



Center for Medicaid, CHIP and Survey & Certification

August 12, 2011

Mr. Peter J. Adams
Deputy Commissioner for CHIP and AdultBasic
Pennsylvania Insurance Department
1142 Strawberry Square
Harrisburg, PA 17120-0001

Dear Mr. Adams:

Your ninth title XXI Children's Health Insurance Program (CHIP) State plan amendment (SPA) submitted on December 20, 2010, has been approved. This amendment makes changes to the Commonwealth's dental services for Pennsylvania's separate CHIP, by choosing the State employee benchmark plan effective as of January 1, 2012. This SPA also proposes to clarify language on eligibility simplification efforts as well as other benefit limits and exclusions. This SPA also includes expanded coverage to certain children of public agency employees beginning January 1, 2011. The State will provide this coverage in accordance with the hardship exception to the exclusion of employees of a public agency of a State, in accordance with section 10203 of the Affordable Care Act of 2010.

The State is enhancing the dental benefit package of this benchmark by including: up to \$1,500 a year on dental services; a lifetime limit of \$5,200 on orthodontia services; and providing an extended dental benefit pool of \$1 million for additional benefits. We also appreciate your efforts to respond to public concerns by including in the dental benefit package coverage for composite fillings and enhanced anesthesia services so children may have general anesthesia, nitrous oxide, or conscious sedation if necessary.

As you are aware, Section 501 of the Children's Health Insurance Reauthorization Act (CHIPRA) amended Section 2103(c)(5)(A) of the Social Security Act and requires a State CHIP program to provide dental benefits necessary to prevent disease, promote oral health, restore oral structures to health and function and treat emergency conditions. We appreciate your working with us to come into compliance with the new dental benefits requirements. As you know, the Centers for Medicare & Medicaid Services (CMS) is developing regulations to implement the CHIPRA dental provisions. After final regulations become effective, States will need to demonstrate compliance with the new regulations. CHIP State plan provisions approved prior to the issuance of the final regulations may need to be revised and resubmitted for approval to ensure that the CHIP State plan complies with the final published regulations.

Although we are approving the new benefits, we remain concerned that the limited extended dental benefit pool Pennsylvania is using to address dental needs above annual and lifetime limits may not be sufficient to assure access to needed services. We would like to work with Pennsylvania on a monitoring design that assesses the impact of the extended dental benefit pool on beneficiaries' access to care as required under section 2102(a)(7)(B) of the Act.

We request that Pennsylvania submit a monitoring design to CMS within 60 days after the approval of this SPA, providing a framework to assess the impact of Pennsylvania's extended dental benefits pool, including the process, how authorization is communicated to enrollees and providers, how many services are approved by type, and utilization patterns of CHIP children. CMS will review the monitoring plan and provide technical assistance and other comments within 60 days of receipt from the State. Pennsylvania will then submit a quality strategy as required under section 1932(c) of the Act, which would be due 60 days after receipt of CMS' comments. The format for the quality strategy will be designed to be informative to the State as well as to CMS as the State moves ahead. This quality strategy must include information on the progress of the monitoring component, as well as data that tracks the impact of Pennsylvania's extended dental benefits pool on utilization patterns of CHIP children.

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

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Official communications regarding program matters should be sent simultaneously to Ms. Casart and to Mr. Ted Gallagher, Associate Regional Administrator in our Philadelphia Regional Office. Mr. Gallagher's address is:

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

If you have additional questions, please contact Ms. Victoria Wachino, Director, Children and Adults Health Programs Group at (410) 786-5647.

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

Sincerely,

/s/

Cindy Mann
Director

cc: Ted Gallagher, ARA, CMS Region III, Philadelphia