



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

May 12, 2000

Mr. Karl B. Kurtz
Director
Department of Health and Welfare
450 W. State Street, 10th Floor
P.O. Box 83720
Boise, Idaho 83720-0036

Dear Mr Kurtz:

This is in response to your March 10 letter requesting to amend your State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act (the Act). You are requesting to modify your existing program in order to increase coordination of efforts across umbrella agencies, reduce paperwork for potential enrollees, and improve the media and grassroots outreach approaches. We appreciate the efforts Idaho is making to provide health care coverage to uninsured children. As you are aware, your proposed amendment 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:

Section 2107 (d) Title XXI of the Act requires that the State plan include a description of the budget for the plan. The description shall be updated periodically and shall include details on the planned use of funds and the sources of the non-Federal share of plan expenditures. Accordingly, we have the following general concerns.

1. The plan should provide detailed explanations of the State's involvement in the application process for the Robert Wood Johnson Foundation grant and the expected flow of funds intended to enhance funding of the outreach project.
2. The plan should adequately describe or explain the contribution from Americorps.
3. The plan should include financial data for FY 2000 and FY 2001.

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 amendment within 90 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

QUESTIONS TO THE STATE OF IDAHO REGARDING THEIR REQUEST TO MODIFY THEIR TITLE XXI PROGRAM

(The following questions can be responded to verbally during a conference call to be arranged.)

Section 2-General Background and Description of State Approach to Child Health Coverage

Section 2.1

- (1) Page 6: The State describes the 1999 formation of a legislative interim committee that is charged with reviewing the levels of uninsured families in Idaho and developing a set of recommendations on how to make insurance more affordable and available to Idaho residents. It is not clear whether this interim committee will focus on increasing insurance through SCHIP, Medicaid, or all State-sponsored programs. Please **clarify** the role of this committee. Will this committee have any role in determining the future of SCHIP in Idaho?

Section 2.2.1

- (2) Page 8: The Department of Health and Welfare (DHW) organizational chart for *SCHIP* is confusing. In some cases what the boxes indicate conflicts with the text describing the organizational chart. For example, the Quality Improvement (QI) Committee box identifies Hispanic and Regional Representatives which the text does not mention, but does not identify Public Health and Head Start Representatives which the text does mention. Please clarify the composition of the QI Committee.
- (3) Page 9: We appreciate the description of the *SCHIP* Resource Network which is to be comprised of internal and external stakeholders. However, we are not aware which of these groups represent the enrollees in the Idaho SCHIP program. Please identify for us which of the external stakeholders is considered an advocacy group. If none of the groups qualifies as such, please describe for us what steps you will take to solicit and utilize their input into the program
- (4) Page 9: We would recommend that you consider adding a representative from the State's Title V program to the Resource Network's internal stakeholders group and you may want to consider including a representative from a group/organization that works with children with special health care needs.
- (5) Page 10: We appreciate the fact that Spanish speaking staff will be available in all regions of the State. In accordance with the January 14, 1998 letter to State Health Officials, how have staff members been trained on public charge in order to respond to any fears expressed by potential enrollees?
- (6) On page 10: We think there is a typographical error in the first bullet under "Innovations in Application Assistance and Enrollment". This lists an incorrect area code for the toll-free KIDS NOW line. The number is 1-877- KIDS- NOW-- not 1-888-KIDS-NOW.

Additional Information Request for Hawaii's Title XXI Amendment

Section 2 -- General Background and Description of State Approach to Child Health Coverage

Section 2.3

1. Your proposal to allow children to choose between QUEST-Net and a Medicaid expansion under your title XXI plan may not comply with the Medicaid statute's maintenance of effort provision. Under section 1905(u)(2)(B) of the Social Security Act, Medicaid expansions under a title XXI state plan do not include children who would qualify for medical assistance under the standards that were in effect on March 31, 1997. However, in your March 30, 2000 letter you have cited the regulation at 42 C.F.R. Section 435.404 as a basis for giving children the choice of being in the QUEST-Net program or the Medicaid expansion under your title XXI state plan. Children eligible for the QUEST-Net program cannot qualify for coverage under the Medicaid expansion under your title XXI plan. Section 1905(u)(2)(B) of Social Security Act states that **only** children who would not qualify for medical assistance under the Medicaid eligibility standards in effect on March 31, 1997 can be "optional targeted low-income children." In other words, a child cannot be eligible for coverage funded by SCHIP and also eligible for coverage under Medicaid rules in effect on March 31, 1997. Therefore, the choice of eligibility category you cited **from** regulatory citation at 42 C.F.R. Section 435.404 does **not** apply.

