

January 19,2000

Ronald Preston, Ph.D.
Associate Regional Administrator
HHS/HCFA, Division of Medicaid and State Operations
JFK Federal Building, Room 2350
Boston, Massachusetts 02203

Dear Dr. Preston:

The Balanced Budget Act of 1997, Public Law 105-33, established Title XXI of the Social Security Act to extend health care coverage to uninsured children under a new State Child Health Insurance Program (CHIP). Connecticut's version of CHIP is known as The HUSKY Plan (Healthcare for Uninsured Kids and Youth). Connecticut is formally requesting an amendment to the HUSKY State Plan and is requesting the approval by the Department of Health and Human Services for these changes.

The proposed amendments consist of the following changes which can be found in the attached pages: an amendment to remove cost-sharing on American Indian/Alaskan Native (AI/AN) children; an amendment to implement full mental health parity; an amendment to reflect eligibility for the children of some municipal employees; and an amendment to remove children of federal employees from the list of children ineligible for HUSKY, Part B.

The first amendment, which removes cost-sharing on AI/AN children, is proposed pursuant to written guidance from HCFA, dated October 6, 1999, which states that any CHIP State Plan that imposes cost-sharing on AI/AN children is not in compliance with the access provision of section 2102(b)(3)(D) of the federal Balanced Budget Act of 1997 (Public Law 105-33).

The second amendment, which implements full mental health parity, is proposed pursuant to Connecticut's Public Act 99-284, "An Act Concerning Managed Care Accountability." This statute requires full parity for all disorders defined in the most recent edition of the American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM IV). All limitations that had been imposed on inpatient and outpatient treatment of DSM IV mental health conditions or substance abuse will be eliminated. In the converse, the \$5.00 co-payment that had been required only for outpatient visits for biologically based mental health or medical conditions will now be applicable for outpatient visits for DSM IV conditions.

The third amendment, which allows children of some municipal employees to be eligible for HUSKY, Part B, is proposed pursuant to section 18 of Connecticut's Public Act 99-279, "An Act Concerning the Expenditures of the Department of Social Services." This section allows children of municipal employees to be eligible for HUSKY, Part B if "dependent coverage was terminated due to extreme economic hardship on the part of the employee."

The fourth amendment, which removes children of federal employees from the list of children ineligible for HUSKY, Part B, is proposed pursuant to written guidance from HCFA, dated December 10, 199, which states that the HUSKY B program "improperly exclude[s] children of federal employees." Although HCFA approved our State Plan with this exclusion in it, they are now taking the position that the exclusion of children of federal employees does not comply with Title XXI of the Social Security Act.

If you would like additional information on these proposed amendments, please contact me at (860) 424-5116. Thank you.

Sincerely,

David Parrella
Director of Medical Care Administration

cc: Patricia Wilson-Coker, Commissioner
Michael Starkowski, Deputy Commissioner
Rita Pacheco, Deputy Commissioner
Marc Ryan, Secretary, Office of Policy & Management
Linda Mead, Program Manager

State Plan Changes:

Section 4.1.7: Access to or coverage under other health coverage:

The exclusion of children of “**federal**” employees from eligibility for the **HUSKY** Plan, Part **B**, will be removed. Language allowing children of municipal employees to be eligible for **HUSKY** Plan, Part **B**, under a statutorily defined circumstance, will be added. The paragraph will now read:

*Children who are eligible ~~for~~ Medicaid or covered under a group health plan or under health insurance coverage and children ~~of~~ any **state or municipal** employee eligible ~~for~~ employer-sponsored insurance are not eligible for the **HUSKY** Plan, Part **B**. **However, children ~~of~~ municipal employees are allowed to be eligible for **HUSKY** Plan, Part **B** if “dependent coverage was terminated due to extreme economic hardship on the part ~~of~~ the employee” (pursuant to section 18 of Connecticut Public Act 99-279). For other children, an application may be disapproved if it is determined that the child was covered by employer-sponsored insurance within the last six months (this may be extended to 12 months ~~if~~ the commissioner determines that six months is insufficient to deter applicants or employers ~~from~~ discontinuing employer-sponsored dependent coverage). However, an application may be approved if the reason ~~for~~ loss ~~of~~ employer-sponsored insurance is unrelated to the availability ~~of~~ the **HUSKY** Plan or otherwise exempt under section 11 of Public Act 97-1 ~~of~~ the October 29 Special Session. The authorizing legislation (see Appendix 1.3) identifies ten reasons that are unrelated to the availability ~~of~~ the **HUSKY** Plan.***

Section 6.2.10: Inpatient mental health services, other than services described in 6.2.18., but not including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10)).

100% except for the following conditions:

Mental retardation;

Learning, motor skills, communication and caffeine-related disorders;

Relational problems;

Other conditions that may be the focus of clinical attention that are not defined as mental disorders in the American Psychiatric Association's "Diagnostic & Statistical Manual of Mental Disorders".

For these above stated conditions, the following applies:

Inpatient hospital benefits will be available for conversion to outpatient services. Up to 35 days may be converted, 25 days will remain as a hospital reserve (they will not be available for conversion). The conversion will be available according to the following schedule:

1 inpatient hospital day = 1 sub-acute day

1 inpatient hospital day = 2 partial hospitalization services

1 inpatient hospital day = 2 intensive outpatient visits

1 inpatient hospital day = 3 outpatient visits

Maximum of 60 days per year.

Section 8.1 : Is cost-sharing imposed on **any** of the children covered under the plan?

A sentence will be added indicating that low-income children in the state who **are** American Indians will be exempt from any cost sharing (e.g., copayments, premiums). The section will read: *Yes, with the exception of low-income children in the state who are American Indians and Alaska Natives (AI/AN) who are members of a federally recognized tribe. (As defined in section 4 (c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c). These AVAN children will be exempt from any cost-sharing (e.g., copayments and premiums.)*

Section 6.2.1 1 Outpatient mental health services, other than services described in **6.2.19**, but including services furnished in a state-operated mental hospital and including community-based services (Section 2110(a)(11)).

100% except for the following conditions:

Mental retardation;

Learning, motor skills, communication and caffeine-related disorders;

Relational problems;

Other conditions that may be the focus of clinical attention that are not defined as mental disorders in the American Psychiatric Association's

"Diagnostic & Statistical Manual of Mental Disorders".

For these above stated conditions, the following applies:

Maximum of 30 visits per year (in addition to allowable substitution of inpatient days) with supplemental coverage available through HUSKY Plus for children who meet the criteria for the HUSKY Plus Behavioral Health Plan. See Appendix 3.1 for information on HUSKY Plus.

Section 6.2.18 Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18)).

100% except ~~for~~ the following conditions.

Mental retardation;

*Learning, motor **skills**, communication and caffeine-related disorders;*

Relational problems;

Other conditions that may be the focus of clinical attention that are not defined as mental disorders in the American Psychiatric Association's

"Diagnostic & Statistical Manual of Mental Disorders".

For these above stated conditions, the following applies:

*Maximum of 60 days per calendar year ~~for~~ drug abuse and **45** days per year ~~for~~ alcohol abuse.*

Section 6.2.19

Outpatient substance abuse treatment services (Section 2110(a)(19)).

100% except for the following conditions:

Mental retardation;

Learning, motor skills, communication and caffeine-related disorders;

Relational problems;

Other conditions that may be the focus of clinical attention that are not defined as mental disorders in the American Psychiatric Association's

"Diagnostic & Statistical Manual of Mental Disorders".

For these above stated conditions, the following applies:

Maximum of 60 visits per calendar year, with supplemental coverage available through HUSKY Plus for children who meet the criteria for

HUSKY Plus Behavioral Health Plan. See Appendix 3.1 for information on HUSKY Plus.