

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



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

March 26, 2004

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 response dated March 9, 2004, regarding your State plan amendment for California's State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. As you are aware, your responses have been undergoing review by the Department of Health and Human Services. We appreciate our continued dialogue as we work together to resolve the issues pertaining to the State plan amendment. In order to proceed with our review, we find it necessary to seek further information. Our major concerns relate to the following areas:

- Section 4, related to the eligibility of targeted low-income children for child health assistance. The state plan must include eligibility criteria that are consistent with requirements under Title XXI.
- 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 budget. Please provide an updated budget that includes the State's projected expenditures related to the entire California SCHIP program (AIM, C-CHIP and Healthy Families), assumptions on which the budget is based and additional information on the projected sources of funds.

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.

Page 2 – Ms. Cummings

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. 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 Children's Health Insurance

Enclosure

cc: CMS Region IX DMSO

ENCLOSURE

1. Section 4.1.2

- a. Please update this section to reflect that children born to AIM mothers after July 1, 2004 will be covered through age 2.

- b. Please also confirm that the State no longer covers children ages 14 through 19 with family incomes 85 to 100 percent of the Federal poverty level under Title XXI by removing the reference to this group from the State plan.

3. Section 6.1.1.2/6.1.4.4

Please check the box in this section to reflect that all children (AIM, C-CHIP and Healthy Families) receive benchmark equivalent coverage plus enhanced services beyond the benchmark package and move the related description of the package from 6.1.1.2 to this section.

4. Section 7.1.2

Based on the State's assessment described in this section, please describe how C-CHIP will measure performance.

5. Section 7.2.2

Please confirm that the requirements found in Health and Safety Code, Section 1367 and California Code of Regulations, Sections 1300.67.2 and 1300.67.2.1 apply to C-CHIP.

6. Section 7.2.3

Please describe how C-CHIP will assure enrollees with chronic, complex, or serious medical conditions will have access to specialists and out-of-network providers when the network is not adequate for the enrollee's medical condition.

7. Section 8.2.1 (Attachment 7d)

- a. Please describe the range of premiums listed in attachment 7d for San Mateo County.

- b. Also, please describe the maximum amount of premiums that a family will pay for each C-CHIP county.

8. Section 8.3

- a. Please describe how the public is notified of changes in C-CHIP.

- b. Given that dental and vision benefits are not subject to the \$250 copayment cap, please describe how the State notifies Healthy Families and C-CHIP enrollees in writing of their individual cumulative cost-sharing maximum amount at the time of enrollment and reenrollment.

9. Section 8.6

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

10. Section 9.10

- a. Please provide an updated budget that includes the State's projected expenditures related to the entire California SCHIP program (AIM, C-CHIP and Healthy Families), as well as assumptions on which the budget is based, including expected enrollment.
- b. Please also describe the State's projected flow of funding. In the State's previous submission, funding was being derived from the Santa Clara Health Plan, Alameda Alliance Family Care, the San Francisco County Health Plan and the Health Plan of San Mateo. Please clarify whether reserve funds from these entities are provided to the county.

11. Sections 4.4.3/4.4.5/8.5/9.2/9.9/9.9.1

For these sections, please describe any variation in C-CHIP from Healthy Families. If C-CHIP does not vary, please state this in the State plan.