

October 6, 1999

Dear State Health Official:

The Balanced Budget Act of 1997 (Public Law 105-33) established the Children's Health Insurance Program (CHIP) under Title XXI of the Social Security Act (the Act). This new title enables States to expand health insurance coverage for uninsured children. The Department of Health and Human Services has issued several letters to provide policy and State plan guidance on the implementation of the CHIP.

This letter announces policy guidance concerning the CHIP provisions related to the assurance of access to American Indian/Alaska Native (AI/AN) children and cost sharing and the effect of the interrelationship of these provisions on a State's compliance with section 2102(b)(3)(D) of the Act.

The special access provisions for AI/AN children in Title XXI recognize the unique relationship between the Federal government and the Tribal governments in the delivery of health services to AI/AN children. Section 2102(b)(3)(D) of the Act requires the State plan to include a description of the procedures used to ensure the provision of child health assistance to targeted low-income children of AI/ AN families.

Because cost sharing poses a unique financial barrier to care for AI/AN children, States that impose cost sharing on AI/AN children are not in compliance with the access provision of section 2102 (b) (3) (D). Therefore, we will no longer approve any State plans or amendments to state plans that would impose cost sharing on AI/AN children.

We believe that our interpretation best furthers the objectives of the CHIP statute and we encourage expeditious compliance with it by all States. However, for States with cost sharing plans which have already been approved, we will work with them to revise these provisions to allow sufficient time to make the necessary changes to their programs.

If you have any questions regarding this policy, please contact Christine Hinds from HCFA on (410)7864578.

Sincerely,

Rachel Block Deputy Director Center for Medicaid and State Operations

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cc: Lee Partridge - American Public Welfare Association Matt Salo - National Governors' Association Joy Wilson - National Conference of State Legislatures Brent Ewig - Association of State and Territorial Health Officials Mary Beth Senkewicz - National Association of Insurance Commissioners All HCFA Regional Offices All PHS Regional Offices HHS Regional Directors