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**State/Territory Name: Delaware**

**State Plan Amendment (SPA) #: DE-16-0001**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Approved SPA Pages

The complete title XXI state plan for Delaware consists of the most recent state plan posted on Medicaid.gov under CHIP and State Plan Amendments. The link is provided below. The following pages are in addition to, or replace sections of the state's posted current state plan. The attached approval letter explains how these pages fit into that state plan.

Link to state title XXI state plans and amendments: <http://medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Childrens-Health-Insurance-Program-CHIP/CHIP-State-Program-Information.html>

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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MAY 26 2017

Stephen M. Groff, Director  
Division of Medicaid and Medical Assistance  
Designee for Rita M. Landgraf, Secretary  
Delaware Health and Social Services  
P.O. Box 906  
New Castle, DE 19720-0906

Dear Mr. Groff:

Your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) DE-16-0001-CHIP, submitted to the Centers for Medicare & Medicaid Services (CMS) on December 22, 2016 with additional information submitted on May 16, 2017, has been approved. This SPA has a retroactive effective date of January 1, 2017.

Section 2105(a)(1)(D)(ii) of the Social Security Act (the Act) and 42 CFR §457.10 authorize use of title XXI administrative funding for expenditures for health services initiatives (HSI) under the plan for improving the health of children, including targeted low-income children and other low-income children. Consistent with section 2105(c)(6)(B) of the Act and 42 CFR §457.626, title XXI funds used to support an HSI cannot supplant Medicaid or other sources of federal funding.

Delaware's SPA DE-16-0001-CHIP implements a CHIP HSI to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative to increase children's access to vision services. The HSI will provide these services on-site at Title I Delaware schools in which at least 51 percent of the student body receives free or reduced price meals. Services for children enrolled in Medicaid and CHIP will not be funded under the initiative; federal financial participation is available for vision services provided to these children through the regular Medicaid and CHIP claiming processes.

The state shall ensure that the remaining title XXI administrative funding, within the state's 10 percent limit, is sufficient to continue the proper administration of the CHIP program. If such funds become less than sufficient, the state agrees to redirect title XXI funds from the support of this HSI to the administration of the CHIP program. The state shall report annually to CMS the expenditures funded by the HSI for each federal fiscal year.

Page 2- Mr. Stephen M. Groff

Your title XXI project officer is Ms. Ticia Jones. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Jones' contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-8145  
Facsimile: (410) 786-5882  
E-mail: [Ticia.Jones@cms.hhs.gov](mailto:Ticia.Jones@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Jones and to Mr. Francis McCullough, Associate Regional Administrator (ARA) in our Philadelphia Regional Office. Mr. McCullough's address is:

Centers for Medicare & Medicaid Services  
Philadelphia Regional Office  
Division of Medicaid and Children's Health Operations  
The Public Ledger Building, Suite 216  
150 South Independence Mall West  
Philadelphia, PA 19106

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.

Sincerely,

/Anne Marie Costello/

Anne Marie Costello  
Director

cc: Mr. Francis McCullough, ARA, CMS Region III

Guidance: The effective date as specified below is defined as the date on which the State begins to incur costs to implement its State plan or amendment. (42 CFR 457.65) The implementation date is defined as the date the State begins to provide services; or, the date on which the State puts into practice the new policy described in the State plan or amendment. For example, in a State that has increased eligibility, this is the date on which the State begins to provide coverage to enrollees (and not the date the State begins outreach or accepting applications).

- 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: October 1, 1998  
Implementation Date: February 1, 1999

Subsequent Plan Amendments

State Plan Amendment	Effective Date	Implementation Date
SPA #1	July 1, 1999	
SPA #2	October 1, 2001	August 1, 2001
SPA #3	June 12, 2003	Withdrawn – June 12, 2003
SPA #4	January 1, 2007	October 1, 2009
SPA #5	April 1, 2009	April 1, 2009
SPA #6	July 1, 2010	July 1, 2010
SPA #7	July 1, 2014	July 1, 2014
SPA #8	January 1, 2017	January 1, 2017

Summary of Approved CHIP MAGI SPAs:

Transmittal Number	SPA Group	PDF #	Description	Superseded Plan Section(s)
DE-13-0012 Effective/ Implementation Date: January 1, 2014	MAGI Eligibility & Methods	CS7	Eligibility – Targeted Low Income Children	Supersedes the current sections Geographic Area 4.1.1; Age 4.1.2; and Income 4.1.3
		CS15	MAGI-Based Income Methodologies	Incorporate within a separate subsection under section 4.3
DE-13-0013 Effective/ Implementation Date: January 1, 2014	XXI Medicaid Expansion	CS3	Eligibility for Medicaid Expansion Program	Supersedes the current Medicaid expansion section 4.0

