa and the Northern Mariana Islands. The Territories are excluded from this definition for purposes of § 457.740.

State health benefits plan has the meaning assigned in § 457.301.

State plan means the title XXI State child health plan.

Targeted low-income child has the meaning assigned in § 457.310.

Uncovered or uninsured child means a child who does not have creditable health coverage.

Well-baby and well-child care services means regular or preventive diagnostic and treatment services necessary to ensure the health of babies, children and adolescents as defined by the State. For purposes of cost sharing, the term has the meaning assigned at § 457.520.

[66 FR 2670, Jan. 11, 2001, as amended at 67 FR 61974, Oct. 2, 2002; 75 FR 48852, Aug. 11, 2010; 77 FR 17213, Mar. 23, 2012; 78 FR 42312, July 15, 2013; 81 FR 27896, May 6, 2016; 81 FR 47046, July 20, 2016; 81 FR 86463, Nov. 30, 2016]

§ 457.30 Basis, scope, and applicability of subpart A.

(a) *Statutory basis.* This subpart implements the following sections of the Act:

(1) Section 2101(b), which requires that the State submit a State plan.

(2) Section 2102(a), which sets forth requirements regarding the contents of the State plan.

(3) Section 2102(b), which relates to eligibility standards and methodologies.