

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

Toby Douglas
Director
California Department of Health Care Services
1501 Capitol Avenue, MS0000
P.O. Box 997413
Sacramento, CA 95899-7413

Dear Mr. Douglas:

Thank you for your Children's Health Insurance Program (CHIP) State Plan Amendment (SPA), CA-14-0005, submitted on June 30, 2014. This SPA is related to non-financial eligibility standards. As you are aware, your SPA has been undergoing review by the Centers for Medicare and Medicaid Services (CMS). In order to proceed with the review of CA-14-0005, we find it necessary to seek additional information. The area of concern is related to section 2102(b)(1)(B)(ii) of the Social Security Act, and 42 CFR 457.320, relating to limitations on eligibility standards. Our primary concern relates to the state's CS23 submission as described below.

California submitted the CS23, which provides information on state-specific standards used to determine eligibility that are not described in other areas of the CHIP state plan. California's CS23 submission proposes to preclude pregnant women who are more than 30 weeks pregnant from receiving services for a targeted low-income child as defined at 42 CFR 457.10. We have had discussions with California regarding our concerns with this eligibility practice, including the concern that this standard is not currently included in California's CHIP state plan. Section 2102(b)(1)(B)(ii) of the Act specifies that eligibility standards may not "deny eligibility based on a preexisting medical condition." In addition, 42 CFR 457.320(b)(3) makes clear that eligibility rules may not "discriminate on the basis of diagnosis." Given that this practice is not currently approved under the CHIP state plan, and is not consistent with title XXI rules, we request that the state submit a timeline for discontinuing this practice, and coming into compliance with current CHIP rules, by no later than August 31, 2014.

We have additional questions related to CS19, CS20, CS21, CS23, and CS28, which are included in the CA-14-0005 SPA submission, and described in the enclosure below.

Under section 2106(c)(2) of the Act, CMS must approve, disapprove or request additional information on a proposed amendment to a title XXI state plan within 90 days. This letter constitutes our notification that specified additional information is needed in order to fully assess your amendment. The 90-day review period has been stopped by this request and will resume as soon as a complete and substantive response to all of the items in this letter is received.

Please send your responses electronically to Ms. Stacey Green, your project officer. Her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-6102
Facsimile: (410) 786-5882
E-mail: Stacey.Green@cms.hhs.gov

We appreciate the efforts of your staff and share your goal of providing quality 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 Stacey Green at (410) 786-6102. She will provide or arrange for any technical assistance that you may require. Thank you for your cooperation.

Sincerely,

ORIGINAL SIGNED

Kelly Whitener
Director
Division of State Coverage Programs

cc:

John Ramey

Ernesto Sanchez

Hye Sun Lee, Acting Associate Regional Administrator, CMS Region 9

Enclosure

Request for Additional Information regarding CA-14-0005

1. ***Social Security Number (SSN)/CS19:*** If accurate, please check off the last assurance in this template related to verification of SSNs with the Social Security Administration.
2. ***Substitution of Coverage/CS20:*** The state has submitted this template, but not filled it out or checked off the necessary assurance. Please confirm that the state does not have a waiting period in place for the populations that remain in its separate CHIP. If correct, please provide a description of the state's substitution strategy for children in the separate program.
3. ***Non-Payment of Premiums/CS21:*** California has indicated that non-payment of premiums can result in loss of CHIP eligibility, but that the state does not have a premium lock-out period. Please provide a description of the state's process and timing for permitting children to reenroll in both the Access for Infants and Mothers (AIM) program and the county programs after loss of coverage due to non-payment of a premium.
4. ***Other Eligibility Standards/CS23:*** Please remove the reference to children that remain in the county programs under the separate program. This information can be reflected on the CS7 rather than the CS23 under geographic variation.
5. ***Presumptive Eligibility for Children/CS28:*** Please confirm that presumptive eligibility does not apply to children remaining in the separate CHIP.