

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

March 18, 1998

Michael Starkowski
Deputy Commissioner
Connecticut Department of Social Services
25 Sigourney Street
Hartford, Connecticut 06106-5033

Dear Mr. Starkowski:

Thank you for your proposal dated January 15, 1998 for the HUSKY Program, a State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the ambitious plan Connecticut has developed to provide health care coverage to uninsured children. Your proposal has been undergoing review by the Department of Health and Human Services. 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, regarding the screening process used by the State for determining whether a CHIP applicant is Medicaid eligible. We also need clarification on whether the Single Point of Entry Service (SPES) contractor will be making presumptive eligibility determinations and enrolling children into Medicaid before a final eligibility decision is determined by the Department of Social Services.
2. Section 4.4.3, regarding assurances that the state insurance provided under CHIP does not substitute for coverage under group health plans. We would like further clarification of the measures you are taking to avoid crowd-out.
3. Section 9.10, regarding the budget for this program. We would like additional clarification as well as a complete budget for three years for total spending including both State and Federal shares, and administrative costs within the 10 percent limit.

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 90 days. This letter constitutes our notification that specified additional information is needed 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.

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Please submit your response, either on disk or electronically, as well as in hard copy to Estelle Chisholm, project office for Connecticut's Title XXI proposal, with a copy to Ronald P. Preston, Associate Administrator for the HCFA Region I Division of Medicaid and State Operations. Ms. Chisholm's internet address is: EChisholm@HCFA.GOV. Her mailing address is:

Division of Integrated Health Systems
Health Care Financing Administration

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 your letter, your staff may contact either Ms. Chisholm at (410) 786-3286 or Maureen Farley, HCFA Region I, Division of Medicaid and State Operations at (617)565-1248. They will provide or arrange for any technical assistance that you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,

/s/

Richard Fenton
Deputy Director
Family and Children's Health Programs Group
Center for Medicaid and State Operations

Enclosure

cc: Boston Regional Office

**CONNECTICUT STATE CHILD HEALTH PLAN
“THE HUSKY PLAN”**

SECTION 3. General Contents of State Child Health Plan (Section 2102(a)(4))

3.1

How was the Yale Child Study Center chosen for coordination of the HUSKY PLUS Behavioral Health Needs? Was a competitive RFP process used? Please describe the process used for awarding this contract.

Please clarify how the care will be coordinated for children covered under HUSKY Part B, HUSKY Plus for intensive behavioral health services and/or intensive physical health services?

SECTION 4. Eligibility Standards and Methodology (Section 2102(b))

4.3

We understand that you extended your current enrollment broker contract for one year to serve as the single point of entry service (SPES). What are the requirements of the contract amendment for the SPES, i.e., geographic locations across State; linguistic capability, training for ethnic/racial and cultural characteristics of potential clients? Will the State use “out-stationed” eligibility workers, access to local community organizations, etc? What are the State’s plans to provide SPES services beyond this one-year period?

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.

4.4.1

How does the State’s Medicaid screening meet the minimum screening guidelines described in the outreach letter to State Medicaid Directors of January 23, 1998? Section 4.3, first paragraph, indicates that “Income will be calculated in the same manner as for poverty level children under Medicaid with the income disregards provided in section 15 of Public Act 97.1...” Public Act 97.1 only references income disregards for incomes between 235 and 300% of the FPL. Please verify that a test will be used to see who is eligible for Medicaid when income disregards are applied for poverty-level related groups.

Please provide more details on the State's efforts to ensure that only eligible targeted children are covered.

Please describe how the State will ensure that children who are determined to be Medicaid eligible will be enrolled in the Medicaid program (rather than simply referred to the Department of Social Services) and the timing involved in this process. If, after the child is referred to the Department of Social Services, she/he is found to be ineligible for Medicaid, how will the child be enrolled in HUSKY? How much time is involved in this entire process?

Please clarify how the State's presumptive eligibility process will work and who will be enrolling children in Medicaid under a presumptive eligibility determination. The first paragraph on page 8 indicates that "The SPES will be responsible for making a preliminary determination of eligibility under Part A ...and enrolling eligible children under Part A and B into an MCP." Please be aware that a private contractor (such as the SPES) is not allowed to enroll children into Medicaid under a presumptive eligibility determination.

