

NOTICES OF EXEMPT RULEMAKING

The Administrative Procedure Act requires the *Register* publication of the rules adopted by the state's agencies under an exemption from all or part of the Administrative Procedure Act. Some of these rules are exempted by A.R.S. §§ 41-1005 or 41-1057; other rules are exempted by other statutes; rules of the Corporation Commission are exempt from Attorney General review pursuant to a court decision as determined by the Corporation Commission.

NOTICE OF EXEMPT RULEMAKING

TITLE 9. HEALTH SERVICES

CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM CHILDREN'S HEALTH INSURANCE PROGRAM

[R04-547]

PREAMBLE

1. Sections Affected

Rulemaking Action

Article 14	Amend
R9-31-1401	Amend
R9-31-1402	Amend
R9-31-1404	Amend
R9-31-1408	Repeal
R9-31-1409	Amend
R9-31-1411	Amend
R9-31-1412	Amend
R9-31-1415	Amend
R9-31-1416	Amend
R9-31-1417	Amend
R9-31-1418	Amend
R9-31-1419	Amend
R9-31-1420	New Section
Article 17	Amend
R9-31-1701	Amend
R9-31-1704	Amend
R9-31-1714	Repeal
R9-31-1715	Repeal
R9-31-1719	Amend
R9-31-1721	Amend
R9-31-1722	Amend
R9-31-1724	Amend
R9-31-1725	New Section
R9-31-1726	New Section
R9-31-1727	New Section
R9-31-1728	New Section
R9-31-1729	New Section
R9-31-1730	New Section
R9-31-1731	New Section
R9-31-1732	New Section
R9-31-1733	New Section
R9-31-1734	New Section
R9-31-1735	New Section

2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):

Authorizing statute: A.R.S. §§ 36-2903.01, 36-2983, and Laws 2004, Chapter 249 § 13

Implementing statute: A.R.S. § 36-2903.01

3. The effective date of the rules:

January 1, 2005

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4. **A list of all previous notices appearing in the Register addressing the exempt rule:**
None
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
Name: Linda Barry
Address: AHCCCS
Office of Legal Assistance
701 E. Jefferson, Mail Drop 6200
Phoenix, AZ 85034
Telephone: (602) 417-4484
Fax: (602) 253-9115
E-mail: AHCCCSRules@ahcccs.state.az.us
6. **An explanation of the rule, including the agency's reasons for initiating the rule, including the statutory citation to the exemption from the regular rulemaking procedures:**
AHCCCS has amended the rule to require an enrollment fee for the parents under the HIFA parent program. The rulemaking is exempt from the provisions of Title 41, Ch. 6 under Laws 2003, Ch. 265, § 54.
7. **A reference to any study relevant to the rule that the agency reviewed and either relied on in its evaluation of or justification for the rule did not rely on in its evaluation of or justification for the rule, where the public may obtain or review each study, all data underlying each study, and any analysis of each study and other supporting material:**
AHCCCS did not review any study relevant to these rules.
8. **A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**
Not applicable
9. **The summary of the economic, small business, and consumer impact:**
Not applicable
10. **A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**
Not applicable
11. **A summary of the principal comments and the agency response to them:**
AHCCCS did not receive any comments from the public.
12. **Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**
Not applicable
13. **Incorporations by reference and their location in the rules:**
No incorporations by reference
14. **Was this rule previously adopted as an emergency rule?**
No
15. **The full text of the rules follows:**

TITLE 9. HEALTH SERVICES

CHAPTER 31. ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM
CHILDREN'S HEALTH INSURANCE PROGRAM

ARTICLE 14. PREMIUMS FOR A CHILD DETERMINED ELIGIBLE UNDER ARTICLE 3

Section

- | | |
|-------------|--|
| R9-31-1401. | Purpose |
| R9-31-1402. | Premium Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter |
| R9-31-1404. | Hardship Exemption for a Member who is a Child Determined Eligible Under Article 3 of This Chapter |
| R9-31-1408. | Premium Amount for a Member who is a Parent Determined Eligible Under Article 17 of This Chapter
<u>Repealed</u> |

