SECTION II

ELIGIBILITY

SECTION 2—ELIGIBILITY

1. PRESUMPTIVE ELIGIBILITY CONCEPT

A. General Description of the Presumptive Eligibility Concept and the Requirements for the Annual Presumptive Eligibility Report

American Samoa will use a concept of presumptive eligibility which does not involve individual eligibility determination based on personal income and citizenship status. Rather, by utilizing various census data, and making certain adjustments for qualified and non-qualified non-citizens, American Samoa will annually estimate the number of individuals and the percentage of the population that fall below the respective income thresholds for Medicaid, CHIP and American Samoa's Enhanced Allotment Plan (EAP) for Medicare prescription drug coverage. These percentages will be further utilized to calculate respective claiming percentages for Medicaid, CHIP and EAP eligible costs incurred at LBJ Tropical Medical Center (LBJ), American Samoa's only Medicaid provider. The process for determining the presumed eligible and effective claiming percentages are described in this section. Additional details on the reimbursement methodologies and financial claiming for American Samoa's Medicaid, CHIP and EAP programs can be found in Attachments 4.19-A and 4.19-B, and the Enhanced Allotment Plan (included in this Medicaid State Plan), as well as American Samoa's CHIP State Plan.

1) Medicaid

American Samoa will annually estimate the number of individuals with income below 200 percent of the federal poverty level (FPL). After removing ineligible qualified and non-qualified non-citizens, this number of individuals will be determined to be poor and thus presumed eligible for Medicaid health care services, and their claims eligible for Federal Financial Participation (FFP). After making an adjustment to account for Medicare beneficiaries (described below), this estimated number of Medicaid eligible individuals will be divided

by the total American Samoan population to arrive at an effective claiming percentage which may be applied to all Medicaid-eligible services at LBJ.

LBJ currently does not have the capability to report patient charges by cost center and by payer classes; as a result, LBJ cannot isolate and remove Medicare charges from its total costs. Therefore, to ensure that Medicaid is always serving as the payer of last resort, this section also calculates and removes the presumed dual-eligible Medicaid/Medicare beneficiaries from the presumed eligible Medicaid population to create a presumed eligible Medicaid primary population, and a Medicaid primary claiming percentage. This guarantees that the hospital is not Federally reimbursed for services provided to dual eligible beneficiaries through both Title XIX and Title XVIII Medicare. Until such time as LBJ is able to report patient charges by cost center and payer class, the presumed eligible Medicaid primary population will serve as the transitional basis for American Samoa Medicaid to claim Title XIX FFP.

2) **CHIP**

American Samoa operates its CHIP program as an expansion of the State's Medicaid plan, As a result, additional calculations are done in order to estimate the portion of Medicaid-eligible claims incurred at LBJ that may be claimed at the enhanced CHIP Federal Medical Assistance Percentage (FMAP).

As a Medicaid expansion, and pursuant to the CHIP Special Rule in Section 2110(b)(3) of the Social Security Act, American Samoa's CHIP program may only claim Title XXI FFP at the enhanced CHIP FMAP after its 1108(g) Medicaid cap has been exceeded. However, Section 1905(u)(2)(B) does authorize immediate access to the enhanced CHIP FMAP for claims incurred by individuals fitting the definition of an "optional targeted low-income child." This term is explained in 1905(u)(2)(B) as a Medicaid eligible child who would not have qualified for medical assistance under the State Plan under Title XIX as in effect on March 31, 1997. In 2006, American Samoa expanded its income threshold for Medicaid eligibility from 100% FPL to 200% FPL. As a result, the claims incurred by children under 19 years of age, who fall between 100% and 200% FPL became immediately eligible for the enhanced CHIP FMAP. Historically, the claims incurred by this population have been enough to draw the entirety of American Samoa's annual CHIP grant prior to the end of each fiscal year. As a result, this section will focus on the

process through which available age band and income data will be utilized to estimate the number of individuals and the percentage of the American Samoan population that fits the criteria to be considered optional targeted low-income children. These numbers will be used to create a presumed eligible claiming percentage that will be used to claim Title XXI FFP at the enhanced CHIP FMAP.