4.4.3

How will the SPES determine if an applicant or employer terminated dependent coverage due to the availability of the HUSKY Plan? Do the crowd-out strategies discussed in this section apply only to Part B? The State should include a detailed description of its strategy to reduce the potential for substitution for: 1) HUSKY Part A if older children under Medicaid are covered as optional targeted low-income children; and 2) HUSKY Part B. (See letter to State Health Officials dated February 13, 1998.)

SECTION 5. Outreach and Coordination (2102(c))

5.1

Please describe in greater detail the State's outreach and education efforts, as well as coordination efforts, with the State's Native American tribes.

SECTION 7. Quality and Appropriateness of Care

7.1

Which agency is responsible for monitoring the quality of MCPs?

7.2

In section 7.2, the State indicates that enrollment will be suspended if a plan's network capacity is exceeded. Please describe how the state will assure 1) that individuals will continue to have the freedom to choose plans (under HUSKY Part A) if such a capacity problem arises; and 2) that, overall, there will be sufficient capacity to serve both the Title XXI and additional Medicaid populations, which the state is estimating to be more than 80,000 children.

SECTION 8. Cost Sharing and Payment (Section 2103(e))

8.2

Please clarify how care delivered under both HUSKY Part B and HUSKY Plus will affect cost sharing limits and describe how the copays will be monitored and tracked.

8.4

Section 8.4.2 indicates that no cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. Section 5(a)(1) on page 6 of the House Bill 8601 indicates that there will be no copayments for preventive care and services. However, Appendix 6.1, page 2, Preventive Care section indicates that “Periodic and well-child visits, immunizations, WIC evaluations, and prenatal care are covered in full with \$5 copay on other visits.” Please clarify what “other visits” are subject to the \$5 copay and that no copays will be assessed for preventive care for well-baby care, well-child care and age-appropriate immunizations.

Appendix 6.1, page 4, Emergency Care section indicates that emergency care is covered “100% if determined to be an emergency in accordance with state law. \$25 copay waived if the patient is admitted.” Please verify that the \$25 copay for emergency room visits will be waived if the visit constitutes an emergency, in accordance with state law, regardless if it is treated through an inpatient or an outpatient visit. Please recognize that \$10 is the maximum copayment for inappropriate use of emergency room that can be charged for individuals where income is below 150 percent of FPL.

8.5

Annual aggregate cost-sharing for families cannot exceed five percent of a family’s annual income. The State needs to provide assurances and describe how it will monitor the diligence of the MCPs efforts to track cost sharing and assure that cost sharing charges will not exceed the five percent maximum?

Please describe the circumstances under which private organizations may subsidize premium payments and how will the State monitor this process.

SECTION 9. Strategic Objectives and Performance Goals for the Plan Administration (Section 2107)

9.3

What process will the State use to consistently measure the percentage of uninsured children in the future? To assess the "reduction in the percentage of uninsured children" (section 9.3.2), which baseline will be used--10.6%, 5.7%, or something else?

9.10

The budget submitted appears to account for State funds only. What are the estimates of total spending including the federal share? Please include a complete budget (State and Federal) for the first three years of the program.

The budget reflects total computable amounts at the enhanced FMAP with anticipated administrative charges which exceed the 10% limit as set forth in the December 8, 1997 All-State Financial Letter. We are concerned that the State may have miscalculated the amount or erroneously included certain expenditures in excess of the 10% limit which are ineligible for Federal reimbursement. This situation would occur regardless of whether outreach functions 3420 and 3430 are included as programmatic expenses or administrative charges. Please revise the budget to reflect administrative costs within the 10% statutory limit.

EXAMPLE: (For illustrative purpose the Outreach costs have been reclassified)

Program:	Part A \$ 9,280,463	Part B 6,160,840
	Subtotal \$15,441,303	
Administration:	Part A \$1,036,396	Part B 1,804,876
		Subtotal \$2,842,272
	Grand Total \$18,282,575	

10% Limit: $\$15,441,303/9 = \$1,715,700$
Excess Administration: $\$2,842,272 - \$1,715,700 = \$ 1,125,572$
 $\$ 731,622$ FFP (@ 65% EFMAP)

Please describe how the State can identify the clients with family incomes over 300% FPL who will buy-into the HUSKY coverage. This data must be extracted from the claims for FFP and enhanced match under Title XXI.