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- R9-31-1409. Payment Due Date for Current Month
- R9-31-1411. ~~Late~~ Past Due Payment
- R9-31-1412. Payment Type
- R9-31-1415. ~~Payment Reimbursement~~ Reimbursement of a Premium
- R9-31-1416. Allocation of Payment for an Eligible Member
- R9-31-1417. ~~Premium Change~~ Change in Premium Amount
- R9-31-1418. Discontinuance for Failure to Pay Premium
- R9-31-1419. Premium Payment During the Grievance Appeal and Request for Hearing Process
- R9-31-1420. Payment of a Premium

ARTICLE 17. ELIGIBILITY AND ENROLLMENT FOR A PARENT ELIGIBILITY, ENROLLMENT AND COST SHARING FOR A PARENT

Section

- R9-31-1701. General
- R9-31-1704. Income
- R9-31-1714. ~~Premium Repealed~~
- R9-31-1715. ~~Non-payment of Premium Repealed~~
- R9-31-1719. Enrollment
- R9-31-1721. Denial of Eligibility
- R9-31-1722. Discontinuance of Eligibility and Notice Requirements
- R9-31-1724. ~~Grievance and Request for Hearing Process~~ Premium and Enrollment Fees
- R9-31-1725. Appeal and Request for Hearing Process
- R9-31-1726. Payment of Outstanding Premium and Enrollment Fees
- R9-31-1727. Payment Due Date for Current Month
- R9-31-1728. Payment Received Date
- R9-31-1729. Past Due Payment
- R9-31-1730. Payment Type
- R9-31-1731. Returned Check
- R9-31-1732. Payment In Advance
- R9-31-1733. Reimbursement of a Premium
- R9-31-1734. Allocation of Payment for an Eligible Member
- R9-31-1735. Change in Premium Amount

ARTICLE 14. PREMIUMS FOR A CHILD DETERMINED ELIGIBLE UNDER ARTICLE 3

R9-31-1401. Purpose

This Article contains the requirements for the payment of a premium for a child determined eligible under Article 3 of this Chapter to the Administration by a member and the processing of a premium by the Administration.

R9-31-1402. Premium Amount for a Member who is a Child Determined Eligible Under Article 3 of This Chapter

- A. For the purposes of this Article, a premium is a monthly amount that an enrolled member pays to the Administration to remain eligible for Title XXI.
- B. When the household income is greater than 100 percent of the FPL and less than or equal to 150 percent of the FPL, the monthly premium is \$10 for one eligible child and \$15 for two or more eligible children.
- C. When household income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL, the monthly premium payment is \$20 for one eligible child and \$30 for two or more eligible children.
- D. When household income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL, the monthly premium is \$25 for one eligible child and \$35 for two or more eligible children.
- E. A household's premium payments as specified in this Section shall not exceed five percent of a household's gross income.
- F. A member's newborn is enrolled immediately upon the Administration receiving notification of the child's birth. Upon enrollment, the household's premium is redetermined.
- G. To remain eligible, the premium amount shall be paid according to this Article.
- H. Native Americans are exempt from paying premiums

R9-31-1404. Hardship Exemption for a Member who is a Child Determined Eligible Under Article 3 of This Chapter

- A. Definitions. The following definitions apply to this Section:
 - 1. "Major expense" means the expense is more than 10 percent of the household's countable income under R9-31-304.
 - 2. "Medically necessary" has the same meaning as defined in A.A.C. R9-22-101.
- B. Hardship exemption. The Administration shall provide information to the head of household regarding the request for a hardship exemption. The Administration shall grant a hardship exemption from the disenrollment requirements under A.R.S. § 36-2982 for a household who:

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1. Is no longer able to pay the premium due to one of the hardship criteria in subsection (C), and
 2. Submits a written request for a hardship exemption and provides all necessary written information at the time of request.
- C. Hardship criteria. To be eligible for a hardship exemption, a household shall have:
1. Medically necessary expenses or health insurance premiums that:
 - a. Are not covered under Medicaid or other insurance, and
 - b. Exceed 10 percent of the household's countable income under R9-31-304;
 2. Unanticipated major expense, related to maintaining a residence for the household or transportation for work;
 3. A combination of medically necessary expenses under subsection (C)(1) and unanticipated major expenses under subsection (C)(2) that exceed 10 percent of the household's countable income under R9-31-304; or
 4. Experienced the death of a household member during the month the premium was not paid.
- D. Written hardship exemption request. The Administration shall not consider a hardship exemption unless the Administration receives the written request and information under subsection (C) by the due date specified in the Administration's notice that explains the undue hardship exemption requirements.
- E. Notification. The Administration shall notify the head of household of the approval or denial of the request for exemption and discontinuance under R9-31-310, no later than 10 days from the date the Administration received the request.
- F. Appeal and Request for hearing. The head of household may appeal and request a hearing concerning the ~~termination~~ discontinuance and denial of the hardship exemption under R9-31-803.

