

## NOTICE OF RULE MAKING

The Director of the Division of Medical Services of the Department of Human Services announces for a public comment period of thirty (30) calendar days a notice of rulemaking for the following proposed rule under one or more of the following chapters, subchapters, or sections of the Arkansas Code: §§ 20-76-201, 20-77-107, and 25-10-129.

**Effective January 1, 2021, this promulgation consists of two Children's Health Insurance Program (CHIP) State Plan Amendments (SPAs).**

The first SPA is necessary to update the CHIP State Plan to clarify that a small number of ARKids-B beneficiaries with a higher level of care needs due to behavioral health or developmental disability diagnoses will receive services from a Provider-led Arkansas Shared Savings Entity (PASSE) rather than through fee-for-service.

The second SPA is necessary to comply with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act (MHPAEA) by providing assurances that the CHIP State Plan does not impose financial requirements on benefits and limitations on benefits are not more restrictive for mental health or substance use disorders than the requirements and limitations for medical and surgical benefits. In addition, the second SPA updates terminology and changes benefit thresholds for occupational, physical, and speech therapy services from 4 units of each discipline daily to 6 units of each weekly with an option for extension of benefits, comparable to recently revised Medicaid standards.

The MHPAEA requires health insurers as well as group health plans to guarantee that financial requirements on benefits, including co-pays, deductibles, and out-of-pocket maximums, and limitations on treatment benefits such as caps on visits with a provider or days in a hospital visit, for mental health or substance use disorders are not more restrictive than the insurer's requirements and restrictions for medical and surgical benefits. Medicare, Medicaid, and the Children's Health Insurance Program (CHIP) are not group health plans or issuers of health insurance. They are public health plans through which individuals obtain health coverage. However, provisions of the Social Security Act that govern CHIP plans, Medicaid benchmark benefit plans, and managed care plans that contract with State Medicaid programs to provide services require compliance with certain requirements of MHPAEA.

The proposed rule is available for review at the Department of Human Services (DHS) Office of Rules Promulgation, 2nd floor Donaghey Plaza South Building, 7th and Main Streets, P. O. Box 1437, Slot S295, Little Rock, Arkansas 72203-1437. You may also access and download the proposed rule on the Medicaid website at <https://medicaid.mmis.arkansas.gov/General/Comment/Comment.aspx>. Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov). All public comments must be received by DHS no later than November 3, 2020. Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you need this material in a different format, such as large print, contact the Office of Rules Promulgation at 501-396-6428.

The Arkansas Department of Human Services is in compliance with Titles VI and VII of the Civil Rights Act and is operated, managed and delivers services without regard to religion, disability, political affiliation, veteran status, age, race, color or national origin. 4501960528

  
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Janet Mann, Director  
Division of Medical Services

TEMPLATE FOR CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT  
CHILDREN'S HEALTH INSURANCE PROGRAM

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b)))

State/Territory: ARKANSAS  
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b)) Janet Mann, Director, DMS  
(Signature of Governor, or designee, of State/Territory, Date Signed)

submits the following Child Health Plan for the Children's Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following State officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: Cindy Gillespie	Position/Title: Director, Department of Human Services (DHS)
Name: <b>Janet Mann</b>	Position/Title: <b>Director, DHS Division of Medical Services (DMS)</b>
Name: _____	Position/Title: _____

\*Disclosure. In accordance with the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #34). The time required to complete this information collection is estimated to average 80 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, write to: CMS, 7500 Security Blvd., Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

**Introduction:** Section 4901 of the Balanced Budget Act of 1997 (BBA), public law 1005-33 amended the Social Security Act (the Act) by adding a new title XXI, the Children's Health Insurance Program (CHIP). In February 2009, the Children's Health Insurance Program Reauthorization Act (CHIPRA) renewed the program. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, further modified the program. The HEALTHY KIDS Act and The Bipartisan Budget Act of 2018 together resulted in an extension of funding for CHIP through

federal fiscal year 2027.

This template outlines the information that must be included in the state plans and the State plan amendments (SPAs). It reflects the regulatory requirements at 42 CFR Part 457 as well as the previously approved SPA templates that accompanied guidance issued to States through State Health Official (SHO) letters. Where applicable, we indicate the SHO number and the date it was issued for your reference. The CHIP SPA template includes the following changes:

- Combined the instruction document with the CHIP SPA template to have a single document. Any modifications to previous instructions are for clarification only and do not reflect new policy guidance.
- Incorporated the previously issued guidance and templates (see the Key following the template for information on the newly added templates), including:
  - Prenatal care and associated health care services (SHO #02-004, issued November 12, 2002)
  - Coverage of pregnant women (CHIPRA #2, SHO # 09-006, issued May 11, 2009)
  - Tribal consultation requirements (ARRA #2, CHIPRA #3, issued May 28, 2009)
  - Dental and supplemental dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
  - Premium assistance (CHIPRA # 13, SHO # 10-002, issued February 2, 2010)
  - Express lane eligibility (CHIPRA # 14, SHO # 10-003, issued February 4, 2010)
  - Lawfully Residing requirements (CHIPRA # 17, SHO # 10-006, issued July 1, 2010)
- Moved sections 2.2 and 2.3 into section 5 to eliminate redundancies between sections 2 and 5.
- Removed crowd-out language that had been added by the August 17 letter that later was repealed.
- Added new provisions related to delivery methods, including managed care, to section 3 (81 FR 27498, issued May 6, 2016)

States are not required to resubmit existing State plans using this current updated template. However, States must use this updated template when submitting a new State Plan Amendment.

**Federal Requirements for Submission and Review of a Proposed SPA.** (42 CFR Part 457 Subpart A)

In order to be eligible for payment under this statute, each State must submit a Title XXI plan for approval by the Secretary that details how the State intends to use the funds and fulfill other requirements under the law and regulations at 42 CFR Part 457. A SPA is approved in 90 days unless the Secretary notifies the State in writing that the plan is disapproved or that specified additional information is needed. Unlike Medicaid SPAs, there is only one 90-day review period, or clock for CHIP SPAs, that may be stopped by a request for additional information and restarted after a complete response is received. More information on the SPA review process is found at 42 CFR 457 Subpart A.

When submitting a State plan amendment, states should redline the changes that are being made to the existing State plan and provide a “clean” copy including changes that are being made to the existing state plan.

The template includes the following sections:

1. **General Description and Purpose of the Children’s Health Insurance Plans and the Requirements-** This section should describe how the State has designed their program. It also is the place in the template that a State updates to insert a short description and the proposed effective date of the SPA, and the proposed implementation date(s) if different from the effective date. (Section 2101); (42 CFR, 457.70)
2. **General Background and Description of State Approach to Child Health Coverage and Coordination-** This section should provide general information related to the special characteristics of each state’s program. The information should include the extent and manner to which children in the State currently have creditable health coverage, current State efforts to provide or obtain creditable health coverage for uninsured children and how the plan is designed to be coordinated with current health insurance, public health efforts, or other enrollment initiatives. This information provides a health insurance baseline in terms of the status of the children in a given State and the State programs currently in place. (Section 2103); (42 CFR 457.410(A))
3. **Methods of Delivery and Utilization Controls-** This section requires the State to specify its proposed method of delivery. If the State proposes to use managed care, the State must describe and attest to certain requirements of a managed care delivery system, including contracting standards; enrollee enrollment processes; enrollee notification and grievance processes; and plans for enrolling providers, among others. (Section 2103); (42 CFR Part 457. Subpart L)
4. **Eligibility Standards and Methodology-** The plan must include a description of the standards used to determine the eligibility of targeted low-income children for child health assistance under the plan. This section includes a list of potential eligibility standards the State can check off and provide a short description of how those standards will be applied. All eligibility standards must be consistent with the provisions of Title XXI and may not discriminate on the basis of diagnosis. In addition, if the standards vary within the state, the State should describe how they will be applied and under what circumstances they will be applied. In addition, this section provides information on income eligibility for Medicaid expansion programs (which are exempt from Section 4 of the State plan template) if applicable. (Section 2102(b)); (42 CFR 457.305 and 457.320)
5. **Outreach-** This section is designed for the State to fully explain its outreach activities. Outreach is defined in law as outreach to families of children likely to be eligible for child health assistance under the plan or under other public or private health coverage programs. The purpose is to inform these families of the availability of, and to assist them in enrolling their children in, such a program. (Section 2102(c)(1)); (42 CFR 457.90)
6. **Coverage Requirements for Children’s Health Insurance-** Regarding the required scope of health insurance coverage in a State plan, the child health assistance provided must consist of any of the four types of coverage outlined in Section 2103(a) (specifically, benchmark coverage; benchmark-equivalent coverage; existing comprehensive state-based coverage; and/or Secretary-approved coverage). In this section States identify the scope of coverage and benefits offered under the plan including the categories under which that coverage is offered. The amount, scope,

and duration of each offered service should be fully explained, as well as any corresponding limitations or exclusions. (Section 2103); (42 CFR 457.410(A))

7. **Quality and Appropriateness of Care-** This section includes a description of the methods (including monitoring) to be used to assure the quality and appropriateness of care and to assure access to covered services. A variety of methods are available for State's use in monitoring and evaluating the quality and appropriateness of care in its child health assistance program. The section lists some of the methods which states may consider using. In addition to methods, there are a variety of tools available for State adaptation and use with this program. The section lists some of these tools. States also have the option to choose who will conduct these activities. As an alternative to using staff of the State agency administering the program, states have the option to contract out with other organizations for this quality of care function. (Section 2107); (42 CFR 457.495)
8. **Cost Sharing and Payment-** This section addresses the requirement of a State child health plan to include a description of its proposed cost sharing for enrollees. Cost sharing is the amount (if any) of premiums, deductibles, coinsurance and other cost sharing imposed. The cost-sharing requirements provide protection for lower income children, ban cost sharing for preventive services, address the limitations on premiums and cost-sharing and address the treatment of pre-existing medical conditions. (Section 2103(e)); (42 CFR 457, Subpart E)
9. **Strategic Objectives and Performance Goals and Plan Administration-** The section addresses the strategic objectives, the performance goals, and the performance measures the State has established for providing child health assistance to targeted low income children under the plan for maximizing health benefits coverage for other low income children and children generally in the state. (Section 2107); (42 CFR 457.710)
10. **Annual Reports and Evaluations-** Section 2108(a) requires the State to assess the operation of the Children's Health Insurance Program plan and submit to the Secretary an annual report which includes the progress made in reducing the number of uninsured low income children. The report is due by January 1, following the end of the Federal fiscal year and should cover that Federal Fiscal Year. In this section, states are asked to assure that they will comply with these requirements, indicated by checking the box. (Section 2108); (42 CFR 457.750)
11. **Program Integrity-** In this section, the State assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Sections 2101(a) and 2107(e); (42 CFR 457, subpart I)
12. **Applicant and Enrollee Protections-** This section addresses the review process for eligibility and enrollment matters, health services matters (i.e., grievances), and for states that use premium assistance a description of how it will assure that applicants and enrollees are given the opportunity at initial enrollment and at each redetermination of eligibility to obtain health benefits coverage other than through that group health plan. (Section 2101(a)); (42 CFR 457.1120)

**Program Options.** As mentioned above, the law allows States to expand coverage for children through a separate child health insurance program, through a Medicaid expansion program, or through a

combination of these programs. These options are described further below:

- **Option to Create a Separate Program-** States may elect to establish a separate child health program that are in compliance with title XXI and applicable rules. These states must establish enrollment systems that are coordinated with Medicaid and other sources of health coverage for children and also must screen children during the application process to determine if they are eligible for Medicaid and, if they are, enroll these children promptly in Medicaid.
- **Option to Expand Medicaid-** States may elect to expand coverage through Medicaid. This option for states would be available for children who do not qualify for Medicaid under State rules in effect as of March 31, 1997. Under this option, current Medicaid rules would apply.

#### **Medicaid Expansion- CHIP SPA Requirements**

In order to expedite the SPA process, states choosing to expand coverage only through an expansion of Medicaid eligibility would be required to complete sections:

- 1 (General Description)
- 2 (General Background)

They will also be required to complete the appropriate program sections, including:

- 4 (Eligibility Standards and Methodology)
- 5 (Outreach)
- 9 (Strategic Objectives and Performance Goals and Plan Administration including the budget)
- 10 (Annual Reports and Evaluations).

#### **Medicaid Expansion- Medicaid SPA Requirements**

States expanding through Medicaid-only will also be required to submit a Medicaid State plan amendment to modify their Title XIX State plans. These states may complete the first check-off and indicate that the description of the requirements for these sections are incorporated by reference through their State Medicaid plans for sections:

- 3 (Methods of Delivery and Utilization Controls)
- 4 (Eligibility Standards and Methodology)
- 6 (Coverage Requirements for Children's Health Insurance)
- 7 (Quality and Appropriateness of Care)
- 8 (Cost Sharing and Payment)
- 11 (Program Integrity)
- 12 (Applicant and Enrollee Protections)

- **Combination of Options-** CHIP allows states to elect to use a combination of the Medicaid program and a separate child health program to increase health coverage for children. For example, a State may cover optional targeted-low income children in families with incomes of up to 133 percent of poverty through Medicaid and a targeted group of children above that level through a separate child health program. For the children the State chooses to cover under an expansion of Medicaid, the

description provided under “Option to Expand Medicaid” would apply. Similarly, for children the State chooses to cover under a separate program, the provisions outlined above in “Option to Create a Separate Program” would apply. States wishing to use a combination of approaches will be required to complete the Title XXI State plan and the necessary State plan amendment under Title XIX.

Where the state’s assurance is requested in this document for compliance with a requirement of 42 CFR 457 et seq., the state shall place a check mark to affirm that it will comply no later than the applicable compliance date.

Proposed State plan amendments should be submitted electronically and one signed hard copy to the Centers for Medicare & Medicaid Services at the following address:

Name of Project Officer  
Centers for Medicare & Medicaid Services  
7500 Security Blvd  
Baltimore, Maryland 21244  
Attn: Children and Adults Health Programs Group  
Center for Medicaid and CHIP Services  
Mail Stop - S2-01-16

**Section 1. General Description and Purpose of the Children’s Health Insurance Plans and the Requirements**

**1.1.3.**  A combination of both of the above. (Section 2101(a)(2))

**A. Background**

Arkansas aggressively pursued health care for children by covering optional benefits and categories that benefit children. For example, Arkansas elected to provide the full range of EPSDT services to children without requiring the EPSDT screen. Also Arkansas was one of the first states in the nation to cover the TEFRA-134 children authorized by the Tax Equity and Fiscal Responsibility Act of 1982.

Effective 1-1-03, the State began covering TEFRA children in a TEFRA-like 1115(a) demonstration waiver in which the parents pay a premium based on a sliding scale; some parents are not required to pay a premium. The TEFRA-like demonstration waiver provides for the care of a child in his/her home, if he/she qualifies for Medicaid as a resident in a Title XIX institution, e.g., a nursing facility or an Intermediate Care Facility for the Mentally Retarded, etc. Parental income and resources are not counted in the child’s eligibility determination. Before eligibility determination for the TEFRA-like demonstration waiver, the child must first be determined if he/she would meet Title XIX Medicaid eligibility. Parental income is counted in the premium amount calculation. The eligibility income limit for this demonstration waiver is three times the SSI limit. The TEFRA-like demonstration waiver makes Medicaid available to a large segment of the state’s chronically ill children.

In its quest to provide health care for children, the State also opted to cover uninsured children through a Medicaid 1115(a) demonstration waiver, AR Kids First. This demonstration is discussed in item B, below.

