

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



Children and Adults Health Programs Group

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Mari Cantwell  
Chief Deputy Director  
Department of Health Care Services  
1501 Capitol Avenue, MS 0000  
Sacramento, CA 95899-7413

MAY 24 2018

Dear Ms. Cantwell:

Your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number CA-18-0028, submitted on May 16, 2018, has been approved. This SPA has a retroactive effective date of July 1, 2017.

This SPA makes changes to the managed care delivery system for California's Population 3/Medi-Cal Access Program (MCAP) population, which serves the unborn population with incomes above 208 percent to 317 percent of the federal poverty level (FPL). Previously, service delivery for Population 3/MCAP was provided through a public-private partnership, where California's Department of Health Care Services used a private contractor to administer care through managed care plans that participated in both Medi-Cal and CHIP. Through this SPA, service delivery for Population 3/MCAP is provided through the Medi-Cal Managed Care delivery system.

Your title XXI project officer is Ms. Jasmine Aplin. She is available to answer your questions on this SPA and other CHIP-related matters. Her contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
7500 Security Boulevard, Mail Stop S2-01-16  
Baltimore, MD 21244-1850  
Telephone: (410) 786-8102  
E-mail: [Jasmine.Aplin@cms.hhs.gov](mailto:Jasmine.Aplin@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Aplin and Ms. Hye Sun Lee, Associate Regional Administrator (ARA) in our San Francisco Regional Office. Ms. Hye Sun Lee's address is:

Centers for Medicare & Medicaid Services  
Division of Medicaid and Children's Health Operations  
90-7<sup>th</sup> Street, Suite 5-300  
San Francisco, CA 94103-6706

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If you have additional questions, please contact Ms. Amy Lutzky, Director, Division of State Coverage Programs, at (410) 786-0721.

We look forward to continuing to work with you and your staff.

ORIGINAL SIGNED

cc:

Hye Sun Lee, Associate Regional Administrator, CMS Region IX

- 1.4. Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

Original Plan

Effective Date: **July 1, 1998**

Implementation Date: **July 1, 1998**

**SPA #18-0028**

Purpose of SPA:

**To implement the transition of MCAP (Population 3) services provided by public-private-partnership to services provided by California's Medi-Cal Managed Care delivery system.**

Proposed effective date: **July 1, 2017**

Proposed implementation date: **July 1, 2017**

- 3.1. **Delivery Standards** Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and the methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102)(a)(4) (42CFR 457.490(a))

**CA RESPONSE:**

Overview of the Delivery Systems

**POPULATION 3/MCAP:**

*Delivery System.* This separate CHIP population also receives coverage under the unborn option (similar to Population 2). However, this coverage is the same as state employee benchmark coverage. MCAP's services are provided through Medi-Cal's Managed Care delivery system, where services for Population 2 are primarily provided on a FFS basis, unless in a COHS county.

*Administration.* The MCAP program is administered by DHCS, which contracts with the private sector to provide subsidized coverage for beneficiaries. To cover the full cost of care, California uses Proposition 99 tobacco tax monies to subsidize subscriber and contributions, while the subscriber pays 1.5 percent of their adjusted annual income (please see cost sharing section for more details on cost sharing for this population).