

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

August 6, 2014

Lawrence Kissner, Commissioner
Department for Medicaid Services
275 East Main Street, 6WA
Frankfort, KY 40621-0001



RE: Title XIX State Plan Amendment, KY 14-005

Dear Mr. Kissner:

Kentucky submitted State Plan Amendment (SPA) 14-005 that was received by the Centers for Medicare & Medicaid Services (CMS) on May 14, 2014. Effective July 1, 2014, this amendment proposes to clarify that foster children and women receiving treatment through the breast and cervical cancer program are exempt from certain cost sharing requirements in the state plan.

As previously discussed with the state, we have completed our review of KY SPA 14-005. Before we can continue processing this amendment, we need additional or clarifying information. We are requesting the below additional information pursuant to Section 1915(f)(2) of the Act.

General Questions:

1. The state must upload the public notice information and complete the necessary fields on the *General Information* Page. Please see the web site link: <https://wms-mmdl.cdsvdc.com/MMDL/faces/protected/mpc/pageOne.jsp>. The state should remove the language in the text box that says public notice has not yet been published. The state should remove public notice from the G1 page.
2. Please explain why there is no stated budget impact if the state is reducing cost sharing.

Plan Pages – Preprint Pages:

3. Pages 54, 56 and 56c: The state indicates that it exempts recipients between the ages of 18 and 21 who are in state custody and are in foster care or residential treatment from copays. Is this still the state's policy for children in residential treatment? If so, on Form G3, the state should select "other reasonable category" under the exemption for individuals under age 18-21 and describe this in the text box. However, when the state

selects this option, it deletes the option the state selected that exempts children under age 19 so the state will need to write in that the state exempts all children under age 19 and, in addition, the state exempts recipients between age 18 and 21 who are in residential treatment. Foster care children are already a mandatory exempt group so they are already captured on the template.

Form G1 – Cost Sharing Requirements:

4. On Attachment 4.18-A of the current state plan, there is a paragraph at the bottom indicating that preventive services are exempt from copays. If the state intends to keep this language it could add it to the text box at the bottom of Form G1.
5. On Page 3 of Form G3, the state indicates that recipients outside the exempt status will have a copayment due each month, which is printed on the recipients' Medicaid cards. Providers will use the Medicaid card to identify those recipients who should pay a copayment. However, the state did not check this option on Form G1. Does the Medicaid card indicate the cost sharing?

Form G3 – Cost Sharing Limitations:

6. The state indicates it accepts self-attestation for the American Indians/Alaska Natives (AI/AN) exemption. In the text box, please describe what specifically is being attested to. It must address use of service and not that beneficiaries are AI/ANs. Is the state relying on the question on the single streamlined application? The paragraph regarding AI/ANs in the second text box should be moved up to the text box pertaining to the AI/AN exemption.
7. See the above comment under Form G1 regarding Medicaid cards: is this language still accurate?
8. The state may delete the sentence, "KY imposes cost-sharing for non-preferred drugs to individuals otherwise exempt from cost-sharing," because this is captured on Form G2a.
9. Please confirm that the state is counting all cost sharing incurred by all members of the household towards the 5 percent cap and that each individual in the family is not expected to spend 5 percent of family income on cost sharing.
10. Has the state found that the tracking system it has in place is working well to ensure individuals do not exceed the 5 percent aggregate limit?

Attachment 4.18-F:

11. Pages 3-5: The state plan discusses the following: In Family Choices cost sharing amounts are placed on the KCHIP Medicaid Expansion Children (101-150 percent of the poverty line) under 1916A(a) and 1916A(b)(1)-(2) of the Act. The cost sharing amounts for Family Choices can be found on Attachment 3.1-C, Pages 10.17-10.20. The

methodology to determine family income does not differ from the methodology for determining eligibility. Net income is used to determine eligibility. Does the state still charge this cost sharing? If so, it needs to be included on the Form G2c templates. Note that children with income under 133 percent of the federal poverty level are now exempt from cost sharing and MAGI methodology must be used for cost sharing purposes. Also, cost sharing amounts should not be listed in Attachment 3.1-C pages; this must be included on the Form G2c template. We believe the state previously removed this language from the Attachment 3.1-C pages and just needs to revise the Attachment 4.18-A pages. Please confirm this is the case.

12. Does the state still apply the \$225 out of pocket maximums for pharmacy and medical services?
13. Does the state allow providers to deny services for non-payment?

Attachment 4.18-G:

14. Does the state apply the cost sharing listed in Attachment 4.18-G?
15. Any cost sharing in the state plan that continues to apply needs to be included in the new PDF templates and all previous pages should be deleted from the state plan.

We are requesting this additional/clarifying information under provisions of Section 1915(f)(2) of the Act. This has the effect of stopping the 90-day clock for CMS to take action on the material, which would have expired on 8/12/14. A new 90-day clock will not begin until we receive your response to this request.

In accordance with our guidelines to all State Medicaid Directors dated January 2, 2001, if we have not received the state's response to our request for additional information within 90 days from the date of this letter, we will initiate disapproval action on the amendment.

We ask that you respond to this request for additional information via the Atlanta Regional Office SPA/Waiver mailbox at CMS SPA_Waivers_Atlanta_R04. In addition, please send hard copies to the Atlanta Regional Office and to me at the above address.

If you have any questions, please contact Melanie Benning at 404-562-7414.

Sincerely,



Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations