



DEPARTMENT OF HUMAN RESOURCES
DIRECTORS OFFICE

505 E. King Street, Room 600
Carson City, Nevada 89701-3708

Telephone (775) 684-4000 • Fax (775) 684-4010

April 24, 2000

Richard Fenton, Deputy Director
Division of Integrated Health Systems
Health Care Financing Administration
Mail Stop **C3-20-07,7500** Security Blvd.
Baltimore, Maryland **21244-1850**

Dear **Mr.** Fenton:

Enclosed please find Nevada's State Plan Amendment (SPA) to **our** Title XXI State Plan. This SPA waives **cost** sharing for children who **are** American **Indians** or Alaska Natives and are members of Federally **recognized** Tribes. **The** amendment also includes: removing the six-month residency requirement, changes to the re-determination **process**, and clarifying language specific to crowd-out. The enclosed sections of the **State Plan** changes **are** in bold typeface and are **as** follows:

- 1) Eligibility **Standards and Methodology**: Sections **4.1.5, 4.1.7, 4.1.8, 4.3, 4.4.1, 4.4.2, 4.4.3, and 4.4.4** (pages **13-19**)
- 2) Outreach and Coordination: Section **5.2. (page 21)**
- 3) Cost-Sharing and Payment: Sections **8.1.1, 8.2.1, 8.3, 8.4.3, and 8.5** (pages **38-39**)
- 4) Annual Reports and Evaluations: Sections **10.2 and 10.2.2.3** (page **47**)

If you have any questions regarding this SPA, you may direct them to Janice A. **Wright**, Administrator, Division of Health Care Financing and Policy, at **(775) 687-4176** extension. **247**, or via fax at **(775) 684-8792**.

Sincerely,

Charlotte Crawford, Director
Department of Human Resources

Enclosures

cc: **Linda** Minamoto, Associate Regional Administrator, HCFA, Region IX
Janice A. Wright, Administrator, DHCF&P

Section 4. Eligibility Standards and Methodology. (Section 2102(b))

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state's Medicaid plan, and continue on to Section 5.

4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102)(b)(1)(A))

- 4.1.1. Geographic area served by the Plan: The plan is available statewide, in all ~~17~~ Nevada Counties.
- 4.1.2. Age: The plan is available to children 0 through 18 years of age. This age criteria allows a family to apply for up to one full year's coverage up to the month before the child's 18th birthday, and the child can receive coverage through the month before the child's 19* birthday.
- 4.1.3. Income: Eligible children are from families whose gross annual incomes ~~are~~ at or below 200% of the federal poverty level. Income for the purposes of this plan means ~~gross income~~ before deduction of income taxes, employees' Social Security taxes, insurance premiums, bonds, etc. Income includes the following:
1. Monetary compensation for services, including wages, salary, commissions or fees;
 2. Net income from farm employment;
 3. Social Security;
 4. Dividends or interest on savings bonds, income from estates or trusts, or net rental income;
 5. Unemployment compensation;
 6. Government civilian employee or military retirement or pensions or veterans' payments;
 7. Private pensions or annuities;
 8. Alimony or child support payments;
 9. Regular contributions from persons not living in the household;
 10. Other cash income. Other case income includes but is not limited to: cash amounts received or withdrawn from any source including savings, investments, trust accounts, and other resources which are readily available to the family.
- 4.1.4. Resources (including any standards relating to spend downs and disposition of resources): The Title XXI program has no resource requirements.
- 4.1.5. Residency: (Revised) Nevada residency is required. A resident is anyone **who** resides in Nevada.
- 4.1.6. Disability Status (so long as any standard relating to disability status does not restrict eligibility): No child is denied eligibility based on disability

- status. If the child receives SSI and is eligible for Medicaid, the child will not be enrolled in Nevada ✓ Check Up and will be referred to Medicaid.
- 4.1.7. Access to or coverage under other health coverage: The application form asks questions about all access to health care coverage, both public and private, on the application form before the child is enrolled in the program. Random checks will be done by contacting employers for verification of health insurance coverage. A child will be found ineligible 1) if a child has creditable health insurance; 2) is eligible for health benefits coverage under a State health benefits plan based on a family members' employment with a public agency in the State; or 3) **has had coverage under an employer plan six months prior to the date of application.** The six month waiting period may be waived if the applicant provides evidence that the loss of insurance was due to actions outside the applicants control (e.g., employer discontinues health benefits).
- 4.1.8. Duration of eligibility: (Revised) A child is eligible until the annual eligibility re-determination date, **no later than one year from the most recent date of enrollment**, unless the child moves out of state; becomes enrolled in **Medicaid**; secures other health insurance; becomes **an** inmate of penal **institution** or an institution for mental diseases; dies; or fails to pay quarterly premiums. A 60-day grace period will be allowed prior to disenrollment for failure to pay the premium. Families can remain in the program from year to year if they continue to meet the eligibility criteria.
- 4.1.9. Other standards (identify and describe):
- 4.2. The state assures that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102)(b)(1)(B))
- 4.2.1. These standards do not discriminate on the basis of diagnosis.
- 4.2.2. Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.
- 4.2.3. These standards do not deny eligibility based on a child having a pre-existing medical condition.
- 4.3. Describe the methods of establishing eligibility and continuing enrollment. (Section 2102)(b)(2)) (Revised)

