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## C Non-Payment of Premiums

### Policy

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## Policy

If payments for children in the household are received in full, the children remain eligible for KidsCare. If one month total payment is received, the children remain eligible.

If less than one month total premium payment is received, the Division of Business and Finance (DBF) applies the amount of debt to the children.

The children remain eligible if the remaining balance due is not more than one month behind.

If payments for children in the household fall more than one month behind, the children's eligibility will end.

A discontinuance notice is sent with the past due premium amount and an explanation that if the entire outstanding balance is paid before the effective date, coverage will continue.

### 1) Payment Received Before Discontinuance Date

At the end of the month, if the balance is paid or waived, eligibility is continued.

### 2) Reapplication with Past Due Premiums

There is a 90 day lock-out period for unpaid past due premiums. Children are permitted to re-enroll in KidsCare as soon as their premiums are paid or at the end of the lock-out period, whichever comes first.

If unpaid past due premiums are found at time of reapplication, a KidsCare Billing and Collection request for payment letter is sent to the Primary Informant (PI). The letter explains the conditions for re-enrollment.

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## Definitions

| Term                  | Definition   |
|-----------------------|--|
| KidsCare              | KidsCare is for uninsured children under age 19 who are not eligible for Medicaid.   |
| KidsCare Premium      | A premium is calculated for all customers who qualify for KidsCare.  |
| Discontinuance Notice | A written notice sent to customers. This notice tells the customer that their coverage is ending.  |
| Lock-Out Period       | Under federal law, children who are have their KidsCare eligibility discontinued for unpaid premiums are permitted to re-enroll in KidsCare as soon as their premiums are paid or at the end of 90 days. |

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## Programs and Legal Authorities

| Program  | Legal Authorities  |
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| KidsCare | 42 USC 1397bb(b)<br><br>42 CFR 457.Subpart E<br><br>ARS 36-2903.01(D)(4)\ and 36-2982<br><br>AAC R9-31-303 |



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