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<b>DE-13-0016</b> Effective/ Implementation Date: January 1, 2014	Establish 2101(f) Group	CS14	Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards	Incorporate within a separate subsection under section 4.1
<b>DE-13-0015</b> Effective/ Implementation Date: January 1, 2014	Non- Financial Eligibility	CS17	Non-Financial Eligibility – Residency	Supersedes the current section 4.1.5
		CS18	Non-Financial Eligibility – Citizenship	Supersedes the current sections 4.1.0; 4.1.1-LR; 4.1.1-LR
		CS19	Non-Financial Eligibility – Social Security Number	Supersedes the current section 4.1.9.1
		CS20	Non-Financial Eligibility – Substitution of Coverage	Supersedes the current section 4.4.4
		CS21	Non-Payment of Premiums	Supersedes the current section 8.7
		CS27	Continuous Eligibility	Supersedes the current section 4.1.8
<b>DE-13-0014</b> Effective/Imple mentation Date: October 1, 2013	Eligibility Processing	CS24	Eligibility Process	Supersedes the current sections 4.3 and 4.4

Proposed Plan Amendment - [DE-16-0001-CHIP](#)

Purpose of SPA: To improve the health of low-income children, by increasing their access to needed vision services and glasses through a partnership with a community-based organization in which these services are provided via a targeted, school-based initiative.

Proposed effective date: [January 1, 2017](#)

Proposed implementation date: [January 1, 2017](#)

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**1.4- TC**

**Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

Delaware does not have any state or federally recognized Indian tribes. Any Delaware resident, including those who are American Indians or Alaska Natives, may participate in the review of amendments to state law or regulation and may offer comments on all program policies, including those relating to provision of child health assistance to American Indian or Alaskan Native children.

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The major reason cited by the U of D report for lack of insurance among 0 -18 year olds are: poverty, lack of education, lack of work experience, and no family responsibility (i.e., unmarried and without children). Parents of these children are likely to be single-parent households with low-income jobs.

Guidance: Section 2.2 allows states to request to use the funds available under the 10 percent limit on administrative expenditures in order to fund services not otherwise allowable. The health services initiatives must meet the requirements of 42 CFR 457.10.

**2.2. Health Services Initiatives-** Describe if the State will use the health services initiative option as allowed at 42 CFR 457.10. If so, describe what services or programs the State is proposing to cover with administrative funds, including the cost of each program, and how it is currently funded (if applicable), also update the budget accordingly. (Section 2105(a)(1)(D)(ii)); (42 CFR 457.10)

Pursuant to Section 2105(a)(1)(D)(ii) of the Social Security Act, Delaware will use administrative funds to offer health services initiatives under this plan with the goal of improving the health of children, defined as “individual(s) under the age of 19 including the period from conception to birth,” per 42 CFR 457.10. Delaware assures that it will use no more than 10% of the total expenditures under this Plan, as specified in 42 CFR 457.618, to fund the State’s health service initiatives.

**Vision to Learn**

Access to vision exams and glasses is critical for students’ educational achievements and health outcomes, as 80% of all learning during a child’s first 12 years is visual. It comes as no surprise that students with vision problems tend to have lower academic performance, as measured by test scores and grades, and that students’ performance in school impacts future employment earnings, health behaviors, and life expectancy. As such, Delaware seeks to use the health services initiative option to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative. Delaware intends to contract with a non-profit Medicaid participating provider to offer these services on-site at certain Delaware schools. (Delaware is currently engaged with Vision to Learn (VTL), which has been serving Delaware children since 2014 and is a certified Medicaid participating provider. VTL is a non-profit, philanthropically-funded entity that provides free eye exams and glasses to students at schools in low-income communities.)

The following describes how the CHIP HSI will be operationalized:

- The qualified provider will target Delaware’s low-income children by identifying Title I schools in which at least 51% of the student body receives free or reduced price meals.
- These schools will provide the qualified provider with a list of children who have failed the school-supplied vision screening. The qualified provider will give these children parental consent forms to take home.

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- For children who return with parental consent, the qualified provider will give one vision exam and, if needed, corrective lenses and frames (including replacements, as needed) on-site in a mobile eye clinic.
- The qualified provider will collect identifying information from all children it serves (for example, name and date of birth) and submit this information to the Delaware Division of Medicaid and Medical Assistance (DMMA). Based on this data, DMMA will identify children who are enrolled in Medicaid or CHIP and their managed care organization (MCO) and return this information to the qualified provider, who will then submit bills for Medicaid and CHIP enrollees directly to the MCOs. The MCOs will pay based on negotiated, standard fees.
- The qualified provider will submit information about services provided to DMMA for the children ages 18 or younger who DMMA has not identified as enrolled in Medicaid or CHIP. DMMA will remit payment for these services through CHIP HSI funding.
- DMMA will perform outreach by supplying the provider with brochures and information about the CHIP and Medicaid Programs to provide to children that are not currently enrolled in Medicaid or CHIP.

