

February 13, 2004

Mr. Bob Sharpe  
Deputy Secretary for Medicaid  
Florida Agency for Health Care Administration  
2727 Mahan Drive, Mail Stop #8  
Tallahassee, FL 32308

Dear Mr. Sharpe:

We are pleased to inform you that your State Children's Health Insurance Program (SCHIP) State plan amendment (SPA) submitted August 15, 2003, with additional information submitted on January 2, 2004, has been approved. This amendment revises the SCHIP State plan to increase monthly family premiums from \$15 to \$20 for families with income from 151 to 200 percent of the Federal poverty level (FPL), and increase copayments, and establish a \$750 annual dental cap for children enrolled in the Healthy Kids component of KidCare. The amendment also revises Florida's previously approved waiting list, effective December 1, 2003. Children enrolled in the Medicaid program and the title XXI Medicaid expansion program will be subject to the waiting list for any other separate child health program component in the same manner as all other children applying to Florida Kidcare. Previously, these children were allowed to transfer automatically between program components. Also, families disenrolled for not paying premiums will be required to wait for 6 months before reenrolling.

We would like to advise you, however, that Florida initially imposed \$20 premiums on families with income at and below 150 percent FPL, a practice which is not in compliance with Federal requirements. Monthly premiums of \$20 per family exceed maximum premiums allowable for enrollees with incomes at or below 150 percent FPL as required by Federal regulations at 42 CFR section 447.52(b). This regulation prohibits monthly family premiums of more than \$15 to \$19, based on family income and size. Failure to conduct a state program in compliance with Federal requirements is subject to compliance remedies, including withholding of Federal funds. In this case, submission of revised State plan pages, an assurance that collection of excessive premiums will cease, and an assurance that enrollees will be reimbursed, will be considered appropriate corrective action. However, Florida may be subject to sanctions for future instances of noncompliance.

Your title XXI project officer is Ms. Jennifer McGuigan Babcock. She is available to answer questions concerning this amendment and other SCHIP-related issues. Ms. Babcock's contact information is as follows:

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Center for Medicaid and State Operations  
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7500 Security Boulevard  
Baltimore, MD 21244-1850  
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Facsimile: (410) 786-5882  
Email: [jbabcock@cms.hhs.gov](mailto:jbabcock@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Babcock and to Mr. Hugh Webster, Acting Associate Regional Administrator in our Atlanta Regional Office. Mr. Webster's address is:

Centers for Medicare & Medicaid Services  
Division of Medicaid  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, GA 30303-8909

If you have additional questions, please contact Ms. Jean Sheil, Director, Family and Children's Health Programs Group, Center for Medicaid and State Operations at (410) 786-5647.

We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Dennis G. Smith  
Acting Administrator

cc: CMS Region IV, Atlanta