



TOBY DOUGLAS
Director

State of California—Health and Human Services Agency
Department of Health Care Services



EDMUND G. BROWN JR.
Governor

Hye Sun Lee
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations
Centers for Medicare and Medicaid Services
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San Francisco, CA 94103-6707

**STATE PLAN AMENDMENT 13-0021_S30 ELIGIBILITY GROUPS – MANDATORY
COVERAGE INFANTS AND CHILDREN UNDER AGE 19**

Dear Ms. Lee:

This letter and the enclosed State Plan Amendment (SPA) pages are the Department of Health Care Services' (DHCS) responses to the Centers for Medicare and Medicaid Services' (CMS) Request for Additional Information (RAI) letter dated December 9, 2013, concerning SPA 13-0021_S30. This letter addresses the questions and concerns, as expressed by CMS, to the SPA. Additionally, during our weekly conference calls, CMS provided guidance to DHCS regarding the December 9, 2013 letter.

The following are DHCS' responses to the RAI dated December 9, 2013:

1. **CMS Question:** Currently, California (CA) utilizes the Child Health and Disability Prevention (CHDP) periodicity schedule as its reasonable standard for limiting children's Presumptive Eligibility (PE) periods. The periodicity schedule varies with age, and as such violates comparability. CMS and DHCS have been in discussions regarding the need for DHCS to implement a new reasonable standard for limiting children's PE periods. Please revise the S30 template to remove the state's current reasonable limitation for children's PE periods and insert a new limitation (e.g. 2 PE periods every 12 months). If this new reasonable standard cannot be implemented by January 1, 2014, DHCS must upload a statement into the Medicaid Model Data Plan as an attachment to S30 explaining the current limitation (CHDP periodicity schedule) and providing a date in 2014, when the new, approved limitation will go into effect. Our approval letter of this SPA will also mention the effective date of this required change in state policy.
 - a. **DHCS' First Response:** The S30 template, which will be submitted as part of CA's 13-0021 RAI response, will include a proposal to provide three PE

periods annually to children. DHCS will be working with stakeholders and county partners through workgroup efforts to institute this limitation, or an approvable reasonable limitation, in 2014. In the interim, DHCS will continue to use the CHDP gateway as a means to approve PE for children

- b. **CMS Response:** CMS will consider this proposal; however, we would also like to receive a written explanation as to why DHCS believes three periods per year is reasonable and necessary. Given how close this interval would be to real-time eligibility, we would like DHCS to provide information on the percentage of PE enrollees who do not file a full Medicaid application, and also on the percentage of PE enrollees who are determined to be ineligible for Medicaid when they do. Lastly, please provide information on the characteristics of the population that receives more than one PE period.
- c. **DHCS' Final Response:** CA provided the data request under separate cover and revised the SPA template limiting children's PE periods to two periods per year.

2. CMS Question

Please provide an update on DHCS' development of an attachment to indicate DHCS will be using the current CHDP gateway for PE until such time as stakeholders can be consulted and the process amended. The attachment must also specify that the new process will be in place by July 1, 2014. Additionally, the template must be amended to reflect an approvable reasonable limitation on children's PE period (e.g., 2 per year).

- a. **DHCS's Response:** DHCS will amend the template to two children's PE periods per year. Due to the extended stakeholder process, DHCS is unable to implement the new process by July 1, 2014. DHCS proposes a timeline for implementation extending into late 2015. DHCS is unable to implement the entire new process for PE in 2014, due to extensive system enhancement requirements to implement Affordable Care Act in CA and a continued need for extensive stakeholder input on this process. Therefore based on this, DHCS can start eligibility on the start day by December 31, 2014, and continue progressing toward implementation of systematic limitation of PE for CHDP Gateway in 2015. This update to the PE process was agreed upon during the May 1, 2014, discussion with CMS concerning the implementation of PE in CA.

Ms. Hye Sun Lee
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If you have any questions, or if we can provide further information, please contact Ms. Tara Naisbitt, Chief, Medi-Cal Eligibility Division, at (916) 552-9450 or by email at tara.naisbitt@dhcs.ca.gov.

Sincerely,

ORIGINAL SIGNED

Toby Douglas
Director

Enclosure