**R9-31-1408. ~~Premium Amount for a Member who is a Parent Determined Eligible Under Article 17 of This Chapter~~
Repealed**

- ~~A. When countable income is less than or equal to 150 percent of the FPL, the monthly premium for each eligible parent is \$15 per month.~~
- ~~B. When countable income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL, the monthly premium for each eligible parent is \$20 per month.~~
- ~~C. When countable income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL, the monthly premium for each eligible parent is \$25 per month.~~

R9-31-1409. Payment Due Date for Current Month

~~The monthly premium payment is due on the 15th day for the month of coverage. The monthly premium payment is due on the 15th day of the month for coverage of that month. This would be considered a current payment.~~

R9-31-1411. ~~Late Past Due~~ Payment

- A. ~~Late Past due~~ payment date. A payment is considered ~~late past due~~ if the Administration ~~does not receive~~ receives the payment ~~by~~ after the 15th day of the month.
- B. Payment not received. If payment for a month is not received in full by the last working day of the month in which the payment is due, the Administration shall include the past and current due amounts in the next billing statement.

R9-31-1412. Payment Type

A premium shall be paid to the Administration by a:

1. Cashier's check,
2. Personal check,
3. Money order, ~~or~~
4. Electronic debit, or
- 4.5. ~~Other Form~~ form approved by the Administration.

R9-31-1415. ~~Payment Reimbursement~~ Reimbursement of a Premium

~~A premium paid in advance is nonrefundable, unless the member is disenrolled at least 15 days prior to the month of coverage. A premium paid during a grievance, appeal or request for hearing under R9-31-1419 is nonrefundable.~~

1. A premium paid in advance is nonrefundable, unless the member is disenrolled at least 15 days prior to the month of coverage.
2. A premium paid during an appeal and request for hearing process is applied as specified in R9-31-1419.

R9-31-1416. Allocation of Payment for an Eligible Member

Except for payments specified in R9-31-1419 of this Article, all payments received for eligible members shall first be applied to any ~~debt past due amounts for prior months~~ owed to the Administration for a child determined eligible under Article 3 of this Chapter, next to the unpaid enrollment fee for a parent eligible under Article 17, and then to the debt past due amounts for prior months owed to the Administration for of a parent determined eligible under Article 17 of this Chapter. Any remaining amounts shall first be applied to the ~~next amount due month's premium charge~~ for the current month for a the child eligible under Article 3 of this Chapter and then to the amount due for the current month for a the parent, eligible under Article 17 of this Chapter.

R9-31-1417. ~~Premium Change~~ Change in Premium Amount

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~~A premium change is effective the month following the month that the change is verified and the member is timely notified of the change in the premium amount.~~

- ~~A. When there is a decrease in the premium amount and the change is processed by the 25th day of the month, then the effective date of the change shall begin on first day following the month in which the amount of the premium change is processed.~~
- ~~B. When there is a decrease in the premium amount and the change is processed after the 25th day of the month, then the effective date of the change shall begin on the first day of the second month in which the amount of the premium change is processed.~~
- ~~C. When there is an increase in the premium amount, the effective date of the change shall begin with the first month following advance notice of at least ten days.~~

