



DEPARTMENT OF HUMAN RESOURCES  
DIRECTOR'S OFFICE  
505 E. King Street, Room 600  
Carson City, Nevada 89701-3708  
Telephone (775) 687-4730 • Fax (775) 687-4733

August 10, 2004

Ms. Meredith Robertson, Project Officer  
Centers for Medicare and Medicaid Services  
Center for Medicaid and State Operations  
Division of State Children's Health Insurance  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850

Dear Ms. Robertson:

Per our telephone conversation on July 29, 2004, enclosed please find the changes you requested to Nevada Check Up's State Plan Amendment (SPA) NC 04-01. Again, this is a SPA to eliminate provisional enrollment from the Nevada Check Up program.

This transmittal includes the specific section (Section 9.9.2), which you requested be modified. You may remove and destroy the prior submission of this section and add this modification in its place.

This SPA amends Nevada Check Up's State Plan NC 04-01, effective September 1, 2004.

If you have questions regarding this SPA, please contact John A. Liveratti, Chief, Compliance, at (775) 684-3606.

Sincerely,

Michael J. Willden, Director  
Department of Human Resources

Enclosures

cc: Charles Duarte, Administrator, DHCFP  
Debra King, ASO IV  
Mary Wherry, Deputy Administrator  
Constance E. Anderson, Chief of Medicaid and Nevada Check Up Services  
John A. Liveratti, Chief, Compliance

**Section 1. General Description and Purpose of the State Child Health Plans and State Child Health Plan Requirements (Section 2101)**

1.1 The state will use funds provided under Title XXI primarily for (check appropriate box (42 CFR457.70):

1.1.1.  Obtaining coverage that meets the requirements for a State Child Health Insurance Plan (Section 2103); OR

1.1.2.  Providing expanded benefits under the State's Medicaid plan (Title XIX); OR

1.1.3.  A combination of both of the above.

1.2.  Please provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))

1.3  Please provide an assurance that the state complies with all applicable civil rights requirements, including the title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42 CFR 457.130)

1.4.1 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):

Effective date: September 1, 2004, Elimination of Provisional Enrollment

Effective date: October 1, 2003; Premium Increase

Effective date: 8/24/02; Section 4.1.3, page 13 effective September 28, 2002

Implementation date: 8/24/02; Section 4.1.3, page 14, 10/1/02

**4.3.1. Describe the state’s policies governing enrollment caps and waiting lists (if any). (Section 2106(b)(7)) (42 CFR 457.305(b))**

Check here if this section does not apply to your state.

**4.4. Describe the procedures which assure:**

**4.4.1. The state explains the procedures used to ensure that children who have other creditable coverage or children who have access to coverage under a State health plan due to a parent’s employment with a public agency do not receive coverage under SCHIP.**

Through the screening procedures used at intake and follow up eligibility determination, including any periodic redetermination, that only targets low-income children, who are ineligible for Medicaid or not covered under a group health plan or health insurance coverage (including access to a state health benefits plan), are furnished child health assistance under the state child health plan. (Section 2102)(b)(3)(A)) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42 CFR 457.350(a)(1)) 457.80(c)(3))

In order to be enrolled in Nevada Check Up, children must have been without creditable insurance for at least six months prior to the date of application. This should provide a major disincentive to families to drop current coverage. The exceptions to the six-month waiting period are for children coming off of Medicaid and for families who lose insurance due to circumstances beyond their control (e.g., employer drops health insurance coverage for dependents). In those cases, Nevada Check Up coverage would not be a substitution for coverage under group health plans and the six-month “waiting period” does not apply.

In order to ensure that those eligible for coverage under a State health plan are not enrolled in Nevada Check Up, completed applications and income documentation are screened to determine the place and nature of employment. Anyone who is identified as working for an organization listed in the Public Employee Benefit Program employer list and/or those who provide a State agency pay stub and are eligible for benefits based on employment status, are denied coverage.

**4.4.2. The Medicaid application and enrollment process is initiated and facilitated for children found through the screening to be potentially eligible for medical assistance under the state Medicaid plan under Title XIX.** (Section 2102(b)(3)(A) and 2110(b)(2)(B)) (42 CFR 457.310(b) (42 CFR, 457.350(a)(1) and 457.80(c)(3))

In order to assure that Medicaid eligible children are enrolled in Medicaid, Nevada takes the following steps:

- 1) The Nevada Check Up application functions as a joint application for both Nevada Check Up and Medicaid. The application contains all of the information necessary to render an eligibility determination for either program. Nevada Check Up screens all initial applications, redeterminations and reevaluations for Medicaid through the use of an electronic screening tool that determines if a child may be eligible for Medicaid.
- 2) The Nevada Check Up application includes a check box asking the applicant to check “yes” or “no” regarding whether they want their Nevada Check Up application to also be considered as a Medicaid application. If the applicant marks “no” and appears to be Medicaid eligible, Nevada Check Up will deny coverage in writing without referring the applicant to the NSWDC for a Medicaid eligibility determination.
- 3) If the applicant marks “yes,” and the child appears to be eligible for Medicaid based on the results of the screening tool, coverage is denied for Nevada Check Up and a referral is made to the Nevada State Welfare Division (NSWD), for an eligibility determination for Medicaid. Accompanying the referral is a copy of pertinent information and the results of the screening tool review. The referrals are sent to the NSWDC daily.
- 4) If Medicaid rejects the application for any reason other than non-cooperation, Nevada Check Up will be notified by NSWDC eligibility staff in order to review for Nevada Check Up eligibility. In addition, a monthly electronic interface file is received that contains all of the children rejected for Medicaid eligibility who may be eligible for Nevada Check Up
- 5) If the Medicaid screening tool indicates that a child does not appear to be eligible for Medicaid, an eligibility determination for Nevada Check Up is completed. If the child is eligible for Nevada Check Up, enrollment is effective on the first day of the next administrative month. If the child is not eligible for Nevada Check Up, coverage is denied in writing.
- 6) Nevada Check Up enrollees are electronically screened daily to ensure that children are not enrolled in both Nevada Check Up and Medicaid.
- 7) Nevada Check Up also monitors referrals to NSWDC to ensure timely Medicaid determinations.

**4.4.3. The State is taking steps to assist in the enrollment in SCHIP of children determined ineligible for Medicaid.** (Section 2102(a)(1) and (2) and 2102(c)(2)) (42 CFR 431.636(b)(4))

A file containing detailed information about children who have been found ineligible for Medicaid is provided electronically to the Nevada Check Up program. This file will provide information on children that meet the eligibility requirements for Nevada Check Up. This information is electronically downloaded into the Nevada Check Up database and these children are enrolled on the first day of the next administrative month following eligibility verification. At the same time the family is notified of eligibility, they are billed for the Nevada Check Up premium, including a date by which premium must be paid.

**4.4.4. The insurance provided under the state child health plan does not substitute for coverage under group health plans. Check the appropriate box.** (Section 2102)(b)(3)(C)) (42 CFR 457.805) (42 CFR 457.810 (a) – (c))

4.4.4.1.  Coverage provided to children in families at or below 200% FPL

Describe the methods of monitoring substitution.

Persons covered by insurance providing hospital and medical services are not eligible for benefits under Nevada Check Up. In order to apply for Nevada Check Up, children generally will have to have been without creditable insurance for at least six months prior to the date of application. The Nevada Check Up application form includes a question regarding other insurance coverage within the last six-month period. The State gathers information on a monthly basis of the number of applicants who were denied because they had other insurance coverage in the last six months. This provides a major disincentive to families to drop current coverage. Eligibility specialists also review the applicants' pay stubs to determine if dependent premiums are being deducted by the employer.

includes an ethnicity question and through self declaration, the family indicates each child's ethnicity. This information is utilized to derive the premium notices. The Nevada Check Up database includes an edit to set the premium amount to zero if an American Indian or Alaska Native child is in the household.

**8.7. Please provide a description of the consequences for an enrollee or applicant who does not pay a charge. (42 CFR 457.570 and 457.505 (c))**

The applications will be processed and those found eligible are enrolled subject to a full enrollment limitation. If the applicant fails to pay the premium fee, the child(ren) are disenrolled after 30 days. American Indians who are members of federally recognized Tribes and Alaska Natives are exempt from paying premiums.

8.7.1 Please provide an assurance that the following disenrollment protections are being applied:

- State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, co-payments, coinsurance, deductibles, or similar fees prior to disenrollment. (42 CFR 457.570 (a))
  - Participating families are always given 30 days written notice of any action that will result in their disenrollment from Nevada Check Up.
- The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-payment of cost-sharing charges. (42 CFR 457.570 (b))
  - Families who receive notices of impending disenrollment are encouraged to respond with documentation that will assist eligibility staff to modify their premium and allow their continued enrollment in Nevada Check Up.
- In the instance mentioned above, that the state will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. (42 CFR 457.570 (b))
  - Nevada Check Up denies enrollment and refers all children to Medicaid who appear to be Medicaid eligible at the time of application. Families who are Medicaid eligible must apply for Medicaid and cooperate with the Medicaid eligibility process. These families are not considered for enrollment in Nevada Check Up until any Medicaid questions have been resolved and/or their circumstances change with the result that they are no longer Medicaid eligible. Cost sharing is always adjusted based on family income.

