



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

JN - 2 1998

Mary Dalton
Children's Health Insurance Plan Coordinator
State of Montana
Department of Public Health and Human Services
Cogswell Building
1400 Broadway
Helena, Montana 59620-2951

Dear Ms. Dalton:

Mary

Thank you for your proposal, dated April 10, 1998, for a State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the efforts that Montana 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 4.3, the screening process for determining whether a CHIP applicant is Medicaid eligible. The process described in the State plan may not meet the statutory requirements for Medicaid screening under Section 2102(b)(3) of Title XXI. We would like the State to provide additional information on the eligibility screening process in order to determine that the screening will adequately identify all children who are potentially eligible for Medicaid.
2. Section 4.3, the assistance in completing the Medicaid application by the enrollment broker. The enrollment broker's activities in assisting families to complete Medicaid applications may conflict with the Medicaid requirements that only State workers can assist the family in completing the application, except where authorized as part of Medicaid's outstationing requirements under 42 CFR 435.94. (Although an eligibility broker is not permitted to assist a family in completing a Medicaid application, the State is obligated to ensure that a child who is found to be eligible for Medicaid through the screening process is enrolled in Medicaid.) Please describe the specific activities of the eligibility broker with regard to assisting families during the Medicaid application process.

3. Section 8.2, the enrollment fee and copayments. It appears that families will pay enrollment fees in excess of the maximum monthly charge that is permissible under Section 2103(e)(3). Please describe your procedures to assure that the family is given the option to pay the enrollment fee on a monthly basis in payments that do not exceed the monthly maximums as described in Section 2103(e)(3). In addition, please clarify that the \$3.00 copay is per emergency room visit (as required by Section 1916(b)(1) and 2103(e)(3) of the Social Security Act), rather than \$3.00 per emergency room service.

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 Montana's Title XXI proposal, with a copy to Spencer Ericson, Associate Regional Administrator for the HCFA Region XIII 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 Mr. Ericson at (303) 844-2121. 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: Denver Regional Office

**Questions and Comments on Montana’s Child Health Insurance Program
Title XXI State Plan**

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

1. The state has not made clear in **all** aspects of its application what will occur in phase one and what will occur in phase two. Please provide further information on the two phases, particularly relating to the outreach strategies in Section 5. It is our understanding that we are approving only Phase 1. Please confirm our understanding and provide clarification of the two phases.
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 2. General Background and Description of State Approach to Child Health Coverage

Section 2.1

3. Please provide more detailed data as required by Section 2102(a)(1) including income **and** other relevant factors such as age, race and ethnicity and geographic location.
4. Please provide further information on how the BRFSS will yield the needed information on insurance status. To what extent does Montana plan to revise the BRFSS so that it covers children without telephone coverage? When does the State anticipate the data for baseline be available?
5. Please distinguish between the eligibility requirements for the Caring Program and the eligibility requirements for CHIP.

Section 4. Eligibility Standards and Methodology

Section 4.1.8

6. Montana’s proposal indicates that a child will be enrolled for one year, unless the child “**moves** from the state, is enrolled in Medicaid, is found to have other creditable coverage, or becomes financially ineligible”. Section 4.3 states that children “will be guaranteed eligibility for twelve months.” As these two statements seem inconsistent, please **clarify** how changes in income or access to other coverage will affect eligibility. If the State chooses to find children ineligible based on changes during the continuous eligibility period, how will the State require these changes to be reported?

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Section 4.1.9

7. The plan should address eligibility of children who are inmates of public institutions or patients in institutions for mental disease.

Section 4.3

8. 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). Please provide additional information on your eligibility screening process in order to determine that the screening will adequately identify all children who are potentially eligible for Medicaid.
9. As required by Section 2102(b)(3)(B), the State must ensure that children who are found eligible for Medicaid through the screening process are enrolled in the Medicaid program. The plan states in Section 4.4.1 that a family who is potentially eligible for Medicaid **will** be offered assistance in completing the application and given a telephone number to call with further questions. Conversely, Section 4.4.2 states that the family **will** be assisted in completing the application and then the application will be forwarded to the appropriate County Public Assistance Office. Please clarify the steps that the State **will** take to assist a family in enrolling in the Medicaid program once the family has been identified as potentially eligible for Medicaid.
10. Please describe the specific activities of the eligibility broker with regard to assisting families during the Medicaid application process. We are concerned that these activities may conflict with the Medicaid requirements that, except where authorized as part of Medicaid's outstationing requirements under 42 CFR 435.904, **only** State workers can assist the family in completing the application. Additionally, please clarify who will perform the eligibility broker function; and if the brokers include health plans, how will the State avoid a conflict of interest?

Section 5. Outreach and Coordination

Section 5.1

11. The plan indicates that mailings will be sent to families who have left TANF, but does not

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include families currently on the program. This outreach mechanism may be useful in reaching both Medicaid and CHIP eligible children. Is it the intent of the State to not mail outreach material to families currently on TANF?

Section 7. Quality and Appropriateness of Care

Section 7.1

12. Please provide further information on how the State plans on assuring quality in fee-for-service areas. How will the State monitor quality beyond complaints to the Commissioner of Insurance?

Section 8. Cost Sharing and Payment

Section 8.2

13. It appears that families will pay enrollment fees 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 fees on a monthly basis in payments that do not exceed the monthly maximums outlined in 42 CFR 447.52. Please revise your plan to comply with 2103(e)(3).
14. Please **clarify** that the \$3.00 copay is per emergency room visit, rather than \$3.00 per emergency room service (i.e., an enrollee could receive several services per visit). Section 1916(b)(1) and 2103(e)(3) prohibits copays per service for families below 150% of FPL.
15. For children who are not going to be enrolled for the entire benefit year, what mechanism will the State use to ensure that the family will only pay for the portion of the year that the child is enrolled?

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

Section 9.2

16. Please indicate how **CHIP will** track coordination with Title V and the Mental Health Access programs. What will be the actual performance standard for such coordination?

Section 9.10

17. Please confirm our understanding that the primary source of the non-Federal share of title XXI expenditures will be derived through State general fund appropriation. Also, Section 1 of your plan mentions that private donations will be used to help fund the plan. Please provide information on the sources of these donations. This information is required to assure that the donations meet the specifications of Section 1903(w) of the Social Security Act.

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enable the State to use these funds for CHIP. Please include a description of the settlement arrangement between the insurance company and the Insurance Commissioner's Office.

19. Under Section 2105(c)(2)(A), enhanced federal match for administrative costs is only available for up to **10%** of total program expenditures. The State appears to be spending above the **10%** limit on administration in FY **1998**. Please recalculate costs or provide an assurance that the State will only claim federal match for up to 10% of program costs.