



DEPARTMENT OF HEALTH & HUMAN SERVICES  
Health Care Financing Administration

Center for Medicaid and State Operations  
Family and Children's Health Program Group  
7500 Security Boulevard  
Baltimore, MD 21244-1850

APR 28 1998

Mr. Christopher Thompson  
Administrator  
Nevada Department of Human Resources  
Division of Health Care Financing and Policy  
1100E. William Street, Suite 116  
Carson City, Nevada 89701

Dear Mr. Thompson:

Thank you for your proposal, dated March 6, for a State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the efforts that Nevada has made to provide health care coverage to uninsured children. As you are aware, your proposal has been undergoing review by the Department of Health and Human Services. In order to proceed with our review; however, additional information will be required. The enclosure explains more fully the areas that require additional information and clarification. From that listing, our major concerns relate to the following areas:

1. Section 4.4.1, the screening process for determining whether a CHIP applicant is Medicaid eligible. The process described in the State plan does not meet the statutory requirements for Medicaid screening under section 2102(b)(3) of Title XXI. We would like the State to implement a screening process as described in our comments included in the enclosure.
2. Section 4.4.2, the enrollment process. Please describe how the State will ensure that children who are determined to be potentially Medicaid eligible will be enrolled in the Medicaid program (rather than simply referred to the Welfare Division Office.) If, after the child is referred to Welfare Division Office, she/he is found to be ineligible for Medicaid, how will the child be enrolled in Nevada ✓ Check Up?
3. Section 8.2.4, the enrollment fee and quarterly premiums. It appears that some children under 150% of the Federal Poverty Level (FPL) potentially could pay enrollment fees and quarterly premiums in excess of the maximum monthly charge that is permissible. In these cases, describe your procedures to assure that the family is given the option to pay the enrollment fee and quarterly premiums on a monthly basis in payments that do not exceed the monthly maximums as described in section 2103(e) (3).

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Under Section **21060** of the Social Security Act, HCFA must either approve, disapprove, or request additional information on a proposed Title XXI State Plan ~~within~~ ninety days.

**This** letter constitutes our notification that specified additional information is needed in order to fully assess your plan. The 90-day review period has been stopped by this request and ~~will~~ resume as soon as a substantive response to all of the enclosed questions is received. The members of the review team would be happy to answer any questions you may have in regard to this letter and to assist your staff in formulating a response.

Please send your response, either on disk or electronically, as well as in hard copy to Sherrie Fried, project officer for Nevada's Title XXI proposal, ~~with~~ a copy to Richard Chambers, Associate Regional Administrator for the HCFA Region IX Division of Medicaid. Ms. Fried's Internet address is: [Sfried@HCFA.GOV](mailto:Sfried@HCFA.GOV). Her mailing address is:

Division of Integrated Health Systems  
Health Care Financing Administration  
Mail Stop **C3-20-07**  
**7500** Security Boulevard  
Baltimore, Maryland **21244-1850**

We appreciate the efforts of your staff and share your goal of providing health care to low income, uninsured children through Title XXI. If you have questions or concerns regarding the matters raised in this letter, your staff may contact either Ms. Fried at **(410) 786-66619** or Mr. Chambers at **(415) 744-3568**. They will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,

Richard Fenton  
Deputy Director

Enclosure

cc: San Francisco Regional Office

**Questions and Comments on the Nevada ✓ Check Up  
Title XXI State Plan**

**Section 1. General Description and Purpose of the State Child Health Plan**

1. Please describe the **status** of the authorizing legislation for this plan. Senate **Bill 470** authorizes the use of Medicaid account surpluses **only** for children under age **13**. Does the State need additional authorizing legislation for the **13** through **18** age group? Please certify that the State will not seek to draw Title XXI funding until authorizing legislation is enacted and the program is implemented in accordance with the approved plan.
2. Please provide an assurance that the Title XXI State Plan will be conducted in compliance with **all** civil rights requirements. This assurance is necessary for **all** programs involving continuing Federal financial assistance.

**Section 3. General Contents of State Child Health Plan**

**Section 3.1**

3. Please clarify if dental care is carved in or out of Managed Care Organizations (MCOs)? On pages **9-10**, dental care is not mentioned as part of the discussion of provider networks, yet the Nevada ✓ Check Up information sheet for the patient says that dental is part of MCO's package of benefits.

**Section 4. Eligibility Standards and Methodology**

**Section 4.3**

4. Nevada ✓ Check Up proposes to obtain the Social Security number (SSN) of the parents of the applicant. We understand that **our** model application does include these questions, and we plan to revise the form to request the SSN if it is available. However, the SSN cannot be required for the applicant or family member as **a** condition of eligibility. This is based on the Privacy Act which states that disclosure of the SSN can **only** be required when its disclosure is required under Federal law. Please clarify whether this SSN is required or optional.

