

IOWA SCHIP STATE PLAN AMENDMENT QUESTIONS AND COMMENTS

1. Section 2.3

How is SCHIP coordinated with other relevant child health programs, such as those mentioned in Section 2.1, to increase the number of children with creditable health coverage?

Response: At the time a child is determined not to be eligible for *hawk-i*, the letter the applicant receives states: "Although your child does not qualify for *hawk-i*, health care services may be available through your local child health agency. For information about the child health center in your area, please call 1-800-369-2229 (Iowa Healthy Families Information and Referral Service)."

If a individual applying for health services through a public health clinic also wishes to apply for Medicaid or *hawk-i*, the public health clinic will forward this information to *hawk-i* within two working days.

If an individual applying for WIC services also wishes to apply for Medicaid, the WIC agency will forward the information to Medicaid. If an individual applying for WIC appears to qualify for *hawk-i*, the individual is given a *hawk-i* enrollment form.

If a child applying for *hawk-i* is determined to be eligible for Medicaid, a referral for EPSDT is made. If a child or family asks about WIC, a WIC brochure along with the location of the nearest WIC is given to them .

The Iowa Department of Human Services will be entering into a contract with the Iowa Department of Public Health to conduct grassroots outreach for the *hawk-i* and Medicaid programs. The Iowa Department of Public Health who oversees the Title V agencies, will ask the Title V agencies to either conduct the grassroots outreach activities or to subcontract with an agency or organization to do outreach. The Title V agencies will be responsible for doing a gap analysis to see what community agencies are currently doing for outreach as well as determine what is missing. The action plans must include the results of the gap analysis and what steps the agency will take to involve the community in conducting outreach.

2. Section 4.1.9

Please clarify that a child who is an inmate in a public institution or a patient in an institution for mental diseases, at the time of initial application or any redetermination of eligibility, is not eligible for the SCHIP program.

Response: Inmates of nonmedical public institution. At the time of application or annual review of eligibility, the child shall not be an inmate of a nonmedical public institution as defined at 42 CFR Section 435.1009 as amended November 10, 1994.

Inmates of institutions for mental disease. At the time of application or annual review of eligibility, the child shall not be an inmate of an institution for mental as defined at 42 CFR 435 Section 435.1009 as amended November 10, 1994.

3. Section 4.1.9.

Please specify whether the State requires a social security number for any applicant in accordance with the provisions at 42 CFR 457.340(b).

Response: A social security number is not required for any applicant to the *hawk-i* program. This is listed as an optional field on the application form.

4. Sections 4.3

Please provide additional details including: 1) the enrollment number at which the waiting list will be implemented; 2) how the state will meet the public notice requirement in 42 CFR 457.65(b); and 3) when the state plans to implement the waiting list. If the state has no immediate plans to implement the waiting list, please withdraw this section of the amendment or provide an assurance that the state will submit an amendment prior to implementation.

Response:

At the point it is known that Iowa will need to implement a waiting list, DHS will notify the *hawk-i* Board and CMS giving as much advance notice as possible. DHS will also notify issue a press release for public notice indicating when the waiting list will be implemented.

1) Provide the enrollment number at which the waiting list will be implemented.

This cannot be pre-determined and is subject to the circumstances that necessitate the implementation of a waiting list. For example, the state may have to implement a waiting list because of:

- Enrollment rates that are higher than anticipated;
- A de-appropriation of funds;
- Claim costs are higher than expected;
- Across the board budget cuts.

2) How will the state meet the public notice requirements in 42 CFR 457.65(b)?

The state has already met the public notice requirements for the implementation of a waiting list through both public meetings (February 19, 2001, March 19, 2001, April 16, 2001, June 20, 2001, July 16, 2001, & September 17, 2001) and the promulgation of administrative rules in accordance with Iowa law.

This action was taken based on guidance received from HCFA at the January 25, 2001, meeting in Washington, D.C. at the Watergate Hotel to discuss the proposed SCHIP

regulations. Cindy Mann and Cynthia Shirk advised states that they should develop contingency plans in the event the state should exhaust their funding and that such contingency plans should be reflected in state plan amendment submissions so that they were in place at the time it was determined that action needed to be taken.

3) When does the state plan to implement the waiting list?

Unknown at this time. The amendment reflects contingency plans should the need arise.

CMS Comment: If the state has no immediate plans to implement a waiting list, please withdraw this section of the amendment or provide an assurance that the state will submit an amendment prior to implementation.

Response: The state believes this comment is contradictory (i.e. withdraw section or provide assurance that an amendment will be submitted prior to implementation) and that these instructions are not consistent with the guidance previously provided by CMS (formerly HCFA). Additionally, the state disagrees that this provision should be removed from the state plan because implementation of a waiting list is not imminent. The purpose of these provisions is to have an approved amendment in place as a contingency in the event the state needs to implement a waiting list.

We have discussed this issue with our Attorney General's Office and we believe having such an amendment in place is consistent with the provisions of 42 CFR 457.65(b).

5. Section 6.1.1.3

Please explain if the state is changing the type of benefit coverage offered. If the state continues to offer only coverage that is benchmark-equivalent, using the HMO with the largest insured commercial enrollment as the benchmark, then please remove the check at section 6.1.1.3.

Response: The check at section 6.1.1.3 should be removed.

6. Section 8.6

How does the state notify American Indian/Alaskan Native children that they are exempt from cost-sharing?

