



# State of Vermont

## AGENCY OF HUMAN SERVICES

DEPARTMENT OF SOCIAL WELFARE  
COMMISSIONER'S OFFICE  
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November 24, 1999

Clarke Cagey  
Project Officer  
Health Care Financing Administration  
Center for Medicaid and State Operations  
Division of Integrated Health Services  
S-2-01-16  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Dear Mr. Cagey:

Vermont requests an amendment to its Title XXI State Children's Health Insurance Program (SCHIP) plan to permit enrollment of SCHIP eligibles in Vermont's primary care case management program, *PC Plus*, by December 1, 1999.

As you know, Vermont implemented *PC Plus* on October 1, 1999 as a managed care delivery system alternative to managed care organizations (MCOs). This effort was initiated because of the inability of our existing contracted plans to continue to serve Vermont's Medicaid eligible aged, blind, and disabled beneficiaries slated for managed care enrollment under the terms of our 1115 demonstration project. Subsequently it was necessary with the slated January 1, 2000 withdrawal of one of our plans, Kaiser Permanente (KP), from the Northeast.

As indicated in our 1115 amendments authorizing *PC Plus*, it is Vermont's position that a primary care case management system is an alternative to enrollment in managed care organizations that allows us to continue to meet the goals of managed care; that is, to improve access, service coordination, and quality of care.

*PC Plus* will function and operate in the same manner for SCHIP as it does for Medicaid TANF eligibles as described in Vermont's August 9, 1999 1115 waiver amendment request authorizing *PC Plus* as a service delivery option.

Attached are revisions to Section 4 and Appendices 2, 5, and 6 of Vermont's State Children's Health Insurance Plan. Sections with changes are identified with the following notation: **Version: November 1999.**

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If you or your colleagues have any questions regarding this request, please contact Ann Rugg, Managed Care Senior Administrator, at 802-241-2766. We appreciate your assistance in this matter.

Sincerely,

Eileen I. Elliott  
Commissioner

cc: Ronald Preston, Ph.D., Associate Regional Administrator, Region I, HCFA  
William MacKenzie, State Medicaid Representative, Region I, HCFA  
M. Jane Kitchel, Secretary, Vermont Agency of Human Services  
Paul Wallace-Brodeur, Director, Office of Vermont Health Access

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

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- 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.

*A summary of eligibility standards is provided in Appendix 4. In general, existing Vermont methodologies for establishing Medicaid/Dr. Dynasaur/VHAP eligibility and enrolling recipients in the managed care delivery system apply to Title XXI. The managed care delivery system includes Vermont's primary care case management program, PC Plus, and may include any managed care organization contracting with the State to delivery services. Related Medicaid, Dr. Dynasaur, and VHAP policy and procedures and the procedures and protocols of our benefits counseling and enrollment contractor, Maximus, are available upon request.*

- 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: \_\_\_\_\_
- 4.1.2.  Age: \_\_\_\_\_
- 4.1.3.  Income: \_\_\_\_\_
- 4.1.4.  Resources (including any standards relating to spend downs and disposition of resources): \_\_\_\_\_
- 4.1.5.  Residency: \_\_\_\_\_
- 4.1.6.  Disability Status (so long as any standard relating to disability status does not restrict eligibility): \_\_\_\_\_
- 4.1.7.  Access to or coverage under other health coverage: \_\_\_\_\_
- 4.1.8.  Duration of eligibility: \_\_\_\_\_
- 4.1.9.  Other standards (identify and describe): \_\_\_\_\_

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**2.2.: Public Health Insurance Programs**

**Version: November 1999**

Vermont has made extensive efforts to ensure access to health care services for its children. Children (up to age 18) in families with income up to 225 percent of the Federal Poverty Level are eligible for enrollment in Dr. Dynasaur, a Medicaid 1902 (r)(2) expansion program, which covers the full range of Medicaid health care benefits. Dr. Dynasaur has been operating in Vermont since 1989 as a state-funded program and since 1992 as a Medicaid expansion program.

**2.2.1.: Identification and Enrollment**

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Efforts to identify and continue to enroll children in Dr. Dynasaur have been ongoing since the program's inception. The Department of Social Welfare through its district offices and the Department of Health through WIC clinics, local school health nurses, its local offices, and free health clinics located in the larger population centers do continuous outreach to potentially eligible families and children. The State covers over 50,000 children through Medicaid/Dr. Dynasaur.

Since the implementation of the Vermont Health Access Plan (VHAP) in 1995, the State's outreach activities have been enhanced by the addition of a contracted benefit-counseling firm. The firm's efforts have included:

- A multi-media campaign, including print, brochures, and flyers, targeting individuals eligible for enrollment in VHAP, the State's program for the uninsured, under which services are provided through the managed care delivery system. This has had the related "case-finding" effect of encouraging participation of children eligible for coverage under the Dr. Dynasaur program. Children covered by Dr. Dynasaur are also enrolled in the managed care delivery system, unless they have private health insurance for hospital and physician coverage. The efforts of the benefit-counseling organization have been supplemented by press stories and television and radio interviews with State officials about the State's efforts to provide health insurance coverage to eligible populations;
- Outreach through community groups and organizations;
- Educational sessions in community locations, including Department of Social Welfare district offices, for individuals eligible for enrollment; and
- Operating a toll-free telephone line which individuals can contact to learn about the program.