**Section 4.4.1**

5. The process described in section **4.4.1** of the State plan does not meet the statutory requirements for Medicaid screening under section **2102(b)(3)**. These

requirements mandate a screening process that identifies, at a minimum, **all** children who are potentially eligible for Medicaid under the State plan as poverty-level children. In States which have not accelerated the phase-in of the poverty level children's group to cover children up to 19, the process must also identify, for children at ages not covered under the State's poverty-level group, **all** children potentially eligible under the optional categorically needy eligibility group described at 42 CFR 435.222, Individuals Under Age 21 **Who Meet the AFDC Income and Resource Requirements**. While the State may initially use a gross income screen which compares total family income against the applicable Medicaid standard, it must have a second income determination screen for those children whose incomes are higher than the gross test to further assess the child's eligibility for Medicaid. The initial gross income screen would eliminate from the eligibility process, children whose gross family income was low enough that Medicaid eligibility would be almost certain. A second screen, in which a full income determination was made, would detect children whose gross family incomes exceeded the initial screening standard but who were nevertheless Medicaid-eligible when applicable income disregards were applied. Absent this second step, the State would not be meeting its responsibility to ensure that children eligible for Medicaid are enrolled for such assistance as required by section 2102(b)(3).

#### Section 4.4.2

6. Please describe how the State **will** ensure that children who are determined to be potentially Medicaid eligible will be enrolled in the Medicaid program (rather than simply referred to the Welfare Division Office.) Also, if after the child is referred to Welfare Division Office, she/he is found to be ineligible for Medicaid, how will the child be enrolled in Nevada ✓ Check Up?

#### Section 4.4.4

7. Tribal outreach is dependent on Head Start which would not completely capture potential CHIP enrollees. In fact, eligibility for Head **Start** is more comparable to Medicaid. Are there other efforts to ensure tribal participation in **CHIP**? How will the State assure access to services for targeted low income children who are Native Americans?

### Section 5. Outreach and Coordination

#### Section 5.2

8. Describe how Nevada ✓ Up **will** ensure coordination with the services provided by other health, social service and education programs, (e.g. Baby Your Baby, FQHCs, Head **Start**, Special Children's Clinics, WIC and Title V programs) as required by Section 2102(c)(2).

Section 7. Quality and Appropriateness of Care

Section 7.2

9. How will the State assure quality and access in fee-for-service areas?

Section 8. Cost Sharing and Payment

Section 8.2.4

10. In the table of income and enrollment fee/premiums, please add a column illustrating the percentage of Federal Poverty Level (FPL) under which the income category falls. **This** information is needed to determine whether cost sharing at and below 150% of the FPL meets the requirements of section 1916(b)(1). It appears that some children under 150% of the FPL potentially could pay enrollment fees and quarterly premiums in excess of the **maximum** monthly charge that is permissible under section 2103(e)(3). In these cases, please be aware that the family must be given the option to pay the enrollment fee and quarterly premiums on a monthly basis in payments that do not exceed the monthly maximums.

Section 8.4.2

11. Does the State intend to charge copayments for families above 150% if the visit is **only** for dental preventive and diagnostic services? Under section 2103(e)(3) no cost sharing may be imposed for these services, regardless of income, because such services are considered to be well-baby or well-child care.

Section 9. Strategic Objectives and Performance Goals for the Plan Administration

Section 9.10

12. Please describe the **start up** and ongoing administration costs. Do these figures include outreach?

13. According to the State Plan, the expenditures defined under Sec. 2105(a)(2) of Title XXI (**administrative** and outreach expenditures) claimed for federal match are within the 10% cap. However, as stated in HCFA's State Medicaid Director letter dated December 8, 1997, the correct methodology to determine the 10% administrative cost cap is as follows:  
Total expenditures ~~or~~ health benefits coverage ("insurance payment") divided by 9 = 10% administrative cost limit. According to **this** calculation, Nevada's 10% cap limit for administrative and outreach costs would be **\$875,000** in FFY 1998. Please assure that the State will not exceed the 10% in any given year.

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14. Please describe the underlying assumptions for the budget. How was the **\$1,050** per child per year estimate derived? Premiums and enrollment fees are estimated at **\$18** per child for **FY98** and **\$63** per child in **FY99**. Please provide the assumptions upon which the projections are based. For example, what percent of the caseload is estimated to be 100 to **150** FPL?
15. The State has indicated that they are using premiums and enrollment fees as part of the State revenues. Please be aware that these can not be matched by Federal funds.
16. Please describe the source(s) of the "intergovernmental transfer account" and provide an explanation of the flow of funds with respect to this account.
17. Is the dedicated account that is supporting the State's share of **CHIP** expenditures in **1998** expected to cover **1999** as well?