

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

April 23, 2004

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

Dear Ms. Cummings,

In an earlier letter, dated March 26, 2004, we requested additional clarification on the California State Children's Health Insurance Program (SCHIP) state plan amendment submitted on April 1, 2003. In that letter we requested additional information on the State's proposed funding for the County Children's Health Insurance Program (C-CHIP). This letter is intended to clarify what additional information is needed to continue our review of the proposed funding.

It is our understanding that the non-Federal share of the payments used to fund the proposed expansions will now be derived from county government sources (i.e., tobacco settlement funds and other city/county general revenue funds including property taxes, business taxes, and other local taxes). Based on this newly proposed financing arrangement, we have the following questions:

- (i) do the health plans contribute any funding to the local government account(s) prior to the local government making the intergovernmental transfer?
- (ii) do the health plans return any portion of the health plan's payment to the local government account(s) upon receipt of the payment?

Our basis for this line of questioning is to ensure that each of the health plans that receive payments for health care services are allowed to retain the total computable payment (i.e., the Federal and non-Federal share).

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. The 90-day review period has been stopped by our earlier request and will resume as soon as the State's response to both the March 26 request and this request are received.

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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

cc: CMS Region IX DMSO