CHIP Phase I, a Medicaid expansion, was approved August 6, 1998 and implemented October 1, 1998. This was a small CHIP Medicaid expansion in which the last of the eligible children aged-out of the program September 30, 2002. CHIP Phase II is a separate CHIP program that was approved February 16, 2001 but not implemented. Phase III superseded Phase II. Phase III covered some of the children in the State’s 1115(a) demonstration waiver, ARKids-B, as an CHIP Medicaid expansion and the Unborn Child program as a separate child health program.

In 2013, on recommendation from CMS, the State made the decision to transition the ARKids-B program from an 1115(a)-demonstration waiver CHIP Medicaid expansion program to a separate child health program through the CHIP state plan. The Unborn



Child program has been in the CHIP state plan since 1-1-04 as a separate child health program, and the State continues to serve this population.

## **B. ARKids First Background and Development**

In 1997, Arkansas' Governor, the Arkansas State legislature, the President and Congress were all addressing the issue of health care for vast numbers of uninsured children. Governor Mike Huckabee supported enabling state legislation and an appropriations bill in the 1997 legislative session that created and funded ARKids First, an 1115(a)-demonstration waiver. The Arkansas Legislature passed both bills and Governor Mike Huckabee signed both bills into law on March 10, 1997. Effective August 4, 2000, the 1115(a)-demonstration waiver was renamed ARKids-B.

Ray Hanley, then Director, Division of Medical Services (DMS), formed and chaired an ARKids First work group, composed of individuals from the Governor's Office (the Department of Human Services liaison), Arkansas Children's Hospital, Arkansas Department of Health, Catholic Social Services, Arkansas Advocates for Children and Families, Easter Seals, Communities in School of Arkansas, Arkansas Chapter for American Academy of Pediatrics, Electronic Data Systems (Arkansas Medicaid's then fiscal agent), and various individuals in the Department of Human Services (DHS), including Tom Dalton, then Department Director. The first meeting was held February 7, 1997, one day after President Clinton announced his FFY '98 budget package that included a proposal to expand health insurance access for poor children in families that earn too much for Medicaid but not enough to afford private health insurance. Additional ARKids First meetings were held as needed. Most of the discussion and concerns involved eligibility factors and the benefit package.

The Arkansas legislation, though not as detailed, mirrors the CHIP legislation in its purpose, i.e., to provide health insurance coverage for uninsured children under age 19 whose family income is at or below 200% of the poverty level. The ARKids First program was designed as a CHIP program, but used the 1115(a) demonstration waiver process for implementation, since the CHIP legislation had not been passed at the time Arkansas' program was under development. The ARKids First 1115(a) demonstration waiver was approved by CMS on August 19, 1997 and implemented on September 1, 1997; only days after the CHIP legislation was signed by the President.

Arkansas developed the ARKids First Program with the thought that it would be able to roll the ARKids First 1115 demonstration waiver into a CHIP program. However, the State recognized that as the ARKids First demonstration waiver and the CHIP legislation were developing, they didn't make completely parallel steps. Therefore, ARKids First enrollees, who did not meet the definition of a CHIP targeted low-income child, would continue to receive their health care services through Title XIX federal funding. Children in ARKids

First who met the definition of a CHIP targeted low-income child would be able to receive their services through either Title XIX or Title XXI federal funding, at the discretion of the State. All of the ARKids First children would remain in the 1115(a) demonstration waiver regardless of the funding source. The children who did not meet the definition of a CHIP targeted low-income child were the children of state employees and the children who met the eligibility requirements for regular Title XIX Medicaid. In 2002, CMS instructed the State that parents or guardians of children who met eligibility for Title XIX Medicaid did not have the choice to have their children receive services through either Title XIX Medicaid or the Title XXI CHIP ARKids First 1115(a) demonstration waiver. Children found eligible for Title XIX Medicaid must receive services through the Title XIX Medicaid program. Effective August 4, 2000, the ARKids First program was separated into ARKids-A (regular children's Title XIX Medicaid program) and ARKids-B (1115(a) demonstration waiver Title XXI CHIP program), and ARKids First became an umbrella for these two programs.

The application form and the promotional materials for ARKids-A and ARKids-B identify the two programs as ARKids First. Applications may be made at the local DHS County Office, by mail, or through the internet, and a toll free number is available to clients. Applications in English or Spanish may be printed from the ARKids First website at [www.arkidsfirst.com](http://www.arkidsfirst.com). Applications in other languages are available upon request.

### **C. ARKids-B Title XXI CHIP Separate Child Health Program**

In November 2013, CMS recommended the State transition the ARKids-B 1115(a) demonstration waiver Title XXI CHIP Medicaid expansion program to a Title XXI CHIP separate child health program through the CHIP state plan and advised that if this was done, orthodontia services would have to be added to the ARKids-B program's benefit package of services. As the current ARKids-B 1115(a) demonstration waiver's renewal was due to end December 31, 2013, the State requested and CMS approved an extension of the ARKids-B demonstration waiver to allow the State time to prepare, submit, and have approved an amendment to the CHIP state plan.

Effective 1/1/14 ARKids-B beneficiaries ages 6 through 18 in families with incomes from 100% FPL up to 142% FPL were moved to Title XIX Medicaid ARKids-A (MAGI CHIP SPA Group 2/CS2 PDF page) but continue to be funded through title XXI CHIP.

Children ages 0 through age 18 in families with a household income above 142% FPL up to and including 211% FPL are eligible for ARKids-B. There is no asset test. The State maintains qualifying criteria for ARKids-B that includes income criteria based on modified adjusted gross income methodologies as defined at 42 CFR §435.603. As allowed under

42 CFR §457.805, all ARKids-B enrollees must not have had employer-sponsored or group health insurance within 90 days prior to program enrollment. The State maintains, at minimum, the required exemptions to the period of uninsurance as specified at 42 CFR §457.805. There is no presumptive eligibility. Retroactive eligibility may be determined up to three months prior to the date of application. ARKids-B offers a less comprehensive benefit package than the State's traditional Title XIX Medicaid program (ARKids-A) and requires co-payments.

The State elected a copayment as the only cost sharing requirement, because it is the most equitable form of cost sharing. The State did not want to assess an enrollment fee nor monthly premiums because it wanted the family's cost sharing responsibility to be related solely to usage. Cost sharing is required for services that are not categorized as well-health. The State will keep the current copayment structure in place for ARKids-B enrollees.

The benefit package includes inpatient and outpatient hospital services, physician surgical and medical services, laboratory and x-ray services, well-baby care, including age-appropriate immunizations. Enrollees in the ARKids-B are not eligible for the full range of Medicaid State Plan services. The ARKids-B schedule of benefits is outlined in the table in section 6.2. ARKids-B Program).

ARKids-B utilizes the same provider system as ARKids-A (regular children's Title XIX Medicaid) and operates under a primary care case management model. ARKids-B beneficiaries select or align with a primary care physician responsible for furnishing primary and preventive services and making medically necessary referrals. Enrollees are entitled to change their primary care physician selection at any time, without limitation. As part of the enrollment materials, enrollees are provided with information concerning their disenrollment rights.

The Division of Medical Services (DMS) and the Division of County Operations (DCO) are divisions of the Department of Human Services. DMS is responsible for the administration of the Medicaid and CHIP programs except for eligibility, which is the responsibility of DCO.

#### **D. Overview of Unborn Child Title XXI CHIP Separate Child Health Program**

The Arkansas Department of Human Services administers the CHIP Unborn Child program.

The essential elements of the program are:

- Medical verification of the pregnancy is required.
- Applicant must have no other insurance that covers the pregnancy.
- Statewide income standard is from zero up to 209% FPL
- There is no resource test for the Unborn Child program.
  
- The benefits (with the exception of sterilization or any other family planning services) will be the same as the SIXTH OMNIBUS BUDGET RECONCILIATION ACT (SOBRA) pregnant women category under Title XIX Medicaid and include only obstetrical services and treatment for conditions that may complicate or endanger the pregnancy. Benefits include:
  - Prenatal services
  - Delivery
- Postpartum services (Postpartum coverage is through the end of the month in which the 60<sup>th</sup> day from the date of delivery falls. When one or more physicians in a group see the Unborn Child program beneficiary and at least two months of antepartum care were provided culminating in delivery or the beneficiary was continuously CHIP eligible for two or more months before delivery and on the delivery date, the global method of billing CHIP for postpartum services provided is used. When less than two months of antepartum care was provided to the Unborn Child program beneficiary or the beneficiary was not CHIP eligible for at least the last two months of the pregnancy, the antepartum/obstetrical care without delivery and the delivery and postpartum care can be billed to CHIP using the itemized billing method.)
- Services that are determined by the physician as medically necessary as, if not provided, could complicate or endanger the eligible Unborn Child program's beneficiary's pregnancy.

**E. Provider Led Arkansas Shared Savings Entity (PASSE)-MCO Model of care for client with high behavioral health or developmental disabilities service needs.**

Effective February 1, 2018, Arkansas included the ARKids-B Title XXI CHIP program beneficiaries as part of its overall 1915(b) waiver implementing a Provider-Led Arkansas Shared Savings Entity (PASSE) Program. As of May 6, 2019, approximately 2,598 children who participate in ARKids-B were also enrolled in a PASSE. More ARKids-B eligible children will be mandatorily enrolled in a PASSE if they are determined to be a Tier 2 or Tier 3 on the Arkansas Independent Assessment (ARIA) for behavioral health or developmental disabilities services.

The PASSE program is an innovative approach to organizing and managing the delivery of services for Medicaid beneficiaries with high behavioral health and developmental disability service needs. It was created by Act 775 of the 2017 Arkansas Regular Session, which was

signed into law by Arkansas Governor, Asa Hutchinson, on March 31, 2017. Under this unique model of organized care, Arkansas provider-led and owned organizations, known Provider-Led Arkansas Shared Savings Entities (PASSEs), are responsible for integrating the physical health services, behavioral health services, and specialized developmental disability services for approximately 30,000 individuals who have intensive levels of treatment or care needs due to mental illness, substance abuse, or intellectual and developmental disability. These vulnerable Arkansans will benefit from the provision and continuity of all medically necessary services in a well-organized system of coordinated care.

The PASSE program was implemented in two phases. The first phase was a Primary Care Case Management (PCCM) model approved by CMS under 1915(b) authority. In Phase I, which began on February 1, 2018, the PASSEs provided care coordination to each member attributed to the PASSE, but medical services were still provided on a fee for service basis. The purpose of this phase was to allow the PASSEs time to build their infrastructure and become more familiar with the population they would be serving and their unique needs. During Phase I, members were “attributed” to a PASSE based on their previous provider relationships. In Phase I, there were four PASSEs licensed and providing care coordination.

For Phase II, which began on March 1, 2019, the began providing all services to members under a “full-risk” Medicaid Managed Care (MCO) model. In this phase, the PASSEs continue to provide care coordination to enrolled beneficiaries. Additionally, PASSEs are now responsible for development of each member’s person-centered service plan (PCSP), as well as for the delivery of services. Only three PASSE’s signed the Provider Agreement and moved into Phase II. Under Phase II, members are no longer attributed to a PASSE but are auto-assigned through a “round-robin” approach that assures equal distribution among the three PASSEs.

Each PASSE signs a PASSE Provider Agreement (PA) that is renewed annually and will be held accountable for the requirements laid out in the PA during that year. Medicaid pays the PASSE an actuarially sound per member per month (PMPM) that must be used to cover all needed services for each of its members.

DHS has created a new Office of Innovation and Delivery System Reform (IDSR) which will provide monitoring and oversight of the services provided to PASSE members. The IDSR includes Beneficiary Support, which will provide guidance to beneficiaries on the PASSE system.

The State will be using the following system to deliver services:

**MCO:** Risk-comprehensive contracts are fully-capitated and require that the contractor be an MCO or HIO. Comprehensive means that the contractor is at risk for inpatient hospital services and any other mandatory State plan service in section 1905(a), or any three or more mandatory services in that section. References to MCOs generally apply to these risk-

comprehensive entities.

MARKKUP

1.1-DS

1.4.

Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

**Original Plan**

Effective Date: Medicaid Expansion (ARKids First Program) – Phase I: 10-1-98

Implementation Date: Medicaid Expansion (ARKids First Program) – Phase I: 10-1-98

**SPA #1, Purpose of SPA:** Separate State CHIP – Phase II \_\_\_\_\_

Proposed effective date: Not Implemented

Proposed implementation date: Not Implemented

**SPA # 2, Purpose of SPA:** Medicaid Expansion (ARKids-B Program) – Phase III

Effective Date: 1-1-01

Implementation Date: Implemented retroactively to 1-1-01

**SPA # 3, Purpose of SPA:** Separate State CHIP (Unborn Child Program) – Phase III

Effective Date: 7-1-04

Implementation Date: 7-1-04

**SPA # 4, Purpose of SPA:**

To make technical changes to align Arkansas' CHIP state plan with current practice in the State---To delete the references to the ARKids-B opt-out provision & to clarify that Primary Care Case Management (PCCM) is now included in the HIFA ARHealthNetworks 1115(a) demonstration waiver.

Effective Date: 5-5-11

Implementation Date: 5-1-11

**SPA # 5, Purpose of SPA:**

Add Poison Control & Drug Information Center Health Services

Initiative

Effective Date: 7-1-11

Implementation Date: 7-1-11

**Superseding Pages of MAGI CHIP State Plan Material**

<b>Transmittal Number &amp; Effective/Implementation Date</b>	<b>SPA Group</b>	<b>PDF Number</b>	<b>Description</b>	<b>Superseded Plan Section(s)</b>
<b>AR-13-0039</b> Effective/Implementation Date: 10/1/13	Eligibility Processing	CS24	Single, streamlined application, screening & enrollment process, renewals	Supersedes the current sections 4.3 & 4.4
<b>AR-14-0015</b> Effective/Implementation Date: 8/1/15	MAGI Eligibility & Methods	CS13	Deemed newborn	Section 4.3
		CS7	Coverage of targeted low-income children	Sections 4.1.1; 4.1.2 & 4.1.3
		CS10	Coverage for children who have access to public employee coverage	Section 4.1.7
<b>AR-13-0021</b> Effective/Implementation Date: 1/1/14	XXI Medicaid Expansion	CS3	Eligibility for Medicaid expansion program	Section 4.0
<b>AR-13-0040</b> Effective/Implementation Date: 1/1/14	Establish 2101(f) groups	CS14	Children ineligible for Medicaid as a result of the elimination of income disregards	Incorporate within a separate subsection under section 4.1
<b>AR-14-0042</b> Effective/Implementation Date: 1/1/14	Non- Financial Eligibility	CS17	Residency	Section 4.1.5

**Superseding Pages of MAGI CHIP State Plan Material**

<b>Transmittal Number &amp; Effective/Implementation Date</b>	<b>SPA Group</b>	<b>PDF Number</b>	<b>Description</b>	<b>Superseded Plan Section(s)</b>
<b>AR-14-0016</b>	Non-Financial	CS18	Citizenship	Sections 4.1.0;



Effective/Implementation Date: 8/1/15	Eligibility	CS19	Social security number	4.1-LR & 4.1.1-LR Section 4.1.9.1
		CS20	Substitution of coverage	Section 4.4.4
		CS27	Continuous eligibility	Sections 4.1.8 & 4.1.9.2
<b>AR-13-0022</b> Effective/Implementation Date: 1/1/14	MAGI Eligibility & Methods	CS9	Conception to Birth	Sections 4.1.1; 4.1.2 & 4.1.3
		CS15	MAGI-based income methodology	Incorporated within a separate subsection under Section 4.3
<b>AR-17-0006</b> Effective/Implementation Date: 1/1/18	Non-Financial Eligibility	CS18	Citizenship	Supersedes previously approved CS18
<b>AR-18-0003</b> Effective/Implementation Date: 1/1/18	Eligibility Processing	CS24	Change Arkansas to an Assessment State	Supersedes previously approved CS24

**SPA # 6, Purpose of SPA:** Separate State CHIP (ARKids-B Program)

Effective Date: 8-1-15

Implementation Date: 8-1-15

**SPA # 7. Purpose of SPA:** Add Intensive Home & Community-Based Family & Child/Youth Support Health Services Initiative

Effective Date: 11-1-16

Implementation Date: 11-1-16

**SPA # 8, Purpose of SPA:** Add Health & Well-Being Program for Maltreated Children Health

Services Initiative

Effective Date: 1-1-17

Implementation: 1-1-17

**SPA #10, Purpose of SPA:**

**Provide information regarding the implementation of a new organized care model authorized under a concurrent 1915(b)/1915(c) Waiver and 1915(i) State Plan Amendment, called Provider-led Arkansas Shared Savings Entities (PASSE), for a relatively small number of ARKids-B beneficiaries with a higher level of care need due to behavioral health or developmental disability diagnoses. This amendment changes the service delivery system from fee-for-service to managed care.**

Effective Date: 3-1-19

Implementation: 3-1-19

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### Section 3. Methods of Delivery and Utilization Controls

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 4 (Eligibility Standards and Methodology).

