



STATE OF WASHINGTON
DEPARTMENT OF SOCIAL AND HEALTH SERVICES
MEDICAL ASSISTANCE ADMINISTRATION
PO Box 45535 • Olympia WA 98504-5535
August 30, 1999

Ms. Linda Welle, Project Officer
Center for Medicaid and State Operations
Health Care Financing Administration
Mail Stop C2-01-16
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Ms. Welle:

Thank you for your response to our August 18, 1999 update to our CHIP application. As requested in Cindy Shirk's August 26th letter to me, I have submitted answers to the Health Care Financing Administration's (HCFA) follow-up questions.

If you have any questions, or need additional information about CHIP, please contact our CHIP Program Manager, Bill Stoner. He can be reached at (360) 586-3339 or at stonewh@dshs.wa.gov

I look forward to our continued collaboration and HCFA's prompt approval of Washington's Title XXI State Plan.

Sincerely,

Steven Wish, Director
Division of Client Support

Enclosure

cc: Tom Bedell
Roger Gantz
David Hanig
Bob Reed
Bill Stoner

**Questions and Comments on Washington State's Children's Health Insurance Program
Title XXI State Plan**

Question

Section 4.4.3: We remain concerned that the State has not included adequate procedures to ensure that coverage provided under the State's plan does not substitute for coverage under group health plans, as required by section 2102(b)(3)(C). Although you have proposed a one-month period of uninsurance prior to application for CHIP, this waiting period may not be adequate to prevent families from dropping private insurance. Other States implementing CHIP for children with similar income levels have included waiting periods ranging from four months to one year. Please revise your plan to include adequate crowd-out procedures.

Answer

Washington will adopt a 4-month waiting period in cases where the applicant had employer-sponsored dependent coverage. The waiting period will not be imposed if the applicant had individual market, Washington State Health Insurance Pool (WSHIP), or the non-subsidized Basic Health Plan (BHP) program. As outlined in our August 18th response, Washington's individual market is collapsing, the BHP non-subsidized program will not be accepting any new applicants, and the WSHIP is being reopened to provide some coverage options to persons without group coverage. Washington CHIP and Medicaid programs are intended to provide a critically needed health coverage for low and moderate-income children.

We will use the same six exception criteria listed in our August 18th response under "Exceptions will be granted in cases where the household has lost employee dependent coverage due to...".

We have changed our criteria for when exceptions may be granted. The new criteria states:

Exceptions may be granted:

1. If there is a substantial reduction in medical benefits offered to dependents;
2. If there is an increase in employee coverage costs resulting in the family's cost-sharing exceeding \$50.00 per month;
3. In the event of a death of a parent, or parent becomes self-employed;
4. For victims of domestic violence; or
5. For a condition that without treatment would be life-threatening or cause permanent loss of function or disability.

Washington will also change the Children's Medical application to ask whether the client had employer sponsored health coverage within the prior 4 months.