R9-31-1418. Discontinuance for Failure to Pay Premium

- ~~A. Discontinuance notice. The Administration shall send an adverse action notice to discontinue eligibility if the Administration does not receive the past and current due premium amounts by the 15th day of the current month, in which the Administration sends the adverse action notice. The Administration shall follow the discontinuance notice requirements under R9-31-310(B).~~
- ~~B. Discontinuance rescinded. The Administration shall rescind the discontinuance and continue eligibility if the past and current due amounts due amount for at least one prior month are is received by the Administration in full; before the effective date of the discontinuance.~~
- ~~C. Discontinuance of eligibility. Except as provided in R9-31-1419, the Administration shall discontinue eligibility on the effective date of the discontinuance if the past and current due amounts due amount for at least one prior month are is not received by the Administration in full; before the effective date of the discontinuance.~~
- ~~D. Payment of premium. A member who was discontinued for an unpaid premium shall pay the past due premium amounts to the Administration before eligibility under this Article can be reestablished.~~
- ~~E.D. Notwithstanding subsection (A), the Administration shall not discontinue eligibility for the enrolled members of the household until the Administration has not received, by the 15th day of the month in which the Administration sends the adverse action notice, premium amounts due for the past two months and the current month for persons who:
 - 1. Have been continuously eligible since June 2004,
 - 2. Were required to pay a premium under R9-31-1402(B) for the month of July 2004,
 - 3. Were required to pay any premium under R9-31-1402 for the month of August 2004, and
 - 4. As of August 31, 2004, had not paid the premiums required for July 2004 and August 2004.~~

R9-31-1419. Premium Payment During the Grievance Appeal and Request for Hearing Process

- ~~A. Continued coverage. To receive continued coverage from the time a request for hearing is filed for a discontinuance of eligibility and a final decision is made, a member shall:
 - 1. Pay a one month premium to the Administration before the effective date of the discontinuance, and
 - 2. Continue to pay the premium by the 15th day of each month during the hearing process.~~
- ~~B. Method of payment. To continue coverage in subsection (A) a member shall pay the premium by:
 - 1. Cashier's check,
 - 2. Money order, or
 - 3. Form approved by the Administration.~~
- ~~C. Decision upheld. If the decision to discontinue is upheld, the Administration shall apply any remaining premium amount to the administrative cost of the hearing process.~~
- ~~D. Decision overturned. If the decision to discontinue is overturned, the Administration shall apply any remaining premium amount to the next month's premium charge.~~
- ~~A. Discontinuance of eligibility. To receive coverage from the time an appeal and request for hearing is filed for a discontinuance of eligibility until a Director's decision is made.
 - 1. A member shall:
 - a. File an appeal and request for hearing prior to the effective date of the discontinuance.
 - b. Submit the full monthly premium amount to the Administration prior to the date of the discontinuance, and
 - c. Continue to pay the full monthly premium amount each month during the hearing process.
 - 2. Failure of the member to pay the full premium shall result in the loss of eligibility effective the 1st of the next month.
 - 3. If the decision is upheld, the Administration shall not refund any premium amounts that have been paid during the hearing process.~~
- ~~B. Increase in premium amount. To stop the Administration from increasing the premium amount from the time an appeal and request for hearing is filed until a Director's decision is made.
 - 1. A member shall file an appeal and request for hearing prior to the effective date of the action. The member shall pay the lower premium amount until the decision is made.
 - 2. If the decision to increase the premium is upheld, the member shall be responsible for paying the higher premium retroactively from the proposed effective date of the increase in the premium amount that is being appealed.~~

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C. Imposition of a premium. To receive coverage from the time an appeal and request for hearing is filed for an imposition of a premium until a Director's decision is made.

1. A member shall file an appeal and request for hearing in accordance with the time-frame as specified in R9-34-107.
2. A member shall pay the premium as billed by the Administration.
3. If the decision determines the imposition of the premium is incorrect then the premium will be refunded to the member.

D. Method of payment. To continue coverage a member shall pay the premium by:

1. Cashier's check,
2. Money order, or
3. Other form approved by the Administration.

R9-31-1420. Payment of a Premium

When a member was discontinued with an unpaid premium, the parent or other responsible person shall pay the past due premium amounts for a child to the Administration before eligibility for the child under this Article can be approved.

ARTICLE 17. ~~ELIGIBILITY AND ENROLLMENT FOR A PARENT~~ ELIGIBILITY, ENROLLMENT AND COST SHARING FOR A PARENT

R9-31-1701. General

A. Purpose. This Article contains the criteria to determine the ~~eligibility and enrollment~~ eligibility, enrollment, and cost sharing of for a parent under A.R.S. §§ 36-2981-01, A.R.S. §§ 36-2982, and 36-2983, and Laws 2004, Chapter 249 § 13 Unless otherwise noted in this Chapter, the provisions of this Chapter apply to a parent eligible under this Article.