Eligibility will be determined through a one-page, two-sided application form, which will include the following information:

Name, Social Security number, date of birth, age, sex, ethnicity, and relationship to applicant of all children in the household;
 All sources of income, **earned and unearned**;
 Name of person responsible **for a child's health care**;

Insurance status, including whether insurance is offered through an employer; and
Citizenship and residency.

In addition, the applicant must provide proof of income by submitting copies of the two most current pay stubs from each job. **If self-employed, the applicant must submit a copy of the most recent income tax return.**

Eligibility applications will be made available statewide through schools, child care facilities, family resource centers, social service agencies, and other locations where eligible children and/or their parents frequent. The applications will be completed and returned to a central processing facility of DHCFP in Carson City, Nevada. An 800 number has been established and listed on the application as well as on posters and marketing brochures at the above mentioned locations.

All applicants will be considered equally. The applications will be processed and those found eligible will be sent enrollment forms, subject to a full enrollment limitation (see below). Applicants will have a **maximum of 120** days to return the enrollment form, including the quarterly premium, and to select a health plan for the child(ren). If the applicant fails to include the premium fee or to select a plan, the form will be returned and the child(ren) will not be enrolled until the premium and selection are received. **American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums.**

Upon receipt of the completed enrollment form and premium, the information will be entered into a database. An approval notice will be sent to the applicant with the following information:

- Household Nevada ✓ Check Up ID number;
- Names of eligible children;
- Name of Health Plan;
- Effective month of enrollment; and
- The amount and due dates of the quarterly premium.

Full Enrollment Limitation

If applications exceed the available money, the families with the highest income levels will be put on a waiting list.

✗ necessary, up to five percent (5%) of available funds will be set aside for children with financial hardship (those coming off of Medicaid and children in families at or below \$15,000 per year who are not found to be eligible for Medicaid) to ensure that they can be immediately enrolled in Nevada ✓ Check Up.

If sufficient money is not available to enroll all eligible children, families who make application after the program is fully subscribed will be placed on a waiting list. Families on the waiting list will be sent enrollment forms when sufficient slots are available based on the lowest family gross income. Slots can become available because enrollment forms are not returned, children drop off the program, or additional funds become available.

Once enrolled, child(ren) will remain on the program (except **as** noted below) until the next **annual** eligibility re-determination date. This date will be **no later than one year from the child's most recent date of enrollment**. Children will be disenrolled the **first day of the next administrative month for the following reasons:**

- a) The child enrolls in Medicaid (A monthly match will be performed between Medicaid and Nevada ✓ Check Up to ensure no duplications);
- b) The child gets other creditable insurance coverage;
- c) The child moves out of state or out of the home;
- d) The child becomes an inmate of a public institution;
- e) The child becomes a patient in **an** institution for mental diseases (for more than **30** days);
- f) The child dies;
- g) The family does not pay the quarterly premium (there will be notification and a 60-day grace period for payment);
- h) Child turns 19; or
- i) Child gets married or becomes emancipated.

For subsequent eligibility determinations, all children enrolled in the program will stay in the program as long as the family income is below the program maximum and they are not found to meet the circumstances listed in **4.3 a) through i)**. There will not be an enrollment fee for redeterminations of eligibility. All other applicants will be ranked based on gross family income, and made eligible within available funds. A new waiting list will be established, if necessary.

Management Information Systems Support

All paper flow into and out of central office will be tracked on a newly designed database. This information system will contain a fully automated capitation payments system and a series of tracking records which mirror the handling of paper membership applications from the moment they are received by mail to when the completed application is filed and the family receives its official enrollment notice.

