

December 8,2000

Nancy Fasciano  
Health Care Financing Administration  
Division of Integrated Health Systems  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

Dear Ms. Fasciano:

This letter is to confirm our discussions this morning regarding Vermont's request for an amendment to our State Children's Health Insurance Program (SCHIP). This amendment would allow for an increase in program fees to the households of uninsured children with family incomes between 225 and 300 percent of the Federal Poverty Level.

The concerns are related to the application of Section 2102(b)(3)(D) of the Social Security Act; specifically, our plans to identify American Indian/Alaskan Native (AUAN) children in order to exempt them from cost sharing.

Vermont will notify applicants for SCHIP that membership in the designated AUAN tribes excludes families from cost sharing. Applications are obtained through our Member Services Unit. Mailings will include a stuffer regarding this provision. Since the primary tribes in the Vermont are not designated tribes and/or applicants might not know if a tribe is designated, we will indicate the status of known area tribes and provide the opportunity to contact the Member Services Unit regarding others. The Member Services Unit may be reached through a toll free telephone number.

In the course of notifying beneficiaries of the fee increases we will supply the same information and contacts. This will give AI/AN children already participating access to the exemption.

When beneficiaries disclose membership, we will accept it unless it is questionable. We will note it on the automated record. When fee-billing files are created, those so identified will be excluded.

I trust this addresses the concerns. If you or your colleagues have further questions,

Nancy Fasciano  
December 8, 2000  
Page 2 of 2

please feel free to contact me. I can be reached at [annr@path.state.vt.us](mailto:annr@path.state.vt.us) or 802-241-2766.

Sincerely,

*Ann E. Rugg*  
Managed Care Senior Administrator

cc: Richard Pecorella, HCFA Regional Office  
Chong Tieng, HCFA Regional Office  
Paul Wallace-Brodeur, Director, Office of Vermont Health Access