

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850



Children and Adults Health Programs Group

JUN - 5 2014

Ms. Lisa Lee
Director
Children's Health Insurance
Department for Medicaid Services
275 E. Main Street, 6W-D
Frankfort, KY 40621-0001

Dear Ms. Lee:

Thank you for your Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) number 13, received on March 31, 2014. This SPA proposes to make necessary changes as a result of amending Kentucky's Medicaid State Plan to comply with the provisions outlined in the Affordable Care Act (ACA), effective January 1, 2014. Your amendment is undergoing review by the Centers for Medicare and Medicaid Services (CMS). In order to proceed with our review, we find it necessary to seek further information on your SPA. Our key concerns relate to the following areas:

- Section 2107(d) of title XXI of the Social Security Act (SSA) requires states to include an amended budget that describes the state's projected SPA expenditures;
- Section 2102(a)(4) of title XXI of the SSA requires states to include a description of the child health assistance provided under the plan for targeted low-income children including the proposed methods of delivery and utilization control systems; and
- Section 2102(b)(2) of title XXI of the SSA requires states to include a description of methods of establishing and continuing eligibility and enrollment.

The enclosure further details those areas of the SPA that require additional information and clarification. CMS may have further questions in addition to the information requested at this time.

Under Section 2106(c)(2) of the Social Security Act, CMS must approve, disapprove or request additional information on a proposed amendment to a title XXI State plan within 90 days. This letter constitutes our notification that specified additional information is needed in order to fully assess your amendment. The 90-day review period has been stopped by this request and will resume as soon as a complete and substantive response to all of the enclosed questions is

received. The members of the CMS review team would be happy to answer any questions you may have in regard to this letter and to assist your staff in formulating a response.

Please send your response electronically as well as in hard copy to Ms. LaVern Baty, your title XXI Project Officer, with a copy to Ms. Jackie Glaze, Associate Regional Administrator (ARA), in the CMS Atlanta Regional Office - Region IV. Should you choose to make changes to your proposed amendment, please make those changes in track changes format to facilitate our review.

Ms. Baty's contact information is as follows:

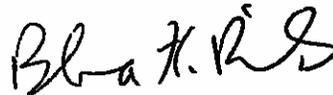
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850
Telephone: (410) 786-5480
Facsimile: (410) 786-5882
E-mail: Lavern.Baty@cms.hhs.gov

Ms. Glaze's is:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
Atlanta Federal Center, 4th Floor
61 Forsyth Street, SW, Suite 4T20
Atlanta, GA 30303-8909

We appreciate the efforts of your staff and share your goal of providing health care to low-income, uninsured children through title XXI. If you have questions or concerns regarding the matters raised in this letter, your staff may contact LaVern Baty at (410) 786-5480. She will provide or arrange for any technical assistance you may require in preparing your response. Your cooperation is greatly appreciated.

Sincerely,



Barbara Richards
Acting Director
Division of State Coverage Programs

Enclosure

cc: Jackie Glaze, ARA, CMS Region IV

Enclosure

Request for Additional Information Regarding Kentucky's State Plan Amendment #13

I. Budget Issues

- Page 96: Budget Table – Please complete the line for the 10% Administrative Cap. This line has been left blank. Please note that the administrative cap is equal to the “Net Benefit Costs” divided by “9”. See 42 CFR §457.618(c)(3).
- Page 96: Budget Table – The proposed SPA submitted on March 31, 2014 indicated a cost of “0” on the line item titled “Cost of Proposed SPA Changes”. However, the revised proposed SPA sent electronically on June 2, 2014 indicated a cost of \$18,634,205 for this line item. Please clarify.

II. Section 6.2 Forms of Coverage to Children the State Elects to Provide

- Pages 22 - 78: In the revised proposed SPA submitted on June 2, 2014, the State checked “6.1.4.1. Coverage the same as Medicaid State plan” stating that “the KCHIP benefit package will be essentially the same as the State’s Title XIX Medicaid plan with the exception of non-emergency transportation and EPSDT special services” as well as provided a comprehensive description of items 6.2.1. – 6.2.6., 6.2.8. – 6.2.13., and 6.2.15. – 6.2.23. Please clarify whether the descriptions for each are the same as what is in the Medicaid State plan or whether the descriptions indicate how these services differ in KCHIP from Kentucky’s Medicaid State plan.
- Page 75: In the proposed SPA submitted on March 31, 2014, “6.2.21. Care coordination services” was checked. In the revised proposed SPA submitted electronically on June 2, 2014, section 6.2.21. has been left blank. Please clarify which one is correct.

III. Section 8 Cost-Sharing and Payment

- Page 88: Please confirm that the copayments detailed in 8.2.3. in the proposed SPA replace the text in Kentucky’s current state plan.
- Pages 88 and 96: It was noted in the budget table on p.96 that the Managed Care Organizations (MCOs) may or may not impose the copayments outlined in the proposed SPA. Therefore, do the copayments outlined in the proposed SPA beginning on p. 88 represent maximum copayments that the MCOs may charge? Please explain.