Application and member tracking within the Nevada ✓ Check Up information system will include the determination of member-file status, application processing, eligibility determination, enrollment and the storage of enrollment data for active members. The majority of applicant data is stored in five primary

tables: file tracking, application, member's family information and financial information, and enrollment. Tracking will be linked by a family identifier assigned at the time of entry into the tracking system by the child's social security number and/or a unique identification number. Capitation payment to the **MCO** will be linked to the member's identification number.

Application Tracking

File folders are assembled with the last name of the parent, the postmark date of the application, application tracking record, and all application documentation for each application received. Families will be sent a letter requesting additional or missing information. The applicant will have **30** days to provide the information.

Application information is entered into the data system and a unique family ID is generated at the time of entry for the purpose of linking related records within the system.

Enrollees are required to notify DHCFP if their circumstances change and when they are no longer eligible for Nevada ✓ Check Up. The contract also requires the health plans to report said information to DHCFP within seven days of receipt of information.

4.4. Describe the procedures that assure:

- 4.4.1. Through intake and follow up screening, that only targeted low-income children are furnished child health assistance under the state child health plan. (Section 2102)(b)(3)(A)) (Revised)

In order to be enrolled in Nevada ✓ Check Up, children will have to have been without creditable insurance for at least six months **prior to the date of application**. This should provide a major disincentive to families to drop current coverage. The exceptions to the six-month waiting period are for children coming off of Medicaid and for families who lose insurance due to circumstances beyond their control (e.g., employer drops health insurance coverage for dependents). In those cases, Nevada ✓ Check Up coverage would not be a substitution for coverage under group health plans.

Information in the application packet includes Medicaid eligibility criteria and how to apply for Medicaid as well as information on differences between Medicaid and Nevada ✓ Check Up. In particular, Medicaid has no cost sharing while Nevada ✓ Check Up has quarterly premiums, which **are waived for children who are American Indians or Alaska Natives and are members of Federally recognized Tribes**. When the application is submitted, reported income and assets will be screened and any family that appears to meet the income and assets test will be sent a Medicaid application. See 4.4.2.

- 4.4.2. That children found through the screening to be eligible for medical assistance under the state Medicaid plan under Title XIX are enrolled for such assistance under such plan. (Section 2102)(b)(3)(B)) (Revised)

In order to assure that Medicaid eligible children are enrolled in Medicaid, Nevada will take the following steps:

- 1) For families who apply with income below the requirements for Medicaid or, if their income is no more than **25%** above the Medicaid income requirement (to account for work expense disregards allowed in the Medicaid eligibility determination), ~~and if the applicant meets the Medicaid assets screen,~~ the Nevada **✓ Check Up application will be considered to be a** Medicaid application as well, unless the family has applied for and been denied Medicaid eligibility in the past twelve months. The date of application will be the date received by the State of Nevada.
- 2) If a family that has some children which appear on the basis of the initial screen to be potentially eligible for Medicaid submits the enrollment form and premium payment, those children would be provisionally enrolled in Nevada **J** Check Up. American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums.
- 3) Any family sent a Medicaid application will have two weeks (ten working days) to return the completed application. If the application is not returned, the family will be sent a notice of denial for Medicaid, but the notice will allow an additional two weeks (10 working days) to provide all necessary information.
- 4) Nevada **J** Check Up staff will review all potentially Medicaid eligible children after one month to determine if the family has filed a Medicaid application. If no application has been filed, the family will be ~~sent~~ a notice of pending disenrollment from Nevada **J** Check Up. The ~~family will~~ be given 10 days to appeal. If an appeal is filed, the children will be maintained in Nevada **J** Check Up pending the outcome of the appeal. If no appeal is filed the children will be disenrolled at the start of the following month.
- 5) Once a Medicaid eligibility determination has been made, the family will be notified. If the children are approved for Medicaid and have previously enrolled in Nevada **J** Check Up, the Medicaid program will reimburse Nevada **J** Check Up for the cost of the premiums paid. American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums. In this manner, the federal match rate for such expenses will be the lower Medicaid rate. The family will also be ~~refunded~~ any premiums they paid. If the children are denied eligibility for

Medicaid and have not enrolled in Nevada **J** Check Up, they will be sent another enrollment form for Nevada **J** Check Up.

