



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, Maryland 21244-1850

MAY 21 1998

Rod L. Betit
Executive Director
Utah Department of Health
Martha Hughes Cannon Building
288 North 1460 West
Salt Lake City, Utah 84114

Dear Mr. Betit:

Thank you for your proposal, dated April 1, 1998, for a State Children's Health Insurance Program under Title XXI of the Social Security Act. We are impressed with the efforts that Utah 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 6.1.2, the actuarial analysis. The actuarial report does not provide sufficient information to determine if the plan's benefit package meets the legislative requirements related to **75** percent of the benchmark for prescriptions, mental health, vision and hearing. Please provide actuarial certification that these legislative requirements as stated in Section 2103(a)(2)(C) are met. In addition, please provide a description of the benchmark plan, Public Employees Health Plan.
2. Section 8.2.3, the copayments and coinsurance. The copayments for children at or below **150%** of the Federal Poverty Level (FPL) do not comply with Section 2103(d)(3)(ii) and federal guidelines for copayments as outlined in HCFA's State Health Official letter dated February 13, 1998. In addition, further information is needed on the State's mechanism to ensure that families do not make payments beyond their 5% 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 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.

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In order to assist Utah in developing its policy on Vaccines for Children, as referenced in Section 1 of the plan, we have included the recently released letter to State Health Officials which addresses this issue. In addition, HCFA is continuing to review the State's request for waiver of the broad based requirements for compliance with Section 1903(w). We anticipate the review will be completed in the near future.

Please send your response, either on disk or electronically, as well as in hard copy to Diona Kristian, project officer for Utah'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 Utah'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 2.2.2

2. Please describe in more detail the eligibility requirements for the Caring program. Will a child currently enrolled in the Caring program be eligible for CHIP?

Section 3. General Comments of State Child Health Plan

Section 3.1

3. The State refers to "10% set aside funds" in this section and Section 4.4.4. How is the State planning to use these administrative funds (10% of federal and state funds) for nontraditional services to Indian children? Please include a description of these nontraditional service and the mechanism for service delivery.
4. The plan provides that health maintenance organizations (HMOs) contracting for CHIP service delivery will use professional interpreters where technical, medical, or treatment information is discussed or "where use of a family member or friend as interpreter is inappropriate..." Page six of the Office of Civil Rights' Guidance Memorandum Title VI Prohibition Against National Origin Discrimination - Persons with Limited English Proficiency states that family or friends may only be used after a client has been informed that professional staff are available at no cost. The process herein does not meet this requirement. Please describe how the State will assure enrollees have access to translation services.

Section 4. Eligibility Standards and Methodology

Section 4.1.5

5. In addition to the public laws listed in the plan, the State must include Public Law 104-208 (501), (551), (552), and (553) which amended Public Law 104-193 in order to include all federally mandated immigrants. However, we suggest that the plan be revised to state that Utah will follow federal guidelines in determining whether a child is a United States citizen or a qualified alien. In this way, future legislative changes will be automatically included rather than having to amend this plan.

Section 4.1.7

6. The Plan states, "If a parent **has** access to health insurance at a premium equal to, or less, than the **CHIP** premium, the child is ineligible for **CHIP**." This statement is **inconsistent** with the statement in Section 4.4.1 which states "Any child who is found to have **insurance** coverage available...will be determined ineligible for **CHIP**". Please clarify this policy.

Section 4.4

7. According to Section 2110(b)(2)(B), the State may not provide **CHIP** coverage to a child of an employee of a public agency who has access to coverage under a State **health** benefit plan. Utah's State Plan Attachment D, **HB137**, Section 16, states, "All employees of the state, its educational institutions, and political subdivisions are eligible to participate in this program..." Please clarify that the plan will comply with Title XXI.

Section 5. Outreach and Coordination

Section 5.1

8. Given that most of the outreach initiatives are broad-based, rather than targeted, the State may have difficulty determining which, if any, areas are not being adequately served, for example in tribal and rural areas. Please explain how the State will determine the effectiveness of its outreach activities.

Section 6. Coverage Requirements for Children's Health Insurance

Section 6.1.2

9. The actuarial report does not provide sufficient information to determine if the plan's benefit package meets the legislative requirements related to **75** percent of the benchmark for prescriptions, mental health, vision and hearing. Please provide actuarial certification that these legislative requirements as stated in Section 2103(a)(2)(C) are met . In addition, please provide a description of the benchmark plan, Public Employees Health Plan.

Section 8. Cost Sharing and Payment

Section 8.2.3

10. The State is inconsistent in defining the income groups for cost-sharing. Section 6 refers to enrollees between 100% and 150% of **FPL** and between 151% and 200% **of FPL**. Section 8 and Attachment B refer to enrollees above 100% of FPL and above 150% of FPL.

Attachment C references enrollees between 100% and 149% of FPL and between 150% and 200% of FPL. Please clarify the FPL percentages that are included in each cost-sharing group.

11. The copayments for children at or below 150% of the Federal Poverty Level (FPL) listed below exceed federal requirements for copayments:

- The State provides for a \$5 copayment for enrollees at or below 150 percent of the federal poverty level (**FPL**) for outpatient office visits. In fee-for-services areas, the copayment must be limited to an amount considered to be nominal. A nominal copayment of \$5 would apply to services over **\$80**. In managed care areas, the \$5 copay is an acceptable amount.
- The State provides for a \$10 copayment for emergency room services for enrollees at or below 150 percent of **FPL**. A State may charge only a nominal copayment for an emergent visit to an emergency room. A State may charge twice the nominal amount for a non-emergent visit to an emergency room.

Please revise your plan to comply with Section 2103(d)(3)(ii) and federal guidelines for copayments as outlined in HCFA's State Health Official letter dated February 13, 1998.

12. Please **clarify** coinsurance for dental services. The coinsurance information in Section 6.2.17 conflicts with this section and Attachment C. The State may not apply coinsurance to preventive and diagnostic dental services.

Section 8.5

13. The State should have a mechanism in place to ensure that once a family reaches their **5%** limit that the family may cease paying further copayments and coinsurance. Please provide a further explanation of how families will be informed of the limits of their financial liability.

How will the State ensure that families do not make payments beyond their out-of-pocket maximum?

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

Section 9.3

14. Utah plans to use the HEDIS Measurement Set relevant to children and adolescents to evaluate performance measures for managed care organizations providing care for **CHIP** children. For those rural children who will receive health care under a fee for service plan, how will performance be measured to ensure a high quality of care for Utah **CHIP** children enrolled in fee for service plans?