



## **Center for Medicaid, CHIP and Survey & Certification**

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July 29, 2010

Lesley Cummings  
Executive Director  
Managed Risk Medical Insurance Board  
1000 G Street, Suite 450  
Sacramento, CA 95814

Dear Ms. Cummings:

The title XXI Children's Health Insurance Program (CHIP) State plan amendment (SPA), submitted December 24, 2009, with additional information submitted on June 4, 2010, and June 28, 2010, has been approved. This SPA has a retroactive effective date of November 1, 2009.

This amendment permits California to increase cost sharing, including premiums and copayments, for children with family income above 150 percent of the Federal poverty level (FPL) up to and including 250 percent of the FPL. These premium increases were in effect on November 1, 2009. Given the potential impact of cost-sharing increases on enrollment, we are requesting that the State ensure there are mechanisms in place to monitor the effect of the changes in this SPA on enrollment and utilization of services by children enrolled in the program, particularly children in families with lower incomes. We would like to follow up with you on the State's approach to monitoring the impact of the increases in cost sharing and the timeframe for sharing findings with the Centers for Medicare & Medicaid Services (CMS).

In addition, this SPA permits the Managed Risk Medical Insurance Board (MRMIB) to limit dental plan choices for enrollees in certain counties in California. As you're aware, Section 2103(f) of the Act, as amended by section 403 of the Children's Health Insurance Program Reauthorization Act (CHIPRA), requires State CHIP programs to apply several managed care related requirements of section 1932 of the Act in the same manner as these provisions apply under title XIX of the Act. Because CHIPRA made these changes, we intend to review State practices after issuance of regulations implementing those changes. Prior to the issuance of regulations, please refer to the SHO letters #09-008 for guidance.

We also note that we will continue to work with the State on the implementation of dental requirements under Section 2103(c)(5) of the Act, as added by section 501 of CHIPRA, that requires that "child health assistance provided to a targeted low-income child shall include coverage of dental services necessary to prevent disease and promote oral health, restore oral structures to health and function, and treat emergency conditions." This requirement applies to all child health assistance coverage described in section 2103. As the State noted in its response to a request for additional information from CMS on this SPA, the State is still receiving technical assistance from CMS to work toward meeting the requirements of Section 2103(c)(5).

CMS and the State will establish a technical assistance schedule in order to meet that requirement and prior to making a final determination on this matter.

We appreciate California taking the necessary actions to monitor network adequacy considering CHIP enrollment, expected utilization of services and panel restrictions in areas where there are limited dental plans for these families. We are encouraged by these efforts, and remain committed to assisting you as necessary while you work toward compliance with future guidance.

Your title XXI project officer for this SPA is Mr. Jeffrey Silverman. He is available to answer questions concerning this amendment. Mr. Silverman's contact information is as follows:

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Center for Medicaid, CHIP and Survey & Certification  
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Official communications regarding program matters should be sent simultaneously to Mr. Silverman and to Ms. Gloria Nagle, Associate Regional Administrator in our San Francisco Regional Office. Ms. Nagle's address is:

Centers for Medicare & Medicaid Services  
Division of Medicaid and Children's Health  
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If you have additional questions, please contact Ms. Victoria Wachino, Director, Family and Children's Health Programs Group, Center for Medicaid, CHIP and Survey & Certification at (410) 786-5647.

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

Sincerely,

Cindy Mann  
Director

cc: CMS Region IX, San Francisco