

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP and Survey & Certification
Family and Children's Health Programs Group

June 17, 2010

Lesley Cummings
Executive Director
California Managed Risk Medical Insurance Board
P.O. Box 2769
Sacramento, CA 95812-2769

Dear Ms. Cummings:

Thank you for your response to our request for additional information regarding your Children's Health Insurance Program (CHIP) State Plan Amendment (SPA) number 17 received on June 4, 2010. As you are aware, your proposal has been undergoing review by the Department of Health and Human Services. In order to proceed with our review, we find it necessary to seek further information. Our key concern relates to Section 2105(d)(3) of the Social Security Act (the Act), which sets forth requirements related to maintenance of effort (MOE). This provision was added to the Act by the Patient Protection and Affordable Care Act ("Affordable Care Act"), Pub. L. No. 111-148, and requires States, as a condition of receiving Federal Medicaid funding, to maintain the "eligibility standards, methodologies, and procedures" that were in effect upon enactment of the Affordable Care Act, which was March 23, 2010.

As indicated in the guidance CMS issued on similar MOE language under section 5001 of the American Recovery and Reinvestment Act, Pub. L. No. 111-5, the imposition of premiums is considered to be an eligibility provision for purposes of MOE compliance. Please explain how California's increase in premium amounts, as described in this SPA, complies with the requirements of Section 2105(d)(3) of the Act. In addition, please explain the basis upon which California decided on the amount of the premium increase for all Federal Poverty Level (FPL) groups. Does the State anticipate any changes to enrollment based on premium increases?

The Centers for Medicare & Medicaid Services (CMS) may have further questions in addition to the information requested at this time. Under Section 2106(c) of the Social Security Act, CMS must approve, disapprove, or request additional information on a proposed title XXI SPA within 90 days. This constitutes our notification that specified additional information is needed in order to fully assess the concerns raised in this letter. The 90-day review period has been stopped by this request and will resume as soon as the State's response to this request for additional information is received. The members of the Federal Review Team are available 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 Mr. Jeffrey Silverman, Project Officer for the California title XXI proposal, with a copy to the CMS Region IX Office.

Mr. Silverman's email address is Jeffrey.Silverman@cms.hhs.gov. His mailing address is:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Division of State Children's Health Insurance
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We appreciate the efforts of you and 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 Mr. Silverman at (410) 786-8679. He can provide or arrange for any technical assistance you may require in preparing your response.

Sincerely,

/s/

Barbara K. Richards
Acting Director
Division of State Children's Health Insurance

cc: Ms. Gloria Nagle, ARA, CMS San Francisco Regional Office