- 6) Medicaid enrollees will be compared monthly with the Nevada JCheck Up enrollees to ensure that a child is not enrolled in both programs.
- 7) Nevada **✓** Check Up will maintain statistics on families applying for the program who meet the income guidelines of Medicaid, including whether they apply for Medicaid, and the disposition of the applications.
- 4.4.3. That the insurance provided under the state child health plan does not substitute for coverage under group health plans. (Section **2102(b)(3)(c)**) (Revised)

In order to be enrolled in Nevada **✓** Check Up, children will have to have been without creditable insurance for at least six months **prior to the date of application**. This should provide a major disincentive to families to drop current coverage. The exceptions to the six-month waiting period are for children coming off of Medicaid and for families who lose insurance due to circumstances beyond their control (e.g., employer drops health insurance coverage for dependents). In those cases, Nevada **✓** Check Up coverage would not be a substitution for coverage under group health plans.

DHCFP will closely monitor overall health insurance coverage for children and determine additional steps to be taken if substitution (crowd-out) appears to be taking place. To the extent that such steps include regulations on employers, legislation would be required.

- 4.4.4. The provision of child health assistance to targeted low-income children in the state who are Indians (~~as~~ defined in section 4(c) of the Indian Health Care Improvement Act, 25 U.S.C. 1603(c). (Section **2102(b)(3)(D)**) (Revised)

According to the State Demographer, the Native American population in Nevada is 5.4% of the state's total population. **There are twenty-six sovereign Tribal governments; the Inter-Tribal Council of Nevada represents the interests of these entities and includes the following programs: Administration on Aging (AOA); Child Care Development Fund (CCDF); Head Start Program; Employment & Training Program; Women, Infants & Children (WIC); and Domestic Violence. There are two Urban Indian Centers in Nevada, located in Reno and Las Vegas. The Nevada Indian Commission, a state government policy group, includes a subcommittee, Advisory Committee Concerning the Children's Health Insurance Program.**

Native American children will be provided the same opportunity for enrollment as all other children. **These children are exempt from cost sharing.**

- 4.4.5. Coordination with other public and private programs providing creditable coverage for low-income children. (Section **2102(b)(3)(E)**)

Other than Medicaid, there are no public or private programs providing creditable coverage for low-income children in Nevada.

direct marketing because the emphasis is outreach and encouraging people to apply and does not relate to selection of a plan.

Finally, Nevada has established an 800 number for people who want an application form mailed to them. The number will also be used for providing assistance in completing the form and other questions about the program.

Through these efforts, the State believes that substantially all eligible families will become aware of the program.

Second Phase Outreach

After the initial enrollment phase, demographic information on children who enrolled will be reviewed and compared with information from the survey on the uninsured to determine areas where more targeted outreach efforts are necessary. Outreach strategies will then be developed.

Assistance in Enrolling Children

The most important "assistance" provided is the use of a simple application form, which will enable most parents to fill out the form without direct help. The state will encourage community-based organizations to aid those who may need it. Finally, as previously mentioned, there will be a toll free number for people with questions on how to apply.

Once eligibility has been determined, an enrollment packet will be sent out. This packet will include information on the various managed care choices available to assist families in selecting an MCO.

- 5.2. Coordination of the administration of this program with other public and private health insurance programs: **(Section 2102(c)(2))**

Nevada ✓ Check Up will be closely coordinated with the Medicaid program. When families apply, a match will be performed through the data system interface to determine if a child is in Medicaid. Based on the income reported, if a child may qualify for Medicaid, further information will be sent to the family regarding application for Medicaid. Because Nevada ✓ Check Up requires quarterly premiums (except that American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from paying premiums), there will be an economic incentive for the family to make a Medicaid application for said child(ren). Families who first apply for Medicaid and are determined ineligible will be referred to Nevada ✓ Check Up.

Ongoing on a monthly basis, eligibility rolls will be reviewed to ensure that children who have subsequently enrolled in Medicaid are disenrolled from Nevada ✓ Check Up.

Section 8. Cost Sharing and Payment (Section 2103(e)) (Revised)

- Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the states Medicaid plan, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan?

- 8.1.1.** **YES, except for American Indians or Alaska Natives who are members of Federally recognized Tribes.**
- 8.1.2.** NO, skip to question **8.5.**

8.2. Describe the amount of cost-sharing and any sliding scale based on income:
(Section 2103(e)(1)(A)) (Revised)

8.2.1. Premiums: A quarterly premium will be charged per family on gross income **except for American Indians or Alaska Natives, who are members of Federally recognized Tribes and are exempt.** For families above **175%** of the Federal Poverty Level (FPL), the premium will be \$50 per quarter (**\$200** per year). For families above **150%** FPL but at or below **175%** FPL, the premium will be **\$25** per quarter (\$100 per year). For families at or below **150%** FPL, the premium will be **\$10** per quarter (**\$40** per year). For families who have a maximum monthly charge under federal regulations of under **\$10**, they will be given the choice of paying the maximum monthly charge each month or the **\$10** quarterly fee. For families with a maximum monthly fee of **\$3** or less, premiums will be waived. The premium will be due on the first day of each quarter (January 1, April 1, July 1, and October 1).

