



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

June 19, 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 June 17 response regarding your State Children's Health Insurance Program (CHIP) under Title XXI. We appreciate your efforts to work with us on some of the difficult policy decisions that must be made as we implement Title XXI. We believe that your efforts to revise your plan to include appropriate screening for assets and income disregards, and to streamline the Medicaid application process will greatly improve the State's ability to ensure that those children potentially eligible for Medicaid are actually enrolled in Medicaid.

You have indicated that the steps you have taken to improve the Medicaid application process will minimize the number of potentially Medicaid eligible children who refuse or fail to complete the Medicaid application form. We encourage you to continue your efforts to streamline access to Medicaid in order to facilitate the application process for these families.

We continue to believe, however, that your state plan, even as clarified by **your** response, does not meet the statutory requirements. Specifically, section 2102(b)(3)(A) of the Social Security Act requires your state plan to contain procedures to ensure that only targeted low-income children receive services under your CHIP program. Section 2110(b)(1)(C) excludes **from** the definition of "targeted low-income child" children who are eligible for Medicaid. In addition, section 2102(b)(3)(B) requires the State plan to contain procedures to ensure that children found to be eligible for Medicaid through the CHIP screening process are enrolled in the Medicaid program. The intent of these provisions is to prevent the substitution of Title XXI funds for regular Medicaid funds, and this is a key issue to many in the Congress.

Therefore, your State plan must contain procedures which ensure that children identified through the screening process as potentially eligible for Medicaid will not be enrolled in CHIP unless a full determination shows that the child is not eligible for Medicaid. As currently drafted, it does not meet this requirement. This issue is critical to plan approval and therefore, we ask for your written confirmation incorporating the needed procedures. I must reiterate that if we cannot reach agreement on this issue, 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 -- Please describe the assessment(s) imposed by each of the hospital districts. Please include in this description the rate of the assessment and the base of the assessment. If available, please provide the documents which enact the assessment(s). Also, it appears **from** your response that there is only one hospital in each hospital district subject to the assessment(s). Please include a list of all hospitals within each hospital district (i.e., those hospitals ~~with~~in each district that are not subject to the tax).

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.

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