



# APPENDIX A

## Allotment Neutrality Report



Demonstration Waiver Budget Template for States Using CHIP Funds - Budget Neutrality Report

ARIZONA	FFY 2023	FFY 2024	FFY 2025	FFY 2026	FFY 2027
State's Allotment	\$375,025,200	\$394,280,400	\$394,280,400	\$394,280,400	\$394,280,400
Funds Carried Over From Prior Year(s)	\$79,964,800	\$95,405,200	\$192,935,177	\$231,964,507	\$256,198,289
<b>SUBTOTAL (Allotment + Funds Carried Over)</b>	<b>\$454,990,000</b>	<b>\$489,685,600</b>	<b>\$587,215,577</b>	<b>\$626,244,907</b>	<b>\$650,478,689</b>
Reallocated Funds (Redistributed or Retained that are Currently Available)					
<b>TOTAL (Subtotal + Reallocated funds)</b>	<b>\$454,990,000</b>	<b>\$489,685,600</b>	<b>\$587,215,577</b>	<b>\$626,244,907</b>	<b>\$650,478,689</b>
State's Enhanced FMAP Rate	82.17%	76.66%	76.20%	76.20%	76.20%

COST PROJECTIONS OF APPROVED SCHIP PLAN (Up to 200% FPL)					
<b>Benefit Costs</b>					
Insurance payments					
Managed care	\$202,153,500	\$176,816,600	\$217,836,100	\$224,200,200	\$237,831,600
per member/per month rate @ # of eligibles	\$239 @ 70,556 avg elig/mo	\$299 @ 49,325 avg elig/mo	\$308 @ 58,601 avg elig/mo	\$300 @ 62,186 avg elig/mo	\$312 @ 63,430 avg elig/mo
Fee for Service	\$11,269,200	\$9,948,900	\$11,806,200	\$12,282,900	\$13,023,700
<b>Total Benefit Costs</b>	<b>\$213,422,700</b>	<b>\$186,765,500</b>	<b>\$229,642,300</b>	<b>\$236,483,100</b>	<b>\$250,861,300</b>
(Offsetting beneficiary cost sharing payments)					
<b>Net Benefit Costs</b>	<b>213,422,700</b>	<b>186,765,500</b>	<b>229,642,300</b>	<b>236,483,100</b>	<b>250,861,300</b>
<b>Administration Costs</b>					
Personnel					
General administration	\$12,962,900	\$13,751,000	\$14,587,100	\$15,474,000	\$16,414,800
Contractors/Brokers (e.g., enrollment contractors)					
Claims Processing					
Outreach/marketing costs					
Other					
<b>Total Administration Costs</b>	<b>\$12,962,900</b>	<b>\$13,751,000</b>	<b>\$14,587,100</b>	<b>\$15,474,000</b>	<b>\$16,414,800</b>
10% Administrative Cap	\$23,713,633	\$20,751,722	\$25,515,811	\$26,275,900	\$27,873,478
Federal Title XXI Share	\$185,502,700	\$153,587,600	\$186,102,800	\$191,991,400	\$203,664,400
State Share	\$40,882,900	\$46,828,900	\$58,126,800	\$59,965,700	\$63,611,700
<b>TOTAL COSTS OF APPROVED SCHIP PLAN</b>	<b>\$226,385,600</b>	<b>\$200,516,500</b>	<b>\$244,229,400</b>	<b>\$251,957,100</b>	<b>\$267,276,100</b>

COST PROJECTIONS OF MCHIP					
<b>Benefit Costs</b>					
Insurance payments					
Managed care	\$189,209,800	\$152,219,600	\$167,987,800	\$172,046,200	\$182,506,600
per member/per month rate @ # of eligibles	\$211 @ 74,898 avg elig/mo	\$224 @ 56,726 avg elig/mo	\$232 @ 60,217 avg elig/mo	\$245 @ 58,615 avg elig/mo	\$254 @ 59,788 avg elig/mo
Fee for Service	\$23,418,500	\$18,031,700	\$20,958,600	\$22,532,800	\$23,902,800
<b>Total Benefit Costs</b>	<b>\$212,628,300</b>	<b>\$170,251,300</b>	<b>\$188,946,400</b>	<b>\$194,579,000</b>	<b>\$206,409,400</b>
(Offsetting beneficiary cost sharing payments)					
<b>Net Benefit Costs</b>	<b>212,628,300</b>	<b>170,251,300</b>	<b>188,946,400</b>	<b>194,579,000</b>	<b>206,409,400</b>
Federal Title XXI Share	\$174,082,100	\$130,401,200	\$143,977,200	\$148,269,400	\$157,284,000
State Share	\$38,546,300	\$39,850,100	\$44,969,200	\$49,309,800	\$49,125,400
<b>TOTAL COSTS OF MCHIP</b>	<b>\$212,628,400</b>	<b>\$170,251,300</b>	<b>\$188,946,400</b>	<b>\$194,579,200</b>	<b>\$206,409,400</b>

COST OF EXISTING SCHIP AND MCHIP PROGRAMS					
Federal Title XXI Share	\$439,014,000	\$370,767,800	\$433,175,800	\$446,536,300	\$473,685,500
State Share	\$359,584,800	\$283,988,800	\$330,080,000	\$340,260,800	\$360,948,400
State Share	\$79,429,200	\$86,779,000	\$103,095,800	\$106,275,500	\$112,737,100

COST PROJECTIONS OF DEMONSTRATION (Expansion of SCHIP from 200% to 225% FPL)					
<b>Benefit Costs for Demonstration Population #1 (Expansion of SCHIP from 200% to 225% FPL)</b>					
Insurance payments					
Managed care	\$0	\$16,006,300	\$31,762,500	\$37,585,400	\$39,870,600
per member/per month rate @ # of eligibles		\$218 @ 73,516 avg elig/mo	\$226 @ 140,376 avg elig/mo	\$235 @ 159,722 avg elig/mo	\$245 @ 162,916 avg elig/mo
Fee for Service	\$0	\$640,200	\$1,270,400	\$1,503,600	\$1,595,000
<b>Total Benefit Costs for Waiver Population #1</b>	<b>\$0</b>	<b>\$16,646,500</b>	<b>\$33,032,900</b>	<b>\$39,089,000</b>	<b>\$41,465,600</b>
<b>Total Benefit Costs</b>	<b>\$0</b>	<b>\$16,646,500</b>	<b>\$33,032,900</b>	<b>\$39,089,000</b>	<b>\$41,465,600</b>
(Offsetting beneficiary cost sharing payments) * Premium Payments will be net of cost sharing					
<b>Net Benefit Costs</b>	<b>\$0</b>	<b>\$16,646,500</b>	<b>\$33,032,900</b>	<b>\$39,089,000</b>	<b>\$41,465,600</b>
<b>Administration Costs</b>					
Personnel					
General administration					
Contractors/Brokers (e.g., enrollment contractors)					
Claims Processing					
Outreach/marketing costs					
Other (specify)					
<b>Total Administration Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
10% Administrative Cap					
Federal Title XXI Share	\$0	\$12,761,623	\$25,171,070	\$29,785,818	\$31,596,787
State Share	\$0	\$3,884,877	\$7,861,830	\$9,303,182	\$9,868,813
<b>TOTAL COSTS FOR DEMONSTRATION</b>	<b>\$0</b>	<b>\$16,646,500</b>	<b>\$33,032,900</b>	<b>\$39,089,000</b>	<b>\$41,465,600</b>

<b>TOTAL PROGRAM COSTS (State Plan + Demonstration)</b>	<b>\$439,014,000</b>	<b>\$387,414,300</b>	<b>\$466,208,700</b>	<b>\$485,625,300</b>	<b>\$515,151,100</b>
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Total Federal Title XXI Funding Currently Available (Allotment + Reallocated Funds)	\$454,990,000	\$489,685,600	\$587,215,577	\$626,244,907	\$650,478,689
Total Federal Title XXI Program Costs (State Plan + Demonstration)	\$359,584,800	\$296,750,423	\$355,251,070	\$370,046,618	\$392,545,187
Unused Title XXI Funds Expiring (Allotment or Reallocated)					
Remaining Title XXI Funds to be Carried Over (Equals Available Funding - Costs - Expiring Funds)	\$95,405,200	\$192,935,177	\$231,964,507	\$256,198,289	\$257,933,502