Response: The brochure that contains the *hawk-i* application states that there is no cost sharing for American Indian/Alaskan Native children. At the time the applicant is approved for the *hawk-i* program, an approval notice is sent indicating there is no cost sharing. These provisions are also found in the Iowa Administrative Code at 441-86.8(1).

7. Section 8.7

Please provide a description of the consequences for an enrollee or applicant who does not pay a charge.

Response: When an applicant receives notification that the applicant is eligible to participate in the program and a premium is required, the applicant has ten working days from the notification to pay the premium. No premium shall be assessed for months of coverage prior to, and including the month of decision. If the premium is not received by the tenth working day, the applicant is sent a notice of denial of eligibility. The applicant has the right to appeal this decision.

After the initial month of coverage, the premium is due no later than the last day of the month prior to the month of coverage. Failure to pay the premium by the last day of the month before the month shall result in cancellation from the program and disenrollment from the health plan.

A child may be reinstated once in a 12-month period when the family fails to pay the premium by the last day of the month prior to the month of coverage. However, the reinstatement must occur within the calendar month following the month of nonpayment and the premium must be paid in full prior to reinstatement. Once a child is disenrolled and canceled from the program due to nonpayment of premiums, the family must reapply for coverage.

If a family reports a decrease in income and a premium is no longer required, premiums will no longer be charged beginning with the month following the month of the report of the change.

Any time an adverse action is taken such as disenrollment and cancellation from the program, the enrollee has the right to appeal the decision. The appeal rights and procedures are written on the backside of the notice.

8. Section 9.3

Note that “Measure of Performance” for Objective Three and “Objective Four” appear to be missing in this submission. Please provide this information.

Response:

Objective Three: Reduce the number of hospitalizations for medical conditions that can be treated with good quality primary care (e.g. asthma).

Measurement of Performance

- The number of hospital admissions with a primary diagnosis of asthma is compiled via claims data and reported through the data decision support system. Annually data is compiled and compared to the previous year.

Objective Four: Reduce the instances of emergency room visits for treatment of a medical condition that could be treated in another medical setting (e.g. otitis media).

Medicaid expansion and Healthy and Well Kids in Iowa (*hawk-i*):

- Annually a “Consumer Assessment” report is published by the University of Iowa Public Policy Center. Medicaid (Medicaid Expansion) and *hawk-i* enrollees are asked to complete a survey utilizing a hybrid CAHPS survey instrument. One of the questions asked on the survey is if the enrollee received emergency room services in the past six months. Results of the annual survey are compared to prior year findings. The report measures the percentage of children that utilized emergency room services. The goal is to reduce the percentage of children that utilize emergency room services in future years.

9. Section 9.9.1

Please provide additional information on steps the state is taking to interact with Indian tribes and organizations in the state on the development and implementation of the procedures required in 42 CFR 125.

Response:

Contracts with local grassroots organizations require that the action plan for local outreach activities must how the contractor will engage the special populations in their area, including but not limited to, Native American tribes for development of the action plan and concurrent activities..

10. Section 9.10

There appear to be mathematical errors in the budget. Please revise.

Response: This is an updated budget that reflects current estimated expenditures.

CHIP State Plan Amendment

SFY 2003			
	State Dollars	Federal Dollars	Total Dollars
Medicaid expansion	\$ 5,055,562.78	\$14,731,376	\$ 19,786,938
HAWK-I premiums (Net of deductions for cost sharing)	\$ 6,547,232.87	\$19,077,945	\$ 25,625,178
Administrative Costs			
Fiscal agent cost of processing Medicaid claims	\$ 101,033.39	\$ 294,401	\$ 395,434
Outreach	\$ 127,750	\$ 372,250	\$ 500,000
Administration	\$ 484,395.55	\$ 1,411,477	\$ 1,895,873
Total CHIP SFY 2003	\$ 12,315,975	\$35,887,448	\$ 48,203,423

Administration Percent: 5.791%

Assumptions

	FY2003
Monthly average enrollment - Medicaid expansion	9,129
Monthly average enrollment - Medicaid expansion (MAC) infants	311
Monthly average enrollment - HAWK-I managed care	9,065

Monthly average enrollment - HAWK-I indemnity

7,074

	FY 2003	State \$	Federal \$	Total \$
<u>HAWK-I cost sharing</u>		\$(149,153)	\$(434,616.02)	\$(583,769)
This has been deducted against premiums on summary page				
		<hr/>		
		FY 2003		
<u>PM/PM Rates</u>				
Medicaid expansion		\$165.47		
Medicaid expansion - (MAC) infants		\$444.81		
HAWK-I managed care		\$119.30		
HAWK-I indemnity		\$155.87		

11. Section 12.2

Please clarify that the state is using the Statewide Standard Review as described in 42 CFR 457.1120(a)(2) for reviews of health services matters and provide statutory reference for the state health insurance law. Please also clarify that all enrollees receive services from health insurance issuers subject to state health insurance law and assure that the health services matters subject to review under the state health insurance law are consistent with the intent of 42 CFR 457.1130(b).

Response:

The state is using the Statewide Standard Review. Section 514I.2(10) of the Iowa Code requires all participating health plans to be licensed by the Iowa Division of Insurance. All *hawk-i* enrollees receive services from health insurance issuers subject to state health insurance law. Managed care organizations are subject to Iowa Code Chapter 514B and indemnity health insurance carriers are subject to Iowa Code Chapters 505, 514. All health services are subject to an external review as described in Iowa Code Chapter 514J.