B. Expenditure limit and enrollment

1. Eligibility of a parent shall be based on the FPL established in A.R.S. § 36-2981-01, Laws 2004, Chapter 249 § 13, subject to the availability of monies. If the Director determines that monies are insufficient for the program, the eligibility agency shall suspend accepting new applications and shall deny all pending applications.
2. If the federal government eliminates federal funding for the program, the eligibility agency shall deny all pending applications and shall discontinue an eligible parent after providing advance notice that the program shall terminate under A.R.S. § 36-2985.
3. A parent is not entitled to a hearing under R9-31-1724 of this Article, if the program is suspended or terminated.

C. Definition

- For the purposes of this Article, a child is:
 - A child, except for a deemed newborn, under A.R.S. § 36-2901(6)(a)(ii), who is determined eligible under 9 A.A.C. 22, Article 14, or
 - A child, except for a deemed newborn, under A.R.S. § 36-2981(6) who is determined eligible under Article 3 of this Chapter. A child in the guaranteed enrollment period under R9-31-307 or a newborn under R9-31-309, is not considered a child under this Article.
- For the purposes of this Article, a parent is defined under ~~A.R.S. § 36-2981-01~~ Laws 2004, Chapter 249 § 13 and also includes a stepparent. A parent of an 18 year old child under subsection (C)(1)(a) is not eligible under this Article.
- For the purposes of this Article, eligibility agency means either DES or the Administration, whichever agency made the eligibility determination for the child.

D. Services. A parent eligible under this Article shall receive medically necessary services under 9 A.A.C. 22, Article 2.

R9-31-1704. Income

To be eligible, the countable income shall be determined under R9-31-304 and shall not exceed the percentage of FPL established in ~~A.R.S. § 36-2981-01, Laws 2004, Chapter 249 § 13.~~ For a parent of a child under R9-31-1701 (C)(1)(a), the countable income shall include a stepparent's income if the stepparent is applying.

R9-31-1714. ~~Premium Repealed~~

~~To be eligible, a parent shall pay the premium amount under Article 14 of this Chapter. A Native American parent is exempt from paying a premium.~~

R9-31-1715. ~~Non-payment of Premium Repealed~~

~~Prior to becoming eligible, a parent shall be required to pay all unpaid premiums for the:~~

- ~~1. Parent,~~
- ~~2. Parent's children, and~~
- ~~3. Parent's spouse with whom the parent resides, and with whom the parent resided at the time the premium was incurred.~~

R9-31-1719. Enrollment

~~Enrollment for a parent eligible under this Article shall comply with R9-31-1701, R9-31-1702 and R9-31-1703 of this Article. There is no guaranteed enrollment period for a parent eligible under this Article.~~

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R9-31-1721. Denial of Eligibility

- A. For a parent of a child under R9-31-1701(C)(1)(a):
1. DES shall deny eligibility under this Article if the parent does not meet a requirement under this Article except for ~~R9-31-1715~~ R9-31-1726 of this Article. DES shall follow the denial notice requirements in A.A.C. R9-22-1411(C); and
 2. The Administration shall deny eligibility under this Article if the parent does not meet the requirement under ~~R9-31-1715~~ R9-31-1726 of this Article. The Administration shall follow the denial notice requirements under R9-31-310(A)(2).
- B. For a parent of a child under R9-31-1701(C)(1)(b), the Administration shall deny eligibility under this Article if any one of the conditions of eligibility listed in this Article is not met. The Administration shall follow the denial notice requirements under R9-31-310(A)(2).

R9-31-1722. Discontinuance of Eligibility and Notice Requirements

~~The Administration shall discontinue eligibility under this Article if any one of the conditions of eligibility listed in this Article is not met. The Administration shall follow the discontinuance notice requirements under R9-31-310(B).~~

- A. The Administration shall discontinue eligibility under this Article if any one of the conditions of eligibility listed in this Article is not met.
- B. The Administration shall send an adverse action notice to discontinue eligibility if the Administration does not receive a payment that is equal to the past and current due premium amounts by the 15th day of the current month.
- C. The Administration shall follow the discontinuance notice requirements under R9-31-310(B).

