



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

July 2, 1998

Marlene Kelly, M.D.
Acting Director
District of Columbia Department of Health
800 Ninth Street, SW
Washington, D.C. 20024

Dear Dr. Kelly:

Thank you for your proposal, dated May 11, 1998, for a State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the efforts that Washington, D.C. 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 2.1, substitution of coverage. Section 2102(b)(3)(C) requires that a CHIP plan have a procedure to ensure that the program does not substitute for coverage under group health plans. The District states that it expects 1,729 (or 40%) of the 4,333 children with private insurance coverage to drop their private insurance coverage to enroll in CHIP. How will the District identify those children who drop private health insurance to enroll in CHIP? If the District determines that substitution of coverage is occurring, at what point will the District take steps to discourage this substitution, and what strategy will the District adopt to do so?
2. Section 5.1, the outreach plan. Although the District's plan provides guiding principles for an outreach strategy, the plan must include a description of the procedures that will be used to identify and enroll children that are newly eligible. Please provide the specific outreach plan that the District will implement as required by Section 2102(c)(1), including additional activities designed to reach targeted low-income children and Medicaid eligible children.

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 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 Diona Kristian, project officer for Washington, D.C.'s Title XXI proposal, with a copy to Claudette V. Campbell, Associate Regional Administrator for the HCFA Region III Division of Medicaid and State Operations. Ms. Kristian's Internet address is: DKristian@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 this letter, your staff may contact either Ms. Kristian at (410) 786-3283 or Ms. Campbell at (215) 861-4263. 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
Family and Children's Health Programs Group
Center for Medicaid and State Operations

Enclosure

cc: Philadelphia Regional Office

**Questions and Comments on Washington D.C.'s Child Health Insurance Program
Title XXI State Plan**

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

1. 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 2. General Background and Description of State Approach to Child Health Coverage

Section 2.1

2. The District states that it expects 1,729 (or 40%) of the 4,333 children with private insurance coverage to drop their private insurance coverage and enroll in CHIP. However, no "crowd-out" strategy is included in the District's CHIP plan submittal. What steps will the District take to prevent substitution? How will the District identify those children who drop private health insurance to enroll in CHIP? How will the District verify that a child has no other health insurance coverage?
3. Please describe the interaction between Healthy DC Kids and the two private initiatives, Kids Care and Kaiser Kids. Both of these private initiatives prohibit children from participating if they have access to other insurance. Will the children in these programs lose their eligibility if they are eligible for Healthy DC Kids?
4. The District has a Section 1115 waiver program for disabled children covered by SSI. It is anticipated that some disabled children will be enrolled in CHIP, since the income threshold for SSI is relatively low, Will CHIP children with special health care needs, whose family income exceeds the SSI income levels, have an option to choose between the Section 1115 waiver delivery system and the Section 1915(b) waiver delivery system?

Section 5. Outreach and Coordination

Section 5.1

5. The District's plan provides guiding principles upon which the outreach strategy will be developed and states that the District will hire an outreach coordinator to assist in the development of its outreach strategy. Please provide the specific outreach plan that the District will implement as required by Section 2102(c)(1), including additional activities designed to reach targeted low-income children and Medicaid eligible children.
6. The plan states that "The District is currently developing an enrollment process for CHIP and income-based Medicaid applicants..." and that the District is considering certain activities. Please provide the specific activities that the District will use to determine eligibility for both CHIP and Medicaid applicants and to enroll eligible children into the appropriate program in

order to meet the District's aggressive enrollment projections. Please clarify the process the District will use to educate enrollees on how to access services, particularly for the period between establishment of eligibility and enrollment in an MCO.

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

Section 9.1

7. Please clarify Strategic Objective 4, "Those newly enrolled in CHIP and regular Medicaid (income based) will express satisfaction with the new enrollment process." Does the District have a specific target that it wants to reach? How will the District measure whether it has been successful in achieving this objective?

Section 9.2

8. The Performance Goal for Strategic Objective 5 states the District will work through its managed care enrollment broker to obtain satisfaction information from enrollees. Please explain the role of the enrollment broker and describe the coordination between the managed care enrollment broker and the outreach coordinator.

Section 9.3

9. Please clarify how data used in reports developed by the Medical Assistance Administration (MAA) are "readily verifiable through the contracted Managed Care Organizations and may be independently verified through the MCOs," other than through the use of an EQRO. Is the employment of an EQRO an additional step in the verification process?
10. Please clarify how "performance measures that do not lend themselves to numeric summation" can be "tabulated." Similarly, this section notes that tabulations and data will be maintained on file by the MAA for independent verification. Does this apply to the desk-auditing of enrollment forms to be done by the MAA to assess satisfaction? To which performance measures does this situation apply?

Section 9.10

11. The enrollment projections for FY 1999 assume that 92% of all potential CHIP enrollees will be enrolled in CHIP for all 12 months of FY 1999. The District projects that it will be operational for 2 months in FY 1998, in which 5% of all potential CHIP enrollees will be enrolled. Please clarify how the District will meet its FY 1999 enrollment projection.
12. Please provide additional detail on the budget. It appears from Attachment A, Table 4, that the per member per month cost includes a 3.41 percent allowance for program administrative costs. Is this allowance for administrative costs that are included in the capitation payment to managed care organizations or administrative costs associated with the District's administration of the program?
13. Please provide more detail on the planned use of administrative funds. How much does the State expect to spend on outreach costs and other program-related administration costs?