Guidance: In Section 3.1, describe all delivery methods the State will use to provide services to enrollees, including: (1) contracts with managed care organizations (MCO), prepaid inpatient health plans (PIHP), prepaid ambulatory health plans (PAHP), primary care case management entities (PCCM entities), and primary care case managers (PCCM); (2) contracts with indemnity health insurance plans; (3) fee-for-service (FFS) paid by the State to health care providers; and (4) any other arrangements for health care delivery. The State should describe any variations based upon geography and by population (including the conception to birth population). States must submit the managed care contract(s) to CMS' Regional Office for review.

#### 3.1. **Delivery Systems** (Section 2102(a)(4)) (42 CFR 457.490; Part 457, Subpart L)

##### 3.1.1 **Choice of Delivery System**

**3.1.1.1** Does the State use a managed care delivery system for its CHIP populations? Managed care entities include MCOs, PIHPs, PAHPs, PCCM entities and PCCMs as defined in 42 CFR 457.10. Please check the box and answer the questions below that apply to your State.

- No, the State does not use a managed care delivery system for any CHIP populations.
- Yes, the State uses a managed care delivery system for all CHIP populations.
- Yes, the State uses a managed care delivery system; however, only some of the CHIP population is included in the managed care delivery system and some of the CHIP population is included in a fee-for-service system.

If the State uses a managed care delivery system for only some of its CHIP populations and a fee-for-service system for some of its CHIP populations, please describe which populations are, and which are not, included in the State's managed care delivery system for CHIP. States will be asked to specify which managed care entities are used by the State in its managed care delivery system below in Section 3.1.2. —Children in the ARKids-B Title XXI CHIP Separate Child Health Program will receive all

medically necessary services, except for those listed in 3.1.1.2, through a PASSE if they have been identified through the independent assessment as in need of behavioral health services or services for individuals with developmental or intellectual disabilities at a Tier II or Tier III level of need.

For individuals served by the Division of Behavioral Health:

- Tier II: Rehabilitative Level Services—At this level of need, services are provided in a counseling services setting, but the level of need requires a broader array of services to address functional deficits.
- Tier III: Intensive Level Services—Eligibility for this level of need will be identified by additional criteria, which could lead to placement in residential settings for more intensive delivery of services.

For individuals served by the Division of Developmental Disabilities Services:

- Tier II: Institutional Level of Care—The individual scored high enough in certain areas to be eligible for paid services and supports.
- Tier III: Institutional Level of Care—The individual scored high enough in certain areas to be eligible for the most intensive level of services, including 24 hours a day/7 days a week paid services and supports.

Guidance: Utilization control systems are those administrative mechanisms that are designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package.

Examples of utilization control systems include, but are not limited to: requirements for referrals to specialty care; requirements that clinicians use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

If the State does not use a managed care delivery system for any or some of its CHIP populations, describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of:

- The methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102(a)(4); 42 CFR 457.490(a))
- The utilization control systems designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved State plan. (Section 2102(a)(4); 42 CFR 457.490(b))

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

### 3.1.1.2

Do any of your CHIP populations that receive services through a managed care delivery system receive any services outside of a managed care delivery system?

- No  
 Yes

If yes, please describe which services are carved out of your managed care delivery system and how the State provides these services to an enrollee, such as through fee-for-service. Examples of carved out services may include transportation and dental, among others. —The follow services are carved out of the PASSE model:

- Nonemergency Medical Transportation
- Dental Benefits
- School-based services provided by school employees
- Services provided to residents of a human development center, a skilled nursing facility, or an assisted living facility
- They are enrolled in ARChoices, Independent Choices, the 1915(c) Autism Waiver, or any successor to these programs.

### 3.1.2 Use of a Managed Care Delivery System for All or Some of the State's CHIP Populations

3.1.2.1 Check each of the types of entities below that the State will contract with under its managed care delivery system, and select and/or explain the method(s) of payment that the State will use:

- Managed care organization (MCO) (42 CFR 457.10)
- Capitation payment
- Describe population served: Those individuals who receive behavioral health and developmental disabilities services who are determined to meet the Tier II or Tier III level of need, unless they are residing in a Human Development Center, a skilled nursing facility, or an assisted living facility or they are enrolled in ARChoices, Independent Choices, the 1915(c) Autism Waiver, or a successor to one of these programs.

- Prepaid inpatient health plan (PIHP) (42 CFR 457.10)
- Capitation payment
- Other (please explain)
- Describe population served:

Guidance: If the State uses prepaid ambulatory health plan(s) (PAHP) to exclusively provide non-emergency medical transportation (a NEMT PAHP), the State should not check the following box for that plan. Instead, complete section 3.1.3 for the NEMT PAHP.

- Prepaid ambulatory health plan (PAHP) (42 CFR 457.10)
- Capitation payment
- Other (please explain)
- Describe population served:

- Primary care case manager (PCCM) (individual practitioners) (42 CFR 457.10)
- Case management fee
- Other (please explain)

- Primary care case management entity (PCCM Entity) (42 CFR 457.10)
- Case management fee

- Shared savings, incentive payments, and/or other financial rewards for improved quality outcomes (see 42 CFR 457.1240(f))
- Other (please explain)

If PCCM entity is selected, please indicate which of the following function(s) the entity will provide (as described in 42 CFR 457.10), in addition to PCCM services:

- Provision of intensive telephonic case management
- Provision of face-to-face case management
- Operation of a nurse triage advice line
- Development of enrollee care plans
- Execution of contracts with fee-for-service (FFS) providers in the FFS program
- Oversight responsibilities for the activities of FFS providers in the FFS program
- Provision of payments to FFS providers on behalf of the State
- Provision of enrollee outreach and education activities
- Operation of a customer service call center
- Review of provider claims, utilization and/or practice patterns to conduct provider profiling and/or practice improvement
- Implementation of quality improvement activities including administering enrollee satisfaction surveys or collecting data necessary for performance measurement of providers
- Coordination with behavioral health systems/providers
- Other (please describe)

- 3.1.2.2  The State assures that if its contract with an MCO, PAHP, or PIHP allows the entity to use a physician incentive plan, the contract stipulates that the entity must comply with the requirements set forth in 42 CFR 422.208 and 422.210. (42 CFR 457.1201(h), cross-referencing to 42 CFR 438.3(i))

### 3.1.3 Nonemergency Medical Transportation PAHPs

Guidance: Only complete Section 3.1.3 if the State uses a PAHP to exclusively provide non-emergency medical transportation (a NEMT PAHP). If a NEMT PAHP is the only managed care entity for CHIP in the State, please continue to Section 4 after checking the assurance below. If the State uses a PAHP that does not exclusively provide NEMT and/or uses other managed care entities beyond a NEMT PAHP, the State will need to complete the remaining sections within Section 3.

- The State assures that it complies with all requirements applicable to NEMT PAHPs, and through its contracts with such entities, requires NEMT PAHPs to

comply with all applicable requirements, including the following (from 42 CFR 457.1206(b)):

- All contract provisions in 42 CFR 457.1201 except those set forth in 42 CFR 457.1201(h) (related to physician incentive plans) and 42 CFR 457.1201(l) (related to mental health parity).
- The information requirements in 42 CFR 457.1207 (see Section 3.5 below for more details).
- The provision against provider discrimination in 42 CFR 457.1208.
- The State responsibility provisions in 42 CFR 457.1212 (about disenrollment), 42 CFR 457.1214 (about conflict of interest safeguards), and 42 CFR 438.62(a), as cross-referenced in 42 CFR 457.1216 (about continued services to enrollees).
- The provisions on enrollee rights and protections in 42 CFR 457.1220, 457.1222, 457.1224, and 457.1226.
- The PAHP standards in 42 CFR 438.206(b)(1), as cross-referenced by 42 CFR 457.1230(a) (about availability of services), 42 CFR 457.1230(d) (about coverage and authorization of services), and 42 CFR 457.1233(a), (b) and (d) (about structure and operation standards).
- An enrollee's right to a State review under subpart K of 42 CFR 457.
- Prohibitions against affiliations with individuals debarred or excluded by Federal agencies in 42 CFR 438.610, as cross referenced by 42 CFR 457.1285.
- Requirements relating to contracts involving Indians, Indian Health Care Providers, and Indian managed care entities in 42 CFR 457.1209.

### 3.2. General Managed Care Contract Provisions

- 3.2.1  The State assures that it provides for free and open competition, to the maximum extent practical, in the bidding of all procurement contracts for coverage or other services, including external quality review organizations, in accordance with the procurement requirements of 45 CFR part 75, as applicable. (42 CFR 457.940(b); 42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(e))
- 3.2.2  The State assures that it will include provisions in all managed care contracts that define a sound and complete procurement contract, as required by 45 CFR part 75, as applicable. (42 CFR 457.940(c))
- 3.2.3  The State assures that each MCO, PIHP, PAHP, PCCM, and PCCM entity complies with any applicable Federal and State laws that pertain to enrollee rights, and ensures that its employees and contract providers observe and protect those rights (42 CFR 457.1220, cross-referencing to 42 CFR 438.100). These Federal and State laws include: Title VI of the Civil Rights Act of 1964 (45 CFR



part 80), Age Discrimination Act of 1975 (45 CFR part 91), Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Titles II and III of the Americans with Disabilities Act, and section 1557 of the Patient Protection and Affordable Care Act.

- 3.2.4  The State assures that it operates a Web site that provides the MCO, PIHP, PAHP, and PCCM entity contracts. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(3))

### 3.3 Rate Development Standards and Medical Loss Ratio

- 3.3.1 The State assures that its payment rates are:
- Based on public or private payment rates for comparable services for comparable populations; and
  - Consistent with actuarially sound principles as defined in 42 CFR 457.10. (42 CFR 457.1203(a))

Guidance: States that checked both boxes under 3.3.1 above do not need to make the next assurance. If the state is unable to check both boxes under 3.1.1 above, the state must check the next assurance.

- If the State is unable to meet the requirements under 42 CFR 457.1203(a), the State attests that it must establish higher rates because such rates are necessary to ensure sufficient provider participation or provider access or to enroll providers who demonstrate exceptional efficiency or quality in the provision of services. (42 CFR 457.1203(b))

- 3.3.2  The State assures that its rates are designed to reasonably achieve a medical loss ratio standard equal to at least 85 percent for the rate year and provide for reasonable administrative costs. (42 CFR 457.1203(c))

- 3.3.3  The State assures that it will provide to CMS, if requested by CMS, a description of the manner in which rates were developed in accordance with the requirements of 42 CFR 457.1203(a) through (c). (42 CFR 457.1203(d))

- 3.3.4  The State assures that it annually submits to CMS a summary description of the reports pertaining to the medical loss ratio received from the MCOs, PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(a))

- 3.3.5 Does the State require an MCO, PIHP, or PAHP to pay remittances through the contract for not meeting the minimum MLR required by the State? (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b)(1))

- No, the State does not require any MCO, PIHP, or PAHP to pay remittances.
- Yes, the State requires all MCOs, PIHPs, and PAHPs to pay remittances.
- Yes, the State requires some, but not all, MCOs, PIHPs, and PAHPs to pay remittances.

If the State requests some, but not all, MCOs, PIHPs, and PAHPs to pay remittances through the contract for not meeting the minimum MLR required by the State, please describe which types of managed care entities are and are not required to pay remittances. For example, if a state requires a medical MCO to pay a remittances but not a dental PAHP, please include this information.

If the answer to the assurance above is yes for any or all managed care entities, please answer the next assurance:

- The State assures that if a remittance is owed by an MCO, PIHP, or PAHP to the State, the State:
- Reimburses CMS for an amount equal to the Federal share of the remittance, taking into account applicable differences in the Federal matching rate; and
  - Submits a separate report describing the methodology used to determine the State and Federal share of the remittance with the annual report provided to CMS that summarizes the reports received from the MCOs, PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b))

- 3.3.6**  The State assures that each MCO, PIHP, and PAHP calculates and reports the medical loss ratio in accordance with 42 CFR 438.8. (42 CFR 457.1203(f))

### 3.4 Enrollment

- The State assures that its contracts with MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities provide that the MCO, PIHP, PAHP, PCCM or PCCM entity:
- Accepts individuals eligible for enrollment in the order in which they apply without restriction (unless authorized by CMS), up to the limits set under the contract (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(1));
  - Will not, on the basis of health status or need for health care services, discriminate against individuals eligible to enroll (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(3)); and
  - Will not discriminate against individuals eligible to enroll on the basis of race, color, national origin, sex, sexual orientation, gender identity, or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, national origin, sex, sexual orientation, gender identity or disability. (42 CFR

457.1201(d), cross-referencing to 438.3(d)(4))

### 3.4.1 Enrollment Process

3.4.1.1  The State assures that it provides informational notices to potential enrollees in an MCO, PIHP, PAHP, PCCM, or PCCM entity that includes the available managed care entities, explains how to select an entity, explains the implications of making or not making an active choice of an entity, explains the length of the enrollment period as well as the disenrollment policies, and complies with the information requirements in 42 CFR 457.1207 and accessibility standards established under 42 CFR 457.340. (42 CFR 457.1210(c))

3.4.1.2  The State assures that its enrollment system gives beneficiaries already enrolled in an MCO, PIHP, PAHP, PCCM, or PCCM entity priority to continue that enrollment if the MCO, PIHP, PAHP, PCCM, or PCCM entity does not have the capacity to accept all those seeking enrollment under the program. (42 CFR 457.1210(b))

3.4.1.3 Does the State use a default enrollment process to assign beneficiaries to an MCO, PIHP, PAHP, PCCM, or PCCM entity? (42 CFR 457.1210(a))

Yes

No

If the State uses a default enrollment process, please make the following assurances:

The State assigns beneficiaries only to qualified MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities that are not subject to the intermediate sanction of having suspension of all new enrollment (including default enrollment) under 42 CFR 438.702 and have capacity to enroll beneficiaries. (42 CFR 457.1210(a)(1)(i))

The State maximizes continuation of existing provider-beneficiary relationships under 42 CFR 457.1210(a)(1)(ii) or if that is not possible, distributes the beneficiaries equitably and does not arbitrarily exclude any MCO, PIHP, PAHP, PCCM or PCCM entity from being considered. (42 CFR 457.1210(a)(1)(ii), 42 CFR 457.1210(a)(1)(iii))