The optional targeted low-income children represent only a sub-set of CHIP eligible beneficiaries in American Samoa. However, because it is their claims that exhaust the annual CHIP grant, references in this section to the presumed eligible CHIP population, and the CHIP claiming percentage will refer to this specific group of children. All other children (those with income between 0%-100% FPL) will be included in the presumed eligible Medicaid population and Medicaid claiming percentage. American Samoa will be able to access FFP for this group of children at the standard Medicaid FMAP at the start of the fiscal year, as is the current practice.

3) **EAP**

Federal Regulation 42 CFR 423.907(b)(2) specifies that EAP reimbursement is only available for dual-eligible beneficiaries, or other low-income Medicare beneficiaries with income less than 150% FPL. Therefore, American Samoa annually will estimate the percentage of individuals with income below 150% of FPL. The resulting percentage will serve as the effective claiming percentage for EAP FFP for eligible Medicare prescription drug claims at LBJ.

4) **Future Process**

As noted above, LBJ does not have the capability to report patient charges by cost-center and by payer classes. LBJ is currently in the process of implementing an accounting system that will enable these capabilities and allow LBJ to file a complete Medicare 2552 cost-report. Once LBJ is able to file this cost-report they will be able to accurately apportion their costs among Medicaid, Medicare and other payers. They will also be able to isolate costs incurred by ineligible qualified and non-qualified non-citizens. At this point, the adjustments made for ineligible qualified and not qualified non-citizens, as well as for Medicare beneficiaries will no longer be necessary, and the effective claiming percentages for American Samoa's Medicaid, CHIP and EAP programs will be based solely on poverty level data. This future process for determining the effective claiming percentages is described in Item D below.

The remainder of this section is comprised of data requirements and calculations necessary to determine the number and percentage of presumptively eligible beneficiaries, as well as the claiming percentages for Medicaid, CHIP and EAP for the upcoming Federal Fiscal Year (FFY). It also describes the reporting required by CMS in order to approve the determined presumed eligible populations and claiming percentages.

B. Population and Demographic Data Determinations

1) Determination of Total Population and Necessary Population Subsets

a) **Total population for computation year:** The existing data of mid-year population count by ASG Department of Commerce for the computation year will be utilized to determine the total American Samoan population.

b) **Estimate of ineligible qualified and non-qualified non-citizens[1]:** The most recent data providing the number of qualified and non-qualified non-citizens residing in the Territory during the computation year will be obtained from the ASG Immigration Office in the Attorney General's Office.

c) **Estimate of Medicare beneficiaries:** Data on the number of Medicare beneficiaries residing in the Territory during the computation year will be obtained from Centers for Medicare and Medicaid Services (CMS). If the Territory has its own data from a survey conducted by ASG agency or other recognized authority as approved by CMS, such data can be utilized.

2) Determination of American Samoa Income and Age Levels:

a) **The percentage of American Samoans that live below 200% of FPL** will be determined using the most recent U.S. Census data[2].

[1] This estimate will include undocumented non-citizens, non-qualified non-citizens as well as qualified non-citizens who have been lawfully present in American Samoa for less than 5 years.

[2] It is presumed that the income distribution of Medicare beneficiaries mirrors that of the general population. Therefore, it is presumed that the percentage of Medicare beneficiaries that are dual-eligible for Medicaid is equivalent to the percentage of American Samoans who fall at or below 200% FPL. As a result this same percentage of eligible Medicare secondary costs will be eligible for FFP as described in Supplement 1 to Attachment 4.19-B.

b) **The percentage of American Samoans that live below 150% of FPL** will be determined using the most recent U.S. Census data.
c) **The percentage of American Samoans that live between 100%-200% FPL** will be determined using the most recent U.S. Census data.
d) **The percentage of American Samoans that are below 19 years of age** will be determined using the most recent projections from the U.S. Census Bureau.

