

of State plans under Title XXI of the Act. This includes collection of data and reporting as required under § 431.970 of this chapter.

[71 FR 51084, Aug. 28, 2006]

**§ 457.740 State expenditures and statistical reports.**

(a) *Required quarterly reports.* A State must submit reports to CMS that contain quarterly program expenditures and statistical data no later than 30 days after the end of each quarter of the Federal fiscal year. A State must collect required data beginning on the date of implementation of the approved State plan. Territories are exempt from the definition of “State” for purposes of the required quarterly reporting under this section. The quarterly reports must include data on—

- (1) Program expenditures;
- (2) The number of children enrolled in the title XIX Medicaid program, the separate child health program, and the Medicaid expansion program, as applicable, as of the last day of each quarter of the Federal fiscal year; and
- (3) The number of children under 19 years of age who are enrolled in the title XIX Medicaid program, the separate child health program, and in the Medicaid expansion program, as appropriate, by the following categories:
  - (i) Age (under 1 year of age, 1 through 5 years of age, 6 through 12 years of age, and 13 through 18 years of age).
  - (ii) Gender, race, and ethnicity.
  - (iii) Service delivery system (managed care, fee-for-service, and primary care case management).
  - (iv) Family income as a percentage of the Federal poverty level as described in paragraph (b) of this section.

(b) *Reportable family income categories.* (1) A State that does not impose cost sharing or a State that imposes cost sharing based on a fixed percentage of income must report by two family income categories:

- (i) At or below 150 percent of FPL.
  - (ii) Over 150 percent of FPL.
- (2) A State that imposes a different level or percentage of cost sharing at different poverty levels must report by poverty level categories that match the poverty level categories used for purposes of cost sharing.

(c) *Required unduplicated counts.* Thirty days after the end of the Federal fiscal year, the State must submit an unduplicated count for the Federal fiscal year of children who were enrolled in the Medicaid program, the separate child health program, and the Medicaid expansion program, as appropriate, by age, gender, race, ethnicity, service delivery system, and poverty level categories described in paragraphs (a) and (b) of this section.

**§ 457.750 Annual report.**

(a) *Report required for each Federal fiscal year.* A State must report to CMS by January 1 following the end of each Federal fiscal year, on the results of the State’s assessment of the operation of the State plan.

(b) *Contents of annual report.* In the annual report required under paragraph (a) of this section, a State must—

- (1) Describe the State’s progress in reducing the number of uncovered, low-income children and; in meeting other strategic objectives and performance goals identified in the State plan; and provide information related to a core set of national performance goals and measures as developed by the Secretary;
- (2) Report on the effectiveness of the State’s policies for discouraging the substitution of public coverage for private coverage;
- (3) Identify successes and barriers in State plan design and implementation, and the approaches the State is considering to overcome these barriers;
- (4) Describe the State’s progress in addressing any specific issues (such as outreach) that the State plan proposed to periodically monitor and assess;
- (5) Provide an updated budget for a 3-year period that describes those elements required in § 457.140, including any changes in the sources of the non-Federal share of State plan expenditures;
- (6) Identify the total State expenditures for family coverage and total number of children and adults, respectively, covered by family coverage during the preceding Federal fiscal year;
- (7) Describe the State’s current income standards and methodologies for

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its Medicaid expansion program, separate child health program, and title XIX Medicaid program, as appropriate.

(c) *Methodology for estimate of number of uninsured, low-income children.* (1) To report on the progress made in reducing the number of uninsured, low-income children as required in paragraph (b) of this section, a State must choose a methodology to establish an initial baseline estimate of the number of low-income children who are uninsured in the State.

(i) A State may base the estimate on data from—

- (A) The March supplement to the Current Population Survey (CPS);
- (B) A State-specific survey;
- (C) A statistically adjusted CPS; or
- (D) Another appropriate source.

(ii) If the State does not base the estimate on data from the March supplement to the CPS, the State must submit a description of the methodology used to develop the initial baseline estimate and the rationale for its use.

(2) The State must provide an annual estimate of changes in the number of uninsured in the State using—

- (i) The same methodology used in establishing the initial baseline; or
- (ii) Another methodology based on new information that enables the State to establish a new baseline.

(3) If a new methodology is used, the State must also provide annual estimates based on either the March supplement to the CPS or the methodology used to develop the initial baseline.

[66 FR 2683, Jan. 11, 2001, as amended at 66 FR 33824, June 25, 2001]

**Subpart H—Substitution of Coverage**

SOURCE: 66 FR 2684, Jan. 11, 2001, unless otherwise noted.

**§ 457.800 Basis, scope, and applicability.**

(a) *Statutory basis.* This subpart interprets and implements section 2102(b)(3)(C) of the Act, which provides that the State plan must include a description of procedures the State uses to ensure that health benefits coverage provided under the State plan does not

substitute for coverage under group health plans.

(b) *Scope.* This subpart sets forth State plan requirements relating to substitution of coverage in general and specific requirements relating to substitution of coverage under premium assistance programs.

(c) *Applicability.* The requirements of this subpart apply to separate child health programs.

**§ 457.805 State plan requirement: Procedures to address substitution under group health plans.**

The State plan must include a description of reasonable procedures to ensure that health benefits coverage provided under the State plan does not substitute for coverage provided under group health plans as defined at § 457.10.

**§ 457.810 Premium assistance programs: Required protections against substitution.**

A State that operates a premium assistance program, as defined at § 457.10, must provide the protections against substitution of CHIP coverage for coverage under group health plans specified in this section. The State must describe these protections in the State plan; and report on results of monitoring of substitution in its annual reports.

(a) *Minimum period without coverage under a group health plan.* For health benefits coverage provided through premium assistance for group health plans, the following rules apply:

(1) An enrollee must not have had coverage under a group health plan for a period of at least 6 months prior to enrollment in a premium assistance program. A State may not require a minimum period without coverage under a group health plan that exceeds 12 months.

(2) States may permit reasonable exceptions to the requirement for a minimum period without coverage under a group health plan for—

- (i) Involuntary loss of coverage under a group health plan, due to employer termination of coverage for all employees and dependents;
- (ii) Economic hardship;