### 3.4.2 Disenrollment

3.4.2.1  The State assures that the State will notify enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f)(2))

3.4.2.2  The State assures that the effective date of an approved disenrollment, regardless of the procedure followed to request the disenrollment, will be no later than the first day of the second month following the month in which the enrollee requests disenrollment or the MCO, PIHP, PAHP, PCCM or PCCM entity refers the request to the State. (42 CFR 457.1212, cross-referencing to 438.56(e)(1))

3.4.2.3  If a beneficiary disenrolls from an MCO, PIHP, PAHP, PCCM, or PCCM entity, the State assures that the beneficiary is provided the option to enroll in another plan or receive benefits from an alternative delivery system. (Section 2103(f)(3) of the Social Security Act, incorporating section 1932(a)(4); 42 CFR 457.1212, cross referencing to 42 CFR 438.56; State Health Official Letter #09-008)

#### 3.4.2.4 **MCO, PIHP, PAHP, PCCM and PCCM Entity Requests for Disenrollment.**

The State assures that contracts with MCOs, PIHPs, PAHPs, PCCMs and PCCM entities describe the reasons for which an MCO, PIHP, PAHP, PCCM and PCCM entity may request disenrollment of an enrollee, if any. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b))

Guidance: Reasons for disenrollment by the MCO, PIHP, PAHP, PCCM, and PCCM entity must be specified in the contract with the State. Reasons for disenrollment may not include an adverse change in the enrollee's health status, or because of the enrollee's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs (except when his or her continued enrollment in the MCO, PIHP, PAHP, PCCM or PCCM entity seriously impairs the entity's ability to furnish services to either this particular enrollee or other enrollees). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b)(2))

#### 3.4.2.5 **Enrollee Requests for Disenrollment.**

Guidance: The State may also choose to limit disenrollment from the MCO, PIHP, PAHP, PCCM, or PCCM entity, except for either: 1) for cause, at any time; or 2) without cause during the latter of the 90 days after the beneficiary's initial enrollment or the State sends the beneficiary notice of that enrollment, at least once every 12 months, upon reenrollment if the temporary loss of CHIP eligibility caused the beneficiary to miss the annual disenrollment opportunity, or when the State imposes the

intermediate sanction specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

Does the State limit disenrollment from an MCO, PIHP, PAHP, PCCM and PCCM entity by an enrollee? (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

- Yes  
 No

If the State limits disenrollment by the enrollee from an MCO, PIHP, PAHP, PCCM and PCCM entity, please make the following assurances (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)):

- The State assures that enrollees and their representatives are given written notice of disenrollment rights at least 60 days before the start of each enrollment period. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(1))
- The State assures that beneficiary requests to disenroll for cause will be permitted at any time by the MCO, PIHP, PAHP, PCCM or PCCM entity. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(1) and (d)(2))
- The State assures that beneficiary requests for disenrollment without cause will be permitted by the MCO, PIHP, PAHP, PCCM or PCCM entity at the following times:
  - During the 90 days following the date of the beneficiary's initial enrollment into the MCO, PIHP, PAHP, PCCM, or PCCM entity, or during the 90 days following the date the State sends the beneficiary notice of that enrollment, whichever is later;
  - At least once every 12 months thereafter;
  - If the State plan provides for automatic reenrollment for an individual who loses CHIP eligibility for a period of 2 months or less and the temporary loss of CHIP eligibility has caused the beneficiary to miss the annual disenrollment opportunity; and
  - When the State imposes the intermediate sanction on the MCO, PIHP, PAHP, PCCM or PCCM entity specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(2))

- 3.4.2.6**  The State assures that the State ensures timely access to a State review for any enrollee dissatisfied with a State agency determination that there is not good cause for disenrollment. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(2))

## 3.5

### Information Requirements for Enrollees and Potential Enrollees

- 3.5.1**  The State assures that it provides, or ensures its contracted MCOs, PAHPs, PIHPs, PCCMs and PCCM entities provide, all enrollment notices, informational materials, and instructional materials related to enrollees and potential enrollees in accordance with the terms of 42 CFR 457.1207, cross-referencing to 42 CFR 438.10.
- 3.5.2**  The State assures that all required information provided to enrollees and potential enrollees are in a manner and format that may be easily understood and is readily accessible by such enrollees and potential enrollees. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(1))
- 3.5.3**  The State assures that it operates a Web site that provides the content specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)-(i) either directly or by linking to individual MCO, PIHP, PAHP and PCCM entity Web sites.
- 3.5.4**  The State assures that it has developed and requires each MCO, PIHP, PAHP and PCCM entity to use:
- Definitions for the terms specified under 42 CFR 438.10(c)(4)(i), and
  - Model enrollee handbooks, and model enrollee notices. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(4))
- 3.5.5**  If the State, MCOs, PIHPs, PAHPs, PCCMs or PCCM entities provide the information required under 42 CFR 457.1207 electronically, check this box to confirm that the State assures that it meets the requirements under 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(6) for providing the material in an accessible manner. Including that:
- The format is readily accessible;
  - The information is placed in a location on the State, MCO's, PIHP's, PAHP's, or PCCM's, or PCCM entity's Web site that is prominent and readily accessible;
  - The information is provided in an electronic form which can be electronically retained and printed;
  - The information is consistent with the content and language requirements in 42 CFR 438.10; and
  - The enrollee is informed that the information is available in paper form without charge upon request and is provided the information upon request within 5 business days.
- 3.5.6**  The State assures that it meets the language and format requirements set forth in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(d), including but not limited to:
- Establishing a methodology that identifies the prevalent non-English

languages spoken by enrollees and potential enrollees throughout the State, and in each MCO, PIHP, PAHP, or PCCM entity service area;

- Making oral interpretation available in all languages and written translation available in each prevalent non-English language;
- Requiring each MCO, PIHP, PAHP, and PCCM entity to make its written materials that are critical to obtaining services available in the prevalent non-English languages in its particular service area;
- Making interpretation services available to each potential enrollee and requiring each MCO, PIHP, PAHP, and PCCM entity to make those services available free of charge to each enrollee; and
- Notifying potential enrollees, and requiring each MCO, PIHP, PAHP, and PCCM entity to notify its enrollees:
  - That oral interpretation is available for any language and written translation is available in prevalent languages;
  - That auxiliary aids and services are available upon request and at no cost for enrollees with disabilities; and
  - How to access the services in 42 CFR 457.1207, cross-referencing 42 CFR 438.10(d)(5)(i) and (ii).

### 3.5.7

The State assures that the State or its contracted representative provides the information specified in 42 CFR 457.1207, cross-referencing to 438.10(e)(2), and includes the information either in paper or electronic format, to all potential enrollees at the time the potential enrollee becomes eligible to enroll in a voluntary managed care program or is first required to enroll in a mandatory managed care program and within a timeframe that enables the potential enrollee to use the information to choose among the available MCOs, PIHPs, PAHPs, PCCMs and PCCM entities:

- Information about the potential enrollee's right to disenroll consistent with the requirements of 42 CFR 438.56 and which explains clearly the process for exercising this disenrollment right, as well as the alternatives available to the potential enrollee based on their specific circumstance;
- The basic features of managed care;
- Which populations are excluded from enrollment in managed care, subject to mandatory enrollment, or free to enroll voluntarily in the program;
- The service area covered by each MCO, PIHP, PAHP, PCCM, or PCCM entity;
- Covered benefits including:
  - Which benefits are provided by the MCO, PIHP, or PAHP; and which, if any, benefits are provided directly by the State; and
  - For a counseling or referral service that the MCO, PIHP, or PAHP does not cover because of moral or religious objections, where and how to obtain the service;

- The provider directory and formulary information required in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h) and (i);
- Any cost-sharing for the enrollee that will be imposed by the MCO, PIHP, PAHP, PCCM, or PCCM entity consistent with those set forth in the State plan;
- The requirements for each MCO, PIHP or PAHP to provide adequate access to covered services, including the network adequacy standards established in 42 CFR 457.1218, cross-referencing 42 CFR 438.68;
- The MCO, PIHP, PAHP, PCCM and PCCM entity's responsibilities for coordination of enrollee care; and
- To the extent available, quality and performance indicators for each MCO, PIHP, PAHP and PCCM entity, including enrollee satisfaction.

**3.5.8** ☒ The State assures that it will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs, PIHPs, PAHPs and PCCM entities, including that the State must notify all enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually.

**3.5.9** ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs, PIHPs, PAHPs and PCCM entities, including that:

- The MCO, PIHP, PAHP and, when appropriate, the PCCM entity, must make a good faith effort to give written notice of termination of a contracted provider within the timeframe specified in 42 CFR 438.10(f), and
- The MCO, PIHP, PAHP and, when appropriate, the PCCM entity must make available, upon request, any physician incentive plans in place as set forth in 42 CFR 438.3(i).

**3.5.10** ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will provide enrollees of that MCO, PIHP, PAHP or PCCM entity an enrollee handbook that meets the requirements as applicable to the MCO, PIHP, PAHP and PCCM entity, specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(1)-(2), within a reasonable time after receiving notice of the beneficiary's enrollment, by a method consistent with 42 CFR 438.10(g)(3), and including the following items:

- Information that enables the enrollee to understand how to effectively use the managed care program, which, at a minimum, must include:
  - Benefits provided by the MCO, PIHP, PAHP or PCCM entity;
  - How and where to access any benefits provided by the State, including any cost sharing, and how transportation is provided; and
  - In the case of a counseling or referral service that the MCO, PIHP,



PAHP, or PCCM entity does not cover because of moral or religious objections, the MCO, PIHP, PAHP, or PCCM entity must inform enrollees that the service is not covered by the MCO, PIHP, PAHP, or PCCM entity and how they can obtain information from the State about how to access these services;

- The amount, duration, and scope of benefits available under the contract in sufficient detail to ensure that enrollees understand the benefits to which they are entitled;
- Procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for specialty care and for other benefits not furnished by the enrollee's primary care provider;
- The extent to which, and how, after-hours and emergency coverage are provided, including:
  - What constitutes an emergency medical condition and emergency services;
  - The fact that prior authorization is not required for emergency services; and
  - The fact that, subject to the provisions of this section, the enrollee has a right to use any hospital or other setting for emergency care;
- Any restrictions on the enrollee's freedom of choice among network providers;
- The extent to which, and how, enrollees may obtain benefits, including family planning services and supplies from out-of-network providers;
- Cost sharing, if any is imposed under the State plan;
- Enrollee rights and responsibilities, including the elements specified in 42 CFR §438.100;
- The process of selecting and changing the enrollee's primary care provider;
- Grievance, appeal, and review procedures and timeframes, consistent with 42 CFR 457.1260, in a State-developed or State-approved description, including:
  - The right to file grievances and appeals;
  - The requirements and timeframes for filing a grievance or appeal;
  - The availability of assistance in the filing process; and
  - The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee;
- How to access auxiliary aids and services, including additional information in alternative formats or languages;
- The toll-free telephone number for member services, medical management, and any other unit providing services directly to enrollees; and

- Information on how to report suspected fraud or abuse.

**3.5.11** ☒ The State assures that each MCO, PIHP, PAHP and PCCM entity will give each enrollee notice of any change that the State defines as significant in the information specified in the enrollee handbook at least 30 days before the intended effective date of the change. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(4))

**3.5.12** ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available a provider directory for the MCO's, PIHP's, PAHP's or PCCM entity's network providers, including for physicians (including specialists), hospitals, pharmacies, and behavioral health providers, that includes information as specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(1)-(2) and (4).

**3.5.13** ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will update any information included in a paper provider directory at least monthly and in an electronic provider directories as specified in 42 CFR 438.10(h)(3). (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(3))

**3.5.14** ☒ The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available the MCO's, PIHP's, PAHP's, or PCCM entity's formulary that meets the requirements specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(i), including:

- Which medications are covered (both generic and name brand); and
- What tier each medication is on.

**3.5.15** ☒ The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity follows the requirements for marketing activities under 42 CFR 457.1224, cross-referencing to 42 CFR 438.104 (except 42 CFR 438.104(c)).

Guidance: Requirements for marketing activities include, but are not limited to, that the MCO, PIHP, PAHP, PCCM, or PCCM entity does not distribute any marketing materials without first obtaining State approval; distributes the materials to its entire service areas as indicated in the contract; does not seek to influence enrollment in conjunction with the sale or offering of any private insurance; and does not, directly or indirectly, engage in door-to-door, telephone, email, texting, or other cold-call marketing activities. (42 CFR 104(b))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.5 (3.5.16 through 3.5.18).

**3.5.16**  The State assures that each MCO, PIHP and PAHP protects communications between providers and enrollees under 42 CFR 457.1222, cross-referencing to 42 CFR 438.102.

**3.5.17**  The State assures that MCOs, PIHPs, and PAHPs have arrangements and procedures that prohibit the MCO, PIHP, and PAHP from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity. (42 CFR 457.1280(b)(2))

Guidance: States should also complete Section 3.9, which includes additional provisions about the notice procedures for grievances and appeals.

**3.5.18**  The State assures that each contracted MCO, PIHP, and PAHP comply with the notice requirements specified for grievances and appeals in accordance with the terms of 42 CFR 438, Subpart F, except that the terms of 42 CFR 438.420 do not apply and that references to reviews should be read to refer to reviews as described in 42 CFR 457, Subpart K. (42 CFR 457.1260)

### **3.6 Benefits and Services**

Guidance: The State should also complete Section 3.10 (Program Integrity).

**3.6.1**  The State assures that MCO, PIHP, PAHP, PCCM entity, and PCCM contracts involving Indians, Indian health care providers, and Indian managed care entities comply with the requirements of 42 CFR 438.14. (42 CFR 457.1209)

**3.6.2**  The State assures that all services covered under the State plan are available and accessible to enrollees. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)

**3.6.3**  The State assures that it:

- Publishes the State’s network adequacy standards developed in accordance with 42 CFR 457.1218, cross-referencing 42 CFR 438.68(b)(1) on the Web site required by 42 CFR 438.10;
- Makes available, upon request, the State’s network adequacy standards at no cost to enrollees with disabilities in alternate formats or through the provision of auxiliary aids and services. (42 CFR 457.1218, cross-referencing 42 CFR 438.68(e))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete the remaining assurances in Section 3.6 (3.6.4 through 3.6.20).

