

**Division of State Children's Health Insurance, FCHPG, CMSO**

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April 11, 2002

Dear State SCHIP Director:

The purpose of this letter is to provide guidance for updating your State Plan to reflect the changes made to your State Children's Health Insurance Program (SCHIP) as a result of the final SCHIP regulations.

As you know, to be eligible for Title XXI funds, states must have an approved State Plan. As a result of the final SCHIP regulations, which became effective on August 24, 2001, many states have had to implement programmatic changes to come into compliance with these regulations. These states must submit a State Plan Amendment by the end of the state's fiscal year. States whose state fiscal year ends prior to June 30<sup>th</sup> have been given an extended time frame to June 30<sup>th</sup>, since the enclosed materials were not previously available. In order to have complete, updated plans from states that reflect their current program design, all states are asked to take this opportunity to update their State Plan to reflect other program modifications that have been implemented in the state's program. Please note that State Plan sections that are updated, but not revised as a result of amendment changes, will not be subject to the review and approval process.

Enclosed are two items that have been developed to assist you in revising your State Plan:

- A crosswalk of the provisions in the regulation and the SCHIP application template, including a column which indicates whether you are amending or simply updating a section in the template; and
- The Title XXI draft model application template and instructions that have been designed to reflect the requirements that exist in the current regulations.

In order to streamline the review of your plan, states should include the crosswalk cover sheet with the submission of their State Plan Amendment and State Plan update. States should also

provide the effective date of the change in the last column. Future effective dates, which are the result of requiring a contractual or legislative change, should be noted.<sup>1 2</sup> Future changes resulting from contractual or legislative changes should be detailed in the appropriate template section. It is our intent to allow states to amend their State Plan now for these future changes, rather than requiring the submission of a new amendment when the contract or legislation changes.

When submitting a State Plan Amendment or State Plan update, states should redline and strikeout the changes that are being made to the existing State Plan. The instructions have been designed to complement the model application template and to facilitate completion of the template.

Please note that these are still draft documents and are currently undergoing final review with the Office of Management and Budget. While we are not expecting any major comments, there is the possibility that there might be some subsequent minor modification in the final approved package, which we are expecting by the end of May. However, we are distributing this package to you now, so that you can have the maximum amount of time possible to meet the June 30<sup>th</sup> submission date.

Completed State Plan Amendments and updates should be submitted to your Central Office project officer. An electronic redlined copy and a clean copy, with any incorporated changes should be submitted as a set, followed by one hard copy set. Your CMS Regional Office should also be sent one redlined and clean copy set electronically and in hard copy at the same time it is submitted to the CMS Central Office. Once the template and instructions have received final approval, you will be able to download them from the CMS website (<http://www.cms.gov>). Questions or assistance regarding this process or any of the documents can be provided by your Central or Regional Office Project Officer. Thank you for your attention to this important matter.

Sincerely,

/s/

Cheryl Austein Casnoff  
Director

Enclosures

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<sup>1</sup> To the extent contract changes are necessary, states will not be found out of compliance until the next contract cycle, which is the earlier of the date of the original period of the existing contract, or the date of any extension or modification that would change the term of the contract.

<sup>2</sup> To the extent that legislative changes are made, states will not be found out of compliance until the conclusion of the next legislative cycle following August 24, 2001.