- ☒ The state provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. (42CFR 457.570 (c))
  - Nevada Check Up letters always include information on how to request a review of any decision that impacts the family's enrollment.

projects in Northern and Southern Nevada, and rural outreach activities targeted at sustaining the CKF goals of outreach, coordination and simplification. Coalition members are recruited from a broad segment of the community and their mission is to promote awareness of children's health care coverage through the SCHIP and Medicaid programs.

Nevada Check Up notifies all applicants and participants of changes to the program in writing. Program modifications relating to enrollment levels, eligibility criteria and/or cost sharing require public hearings. The public hearings are widely advertised as to date, time, location and subject matter.

- 9.9.1. Describe the process used by the state to ensure interaction with Indian Tribes and organizations in the state on the development and implementation of the procedures required in 42 CFR 457.125. (Section 2107(c)) (42 CFR 457.120 (c))

Representatives of Indian tribal organizations and advocacy groups are members of the Statewide Covering Kids Coalition, which conducts meetings and also includes representatives from Medicaid and Nevada Check Up.

Nevada Check Up participates in Native American Advisory Council meetings, as required by state law, to provide information to the council and to receive advice about the effectiveness of certain marketing and training activities. Nevada Check Up has conducted training in application completion, along with the necessary inclusion of required documentation, for Tribal Clinic staff. This training allows the clinics to help their patients complete a Nevada Check Up application and attach the required documents before it is submitted to the state. This training has reduced the number of applications placed in pending status because of missing information.

Nevada Check Up staff attends and participates in quarterly Inter-Tribal Council meetings and other events.

- 9.9.2. For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), please describe how and when prior public notice was provided as required in 457.65 (b) through (d).

Public notice is provided pursuant to NRS 422.2368. Public hearing was provided for the sections related to the premium increase in this State Plan on July 17, 2003. Appropriate publishing and postings were completed and the hearings were conducted so that anyone interested could comment.

For the proposal to eliminate provisional enrollment, public notice was provided pursuant to NRS 422.2368. The public hearing was conducted on July 13, 2004. Appropriate publishing and postings

were completed in timely fashion and the hearings were conducted in a manner that encouraged interested parties to express their opinions.

**9.10 Provide a one year projected budget. Include details on the planned use of funds and sources of the non-Federal share of plan expenditures. (Section 2107(d))**

A suggested financial form for the budget is attached. The budget must describe:

- Planned use of funds, including:
  1. Projected amount to be spent on health services.
  2. Projected amount to be spent on administrative costs, such as: outreach, child health initiatives, an evaluation; and
  3. Assumptions on which the budget is based, including cost per child and expected enrollment.
- Projected sources of non-federal plan expenditures, including any requirements for cost sharing by enrollees.
- In July 2004, Nevada Check Up discontinued the practice of provisional enrollment. Although the actual impact is unknown, it appears to be budget neutral.

The budget for the Nevada Check Up program is included below for Federal Fiscal Years (FFY) 2003 and 2004. The amounts represent the maximum funding that is being committed to the program, even though full enrollment may not be achieved. Actual cost may be significantly lower. The state's share of funding comes through appropriations from the State General Fund.

<b>SCHIP Budget Plan Template</b>	<b>Federal Fiscal Year Costs</b>	
	<b>FFY 2003 Actual</b>	<b>FFY 2004 Estimate</b>
Enhanced FMAP rate	66.67/33.33	68.45/31.55
<b>Benefit Costs</b>		
Insurance payments		
Managed care	23,303,826	21,475,858
per member/per month rate @ # of eligibles	**	**
Fee for Service	9,377,092	7,047,745
<b>Total Benefit Costs</b>	<b>32,680,918</b>	<b>28,523,603</b>
(Offsetting beneficiary cost sharing payments)	-1,033,172	-1,376,055
<b>Net Benefit Costs</b>	<b>31,647,746</b>	<b>27,147,548</b>
<b>Administration Costs</b>		
Personnel	1,009,018	1,081,216
General administration	469,471	308,185
Contractors/Brokers (e.g., enrollment contractors)		
Claims Processing	235,205	214,322
Outreach/marketing costs	84,945	90,432

<b>SCHIP Budget Plan Template</b>	<b>Federal Fiscal Year Costs</b>	
Other		
<b>Total Administration Costs</b>	<b>1,798,639</b>	<b>1,694,155</b>
10% Administrative Cost Ceiling	3,516,416	3,016,394
Federal Share (multiplied by enhanced FMAP rate)	22,298,705	19,742,146
State Share	11,147,680	9,099,557
<b>TOTAL PROGRAM COSTS</b>	<b>33,446,385</b>	<b>28,841,703</b>