- 3.6.4 ☒ The State assures that each MCO, PAHP and PIHP meet the State’s network adequacy standards. (42 CFR 457.1218, cross-referencing 42 CFR 438.68; 42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)
- 3.6.5 ☒ The State assures that each MCO, PIHP, and PAHP includes within its network of credentialed providers:
- A sufficient number of providers to provide adequate access to all services covered under the contract for all enrollees, including those with limited English proficiency or physical or mental disabilities;
  - Women’s health specialists to provide direct access to covered care necessary to provide women’s routine and preventative health care services for female enrollees; and
  - Family planning providers to ensure timely access to covered services. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b))
- 3.6.6 ☒ The State assures that each contract under 42 CFR 457.1201 permits an enrollee to choose his or her network provider. (42 CFR 457.1201(j), cross-referencing 42 CFR 438.3(l))
- 3.6.7 ☒ The State assures that each MCO, PIHP, and PAHP provides for a second opinion from a network provider, or arranges for the enrollee to obtain one outside the network, at no cost. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(3))
- 3.6.8 ☒ The State assures that each MCO, PIHP, and PAHP ensures that providers, in furnishing services to enrollees, provide timely access to care and services, including by:
- Requiring the contract to adequately and timely cover out-of-network services if the provider network is unable to provide necessary services covered under the contract to a particular enrollee and at a cost to the enrollee that is no greater than if the services were furnished within the network;
  - Requiring the MCO, PIHP and PAHP meet and its network providers to meet State standards for timely access to care and services, taking into account the urgency of the need for services;
  - Ensuring that the hours of operation for a network provider are no less than the hours of operation offered to commercial enrollees or comparable to Medicaid or CHIP Fee-For-Service, if the provider serves only Medicaid or CHIP enrollees;
  - Ensuring that the MCO, PIHP and PAHP makes available services include in the contract on a 24 hours a day, 7 days a week basis when medically necessary;

- Establishing mechanisms to ensure compliance by network providers;
- Monitoring network providers regularly to determine compliance;
- Taking corrective action if there is a failure to comply by a network provider. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(4) and (5) and (c))

**3.6.9** ☒ The State assures that each MCO, PIHP, and PAHP has the capacity to serve the expected enrollment in its service area in accordance with the State's standards for access to care. (42 CFR 457.1230(b), cross-referencing to 42 CFR 438.207)

**3.6.10** ☒ The State assures that each MCO, PIHP, and PAHP will be required to submit documentation to the State, at the time of entering into a contract with the State, on an annual basis, and at any time there has been a significant change to the MCO, PIHP, or PAHP's operations that would affect the adequacy of capacity and services, to demonstrate that each MCO, PIHP, and PAHP for the anticipated number of enrollees for the service area:

- Offers an appropriate range of preventative, primary care and specialty services; and
- Maintains a provider network that is sufficient in number, mix, and geographic distribution. (42 CFR 457.1230, cross-referencing to 42 CFR 438.207(b))

**3.6.11** ☒ Except that 42 CFR 438.210(a)(5) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the coverage of services requirements under 42 CFR 438.210, including:

- Identifying, defining, and specifying the amount, duration, and scope of each service that the MCO, PIHP, or PAHP is required to offer; and
- Permitting an MCO, PIHP, or PAHP to place appropriate limits on a service. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(a) except that 438.210(a)(5) does not apply to CHIP contracts)

**3.6.12** ☒ Except that 438.210(b)(2)(iii) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the authorization of services requirements under 42 CFR 438.210, including that:

- The MCO, PIHP, or PAHP and its subcontractors have in place and follow written policies and procedures;
- The MCO, PIHP, or PAHP have in place mechanisms to ensure consistent application of review criteria and consult with the requesting provider when appropriate; and
- Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested be made by an individual with appropriate expertise in addressing the

enrollee's medical, or behavioral health needs. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(b), except that 438.210(b)(2)(iii) does not apply to CHIP contracts)

- 3.6.13**  The State assures that its contracts with each MCO, PIHP, or PAHP require each MCO, PIHP, or PAHP to notify the requesting provider and given written notice to the enrollee of any adverse benefit determination to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(c))
- 3.6.14**  The State assures that its contracts with each MCO, PIHP, or PAHP provide that compensation to individuals or entities that conduct utilization management activities is not structured so as to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any enrollee. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(e))
- 3.6.15**  The State assures that it has a transition of care policy that meets the requirements of 438.62(b)(1) and requires that each contracted MCO, PIHP, and PAHP implements the policy. (42 CFR 457.1216, cross-referencing to 42 CFR 438.62)
- 3.6.16**  The State assures that each MCO, PIHP, and PAHP has implemented procedures to deliver care to and coordinate services for all enrollees in accordance with 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208, including:
- Ensure that each enrollee has an ongoing source of care appropriate to his or her needs;
  - Ensure that each enrollee has a person or entity formally designated as primarily responsible for coordinating the services accessed by the enrollee;
  - Provide the enrollee with information on how to contact their designated person or entity responsible for the enrollee's coordination of services;
  - Coordinate the services the MCO, PIHP, or PAHP furnishes to the enrollee between settings of care; with services from any other MCO, PIHP, or PAHP; with fee-for-service services; and with the services the enrollee receives from community and social support providers;
  - Make a best effort to conduct an initial screening of each enrollees needs within 90 days of the effective date of enrollment for all new enrollees;
  - Share with the State or other MCOs, PIHPs, or PAHPs serving the enrollee the results of any identification and assessment of the enrollee's needs;

- Ensure that each provider furnishing services to enrollees maintains and shares, as appropriate, an enrollee health record in accordance with professional standards; and
- Ensure that each enrollee’s privacy is protected in the process of coordinating care is protected with the requirements of 45 CFR parts 160 and 164 subparts A and E. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(b))

Guidance: For assurances 3.6.17 through 3.6.20, applicability to PIHPs and PAHPs is based on a determination by the State in relation to the scope of the entity’s services and on the way the State has organized its delivery of managed care services, whether a particular PIHP or PAHP is required to implement the mechanisms for identifying, assessing, and producing a treatment plan for an individual with special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(a)(2))

**3.6.17**  The State assures that it has implemented mechanisms for identifying to MCOs, PIHPs, and PAHPs enrollees with special health care needs who are eligible for assessment and treatment services under 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c) and included the mechanism in the State’s quality strategy.

**3.6.18**  The State assures that each applicable MCO, PIHP, and PAHP implements the mechanisms to comprehensively assess each enrollee identified by the state as having special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(2))

**3.6.19**  The State assures that each MCO, PIHP, and PAHP will produce a treatment or service plan that meets the following requirements for enrollees identified with special health care needs:

- Is in accordance with applicable State quality assurance and utilization review standards;
- Reviewed and revised upon reassessment of functional need, at least every 12 months, or when the enrollee’s circumstances or needs change significantly. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(3))

**3.6.20**  The State assures that each MCO, PIHP, and PAHP must have a mechanism in place to allow enrollees to directly access a specialist as appropriate for the enrollee's condition and identified needs for enrollees identified with special health care needs who need a course of treatment or regular care monitoring. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(4))

### 3.7 Operations

- 3.7.1**  The State assures that it has established a uniform credentialing and recredentialing policy that addresses acute, primary, behavioral, and substance use disorders providers and requires each MCO, PIHP and PAHP to follow those policies. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(b)(1))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.7 (3.7.2 through 3.7.9).

- 3.7.2** The State assures each contracted MCO, PIHP and PAHP will comply with the provider selection requirements in 42 CFR 457.1208 and 457.1233(a), cross-referencing 42 CFR 438.12 and 438.214, including that:
- Each MCO, PIHP, or PAHP implements written policies and procedures for selection and retention of network providers (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(a));
  - MCO, PIHP, and PAHP network provider selection policies and procedures do not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(c));
  - MCOs, PIHPs, and PAHPs do not discriminate in the participation, reimbursement, or indemnification of any provider who is acting within the scope of his or her license or certification, solely on the basis of that license or certification (42 CFR 457.1208, cross referencing 42 CFR 438.12(a));
  - If an MCO, PIHP, or PAHP declines to include individual or groups of providers in the MCO, PIHP, or PAHP's provider network, the MCO, PIHP, and PAHP gives the affected providers written notice of the reason for the decision (42 CFR 457.1208, cross referencing 42 CFR 438.12(a)); and
  - MCOs, PIHPs, and PAHPs do not employ or contract with providers excluded from participation in Federal health care programs under either section 1128 or section 1128A of the Act. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(d)).

- 3.7.3** The State assures that each contracted MCO, PIHP, and PAHP complies with the subcontractual relationships and delegation requirements in 42 CFR 457.1233(b), cross-referencing 42 CFR 438.230, including that:
- The MCO, PIHP, or PAHP maintains ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of its contract with the State;
  - All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor specify that all delegated activities or obligations, and related reporting responsibilities, are specified in the contract or written



agreement, the subcontractor agrees to perform the delegated activities and reporting responsibilities specified in compliance with the MCO's, PIHP's, or PAHP's contract obligations, and the contract or written arrangement must either provide for revocation of the delegation of activities or obligations, or specify other remedies in instances where the State or the MCO, PIHP, or PAHP determine that the subcontractor has not performed satisfactorily;

- All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor must specify that the subcontractor agrees to comply with all applicable CHIP laws, regulations, including applicable subregulatory guidance and contract provisions; and
- The subcontractor agrees to the audit provisions in 438.230(c)(3).

**3.7.4**  The State assures that each contracted MCO and, when applicable, each PIHP and PAHP, adopts and disseminates practice guidelines that are based on valid and reliable clinical evidence or a consensus of providers in the particular field; consider the needs of the MCO's, PIHP's, or PAHP's enrollees; are adopted in consultation with network providers; and are reviewed and updated periodically as appropriate. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(b) and (c))

**3.7.5**  The State assures that each contracted MCO and, when applicable, each PIHP and PAHP makes decisions for utilization management, enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the practice guidelines. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(d))

**3.7.6**  The State assures that each contracted MCO, PIHP, and PAHP maintains a health information system that collects, analyzes, integrates, and reports data consistent with 42 CFR 438.242. The systems must provide information on areas including, but not limited to, utilization, claims, grievances and appeals, and disenrollments for other than loss of CHIP eligibility. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)

**3.7.7**  The State assures that it reviews and validates the encounter data collected, maintained, and submitted to the State by the MCO, PIHP, or PAHP to ensure it is a complete and accurate representation of the services provided to the enrollees under the contract between the State and the MCO, PIHP, or PAHP and meets the requirements 42 CFR 438.242 of this section. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)

**3.7.8**  The State assures that it will submit to CMS all encounter data collected, maintained, submitted to the State by the MCO, PIHP, and PAHP once the State

has reviewed and validated the data based on the requirements of 42 CFR 438.242. (CMS State Medicaid Director Letter #13-004)

- 3.7.9  The State assures that each contracted MCO, PIHP and PAHP complies with the privacy protections under 42 CFR 457.1110. (42 CFR 457.1233(e))

### 3.8 Beneficiary Protections

- 3.8.1  The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity has written policies regarding the enrollee rights specified in 42 CFR 438.100. (42 CFR 457.1220, cross-referencing to 42 CFR 438.100(a)(1))
- 3.8.2  The State assures that its contracts with an MCO, PIHP, PAHP, PCCM, or PCCM entity include a guarantee that the MCO, PIHP, PAHP, PCCM, or PCCM entity will not avoid costs for services covered in its contract by referring enrollees to publicly supported health care resources. (42 CFR 457.1201(p))
- 3.8.3  The State assures that MCOs, PIHPs, and PAHPs do not hold the enrollee liable for the following:
- The MCO's, PIHP's or PAHP's debts, in the event of the entity's solvency. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(a))
  - Covered services provided to the enrollee for which the State does not pay the MCO, PIHP or PAHP or for which the State, MCO, PIHP, or PAHP does not pay the individual or the health care provider that furnished the services under a contractual, referral or other arrangement. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(b))
  - Payments for covered services furnished under a contract, referral or other arrangement that are in excess of the amount the enrollee would owe if the MCO, PIHP or PAHP covered the services directly. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(c))

### 3.9 Grievances and Appeals

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete Section 3.9. States with PCCMs and/or PCCM entities should be adhering to the State's review process for benefits.

- 3.9.1  The State assures that each MCO, PIHP, and PAHP has a grievance and appeal system in place that allows enrollees to file a grievance and request an appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c))
- 3.9.2  The State assures that each MCO, PIHP, and PAHP has only one level of appeal for enrollees. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(b))

3.9.3  The State assures that an enrollee may request a State review after receiving notice that the adverse benefit determination is upheld, or after an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 438.402(c))

3.9.4. Does the state offer and arrange for an external medical review?  
 Yes  
 No

Guidance: Only states that answered yes to assurance 3.9.4 need to complete the next assurance (3.9.5).

3.9.5  The State assures that the external medical review is:

- At the enrollee's option and not required before or used as a deterrent to proceeding to the State review;
- Independent of both the State and MCO, PIHP, or PAHP;
- Offered without any cost to the enrollee; and
- Not extending any of the timeframes specified in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(1)(i))

3.9.6  The State assures that an enrollee may file a grievance with the MCO, PIHP, or PAHP at any time. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(i))

3.9.7  The State assures that an enrollee has 60 calendar days from the date on an adverse benefit determination notice to file a request for an appeal to the MCO, PIHP, or PAHP. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(ii))

3.9.8  The State assures that an enrollee may file a grievance and request an appeal either orally or in writing. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(3)(i))

3.9.9  The State assures that each MCO, PIHP, and PAHP gives enrollees timely and adequate notice of an adverse benefit determination in writing consistent with the requirements below in Section 3.9.10 and in 42 CFR 438.10.

3.9.10  The State assures that the notice of an adverse benefit determination explains:

- The adverse benefit determination.
- The reasons for the adverse benefit determination, including the right of the enrollee to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the enrollee's adverse benefit determination. Such information includes medical

necessity criteria, and any processes, strategies, or evidentiary standards used in setting coverage limits.

- The enrollee's right to request an appeal of the MCO's, PIHP's, or PAHP's adverse benefit determination, including information on exhausting the MCO's, PIHP's, or PAHP's one level of appeal and the right to request a State review.
- The procedures for exercising the rights specified above under this assurance.
- The circumstances under which an appeal process can be expedited and how to request it. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(b))

**3.9.11**  The State assures that the notice of an adverse benefit determination is provided in a timely manner in accordance with 42 CFR 457.1260. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(c))

**3.9.12**  The State assures that MCOs, PIHPs, and PAHPs give enrollees reasonable assistance in completing forms and taking other procedural steps related to a grievance or appeal. This includes, but is not limited to, auxiliary aids and services upon request, such as providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(a))

**3.9.13** The state makes the following assurances related to MCO, PIHP, and PAHP processes for handling enrollee grievances and appeals:

- Individuals who make decisions on grievances and appeals were neither involved in any previous level of review or decision-making nor a subordinate of any such individual.
- Individuals who make decisions on grievances and appeals, if deciding any of the following, are individuals who have the appropriate clinical expertise in treating the enrollee's condition or disease:
  - An appeal of a denial that is based on lack of medical necessity.
  - A grievance regarding denial of expedited resolution of an appeal.
  - A grievance or appeal that involves clinical issues.
- All comments, documents, records, and other information submitted by the enrollee or their representative will be taken into account, without regard to whether such information was submitted or considered in the initial adverse benefit determination.
- Enrollees have a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments.
- Enrollees are provided the enrollee's case file, including medical records, other documents and records, and any new or additional evidence considered, relied upon, or generated by the MCO, PIHP or PAHP (or at the direction of

the MCO, PIHP or PAHP) in connection with the appeal of the adverse benefit determination. This information must be provided free of charge and sufficiently in advance of the resolution timeframe for appeals.