R9-31-1724. ~~Grievance and Request for Hearing Process~~ Premium and Enrollment Fees

~~A. Denial. If DES denies a parent under R9-31-1721 of this Article, the grievance and request for hearing process shall be conducted under A.A.C. R9-22-1433. If the Administration denies a parent under R9-31-1721 of this Article, the request or hearing process shall be conducted under 9 A.A.C. 22, Article 8.~~

~~B. Discontinuance. If the Administration discontinues a parent under R9-31-1722 of this Article, the grievance and request for hearing process shall be conducted under 9 A.A.C. 22, Article 8.~~

~~C. Failure to pay premium. If the Administration denies a parent under Section R9-31-1715 of this Article, or discontinues a parent under R9-31-1418, the grievance and request for hearing process shall be conducted under 9 A.A.C. 22, Article 8.~~

A. For the purposes of this Article:

1. A premium is a monthly payment that an enrolled member pays to the Administration to remain eligible.
2. An enrollment fee is a payment equal to the amount of one month's premium which shall be paid to the Administration by a member who is a parent determined eligible under this Article. The enrollment fee and the first month's premium will be billed and due concurrently with the first month's payment.
3. To remain eligible, a parent shall pay the premium amount and enrollment fee according to this Article.

B. Premiums

1. When countable income is less than or equal to 150 percent of the FPL, the monthly premium for each eligible parent is \$15 per month.
2. When countable income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL, the monthly premium for each eligible parent is \$20 per month.
3. When countable income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL, the monthly premium for each eligible parent is \$25 per month.
4. Native Americans are exempt from paying premiums.

C. Enrollment Fees

1. A parent enrolled on or after January 1, 2005 will be charged an enrollment fee.
 - a. If a parent who has paid the enrollment fee does not receive coverage under this Article for a period of at least 24 months, the parent will be charged another enrollment fee if the parent is approved again under this Article.
 - b. If a parent who has paid the enrollment fee is discontinued under this Article for a period of less than 24 months, the parent will not be charged an enrollment fee when the parent is approved again.
2. A parent who was enrolled before January 1, 2005 will not be charged an enrollment fee unless the parent is discontinued under this Article and approved again.
3. Native Americans are exempt from paying the enrollment fee.
4. The enrollment fee amount:
 - a. For each eligible parent is \$15 when countable income is less than or equal to 150 percent of the FPL.
 - b. For each eligible parent is \$20 when countable income is greater than 150 percent of the FPL and less than or equal to 175 percent of the FPL.
 - c. For each eligible parent is \$25 when countable income is greater than 175 percent of the FPL and less than or equal to 200 percent of the FPL.

R9-31-1725. Appeal and Request for Hearing Process

A. Denial. If DES denies a parent under R9-31-1721 of this Article, the appeal and request for hearing process shall be con-

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ducted under A.A.C. R9-22-1433. If the Administration denies a parent under R9-31-1721 of this Article, the appeal and request for hearing process shall be conducted under 9 A.A.C. 34.