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**2.2.2.: Public-Private Health Insurance Programs**

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VHAP is a public-private partnership to the extent that when possible the State contracts with private sector managed care plans to provide services to some eligible individuals. The current coverage of children through the managed care delivery system is described in Section 2.2.1. There are no other large-scale public-private programs in the State that provide health insurance coverage to low income children.

**2.3.: Coordination of Titles XIX and XXI**

The State intends to fully integrate the Children's Health Insurance Program (SCHIP) with the current Medicaid Program, which includes the VHAP program for the uninsured covered as a result of the VHAP 1115 Research and Demonstration program. The State intends to use the same covered services benefit package and service delivery systems for SCHIP as are used for Medicaid, Dr. Dynasaur, and VHAP with the exception of dental services. Initially, the dental component of this program will be provided through the State's fee for service delivery system. In the future, the State plans to explore a self-funded, commercially administered dental plan that will be selected through a competitive bidding process.

Outreach and enrollment efforts will be conducted by the Department of Social Welfare and the State's contracted benefits-counseling firm. In addition, special outreach efforts through the Department of Health and school health nurses will be made to inform potentially eligible families of the availability of coverage through SCHIP. Materials used for outreach and enrollment purposes will be developed or modified to incorporate information regarding the newly eligible populations.

Actual determination of eligibility for all populations, including those newly eligible, will be the responsibility of the Department of Social Welfare, as it is today. General eligibility policy found in the Medicaid and VHAP Policy Manuals will be used with modifications as necessary for SCHIP. Existing application forms and other materials used to determine eligibility will be modified as necessary to include the new population. In addition, the Department's automated eligibility system, ACCESS, will be modified to identify the newly eligible.

## **Appendix 5 Outreach and Coordination**

### **5.1.: Outreach to New Eligibles**

As described in Appendix 2, the State will coordinate SCHIP outreach efforts with the existing outreach and enrollment activities performed by the Department of Social Welfare and the Department of Health. Some outreach activities will be a responsibility of the State's contracted benefits counseling firm. Specific activities related to the newly eligible populations include but are not limited to the following:

Modification of current outreach and enrollment materials to include information for newly eligible populations.

Development of outreach materials (flyers, brochures) to be distributed through public schools.

Conducting/participating in education and training sessions on the new eligibility standards and current procedures for application with organizations that serve the target populations, such as public schools, community-based service organizations, hospitals, FQHCs and RHCs, etc.

Continuation of current media campaign strategies, including radio and print advertising.

Continued presence of benefit counseling staff at Department of Social Welfare offices, free health clinics, and other community settings.

Ongoing operations of the toll-free information line.

Activities of the Department of Health to identify eligible children through WIC clinics, local school health nurses, and local offices of the Department. A particular focus will be through the local schools and special education staff at both the State and local level.

### **5.2.: Coordination with Other Public/Private Health Insurance**

#### **Version: November 1999**

As described in Appendix 2, the State intends to integrate the Children's Health Insurance Program with the managed care delivery system providing services under the Vermont Health Access Plan. Currently, Vermont's two largest private health insurance carriers contract with the State to provide managed care services under the Vermont Health Access Plan (VHAP) program: BlueCross BlueShield of Vermont

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and Kaiser Permanente. **As of** January 1, 2000, Kaiser Permanente will cease operations in Vermont. The State has implemented a primary care case management program, **PC Plus**, to serve beneficiaries. The State, **though**, will entertain contracts with other qualified insurers should they express interest. Most providers in Vermont are participating **with** all major insurers including Bluecross BlueShield and *PC Plus*. Thus, SCHIP eligible uninsured children are not only integrated into the State's current public health insurance programs, but are integrated into "mainstream" health plans.

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**Appendix 6 Coverage Requirements**

**6.2.: Covered Benefits**

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All *SCHIP* eligible children will have available the full range of services covered by Medicaid. When enrolled with a managed care organization, the majority of services will be provided through the organizations while the balance will be covered using the fee-for-service delivery system. When enrolled with *PC Plus*, the majority of services will be provided by the beneficiary's primary care provider directly or by referral and reimbursed through the fee for service delivery system. Services not requiring referrals will be covered using the fee for service delivery system.

The following list provides a brief summary of covered services. Limits and exclusions may apply. A more detailed description of services is available in the Medicaid Policy Manual. Services provided under the managed care delivery system are described in the VHAP Operational Protocol.

*Core Services*

Inpatient hospital care  
Outpatient services in a general hospital or ambulatory surgical center  
Physician services  
Oral surgery  
Cornea, kidney, heart, heart-lung, liver and bone marrow transplants, including expenses related to providing the organ or doing a donor search  
One comprehensive vision examination in a 24-month period  
Home health care  
Hospice services by a Medicare-certified hospice provider  
Outpatient therapy services (home infusion therapies and occupational, physical, speech and nutrition therapy)  
Prenatal and maternity care  
Ambulance services  
Short-term inpatient rehabilitation services  
Medical equipment and supplies  
Skilled nursing facility services for up to **30** days length of stay per episode

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Mental health and chemical dependency services  
Podiatry services  
Prescription drugs and over-the-counter drugs prescribed by a physician for a specific disease or medical condition

*Out of Plan Supplemental Services for Uninsured Children (up to 300% of the FPL)*

Dental  
Family Planning  
Eyeglasses  
Chiropractic Services (for individuals 12 years of age and older, and under twelve with prior authorization)  
Non-emergency transportation services  
Nursing home care  
Other long term care services