



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

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

JUN 2 1998

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

Dear Mr. Thompson:

Thank you for your May 12 response regarding your State Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act. As you are aware, your response has been undergoing review by the Department of Health and Human Services. We have also received a letter to Secretary Shalala specifically related to the Medicaid Screening and Enrollment requirement under the law, and we will respond to that letter directly.

Although we are still reviewing the letter to the Secretary, we believe your response does not meet the statutory requirements for Medicaid Screening and Enrollment under section 2102(b)(3) of Title XXI. We have had several productive conversations with you, and we would like to continue working with you on this issue. We have scheduled a conference call on Wednesday, June 3, to further discuss this issue.

We would still like you to implement a screening and enrollment process as described in our letter of April 28. We are aware that Nevada has an assets test under the Medicaid program. However, we will need information regarding how you plan to assure that children determined eligible for Title XXI are not eligible for Title XIX due to differences in evaluating income. In addition, in section 4.4.2., your response discusses how SSI children who are determined to be Medicaid eligible will be enrolled in the Medicaid program. We need additional information on how all children who are determined to be Medicaid eligible will be enrolled in the Medicaid program as required under 2102(b)(3)(B). These issues are critical to plan approval under the statute and, therefore, if we cannot reach agreement we will be forced to disapprove the plan as submitted.

In addition, in order to proceed with our review, further clarification is necessary in the following area:

Section 9.10 -- Your response indicates that the source of funds for the intergovernmental transfer account is payments made by counties and local hospital districts which are used for health care programs at the state level. Please provide a detailed explanation of how these payments made by counties and hospital districts are generated. Are payments based on assessment? In addition, please include a list of the actual entities making these payments.

As you know, under Section 2106(c) 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 constitutes our notification that specified additional information is needed in order to fully assess the concerns raised in this letter. The 90-day review period has been stopped by this request and will resume as soon as the State's response to these 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 the Nevada Title XXI proposal, with a copy to HCFA Region IX. Ms. Fried's Internet address is: SFried@HCFA.GOV. Her mailing address is:

Health Care Financing Administration
Division of Integrated Health Systems
Mail Stop C3-18-26
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) 786-6619 or Richard Chambers, Associate Regional Administrator for the HCFA Region IX Division of Medicaid at (415) 744-3568. They will provide or arrange for any technical assistance you may require in preparing your response.

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Your cooperation is greatly appreciated. We look forward to continuing to work with you to provide health care coverage to uninsured, low-income children in Nevada.

Sincerely,

Richard Fenton
Deputy Director

cc: **San** Francisco Regional Office