- B.** Discontinuance. If the Administration discontinues a parent under R9-31-1722 of this Article, the appeal and request for hearing process shall be conducted under 9 A.A.C. 34
- C.** Coverage for Discontinuance. Except as provided in this Section, the Administration shall discontinue eligibility on the effective date of the discontinuance if the past due amount for at least one prior month is not received by the Administration in full before the effective date of the discontinuance.
- D.** Discontinuance rescinded. The Administration shall rescind the discontinuance and continue eligibility if the past due amount for at least one prior month is received by the Administration in full before the effective date of the discontinuance.
- E.** Discontinuance of eligibility. To receive coverage from the time an appeal and request for hearing is filed for a discontinuance of eligibility until a Director's decision is made.
 - 1. A member shall:
 - a. File an appeal and request for hearing prior to the effective date of the discontinuance.
 - b. Submit the full monthly premium amount to the Administration prior to the date of the discontinuance, and
 - c. Continue to pay the full monthly premium amount each month during the hearing process.
 - 2. Failure of the member to pay the full monthly premium shall result in the loss of eligibility effective the 1st day of the next month.
 - 3. If the decision is upheld, the Administration shall not refund any premium amounts that have been paid during the hearing process.
- F.** Increase in premium amount. To stop the Administration from increasing the premium amount from the time an appeal and request for hearing is filed until a Director's decision is made.
 - 1. A member shall file an appeal and request for hearing prior to the effective date of the action.
 - 2. If the decision to increase the premium is upheld, the member shall be responsible for paying the higher premium retroactively from the proposed effective date of the increase in the premium amount that is being appealed.
- G.** Imposition of an enrollment fee and premium. To receive coverage from the time an appeal and request for hearing is filed for an imposition of an enrollment fee and premium until a Director's decision is made.
 - 1. A member shall file an appeal and request for hearing in accordance with the time-frame as specified in R9-34-107.
 - 2. A member shall pay the enrollment fee and premium as billed by the Administration.
 - 3. If the decision determines the imposition of the enrollment fee and premium is incorrect then the enrollment fee and premium will be refunded to the member.
- H.** Method of payment. To continue coverage a member shall pay the premium by:
 - 1. Cashier's check,
 - 2. Money order, or
 - 3. Other form approved by the Administration.

R9-31-1726. Payment of Outstanding Premium and Enrollment Fees

As a condition of eligibility, a parent shall be required to pay any unpaid enrollment fee and premiums owed to the Administration that were previously incurred. The unpaid enrollment fee and unpaid premiums consist of:

- 1. All unpaid enrollment fees and premiums for the Parent that were incurred prior to becoming eligible,
- 2. All unpaid premiums for the Parent's children, and
- 3. All unpaid enrollment fees and premiums for the Parent's spouse with whom the parent resides, and with whom the parent resided at the time the premium and enrollment fee was incurred.

R9-31-1727. Payment Due Date for Current Month

- A.** The monthly premium payment is due on the 15th day of the month for coverage of that month. This would be considered a current payment.
- B.** The enrollment fee is due with the first monthly premium payment on the 15th day of the month for coverage. This would be considered a current payment.

R9-31-1728. Payment Received Date

A payment is considered received on the date that the Administration receives and credits the payment to the member's account.

R9-31-1729. Past Due Payment

- A.** Past due payment date. A payment is considered past due if the Administration does not receive the payment by the 15th day of the month.
- B.** Payment not received. If payment for a month is not received in full by the last working day of the month in which the payment is due, the Administration shall include the past and current due amounts in the next billing statement.

R9-31-1730. Payment Type

A premium and an enrollment fee shall be paid to the Administration by a:

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1. Cashier's check.
2. Personal check.
3. Money order.
4. Electronic debit, or
5. Other form approved by the Administration.

R9-31-1731. Returned Check

The Administration shall not accept a personal check when the premium or enrollment fee has been previously paid with a personal check that was returned to the Administration because of insufficient funds.

R9-31-1732. Payment In Advance

A premium may be paid in advance.

R9-31-1733. Reimbursement of a Premium

A. A premium paid in advance is nonrefundable, unless the member is disenrolled at least 15 days prior to the month of coverage.

B. A premium and enrollment fee paid during an appeal and request for hearing process is applied as specified in R9-31-1724.

R9-31-1734. Allocation of Payment for an Eligible Member

Except for payments specified in R9-31-1724 of this Article, all payments received for eligible members shall first be applied to any past due amounts for prior months owed to the Administration for a child determined eligible under Article 3 of this Chapter, next to the unpaid enrollment fee for a parent eligible under this Article, and then to the past due amounts for prior months owed to the Administration for a parent determined eligible under this Article. Any remaining amounts shall first be applied to the amount due for the current month for a child eligible under Article 3 of this Chapter and then to the amount due for the current month for a parent, eligible under this Article.

R9-31-1735. Change in Premium Amount

A. When there is a decrease in the premium amount and the change is processed by the 25th day of the month, then the effective date of the change shall begin on first day following the month in which the amount of the premium change is processed.

B. When there is a decrease in the premium amount and the change is processed after the 25th day of the month, then the effective date of the change shall begin on the first day of the second month in which the amount of the premium change is processed.

C. When there is an increase in the premium amount, the effective date of the change shall begin with the first month following advance notice of at least ten days.

