



Family and Children's Health Programs Group, Center for Medicaid and State Operations

May 15, 2003

Ms. Lesley Cummings
Executive Director
The California Managed Risk Medical Insurance Board
P.O. Box 2769
Sacramento, CA 95812-2769

Dear Ms. Cummings,

Thank you for your State Children's Health Insurance Program (SCHIP) state plan amendment submitted on April 1, 2003. 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, we find it necessary to seek further information. Our major concerns relate to the following areas:

- Section 6, related to the benefits being provided to the proposed expansion populations. The state plan must include a description of benefits for all enrollees, including those in California's County Children's Health Insurance Program (C-CHIP).
- Section 8, related to cost sharing. The state plan must include a description of cost sharing for all enrollees, including those in C-CHIP.
- Section 9.10, related to the State's one-year projected budget. The state plan must include a projected budget since this amendment expands enrollment to additional populations.

The enclosure more fully explains this and other areas of the proposal that require additional information and clarification. CMS may have further questions, including questions related to the permissibility of funding as the source of state match, in addition to the information requested at this time.

Under section 2106(c) of the Act, CMS must approve, disapprove, or request additional information on a proposed title XXI State plan amendment within 90 days. This constitutes our notification that specified additional information is needed in order to assess fully the concerns raised in this letter. The 90-day review period has been stopped by this request and will resume as soon as the State's response to this request for additional information is received.

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The members of the Review Team will 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 Meredith Robertson, project officer for the California title XXI proposal, with a copy to the CMS Region IX Office.

Ms. Robertson's Internet address is mrobertson@cms.hhs.gov. Her mailing address is:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Division of State Children's Health Insurance
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 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 Meredith Robertson at (410) 786-6543 or Cheryl Young, CMS Region IX, at (415) 744-3598. They will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,

Cheryl Austein Casnoff
Director
Division of State Health Children's Insurance

Enclosure

cc: CMS Region IX DMSO

ENCLOSURE

1. Section 4.3

The State plan indicates that, “C-CHIPs have adopted *most* of the Healthy Families rules, including eligibility, documentation, and benefits.” Please describe the Healthy Families rules related to eligibility, documentation, and benefits, that C-CHIP will *not* adopt.

2. Section 4.3.1

Please describe the State’s policies governing enrollment caps and waiting lists (if any) or check the box that indicates this section does not apply.

3. Section 4.4.4.3

Please provide an assurance that the State monitors for substitution for coverage provided to children in families with incomes above 250 percent of the FPL by checking the corresponding box.

4. Section 6.1.1.2

Please provide an assurance that AIM children receive the same benefits as Healthy Families enrollees. If benefits differ, please provide a description of the benefits that AIM children receive under SCHIP.

5. Section 6.2

Please check all applicable boxes and describe the amount, duration, and scope of services covered for Healthy Families and C-CHIP enrollees.

6. Section 7.2.1

- a. Please describe the methods, including monitoring, to assure access to well-baby care, well-child care, well-adolescent care and childhood and adolescent immunizations.
- b. Please provide an assurance that this monitoring will also be implemented under the C-CHIP program, or describe the methods that will be used.

7. Section 7.2.2

- a. Please describe the methods, including monitoring, to assure access to covered services, including emergency services as defined in 42 CFR 457.10.
- b. Please provide an assurance that this monitoring will also be implemented under the C-CHIP program, or describe the methods that will be used.

8. Section 7.2.3

- a. Please describe the methods, including monitoring, to assure appropriate and timely procedures to monitor and treat enrollees with chronic, complex, or serious medical conditions, including access to an adequate number of visits to specialists experienced in treating the specific medical condition and access to out-of-network providers when the network is not adequate for the enrollee’s medical condition.

- b. Please provide an assurance that this monitoring will also be implemented under the C-CHIP program, or describe the methods that will be used.

9. Section 7.2.4

- a. Please describe the methods, including monitoring, to assure decisions related to prior authorization of health services are completed in accordance with state law, or, in accordance with the medical needs of the patient, within 14 days after the receipt of a request for services. Please use the most recently approved language (approved September 19, 2002).
- b. Please provide an assurance that this monitoring will also be implemented under the C-CHIP program, or describe the methods that will be used.

10. Section 8.2.1

Please clarify whether C-CHIP enrollees will have access to the Family Value Package described in this section.

11. Section 8.2.3

- a. Please provide a description of copayment amounts. (Note: this can be added in this section or in section 6.2 with the description of benefits.)
- b. Please clarify that under the C-CHIP program, two of the four counties charge \$15 copayments for emergency room visits, regardless of whether the service is considered an emergency or non-emergency.
- c. Please describe what the other two counties charge for emergency services.

12. Section 8.3

- a. Please describe the contractual changes that were made in January 2003.
- b. Please describe the process the State will use to notify C-CHIP enrollees of their cumulative cost-sharing maximum.

13. Section 8.5

Please provide an assurance that C-CHIP enrollees will be subject to the 5 percent cumulative cost-sharing cap or that the \$250 copayment cap for Healthy Families enrollees will also apply to C-CHIP.

14. Section 8.6

Please describe the procedures the State will use to ensure American Indian and Alaska Native children will be excluded from cost sharing.

15. Section 8.7

Please describe the contractual changes that were made in January 2003.

16. Section 8.7.1

Please provide assurances that disenrollment protections are being applied by checking all boxes in this section.

17. Section 9.7

Please check the box and delete descriptive text in order to provide an assurance that in developing performance measures the State will modify measures to meet national requirements when such requirements are developed.

18. Section 9.9.1

Please describe the process used by the State to ensure interaction with Indian Tribes and organizations in the State on the development and implementation of the procedures.

19. Section 9.10

Please provide an updated budget to reflect changes in the sources of state funding and program expansions proposed in this state plan amendment.

20. Section 11.2

Please provide assurances, to the extent they apply, that provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a state under Title XIX.

21. Section 12.1

- a. Please describe the review process for eligibility and enrollment matters. Please use the most recently approved language (approved September 19, 2002).
- b. Please describe the contractual changes that were made in January 2003.
- c. Please provide an assurance that this process will also be implemented under the C-CHIP program.

22. Section 12.2

- a. Please describe the review process for health services matters. Please use the most recently approved language (approved September 19, 2002).
- b. Please provide an assurance that this process will also be implemented under the C-CHIP program.