- ☒ The enrollee and his or her representative or the legal representative of a deceased enrollee's estate are included as parties to the appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(b))

**3.9.14** ☒ The State assures that standard grievances are resolved (including notice to the affected parties) within 90 calendar days from the day the MCO, PIHP, or PAHP receives the grievance. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b))

**3.9.15** ☒ The State assures that standard appeals are resolved (including notice to the affected parties) within 30 calendar days from the day the MCO, PIHP, or PAHP receives the appeal. The MCO, PIHP, or PAHP may extend the timeframe by up to 14 calendar days if the enrollee requests the extension or the MCO, PIHP, or PAHP shows that there is need for additional information and that the delay is in the enrollee's interest. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b) and (c))

**3.9.16** ☒ The State assures that each MCO, PIHP, and PAHP establishes and maintains an expedited review process for appeals that is no longer than 72 hours after the MCO, PIHP, or PAHP receives the appeal. The expedited review process applies when the MCO, PIHP, or PAHP determines (for a request from the enrollee) or the provider indicates (in making the request on the enrollee's behalf or supporting the enrollee's request) that taking the time for a standard resolution could seriously jeopardize the enrollee's life, physical or mental health, or ability to attain, maintain, or regain maximum function. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b) and (c), and 42 CFR 438.410(a))

**3.9.17** ☒ The State assures that if an MCO, PIHP, or PAHP denies a request for expedited resolution of an appeal, it transfers the appeal within the timeframe for standard resolution in accordance with 42 CFR 438.408(b)(2). (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(c)(1))

**3.9.18** ☒ The State assures that if the MCO, PIHP, or PAHP extends the timeframes for an appeal not at the request of the enrollee or it denies a request for an expedited resolution of an appeal, it completes all of the following:

- Make reasonable efforts to give the enrollee prompt oral notice of the delay.
- Within 2 calendar days give the enrollee written notice of the reason for the decision to extend the timeframe and inform the enrollee of the right to file a grievance if he or she disagrees with that decision.
- Resolve the appeal as expeditiously as the enrollee's health condition requires

and no later than the date the extension expires. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c) and 42 CFR 438.410(c))

**3.9.19** ☒ The State assures that if an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in this section, the enrollee is deemed to have exhausted the MCO's, PIHP's, or PAHP's appeals process and the enrollee may initiate a State review. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c)(3))

**3.9.20** ☒ The State assures that has established a method that an MCO, PIHP, and PAHP will use to notify an enrollee of the resolution of a grievance and ensure that such methods meet, at a minimum, the standards described at 42 CFR 438.10. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(1))

**3.9.21** ☒ For all appeals, the State assures that each contracted MCO, PIHP, and PAHP provides written notice of resolution in a format and language that, at a minimum, meet the standards described at 42 CFR 438.10. The notice of resolution includes at least the following items:

- The results of the resolution process and the date it was completed; and
- For appeals not resolved wholly in favor of the enrollees:
  - The right to request a State review, and how to do so.
  - The right to request and receive benefits while the hearing is pending, and how to make the request.
  - That the enrollee may, consistent with State policy, be held liable for the cost of those benefits if the hearing decision upholds the MCO's, PIHP's, or PAHP's adverse benefit determination. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(i) and (e))

**3.9.22** ☒ For notice of an expedited resolution, the State assures that each contracted MCO, PIHP, or PAHP makes reasonable efforts to provide oral notice, in addition to the written notice of resolution. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(ii))

**3.9.23** ☒ The State assures that if it offers an external medical review:

- The review is at the enrollee's option and is not required before or used as a deterrent to proceeding to the State review;
- The review is independent of both the State and MCO, PIHP, or PAHP; and
- The review is offered without any cost to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(f))

**3.9.24** ☒ The State assures that MCOs, PIHPs, and PAHPs do not take punitive action against providers who request an expedited resolution or support an enrollee's appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(b))

**3.9.25**  The State assures that MCOs, PIHPs, or PAHPs must provide information specified in 42 CFR 438.10(g)(2)(xi) about the grievance and appeal system to all providers and subcontractors at the time they enter into a contract. This includes:

- The right to file grievances and appeals;
- The requirements and timeframes for filing a grievance or appeal;
- The availability of assistance in the filing process;
- The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee; and
- The fact that, when requested by the enrollee, benefits that the MCO, PIHP, or PAHP seeks to reduce or terminate will continue if the enrollee files an appeal or a request for State review within the timeframes specified for filing, and that the enrollee may, consistent with State policy, be required to pay the cost of services furnished while the appeal or State review is pending if the final decision is adverse to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.414)

**3.9.26**  The State assures that it requires MCOs, PIHPs, and PAHPs to maintain records of grievances and appeals and reviews the information as part of its ongoing monitoring procedures, as well as for updates and revisions to the State quality strategy. The record must be accurately maintained in a manner accessible to the state and available upon request to CMS. (42 CFR 457.1260, cross-referencing to 42 CFR 438.416)

**3.9.27**  The State assures that if the MCO, PIHP, or PAHP, or the State review officer reverses a decision to deny, limit, or delay services that were not furnished while the appeal was pending, the MCO, PIHP, or PAHP must authorize or provide the disputed services promptly and as expeditiously as the enrollee's health condition requires but no later than 72 hours from the date it receives notice reversing the determination. (42 CFR 457.1260, cross-referencing to 42 CFR 438.424(a))

### **3.10 Program Integrity**

Guidance: The State should complete Section 11 (Program Integrity) in addition to Section 3.10.

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the first seven assurances (3.10.1 through 3.10.7).

**3.10.1** The State assures that any entity seeking to contract as an MCO, PIHP, or PAHP under a separate child health program has administrative and management arrangements or procedures designed to safeguard against fraud and abuse, including:

- Enforcing MCO, PIHP, and PAHP compliance with all applicable Federal and State statutes, regulations, and standards;

- ☒ Prohibiting MCOs, PIHPs, or PAHPs from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity; and
- ☒ Including a mechanism for MCOs, PIHPs, and PAHPs to report to the State, to CMS, or to the Office of Inspector General (OIG) as appropriate, information on violations of law by subcontractors, providers, or enrollees of an MCO, PIHP, or PAHP and other individuals. (42 CFR 457.1280)

**3.10.2** ☒ The State assures that it has in effect safeguards against conflict of interest on the part of State and local officers and employees and agents of the State who have responsibilities relating to the MCO, PIHP, or PAHP contracts or enrollment processes described in 42 CFR 457.1210(a). (42 CFR 457.1214, cross referencing 42 CFR 438.58)

**3.10.3** ☒ The State assures that it periodically, but no less frequently than once every 3 years, conducts, or contracts for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO, PIHP or PAHP. (42 CFR 457.1285, cross referencing 42 CFR 438.602(e))

**3.10.4** ☒ The State assures that it requires MCOs, PIHPs, PAHP, and or subcontractors (only to the extent that the subcontractor is delegated responsibility by the MCO, PIHP, or PAHP for coverage of services and payment of claims) implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. The arrangements or procedures must include the following:

- A compliance program that include all of the elements described in 42 CFR 438.608(a)(1);
- Provision for prompt reporting of all overpayments identified or recovered, specifying the overpayments due to potential fraud, to the State;
- Provision for prompt notification to the State when it receives information about changes in an enrollee's circumstances that may affect the enrollee's eligibility;
- Provision for notification to the State when it receives information about a change in a network provider's circumstances that may affect the network provider's eligibility to participate in the managed care program, including the termination of the provider agreement with the MCO, PIHP or PAHP;
- Provision for a method to verify, by sampling or other methods, whether services that have been represented to have been delivered by network providers were received by enrollees and the application of such verification processes on a regular basis;



- In the case of MCOs, PIHPs, or PAHPs that make or receive annual payments under the contract of at least \$5,000,000, provision for written policies for all employees of the entity, and of any contractor or agent, that provide detailed information about the False Claims Act and other Federal and State laws described in section 1902(a)(68) of the Act, including information about rights of employees to be protected as whistleblowers;
- Provision for the prompt referral of any potential fraud, waste, or abuse that the MCO, PIHP, or PAHP identifies to the State Medicaid/CHIP program integrity unit or any potential fraud directly to the State Medicaid Fraud Control Unit; and
- Provision for the MCO's, PIHP's, or PAHP's suspension of payments to a network provider for which the State determines there is a credible allegation of fraud in accordance with 42 CFR 455.23. (42 CFR 457.1285, cross referencing 42 CFR 438.608(a))

**3.10.5**  The State assures that each MCO, PIHP, or PAHP requires and has a mechanism for a network provider to report to the MCO, PIHP or PAHP when it has received an overpayment, to return the overpayment to the MCO, PIHP or PAHP within 60 calendar days after the date on which the overpayment was identified, and to notify the MCO, PIHP or PAHP in writing of the reason for the overpayment. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(2))

**3.10.6**  The State assures that each MCO, PIHP, or PAHP reports annually to the State on their recoveries of overpayments. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(3))

**3.10.7**  The State assures that it screens and enrolls, and periodically revalidates, all network providers of MCOs, PIHPs, and PAHPs, in accordance with the requirements of part 455, subparts B and E. This requirement also extends to PCCMs and PCCM entities to the extent that the primary care case manager is not otherwise enrolled with the State to provide services to fee-for-service beneficiaries. (42 CFR 457.1285, cross referencing 42 CFR 438.602(b)(1) and 438.608(b))

**3.10.8**  The State assures that it reviews the ownership and control disclosures submitted by the MCO, PIHP, PAHP, PCCM or PCCM entity, and any subcontractors. (42 CFR 457.1285, cross referencing 42 CFR 438.602(c))

**3.10.9**  The State assures that it confirms the identity and determines the exclusion status of the MCO, PIHP, PAHP, PCCM or PCCM entity, any subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of the MCO, PIHP, PAHP, PCCM or PCCM entity through routine checks of Federal databases. If the State finds a party that is excluded, the State

promptly notifies the MCO, PIHP, PAHP, PCCM, or PCCM entity and takes action consistent with 42 CFR 438.610(c). (42 CFR 457.1285, cross referencing 42 CFR 438.602(d))

**3.10.10**  The State assures that it receives and investigates information from whistleblowers relating to the integrity of the MCO, PIHP, PAHP, PCCM, or PCCM entity, subcontractors, or network providers receiving Federal funds under this part. (42 CFR 457.1285, cross referencing 42 CFR 438.602(f))

**3.10.11**  The State assures that MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities with which the State contracts are not located outside of the United States and that no claims paid by an MCO, PIHP, or PAHP to a network provider, out-of-network provider, subcontractor or financial institution located outside of the U.S. are considered in the development of actuarially sound capitation rates. (42 CFR 457.1285, cross referencing to 42 CFR 438.602(i); Section 1902(a) (80) of the Social Security Act)

**3.10.12** The State assures that MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities submit to the State the following data, documentation, and information:

Encounter data in the form and manner described in 42 CFR 438.818.

Data on the basis of which the State determines the compliance of the MCO, PIHP, or PAHP with the medical loss ratio requirement described in 42 CFR 438.8.

Data on the basis of which the State determines that the MCO, PIHP or PAHP has made adequate provision against the risk of insolvency as required under 42 CFR 438.116.

Documentation described in 42 CFR 438.207(b) on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and accessibility of services, including the adequacy of the provider network, as set forth in 42 CFR 438.206.

Information on ownership and control described in 42 CFR 455.104 of this chapter from MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors as governed by 42 CFR 438.230.

The annual report of overpayment recoveries as required in 42 CFR 438.608(d)(3). (42 CFR 457.1285, cross referencing 42 CFR 438.604(a))

**3.10.13** The State assures that:

It requires that the data, documentation, or information submitted in accordance with 42 CFR 457.1285, cross referencing 42 CFR 438.604(a), is certified in a manner that the MCO's, PIHP's, PAHP's, PCCM's, or PCCM entity's Chief Executive Officer or Chief Financial Officer is ultimately responsible for the certification. (42 CFR 457.1285, cross referencing 42 CFR 438.606(a))

- ☒ It requires that the certification includes an attestation that, based on best information, knowledge, and belief, the data, documentation, and information specified in 42 CFR 438.604 are accurate, complete, and truthful. (42 CFR 457.1285, cross referencing 42 CFR 438.606(b)); and
- ☒ It requires the MCO, PIHP, PAHP, PCCM, or PCCM entity to submit the certification concurrently with the submission of the data, documentation, or information required in 42 CFR 438.604(a) and (b). (42 CFR 457.1285, cross referencing 42 CFR 438.604(c))

**3.10.14** ☒ The State assures that each MCO, PIHP, PAHP, PCCM, PCCM entity, and any subcontractors provides: written disclosure of any prohibited affiliation under 42 CFR 438.610, written disclosure of and information on ownership and control required under 42 CFR 455.104, and reports to the State within 60 calendar days when it has identified the capitation payments or other payments in excess of amounts specified in the contract. (42 CFR 457.1285, cross referencing 42 CFR 438.608(c))

**3.10.15** ☒☐ The State assures that services are provided in an effective and efficient manner. (Section 2101(a))

**3.10.16** ☒ The State assures that it operates a Web site that provides:

- The documentation on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and accessibility of services;
- Information on ownership and control of MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors; and
- The results of any audits conducted under 42 CFR 438.602(e). (42 CFR 457.1285, cross-referencing to 42 CFR 438.602(g)).

### **3.11 Sanctions**

Guidance: Only States with MCOs need to answer the next three assurances (3.11.1 through 3.11.3).

Intermediate sanctions are defined at 42 CFR 438.702(a)(4) as: (1) Civil money penalties; (2) Appointment of temporary management (for an MCO); (3) Granting enrollees the right to terminate enrollment without cause; (4) Suspension of all new enrollment; and (5) Suspension of payment for beneficiaries.

**3.11.1** ☒ The State assures that it has established intermediate sanctions that it may impose if it makes the determination that an MCO has acted or failed to act in a manner

specified in 438.700(b)-(d). (42 CFR 457.1270, cross referencing 42 CFR 438.700)

**3.11.2**  The State assures that it will impose temporary management if it finds that an MCO has repeatedly failed to meet substantive requirements of part 457 subpart L. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))

**3.11.3**  The State assures that if it imposes temporary management on an MCO, the State allows enrollees the right to terminate enrollment without cause and notifies the affected enrollees of their right to terminate enrollment. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))

Guidance: Only states with PCCMs, or PCCM entities need to answer the next assurance (3.11.4).

**3.11.4** Does the State establish intermediate sanctions for PCCMs or PCCM entities?  
 Yes  
 No

Guidance: Only states with MCOs and states that answered yes to assurance 3.11.4 need to complete the next three assurances (3.11.5 through 3.11.7).

**3.11.5**  The State assures that before it imposes intermediate sanctions, it gives the affected entity timely written notice. (42 CFR 457.1270, cross referencing 42 CFR 438.710(a))

**3.11.6**  The State assures that if it intends to terminate an MCO, PCCM, or PCCM entity, it provides a pre-termination hearing and written notice of the decision as specified in 42 CFR 438.710(b). If the decision to terminate is affirmed, the State assures that it gives enrollees of the MCO, PCCM or PCCM entity notice of the termination and information, consistent with 42 CFR 438.10, on their options for receiving CHIP services following the effective date of termination. (42 CFR 457.1270, cross referencing 42 CFR 438.710(b))

**3.11.7**  The State assures that it will give CMS written notice that complies with 42 CFR 438.724 whenever it imposes or lifts a sanction for one of the violations listed in 42 CFR 438.700. (42 CFR 457.1270, cross referencing 42 CFR 438.724)

### **3.12 Quality Measurement and Improvement; External Quality Review**

Guidance: The State should complete Sections 7 (Quality and Appropriateness of Care) and 9 (Strategic Objectives and Performance Goals and Plan Administration) in addition to Section 3.12.

Guidance: States with MCO(s), PIHP(s), PAHP(s), or certain PCCM entity/ies (PCCM entities whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes - see 42 CFR 457.1240(f)) - should complete the applicable sub-sections for each entity type in this section, regarding 42 CFR 457.1240 and 1250.

### 3.12.1 Quality Strategy

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities need to complete section 3.12.1.