C. Annual Determination of Presumed Eligibility Report – Transitional Methodology

This document will report the number of presumed eligible Medicaid, CHIP and EAP beneficiaries, and the subsequent claiming percentages for Medicaid, CHIP and EAP reimbursement. These annual determinations will be used prospectively for the claiming of FFP in the upcoming Federal Fiscal Year. This report will be prepared annually and submitted to CMS Region IX by August 15 of each year.

The report will consist of the following steps:

1) Calculation of Presumed Eligible Medicaid/CHIP Population

To determine the potentially eligible Medicaid/CHIP population, the estimated illegal immigrants and legal, non-resident aliens are removed from the total population. Using data described in Item 1(B)(1) above, the calculation is as follows:

(Total Population)
Less (-)
(non-qualified non-citizens) legal under 20 yr - non-resi
"legal" Less (-)
(ineligible qualified non-citizens) 5-20 over 20 y resider
Equal (=)
(Potentially Eligible Medicaid/CHIP Population)

The percentage determined in Item 1(B)(2)(a) will then be applied to this number to equal the presumed eligible Medicaid/CHIP population. The calculation will be:

(Potentially Eligible Medicaid/CHIP Population)
Multiplied by (x)
(Estimated percentage of individuals falling below 200% FPL)
Equal (=)
(Presumed Eligible Medicaid/CHIP population)

2) Stratification of Medicaid and CHIP Presumed Eligible Populations

The percentages determined in Item 1(B)(2)(c) and Item 1(B)(2)(d) is applied to the presumed eligible Medicaid/CHIP population to stratify the group into distinct Medicaid and CHIP populations.

The necessary calculations will be:

(Presumed eligible Medicaid/CHIP population)
Multiplied by (x)
(Percentage of American Samoans below 19 years of age)
(Percentage of American Samoans with income between 100%-200% FPL)
Equal (=)
(Presumed eligible CHIP population)

To isolate the presumed eligible Medicaid population, the calculation will be:

(Presumed Medicaid/CHIP eligible population)
Less (-)
(Presumed CHIP eligible)
Equal (=)
(Presumed eligible Medicaid population)

3) Calculation of Presumed Eligible Medicaid Primary Populations

As noted in the General Description of this section, the presumed dual-eligible beneficiaries must be removed from the presumed Medicaid eligible population to ensure that FFP is not drawn for services already reimbursed by Medicare. Furthermore, as noted in the footnote to Item 1(B)(2)(a) it is presumed that the income distribution of Medicare beneficiaries mirrors that of the general population. Therefore, to determine the presumed eligible Medicaid primary population, the estimated dual-eligible

Medicaid/Medicare beneficiaries are calculated and removed from the presumed eligible Medicaid population. Using additional data from Item 1(B) above, the calculations are as follows:

(Estimate of Medicare Beneficiaries)
Multiplied by (x)
(Estimated percentage of individuals falling below 200% FPL)
Equal (=)
(Presumed dual-eligible Medicaid/Medicare population)

This presumed dual-eligible population will then be removed from the presumed eligible Medicaid population. The calculation will be:

(Presumed eligible Medicaid population)
Less (-)
(Presumed dual-eligible Medicaid/Medicare population)
Equal (=)
(Presumed Eligible Medicaid Primary population)

4) Calculation of EAP Presumed Eligible Population

In order to calculate the presumed eligible EAP population, the estimated number of Medicare beneficiaries, as determined in Item 1(B)(1)(c), is multiplied by the percentage of individuals with income below 150% FPL, as determined in Item 1(B)(2)(b). The calculation will be:

(Estimate of Medicare Beneficiaries)
Multiplied by (x)
(Estimated percentage of individuals falling below 150% FPL)
Equal (=)
(Presumed Eligible EAP population)

