



Health Care Financing Administration

Center for Medicaid and State Operations
Family and Children's Health Programs Group
7500 Security Boulevard
Baltimore, Maryland 21244-1850

FEB 8 1999

Douglas Porter
Deputy Director
~~Medical~~ Care Services
714 P Street, Room 1253
Sacramento, California 95814

Dear Mr. Porter:

As you are aware, the amendment you submitted to California's Title XXI State Plan, received on January 8, 1999, has been undergoing review by the Department of Health and Human Services. In order to proceed with our review, additional information is required concerning the application assistance fee to assure your program is operated in an effective and efficient manner as required by Section 2101(a). The enclosure explains the additional information and clarification that is required.

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 amendment. 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 Kathleen Farrell, project officer for California's Title XXI proposal, with a copy to Richard Chambers, Associate Regional Administrator for the HCFA Region IX Division of Medicaid. Ms. Farrell's internet address is Kfarrell@HCFA.GOV. Her mailing address is:

Division of Integrated Health Systems
Health Care Financing Administration
Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

Page 2 - Mr. Douglas Porter

If you have questions or concerns regarding the matters raised in this letter, your staff may contact either **Ms. Farrell** at **(410) 786-1236** or Mr. Chambers at **(415) 744-3568**. 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

cc: ARA, DSMO, Region IX

ENCLOSURE

CALIFORNIA TITLE XXI PLAN AMENDMENT (SPA) ADDITIONAL INFORMATION REQUEST

1. Kindly submit a revised budget for the three year budget period, showing the effect of the increased fee for Certified Application Assistants (CAAs).
 2. We are concerned with the effect of doubling this fee on the State's budget. These costs are allocated as administrative costs and the State's previous budget projections showed the administrative costs to already be greater than the **10** percent limit established by statute. Kindly discuss how the State is addressing this issue in order to comply with Section 2105(c)(2).
 3. Page **2** of your amendment states that the effective date for increasing the reimbursement rate to \$ 50 per successful application is October 1, **1998**. However, it is our understanding that this increase was not effective until November 1, **1998**. Prior to that date through October 31, **1998**, a bonus payment of \$250 was being made to organizations for each 10 successful applications that were made. Please clarify which procedure is being followed by the State, the starting date of the increased fee, the expenditures for which the State is seeking enhanced Federal match, and reflect this in the revised budget.
 4. Sufficient data is not provided by the State to allow an adequate analysis of the justification for increasing the CAA fee. Providing information costs and experiences for Certified Enrollment Entities (CEEs) other than the Korean Health Information Education, Information, and Referral (KHEIR) would be helpful, as would the additional information provided by the recent survey of CEEs. Available data on how much funding has been spent on CAA fees, how many applications are completed with the assistance of CAAs and what percentage of program applications these comprise, how many "successful" applications have been completed with the assistance of CAAs and the percentage these comprise, and in which programs (Medi-Cal or Healthy Families) these children were enrolled, as well as future projections expected due to the increase in the CAA fee should be provided.
 5. Please explain how the activities and responsibilities of the community organizations functioning as CEEs will change with this shift in focus to greater outreach. Will the time required for these new functions be significantly greater than the time CEEs are now dedicating to this effort? Will it compensate for the reduction in time applicants will require when the state shifts from a 28 page application booklet to a **4** page application?
 6. Please distinguish the activities that will be funded through the outreach grants to community based organizations and the outreach activities that will be funded through the
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increased CAA fees. Will similar activities be funded through these two mechanisms and how will the State ensure that organizations are not doubly paid for their outreach activities?

7. Please clarify the interrelationship between the state's contractor who receives \$ 58 for assisting Medi-Cal recipients in selecting a health plan and the CEEs that receive the CAA fee for assisting applicants in the state's Medicaid expansion under title XXI. Can the contractor also qualify for the CAA fee?
8. There seems to be a discrepancy in the amendment on page 33 concerning who is eligible for the increased application assistance fee. Insurance agents and brokers are crossed out in the second paragraph, with the statement that the application fee increase is an important way of encouraging participation from community organizations that have contact with uninsured children. Yet, insurance agents and brokers are included in the following paragraph among those entities eligible for the fee. Kindly clarify what organizations or individuals are eligible for this increased fee.