- 3.12.1.1  The State assures that it will draft and implement a written quality strategy for assessing and improving the quality of health care and services furnished CHIP enrollees as described in 42 CFR 438.340(a). The quality strategy must include the following items:
- The State-defined network adequacy and availability of services standards for MCOs, PIHPs, and PAHPs required by 42 CFR 438.68 and 438.206 and examples of Evidence-based clinical practice guidelines the State requires in accordance with 42 CFR 438.236;
  - A description of:
    - The quality metrics and performance targets to be used in measuring the performance and improvement of each MCO, PIHP, and PAHP with which the State contracts, including but not limited to, the performance measures reported in accordance with 42 CFR 438.330(c); and
    - The performance improvement projects to be implemented in accordance with 42 CFR 438.330(d), including a description of any interventions the State proposes to improve access, quality, or timeliness of care for beneficiaries enrolled in an MCO, PIHP, or PAHP;
  - Arrangements for annual, external independent reviews, in accordance with 42 CFR 438.350, of the quality outcomes and timeliness of, and access to, the services covered under each contract;
  - A description of the State's transition of care policy required under 42 CFR 438.62(b)(3);
  - The State's plan to identify, evaluate, and reduce, to the extent practicable, health disparities based on age, race, ethnicity, sex, and primary language;
  - For MCOs, appropriate use of intermediate sanctions that, at a minimum, meet the requirements of subpart I of 42 CFR Part 438;
  - A description of how the State will assess the performance and quality outcomes achieved by each PCCM entity;

- The mechanisms implemented by the State to comply with 42 CFR 438.208(c)(1) (relating to the identification of persons with special health care needs);
- Identification of the external quality review (EQR)-related activities for which the State has exercised the option under 42 CFR 438.360 (relating to nonduplication of EQR-related activities), and explain the rationale for the State's determination that the private accreditation activity is comparable to such EQR-related activities;
- Identification of which quality measures and performance outcomes the State will publish at least annually on the Web site required under 42 CFR 438.10(c)(3); and
- The State's definition of a “significant change” for the purposes of updating the quality strategy under 42 CFR 438.340(c)(3)(ii). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b))

**3.12.1.2** ☒ The State assures that the goals and objectives for continuous quality improvement in the quality strategy are measurable and take into consideration the health status of all populations in the State served by the MCO, PIHP, and PAHP. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(2))

**3.12.1.3** ☒ The State assures that for purposes of the quality strategy, the State provides the demographic information for each CHIP enrollee to the MCO, PIHP or PAHP at the time of enrollment. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(6))

**3.12.1.4** ☒ The State assures that it will review and update the quality strategy as needed, but no less than once every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2))

**3.12.1.5** ☒ The State assures that its review and updates to the quality strategy will include an evaluation of the effectiveness of the quality strategy conducted within the previous 3 years and the recommendations provided pursuant to 42 CFR 438.364(a)(4). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(i) and (iii).

**3.12.1.6** ☒ The State assures that it will submit to CMS:

- A copy of the initial quality strategy for CMS comment and feedback prior to adopting it in final; and
- A copy of the revised strategy whenever significant changes are made to the document, or whenever significant changes occur within the State's CHIP program, including after the review and update required every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR

438.340(c)(3))

- 3.12.1.7** ☒ Before submitting the strategy to CMS for review, the State assures that when it drafts or revises the State's quality strategy it will:
- Make the strategy available for public comment; and
  - If the State enrolls Indians in the MCO, PIHP, or PAHP, consult with Tribes in accordance with the State's Tribal consultation policy. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(1))

- 3.12.1.8** ☒ The State assures that it makes the results of the review of the quality strategy (including the effectiveness evaluation) and the final quality strategy available on the Web site required under 42 CFR 438.10(c)(3). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(ii) and (d))

### **3.12.2 Quality Assessment and Performance Improvement Program**

- 3.12.2.1** Quality Assessment and Performance Improvement Program: Measures and Projects

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next two assurances (3.12.2.1.1 and 3.12.2.1.2).

- 3.12.2.1.1** ☒ The State assures that it requires that each MCO, PIHP, and PAHP establish and implement an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The elements of the assessment and program include at least:
- Standard performance measures specified by the State;
  - Any measures and programs required by CMS (42 CFR 438.330(a)(2));
  - Performance improvement projects that focus on clinical and non-clinical areas, as specified in 42 CFR 438.330(d);
  - Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c);
  - Mechanisms to detect both underutilization and overutilization of services; and
  - Mechanisms to assess the quality and appropriateness of care furnished to enrollees with special health care needs, as defined by the State in the quality strategy under 42 CFR 457.1240(e) and Section 3.12.1 of this template). (42 CFR 457.1240(b),

cross referencing to 42 CFR 438.330(b) and (c)(1))

Guidance: A State may request an exemption from including the performance measures or performance improvement programs established by CMS under 42 CFR 438.330(a)(2), by submitting a written request to CMS explaining the basis for such request.

**3.12.2.1.2** ☒ The State assures that each MCO, PIHP, and PAHP's performance improvement projects are designed to achieve significant improvement, sustained over time, in health outcomes and enrollee satisfaction. The performance improvement projects include at least the following elements:

- Measurement of performance using objective quality indicators;
- Implementation of interventions to achieve improvement in the access to and quality of care;
- Evaluation of the effectiveness of the interventions based on the performance measures specified in 42 CFR 438.330(d)(2)(i); and
- Planning and initiation of activities for increasing or sustaining improvement. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(2))

Guidance: Only states with a PCCM entity whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes need to, complete the next assurance (3.12.2.1.3).

**3.12.2.1.3** ☒ The State assures that it requires that each PCCM entity establishes and implements an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The assessment and program must include:

- Standard performance measures specified by the State;
- Mechanisms to detect both underutilization and overutilization of services; and
- Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c). (42 CFR 457.1240(a) and (b), cross referencing to 42 CFR 438.330(b)(3) and (c))

**3.12.2.2 Quality Assessment and Performance Improvement Program: Reporting and Effectiveness**



Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.2.2.

**3.12.2.2.1**  The State assures that each MCO, PIHP, and PAHP reports on the status and results of each performance improvement project conducted by the MCO, PIHP, and PAHP to the State as required by the State, but not less than once per year. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(3))

**3.12.2.2.2**  The State assures that it annually requires each MCO, PIHP, and PAHP to:

- 1) Measure and report to the State on its performance using the standard measures required by the State;
- 2) Submit to the State data specified by the State to calculate the MCO's, PIHP's, or PAHP's performance using the standard measures identified by the State; or
- 3) Perform a combination of options (1) and (2) of this assurance. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(c)(2))

**3.12.2.2.3**  The State assures that the State reviews, at least annually, the impact and effectiveness of the quality assessment and performance improvement program of each MCO, PIHP, PAHP and PCCM entity. The State's review must include:

- The MCO's, PIHP's, PAHP's, and PCCM entity's performance on the measures on which it is required to report; and
- The outcomes and trended results of each MCO's, PIHP's, and PAHP's performance improvement projects. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(e)(1))

### **3.12.3 Accreditation**

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.3.

**3.12.3.1**  The State assures that it requires each MCO, PIHP, and PAHP to inform the state whether it has been accredited by a private independent accrediting entity, and, if the MCO, PIHP, or PAHP has received accreditation by a private independent accrediting agency, that the MCO, PIHP, and PAHP authorizes the private independent accrediting entity to provide the State a copy of its recent accreditation review that includes the MCO, PIHP, and PAHP's accreditation status, survey type, and level (as applicable); accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings; and

expiration date of the accreditation. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(a) and (b)).

- 3.12.3.2**  The State assures that it will make the accreditation status for each contracted MCO, PIHP, and PAHP available on the Web site required under 42 CFR 438.10(c)(3), including whether each MCO, PIHP, and PAHP has been accredited and, if applicable, the name of the accrediting entity, accreditation program, and accreditation level; and update this information at least annually. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(c))

### **3.12.4 Quality Rating**

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.4.

- The State assures that it will implement and operate a quality rating system that issues an annual quality rating for each MCO, PIHP, and PAHP, which the State will prominently display on the Web site required under 42 CFR 438.10(c)(3), in accordance with the requirements set forth in 42 CFR 438.334. (42 CFR 457.1240(d))

Guidance: States will be required to comply with this assurance within 3 years after CMS, in consultation with States and other Stakeholders and after providing public notice and opportunity for comment, has identified performance measures and a methodology for a Medicaid and CHIP managed care quality rating system in the Federal Register.

### **3.12.5 Quality Review**

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5 and 3.12.5.1.

- The State assures that each contract with a MCO, PIHP, PAHP, or PCCM entity requires that a qualified EQRO performs an annual external quality review (EQR) for each contracting MCO, PIHP, PAHP or PCCM entity, except as provided in 42 CFR 438.362. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(a))

#### **3.12.5.1 External Quality Review Organization**

- 3.12.5.1.1**  The State assures that it contracts with at least one external quality review organization (EQRO) to conduct either EQR alone or EQR and other EQR-related activities. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(a))

- 3.12.5.1.2  The State assures that any EQRO used by the State to comply with 42 CFR 457.1250 must meet the competence and independence requirements of 42 CFR 438.354 and, if the EQRO uses subcontractors, that the EQRO is accountable for and oversees all subcontractor functions. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.354 and 42 CFR 438.356(b) through (d))

### 3.12.5.2 External Quality Review-Related Activities

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next three assurances (3.12.5.2.1 through 3.12.5.2.3). Under 42 CFR 457.1250(a), the State, or its agent or EQRO, must conduct the EQR-related activity under 42 CFR 438.358(b)(1)(iv) regarding validation of the MCO, PIHP, or PAHP's network adequacy during the preceding 12 months; however, the State may permit its contracted MCO, PIHP, and PAHPs to use information from a private accreditation review in lieu of any or all the EQR-related activities under 42 CFR 438.358(b)(1)(i) through (iii) (relating to the validation of performance improvement projects, validation of performance measures, and compliance review).

- 3.12.5.2.1  The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(1)(i) through (iv) (relating to the validation of performance improvement projects, validation of performance measures, compliance review, and validation of network adequacy) will be conducted on all MCOs, PIHPs, or PAHPs. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(b)(1))
- 3.12.5.2.2  The State assures that if it elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will document the use of nonduplication in the State's quality strategy. (42 CFR 457.1250(a), cross referencing 438.360, 438.358(b)(1)(i) through (b)(1)(iii), and 438.340)
- 3.12.5.2.3  The State assures that if the State elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will ensure that all information from a Medicare or private accreditation review for an MCO, PIHP, or PAHP will be furnished to the EQRO for analysis and inclusion in the EQR technical report described in 42 CFR 438.364. ((42 CFR 457.1250(a), cross referencing to 42 CFR 438.360(b))

Guidance: Only states with PCCM entities need to complete the next assurance (3.12.5.2.4).

- 3.12.5.2.4**  The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(2) (cross-referencing 42 CFR 438.358(b)(1)(ii) and (b)(1)(iii)) will be conducted on all PCCM entities, which include:
- Validation of PCCM entity performance measures required in accordance with 42 CFR 438.330(b)(2) or PCCM entity performance measures calculated by the State during the preceding 12 months; and
  - A review, conducted within the previous 3-year period, to determine the PCCM entity's compliance with the standards set forth in subpart D of 42 CFR part 438 and the quality assessment and performance improvement requirements described in 42 CFR 438.330. (42 CFR 457.1250(a), cross referencing to 438.358(b)(2))

### **3.12.5.3 External Quality Review Report**

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5.3.

- 3.12.5.3.1**  The State assures that data obtained from the mandatory and optional, if applicable, EQR-related activities in 42 CFR 438.358 is used for the annual EQR to comply with 42 CFR 438.350 and must include, at a minimum, the elements in §438.364(a)(2)(i) through (iv). (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(a)(2))
- 3.12.5.3.2**  The State assures that only a qualified EQRO will produce the EQR technical report (42 CFR 438.364(c)(1)).
- 3.12.5.3.3**  The State assures that in order for the qualified EQRO to perform an annual EQR for each contracting MCO, PIHP, PAHP or PCCM entity under 42 CFR 438.350(a) that the following conditions are met:
- The EQRO has sufficient information to use in performing the review;
  - The information used to carry out the review must be obtained from the EQR-related activities described in 42 CFR 438.358 and, if applicable, from a private accreditation review as

described in 42 CFR 438.360;

- For each EQR-related activity (mandatory or optional), the information gathered for use in the EQR must include the elements described in 42 CFR 438.364(a)(2)(i) through (iv); and
- The information provided to the EQRO in accordance with 42 CFR 438.350(b) is obtained through methods consistent with the protocols established by the Secretary in accordance with 42 CFR 438.352. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(b) through (e))

**3.12.5.3.4**  The State assures that the results of the reviews performed by a qualified EQRO of each contracting MCO, PIHP, PAHP, and PCCM entity are made available as specified in 42 CFR 438.364 in an annual detailed technical report that summarizes findings on access and quality of care. The report includes at least the following items:

- A description of the manner in which the data from all activities conducted in accordance with 42 CFR 438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCO, PIHP, PAHP, or PCCM entity (described in 42 CFR 438.310(c)(2));
- For each EQR-related activity (mandatory or optional) conducted in accordance with 42 CFR 438.358:
  - Objectives;
  - Technical methods of data collection and analysis;
  - Description of data obtained, including validated performance measurement data for each activity conducted in accordance with 42 CFR 438.358(b)(1)(i) and (ii); and
  - Conclusions drawn from the data;
- An assessment of each MCO's, PIHP's, PAHP's, or PCCM entity's strengths and weaknesses for the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
- Recommendations for improving the quality of health care services furnished by each MCO, PIHP, PAHP, or PCCM entity, including how the State can target goals and objectives in the quality strategy, under 42 CFR 438.340, to better support improvement in the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
- Methodologically appropriate, comparative information about

all MCOs, PIHPs, PAHPs, and PCCM entities, consistent with guidance included in the EQR protocols issued in accordance with 42 CFR 438.352(e); and

- An assessment of the degree to which each MCO, PIHP, PAHP, or PCCM entity has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's EQR. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(f) and 438.364(a))

- 3.12.5.3.5**  The State assures that it does not substantively revise the content of the final EQR technical report without evidence of error or omission. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(b))
- 3.12.5.3.6**  The State assures that it finalizes the annual EQR technical report by April 30<sup>th</sup> of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(1))
- 3.12.5.3.7**  The State assures that it posts the most recent copy of the annual EQR technical report on the Web site required under 42 CFR 438.10(c)(3) by April 30<sup>th</sup> of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(i))
- 3.12.5.3.8**  The State assures that it provides printed or electronic copies of the information specified in 42 CFR 438.364(a) for the annual EQR technical report, upon request, to interested parties such as participating health care providers, enrollees and potential enrollees of the MCO, PIHP, PAHP, or PCCM, beneficiary advocacy groups, and members of the general public. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(ii))
- 3.12.5.3.9**  The State assures that it makes the information specified in 42 CFR 438.364(a) for the annual EQR technical report available in alternative formats for persons with disabilities, when requested. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(3))
- 3.12.5.3.10**  The State assures that information released under 42 CFR 438.364 for the annual EQR technical report does not disclose the identity or other protected health information of any patient. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(d))

TEMPLATE FOR CHILD HEALTH PLAN UNDER TITLE XXI OF THE SOCIAL SECURITY ACT  
CHILDREN'S HEALTH INSURANCE PROGRAM

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b)))

State/Territory: ARKANSAS  
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b)) Janet Mann, Director, DHS Division of Medical Services (DMS) (Signature of Governor, or designee, of State/Territory, Date Signed)

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submits the following Child Health Plan for the Children's Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following State officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: Cindy Gillespie	Position/Title: Director, Department of Human Services (DHS)
Name: Janet Mann	Position/Title: Director, DHS Division of Medical Services (DMS)
Name: _____	Position/Title: _____

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\*Disclosure. In accordance with the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398 #34). The time required to complete this information collection is estimated to average 80 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, write to: CMS, 7500 Security Blvd., Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

**Introduction:** Section 4901 of the Balanced Budget Act of 1997 (BBA), public law 1005-33 amended the Social Security Act (the Act) by adding a new title XXI, the Children’s Health Insurance Program (CHIP). In February 2009, the Children’s Health Insurance Program Reauthorization Act (CHIPRA) renewed the program. The Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, further modified the program. The HEALTHY KIDS Act and The Bipartisan Budget Act of 2018 together resulted in an extension of funding for CHIP through federal fiscal year 2027.