5) Calculation of Medicaid and CHIP Claiming Percentages

The numbers of presumed eligible CHIP and Medicaid primary beneficiaries will be divided by the entire American Samoan population (as determined in Item 1(B)(1)(a)) to determine the respective claiming percentages for the purpose of American Samoa claiming FFP from available Title XIX and Title XXI funds. The calculation for the presumed eligible Medicaid claiming percentage will be as follows:

(Presumed Eligible Medicaid Primary Population)
Divided by (÷)
(Total Population)
Equal (=)
(Medicaid Claiming Percentage)

The calculation for the CHIP claiming percentage will be as follows:

(Presumed eligible CHIP Population)
Divided by (÷)
(Total Population)
Equal (=)
(CHIP Claiming Percentage)

After the Territory's annual CHIP allotment has been exhausted, the CHIP claiming percentage will be added to the presumed Eligible Medicaid claiming percentage for the remainder of the Federal Fiscal Year. Once the claiming percentages have been combined, all eligible claims will be reimbursed at the Title XIX FMAP.

6) Calculation of EAP Presumed Eligible Claiming Percentage

It is presumed that all Medicare beneficiaries are qualified non-citizens who have fulfilled the 5 year bar required under PRWORA, if subject to it. As a result, the percentage of individuals with income below 150% FPL, as determined in Item 1(B)(2)(b), also serves as the effective claiming percentage for eligible Medicare Part D prescription drug claims at LBJ.

D. Annual Determination of Presumed Eligibility Report Once Medicare 2552 Cost Report can be Completed

As noted in Item 1(A)(4), LBJ is in the process of implementing an accounting system to record patient charges by cost centers and by payer classes. This will enable the hospital to complete the Medicare 2552 cost report. Upon completion, LBJ will be able to isolate costs from Medicaid, Medicare and other payers. They will also be able to isolate non-resident charges, which will encompass costs incurred by both ineligible qualified and non-qualified non-citizens. At such time, the transitional calculations described above to determine the claiming percentages will no longer be necessary. Rather, the claiming percentages for Medicaid, CHIP and EAP will be derived purely from the census data

in Item 1(B). These claiming percentages will be determined by performing the following calculations:

1) **Calculation of CHIP Claiming Percentage**

(Percentage of American Samoans below 19 years of age)
Multiplied by (x)
(Percentage of American Samoans with income between 100%-200% FPL)
Equal (=)
(CHIP Claiming Percentage)

2) **Calculation of Medicaid Claiming Percentage**

The baseline for the Medicaid claiming percentage will be the percentage of American Samoans with income below 200% FPL, as determined in Item 1(B)(1)(a). However, at the start of the year, when CHIP funds are still available and being accessed, the CHIP claiming percentage will be subtracted from the baseline Medicaid claiming percentage to determine the effective Medicaid claiming percentage. The calculation will be determined as follows:

(Percentage of American Samoans below 200% FPL)
minus (-)
(CHIP Claiming Percentage)
Equal (=)
(Medicaid Claiming Percentage)

Once the annual CHIP grant has been exhausted, and assuming Medicaid funds remain, the effective Medicaid claiming percentage will then become the percentage of American Samoans below 200% FPL.

1) **Calculation of EAP Claiming Percentage**

As noted in Item 1(C)(6), the EAP claiming percentage is not affected by the adjustments for immigrants or Medicare beneficiaries. Therefore, the EAP claiming percentage will remain the percentage of individuals with income below 150% FPL, as determined in Item 1(B)(2)(b).

E. **Submittal of Eligible Computations to the Regional Office**

These computations will be sent to the CMS Region IX Office in the following report:

1. In the Annual Determination of Presumed Eligible Report that described in Section C or Section D above.

II. **CMS Approval Role**

The CMS Region IX Office must approve the Annual Determination of Presumed Eligible Report, which will include the claiming percentages for Medicaid, CHIP and EAP.