



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

April 14, 1999

Dean Woodward
Deputy Director
Department of Health Care Policy and Financing
1575 Sherman Street
Denver, CO 80203-1714

Dear Mr. Woodward:

Thank you for your response, dated April 5, 1999, to our questions concerning the State Children's Health Insurance Program under Title XXI of the Social Security Act. As you are aware, your proposed amendment has been undergoing review by the Department of Health and Human Services. We appreciate your thoughtful response to our inquiries but in order to proceed with our review, we find it necessary to seek further information. The enclosure explains more fully the areas that require additional information and clarification. From that listing, our major concern relates to the following area:

- Section 9, relating to the non-Federal share of Title XXI expenditures. We would like further clarification regarding the Denver Health Intergovernmental Transfer, the Rose Community Foundation donations, and the Robert Wood Johnson Foundation grant, to better assess the non-Federal funding source and assure that the program meets the requirements of Section 2107(d).

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 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 Pamela Forton, Project Officer for Colorado'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. Forton's Internet address is: PForton@hcfa.gov. Her mailing address is:

Division of Integrated Health Systems
Family and Children's Health Programs Group
Center for Medicaid and State Operations
Health Care Financing Administration
Mail Stop S2-01-16
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. Forton at (410) 786-1410 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 the Colorado Health Plan Plus (CHP+)
Title XXI State Plan Amendment

Section 6. Coverage Requirements for Children's Health Insurance

Section 6.2

1. You have clarified that one benefit package is being offered (that labeled as "Benefits in Counties where HMOs are Available") and that copayments as described in Attachment 7 are correct. Please correct and resubmit Section 6 of the template to reflect **only** the correct benefit package. In addition, copayments listed in Section 6 should be either corrected to correspond with those in Attachment 7, or removed from Section 6 entirely (since it is not necessary to restate them in Section 6.)

Section 7. Quality and Appropriateness of Care

Section 7.1

2. Your annual report indicates that until you are able to collect adequate HEDIS data, other sources or data will be used to measure quality. Please specify these data sources as a part of your plan.

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

3. In our previous conversation, it was our understanding that the budget would be revised to reflect Federal fiscal years. The revised budget (Attachment B of your response) is still using State fiscal years. In addition, the revised budget still reflects administrative costs that are in excess of 10 percent of the total. Please revise the budget to address these errors.

4. Your response to our questions relating to the non-Federal share of Title XXI expenditures requires further clarification:

- **Denver Health Intergovernmental Transfer** - Please describe the funding source used by Denver Health to transfer funds to the State. In addition, please provide a detailed explanation of the flow of these funds.
- **Rose Community Foundation** - The State fiscal year 2000 budget reflected in Attachment C references two types of donations the State proposes to receive from the Rose Community Foundation: a "financial contribution" in the amount of \$218,000 and an "in-kind contribution" in the amount of \$66,000. However, the State's independent Rose Community Foundation donation inquiry, currently under HCFA review, only describes a proposed "financial contribution" in the amount of **\$327,000** over an 18-month period. There is no discussion in the independent inquiry of in-kind services donated by the Rose Community Foundation. Therefore, please provide further detail on the proposed in-kind contribution from the Rose Community Foundation.

- **Robert Wood Johnson Foundation** - Please provide details of the process followed to obtain the grant from the Robert Woods Johnson Foundation (RWJF). Specifically, did the State of Colorado apply to and receive approval from the RWJF for the \$26,293 Healthy Kids Grant? If not, please specify the applicant/grantee of the RWJF Healthy Kids Grant and describe the nature of the State's relationship with that entity.

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