In your March 31, 2000 letter you noted that your SCHIP Medicaid expansion is only available to applicants **and** that Hawaii understands that unless there is a break in Medicaid eligibility of at least one calendar month, the child would be eligible for QUEST-Net and there would be a maintenance of effort problem. In your May 5, 2000 and March 31, 2000 letters, you noted that the State would fund a one month non-Medicaid State-only program which would cover children opting out of QUEST-Net so that in the following month they could get covered under the SCHIP Medicaid expansion. Since only existing recipients of Medicaid can be eligible for QUEST-Net, if a child lost QUEST-Net coverage, the child could no longer qualify under QUEST-Net and could then be enrolled in the SCHIP Medicaid expansion.

Since the citation to the regulation at 42 C.F.R. 435.404 implies that the children have a choice of QUEST-Net or the SCHIP Medicaid expansion, please provide additional information describing how children may move between your different State programs and how the state will assure compliance with the statute at section 1905(u)(2)(c).

2. Please clarify the source of the numbers in the right vertical "total" column of the

chart provided in your May 5, 2000 letter describing the *Number of Children Disenrolled From QUEST-Net in 1999* (response to question 1.b).

3. Please provide additional information regarding what processes/controls/edits **are** in place in the HAWI system to assure that an individual does not participate in more than one program simultaneously. Your May 5, 2000 letter does not provide **an** adequate description of how the State will assure that eligible children are placed in the correct program and that dual enrollment/payment is prevented. (Section 2102(b)(3)(A)).

Section 9 -- Strategic Objectives and Performance Goals for Administration

Section 9.3

4. Your May 5, 2000 letter indicates that the State will not be using **HEDIS** data for the segment of children not served by managed care. Please provide clarification regarding what information the State will use to assess quality for children in fee-for-service systems.

this source for FY 1999. Therefore, please provide a detailed explanation of all sources of the non-Federal share of title XXI expenditures for FYs 2000,2001, **and** 2002.

the following:

- (i) What is Americorps' nature of business?
- (ii) When did the State receive the contribution?
- (iii) What is the amount of the contribution?

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

Section 9.3

- (5) Page 31: You indicate that the baseline assessment of the performance measures "will be an assessment of that measure in the Title XIX program prior to implementation of CHIP." Please provide this baseline Title XXI information for each of the performance measures.
- (6) Page 31: The first Strategic Objective is to enroll 35,000 uninsured children, yet the Performance Goal outlines the targeted increase in enrollment for FY 2000-2003 of a total of 32,000 children. Please explain the discrepancy of 3,000 uninsured children.
- (7) Page 32: You indicate that one strategic objective is to "ensure that enrolled children have a medical home" by demonstrating a "10% annual increase in the number of children participating in Healthy Connections and having a primary care provider as a 'medical home'". However, the proposed performance measures (rate of enrollment, number and percent of physicians participating) does not correlate or measure whether a child has a medical home. Please reexamine this methodology and provide a more detailed description of how this objective will be measured.
- (8) Page 32: Under the strategic objective that the State will "ensure that enrolled children receive appropriate and necessary medical care," there are no data elements listed for the vaccination measure. Please indicate how this data will be obtained and through what data sources. **An** immunization registry is also mentioned as "being established", but this is not included in the performance chart on page 32. If you are using data from the immunization registry, please provide information regarding when the registry will be in place, the collection of data, etc.

Section 9.10

- (9) Please provide a three-year projected budget (FFY '00, '01, '02) including a breakdown of administrative expenditures.
- (10) Pages 37- 38: Section 9.10 requires that a State plan include the source(s) of the non-Federal share of title XXI expenditures. However, the State's plan only includes discussion of