Delaware provides the following assurances regarding this Health Service Initiative (HSI), Vision to Learn (VTL) – Delaware:

- This HSI will only target children under the age of 19;
- This HSI will not supplant or match CHIP Federal funds with other Federal funds nor allow other Federal funds to supplant or match CHIP Federal funds; and
- HSI funds will not be used for children with private coverage and will only be used to cover VTL services provided to uninsured children

### 2.3-TC

**Tribal Consultation Requirements-** (Sections 1902(a)(73) and 2107(e)(1)(C)); (ARRA #2, CHIPRA #3, issued May 28, 2009) Section 1902(a)(73) of the Social Security Act (the Act) requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular, ongoing basis from designees of Indian health programs, whether operated by the Indian Health Service (IHS), Tribes or Tribal organizations under the Indian Self-Determination and Education Assistance Act (ISDEAA), or Urban Indian Organizations under the Indian Health Care Improvement Act (IHCIA). Section 2107(e)(1)(C) of the Act was also amended to apply these requirements to the Children’s Health Insurance Program (CHIP). Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

Describe the process the State uses to seek advice on a regular, ongoing basis from federally-recognized tribes, Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan

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Amendments, waiver proposals, waiver extensions, waiver amendments, waiver renewals and proposals for demonstration projects prior to submission to CMS. Include information about the frequency, inclusiveness and process for seeking such advice.

Delaware does not have any state or federally recognized Indian tribes. Any Delaware resident, including those who are American Indians or Alaska Natives, may participate in the review of amendments to state law or regulation and may offer comments on all program policies, including those relating to provision of child health assistance to American Indian or Alaskan Native children.

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**9.10.** Provide a 1-year projected budget. A suggested financial form for the budget is below. The budget must describe: (Section 2107(d)) (42CFR 457.140)

- Planned use of funds, including:
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
  - Assumptions on which the budget is based, including cost per child and expected enrollment.
  - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.
  - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.
  
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.
- Include a separate budget line to indicate the cost of providing coverage to pregnant women.
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children.
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage.
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility.
- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
  - Total 1-year cost of adding prenatal coverage
  - Estimate of unborn children covered in year 1

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## CHIP Budget

STATE: Delaware SPA # DE-16-0001	CHIP Health Service Initiative	Cost Projection of Approved CHIP Plan	Total
Federal Fiscal Year	FFY 2017	FFY 2017	FFY 2017
State's enhanced FMAP rate	90.94%	90.94%	90.94%
<b>Benefit Cost</b>			
Insurance Payments			\$ -
Managed care		\$25,403,399	\$25,403,399
per member/per month rate		8,894 / \$238.02	
Fee for Service		\$6,267,103	\$6,267,103
<b>Total Benefit Costs</b>		<b>\$31,670,502</b>	<b>\$31,670,502</b>
(Offsetting beneficiary cost sharing payments)		(\$900,000)	(\$900,000)
<b>Net Benefit Costs</b>		<b>\$30,770,502</b>	<b>\$30,770,502</b>
Cost of Proposed SPA Changes - Benefit			
<b>Administrative Costs</b>			
Personnel		\$600,000	\$600,000
General Administration		\$508,715	\$508,715
Contractors/Brokers		\$231,500	\$231,500
Claims Processing		\$265,000	\$265,000
Outreach/marketing costs			\$ -
Health Services Initiatives	\$98,880	\$ -	\$98,880
Other			\$ -
<b>Total Administrative Costs</b>	<b>\$98,880</b>	<b>\$1,605,215</b>	<b>\$1,704,095</b>
10% Administrative Cap		\$3,237,572	\$3,247,460
Cost of Proposed SPA Changes	\$98,880	\$ -	\$98,880
Federal Share	\$89,921	\$29,442,477	\$29,532,399
State Share	\$8,959	\$2,933,240	\$2,942,198
<b>Total Program Costs</b>	<b>\$98,880</b>	<b>\$32,375,717</b>	<b>\$32,474,597</b>

### Budget Assumptions

- Rate of client growth will increase an average of 6.4% in FY 2017;
- Capitation rates paid to commercial managed care organizations will increase an average of 7.8% based on new contracts effective July 1, 2016;
- Enhanced federal FMAP will be 90.94% effective October 1, 2016;
- Sources of non-federal funds are General Funds, transfers from the Dept. of Children, Youth & Families and client premiums.
- Health Service Initiative: estimates approximately 800 children will receive vision exams, refraction and 544 children for glasses.

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