Families will be informed at the time of enrollment notification of the timing and amount of premiums, and a reminder notice will be sent approximately 3 weeks prior to the due date. Should the family fail to submit premium payment by the 10th day of the month the premium is due the health plan will be sent a listing of families who have not paid the quarterly premium. The health plan will be encouraged to contact the family by letter or phone. If payment is not received by the 45th day of the quarter, the family will be sent a notice of disenrollment to be effective the first day of the next month.

- 8.2.2.** Deductibles: There are no deductibles.
- 8.2.3.** Coinsurance: No co-payments are required
- 8.2.4.** Other: Enrollment fee N/A

8.3. ~~Describe~~ be how the public will be notified of this cost-sharing and any differences based ~~on ir~~ income: (Revised)

The cost sharing information will be explained to potential enrollees through **an** informational brochure designed by DHCFP and/or the application packet. Due to the changes in cost sharing **for American Indians or Alaska Natives, who are members**

of Federally recognized Tribes, the application packet will include revised information.

8.4. The state assures that it has made the following findings with respect to the cost sharing and payment aspects of its plan: (Section 2103(e)) (Revised)

- 8.4.1.** Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B))
- 8.4.2.** No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2))
- 8.4.3.** No child in a family with income less than **150%** of the Federal Poverty Level will incur cost-sharing that is not permitted under **1916(b)(1)**. Premiums will be reduced if the total payments for the plan year divided by the anticipated number of months on the program exceeds the monthly payment limit permitted. Also, if a family is disenrolled during the year, the premiums actually paid would be divided by the number of months actually on the program and compared to the monthly payment limit. If it exceeds the limit, a refund will be issued. **American Indians or Alaska Natives, who are members of Federally recognized Tribes, are exempt from cost sharing.**
- 8.4.4.** No Federal funds will be used toward state matching requirements. (Section 2105(c)(4))
- 8.4.5.** No premiums or cost-sharing will be used toward state matching requirements. (Section 2105(c)(5))
- 8.4.6.** No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under the this title. (Section 2105(c)(6)(A))
- 8.4.7.** Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. (Section 2105(d)(1))
- 8.4.8.** No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest. (Section 2105(c)(7)(B))
- 8.4.9.** No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). (Section 2105(c)(7)(A))

8.5. Describe how the state will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's annual income for the year involved: (Section 2103(e)(3)(B)) (Revised)

The only cost sharing required is a premium, **except for American Indians or Alaska Natives, who are members of Federally recognized Tribes and are exempt**, which is less than the 5% cap.

Section 10. Annual Reports and Evaluations (Section 2108)

10.1. Annual Reports. The state assures that it will assess the operation of the state plan under this Title in each fiscal year, including: (Section 2108(a)(1),(2))

10.1.1. The progress made in reducing the number of uncovered low-income children and report to the Secretary by January 1 following the end of the fiscal year on the result of the assessment, and

10.1.2. Report to the Secretary, January 1 following the end of the fiscal year, on the result of the assessment.

10.2. State Evaluations. The state assures that **annually, by March 31st**, it will submit to the Secretary an evaluation of each of the items described and listed below: (Section 2108(b)(A)-(H))

10.2.1. **An** assessment of the effectiveness of the state plan in increasing the number of children with creditable health coverage.

10.2.2. **A** description and analysis of the effectiveness of elements of the state plan, including: (Revised)

10.2.2.1. The characteristics of the children and families assisted under the state plan including age of the children, family income, and the assisted child's access to or coverage by other health insurance prior to the state plan and after eligibility for the state plan ends;

10.2.2.2. The quality of health coverage provided including the types of benefits provided;

10.2.2.3. The amount and level (**including payment of part or all of any premium, and the waiving of the premium for American Indians or Alaska Natives, who are members of Federally recognized Tribes**) of assistance provided by the state;

10.2.2.4. The service area of the state plan;

10.2.2.5. The time limits for coverage of a child under the state plan;

10.2.2.6. The state's choice of health benefits coverage and other methods used for providing child health assistance, and

10.2.2.7. The sources of non-Federal funding used in the state plan.

10.2.3. **An** assessment of the effectiveness of other public and private programs in the state in increasing the availability of affordable quality individual and family health insurance for children.