This template outlines the information that must be included in the state plans and the State plan amendments (SPAs). It reflects the regulatory requirements at 42 CFR Part 457 as well as the previously approved SPA templates that accompanied guidance issued to States through State Health Official (SHO) letters. Where applicable, we indicate the SHO number and the date it was issued for your reference. The CHIP SPA template includes the following changes:

- Combined the instruction document with the CHIP SPA template to have a single document. Any modifications to previous instructions are for clarification only and do not reflect new policy guidance.
- Incorporated the previously issued guidance and templates (see the Key following the template for information on the newly added templates), including:
  - Prenatal care and associated health care services (SHO #02-004, issued November 12, 2002)
  - Coverage of pregnant women (CHIPRA #2, SHO # 09-006, issued May 11, 2009)
  - Tribal consultation requirements (ARRA #2, CHIPRA #3, issued May 28, 2009)
  - Dental and supplemental dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
  - Premium assistance (CHIPRA # 13, SHO # 10-002, issued February 2, 2010)
  - Express lane eligibility (CHIPRA # 14, SHO # 10-003, issued February 4, 2010)
  - Lawfully Residing requirements (CHIPRA # 17, SHO # 10-006, issued July 1, 2010)
- Moved sections 2.2 and 2.3 into section 5 to eliminate redundancies between sections 2 and 5.
- Removed crowd-out language that had been added by the August 17 letter that later was repealed.
- Added new provisions related to delivery methods, including managed care, to section 3 (81 FR 27498, issued May 6, 2016)

States are not required to resubmit existing State plans using this current updated template. However, States must use this updated template when submitting a new State Plan Amendment.

**Federal Requirements for Submission and Review of a Proposed SPA.** (42 CFR Part 457 Subpart A)

In order to be eligible for payment under this statute, each State must submit a Title XXI plan for approval by the Secretary that details how the State intends to use the funds and fulfill other requirements under the law and regulations at 42 CFR Part 457. A SPA is approved in 90 days unless the Secretary notifies the State in writing that the plan is disapproved or that specified additional information is needed. Unlike Medicaid SPAs, there is only one 90-day review period, or clock for CHIP SPAs, that may be stopped by a request for additional information and restarted after a complete



response is received. More information on the SPA review process is found at 42 CFR 457 Subpart A.

When submitting a State plan amendment, states should redline the changes that are being made to the existing State plan and provide a “clean” copy including changes that are being made to the existing state plan.

The template includes the following sections:

1. **General Description and Purpose of the Children’s Health Insurance Plans and the Requirements-** This section should describe how the State has designed their program. It also is the place in the template that a State updates to insert a short description and the proposed effective date of the SPA, and the proposed implementation date(s) if different from the effective date. (Section 2101); (42 CFR, 457.70)
2. **General Background and Description of State Approach to Child Health Coverage and Coordination-** This section should provide general information related to the special characteristics of each state’s program. The information should include the extent and manner to which children in the State currently have creditable health coverage, current State efforts to provide or obtain creditable health coverage for uninsured children and how the plan is designed to be coordinated with current health insurance, public health efforts, or other enrollment initiatives. This information provides a health insurance baseline in terms of the status of the children in a given State and the State programs currently in place. (Section 2103); (42 CFR 457.410(A))
3. **Methods of Delivery and Utilization Controls-** This section requires the State to specify its proposed method of delivery. If the State proposes to use managed care, the State must describe and attest to certain requirements of a managed care delivery system, including contracting standards; enrollee enrollment processes; enrollee notification and grievance processes; and plans for enrolling providers, among others. (Section 2103); (42 CFR Part 457. Subpart L)
4. **Eligibility Standards and Methodology-** The plan must include a description of the standards used to determine the eligibility of targeted low-income children for child health assistance under the plan. This section includes a list of potential eligibility standards the State can check off and provide a short description of how those standards will be applied. All eligibility standards must be consistent with the provisions of Title XXI and may not discriminate on the basis of diagnosis. In addition, if the standards vary within the state, the State should describe how they will be applied and under what circumstances they will be applied. In addition, this section provides information on income eligibility for Medicaid expansion programs (which are exempt from Section 4 of the State plan template) if applicable. (Section 2102(b)); (42 CFR 457.305 and 457.320)
5. **Outreach-** This section is designed for the State to fully explain its outreach activities. Outreach is defined in law as outreach to families of children likely to be eligible for child health assistance under the plan or under other public or private health coverage programs. The purpose is to inform these families of the availability of, and to assist them in enrolling their children in, such a program. (Section 2102(c)(1)); (42 CFR 457.90)
6. **Coverage Requirements for Children’s Health Insurance-** Regarding the required scope of health insurance coverage in a State plan, the child health assistance provided must consist of

any of the four types of coverage outlined in Section 2103(a) (specifically, benchmark coverage; benchmark-equivalent coverage; existing comprehensive state-based coverage; and/or Secretary-approved coverage). In this section States identify the scope of coverage and benefits offered under the plan including the categories under which that coverage is offered. The amount, scope, and duration of each offered service should be fully explained, as well as any corresponding limitations or exclusions. (Section 2103); (42 CFR 457.410(A))

7. **Quality and Appropriateness of Care-** This section includes a description of the methods (including monitoring) to be used to assure the quality and appropriateness of care and to assure access to covered services. A variety of methods are available for State's use in monitoring and evaluating the quality and appropriateness of care in its child health assistance program. The section lists some of the methods which states may consider using. In addition to methods, there are a variety of tools available for State adaptation and use with this program. The section lists some of these tools. States also have the option to choose who will conduct these activities. As an alternative to using staff of the State agency administering the program, states have the option to contract out with other organizations for this quality of care function. (Section 2107); (42 CFR 457.495)
8. **Cost Sharing and Payment-** This section addresses the requirement of a State child health plan to include a description of its proposed cost sharing for enrollees. Cost sharing is the amount (if any) of premiums, deductibles, coinsurance and other cost sharing imposed. The cost-sharing requirements provide protection for lower income children, ban cost sharing for preventive services, address the limitations on premiums and cost-sharing and address the treatment of pre-existing medical conditions. (Section 2103(e)); (42 CFR 457, Subpart E)
9. **Strategic Objectives and Performance Goals and Plan Administration-** The section addresses the strategic objectives, the performance goals, and the performance measures the State has established for providing child health assistance to targeted low income children under the plan for maximizing health benefits coverage for other low income children and children generally in the state. (Section 2107); (42 CFR 457.710)
10. **Annual Reports and Evaluations-** Section 2108(a) requires the State to assess the operation of the Children's Health Insurance Program plan and submit to the Secretary an annual report which includes the progress made in reducing the number of uninsured low income children. The report is due by January 1, following the end of the Federal fiscal year and should cover that Federal Fiscal Year. In this section, states are asked to assure that they will comply with these requirements, indicated by checking the box. (Section 2108); (42 CFR 457.750)
11. **Program Integrity-** In this section, the State assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Sections 2101(a) and 2107(e); (42 CFR 457, subpart I)
12. **Applicant and Enrollee Protections-** This section addresses the review process for eligibility and enrollment matters, health services matters (i.e., grievances), and for states that use premium assistance a description of how it will assure that applicants and enrollees are given the opportunity at initial enrollment and at each redetermination of eligibility to obtain health benefits coverage other than through that group health plan. (Section 2101(a)); (42 CFR 457.1120)

**Program Options.** As mentioned above, the law allows States to expand coverage for children through a separate child health insurance program, through a Medicaid expansion program, or through a combination of these programs. These options are described further below:

- **Option to Create a Separate Program-** States may elect to establish a separate child health program that are in compliance with title XXI and applicable rules. These states must establish enrollment systems that are coordinated with Medicaid and other sources of health coverage for children and also must screen children during the application process to determine if they are eligible for Medicaid and, if they are, enroll these children promptly in Medicaid.
- **Option to Expand Medicaid-** States may elect to expand coverage through Medicaid. This option for states would be available for children who do not qualify for Medicaid under State rules in effect as of March 31, 1997. Under this option, current Medicaid rules would apply.

#### **Medicaid Expansion- CHIP SPA Requirements**

In order to expedite the SPA process, states choosing to expand coverage only through an expansion of Medicaid eligibility would be required to complete sections:

- 1 (General Description)
- 2 (General Background)

They will also be required to complete the appropriate program sections, including:

- 4 (Eligibility Standards and Methodology)
- 5 (Outreach)
- 9 (Strategic Objectives and Performance Goals and Plan Administration including the budget)
- 10 (Annual Reports and Evaluations).

#### **Medicaid Expansion- Medicaid SPA Requirements**

States expanding through Medicaid-only will also be required to submit a Medicaid State plan amendment to modify their Title XIX State plans. These states may complete the first check-off and indicate that the description of the requirements for these sections are incorporated by reference through their State Medicaid plans for sections:

- 3 (Methods of Delivery and Utilization Controls)
- 4 (Eligibility Standards and Methodology)
- 6 (Coverage Requirements for Children's Health Insurance)
- 7 (Quality and Appropriateness of Care)
- 8 (Cost Sharing and Payment)
- 11 (Program Integrity)
- 12 (Applicant and Enrollee Protections)

- **Combination of Options-** CHIP allows states to elect to use a combination of the Medicaid program and a separate child health program to increase health coverage for children. For example, a State may cover optional targeted-low income children in families with incomes of up to 133 percent of

poverty through Medicaid and a targeted group of children above that level through a separate child health program. For the children the State chooses to cover under an expansion of Medicaid, the description provided under “Option to Expand Medicaid” would apply. Similarly, for children the State chooses to cover under a separate program, the provisions outlined above in “Option to Create a Separate Program” would apply. States wishing to use a combination of approaches will be required to complete the Title XXI State plan and the necessary State plan amendment under Title XIX.

Where the state’s assurance is requested in this document for compliance with a requirement of 42 CFR 457 et seq., the state shall place a check mark to affirm that it will comply no later than the applicable compliance date.

Proposed State plan amendments should be submitted electronically and one signed hard copy to the Centers for Medicare & Medicaid Services at the following address:

Name of Project Officer  
Centers for Medicare & Medicaid Services  
7500 Security Blvd  
Baltimore, Maryland 21244  
Attn: Children and Adults Health Programs Group  
Center for Medicaid and CHIP Services  
Mail Stop - S2-01-16

**Section 1. General Description and Purpose of the Children’s Health Insurance Plans and the Requirements**

**1.1.** The state will use funds provided under Title XXI primarily for (Check appropriate box) (Section 2101(a)(1)); (42 CFR 457.70):

Guidance: Check below if child health assistance shall be provided primarily through the development of a separate program that meets the requirements of Section 2101, which details coverage requirements and the other applicable requirements of Title XXI.

**1.1.1.**  Obtaining coverage that meets the requirements for a separate child health program (Sections 2101(a)(1) and 2103); OR

Guidance: Check below if child health assistance shall be provided primarily through providing expanded eligibility under the State’s Medicaid program (Title XIX). Note that if this is selected the State must also submit a corresponding Medicaid SPA to CMS for review and approval.

**1.1.2.**  Providing expanded benefits under the State’s Medicaid plan (Title XIX) (Section 2101(a)(2)); OR

Guidance: Check below if child health assistance shall be provided through a combination of both 1.1.1. and 1.1.2. (Coverage that meets the requirements of Title XXI, in conjunction with an expansion in the State’s Medicaid program). Note that if this is selected the state must also submit a corresponding Medicaid state plan amendment to CMS for review and approval.

**1.1.3.**  A combination of both of the above. (Section 2101(a)(2))

**A. Background**

Arkansas aggressively pursued health care for children by covering optional benefits and categories that benefit children. For example, Arkansas elected to provide the full range of EPSDT services to children without requiring the EPSDT screen. Also Arkansas was one of the first states in the nation to cover the TEFRA-134 children authorized by the Tax Equity and Fiscal Responsibility Act of 1982.

Effective 1-1-03, the State began covering TEFRA children in a TEFRA-like 1115(a) demonstration waiver in which the parents pay a premium based on a sliding scale; some parents are not required to pay a premium. The TEFRA-like demonstration waiver provides for the care of a child in his/her home, if he/she qualifies for Medicaid as a resident in a Title XIX institution, e.g., a nursing facility or an Intermediate Care Facility for the Mentally Retarded, etc. Parental income and resources are not counted in the child’s eligibility determination. Before eligibility determination for the TEFRA-like demonstration waiver, the child must first be determined if he/she would meet Title XIX Medicaid

eligibility. Parental income is counted in the premium amount calculation. The eligibility income limit for this demonstration waiver is three times the SSI limit. The TEFRA-like demonstration waiver makes Medicaid available to a large segment of the state's chronically ill children.

In its quest to provide health care for children, the State also opted to cover uninsured children through a Medicaid 1115(a) demonstration waiver, AR Kids First. This demonstration is discussed in item B, below.

CHIP Phase I, a Medicaid expansion, was approved August 6, 1998 and implemented October 1, 1998. This was a small CHIP Medicaid expansion in which the last of the eligible children aged-out of the program September 30, 2002. CHIP Phase II is a separate CHIP program that was approved February 16, 2001 but not implemented. Phase III superseded Phase II. Phase III covered some of the children in the State's 1115(a) demonstration waiver, ARKids-B, as an CHIP Medicaid expansion and the Unborn Child program as a separate child health program.

In 2013, on recommendation from CMS, the State made the decision to transition the ARKids-B program from an 1115(a)-demonstration waiver CHIP Medicaid expansion program to a separate child health program through the CHIP state plan. The Unborn Child program has been in the CHIP state plan since 1-1-04 as a separate child health program, and the State continues to serve this population.

#### **B. ARKids First Background and Development**

In 1997, Arkansas' Governor, the Arkansas State legislature, the President and Congress were all addressing the issue of health care for vast numbers of uninsured children. Governor Mike Huckabee supported enabling state legislation and an appropriations bill in the 1997 legislative session that created and funded ARKids First, an 1115(a)-demonstration waiver. The Arkansas Legislature passed both bills and Governor Mike Huckabee signed both bills into law on March 10, 1997. Effective August 4, 2000, the 1115(a)-demonstration waiver was renamed ARKids-B.

Ray Hanley, then Director, Division of Medical Services (DMS), formed and chaired an ARKids First work group, composed of individuals from the Governor's Office (the Department of Human Services liaison), Arkansas Children's Hospital, Arkansas Department of Health, Catholic Social Services, Arkansas Advocates for Children and Families, Easter Seals, Communities in School of Arkansas, Arkansas Chapter for American Academy of Pediatrics, Electronic Data Systems (Arkansas Medicaid's then fiscal agent), and various individuals in the Department of Human Services (DHS), including Tom Dalton, then Department Director. The first meeting was held February 7, 1997, one day after President Clinton announced his FFY '98 budget package that included a proposal to expand health insurance access for poor children in families that

earn too much for Medicaid but not enough to afford private health insurance. Additional ARKids First meetings were held as needed. Most of the discussion and concerns involved eligibility factors and the benefit package.

The Arkansas legislation, though not as detailed, mirrors the CHIP legislation in its purpose, i.e., to provide health insurance coverage for uninsured children under age 19 whose family income is at or below 200% of the poverty level. The ARKids First program was designed as a CHIP program, but used the 1115(a) demonstration waiver process for implementation, since the CHIP legislation had not been passed at the time Arkansas' program was under development. The ARKids First 1115(a) demonstration waiver was approved by CMS on August 19, 1997 and implemented on September 1, 1997; only days after the CHIP legislation was signed by the President.

Arkansas developed the ARKids First Program with the thought that it would be able to roll the ARKids First 1115 demonstration waiver into a CHIP program. However, the State recognized that as the ARKids First demonstration waiver and the CHIP legislation were developing, they didn't make completely parallel steps. Therefore, ARKids First enrollees, who did not meet the definition of a CHIP targeted low-income child, would continue to receive their health care services through Title XIX federal funding. Children in ARKids First who met the definition of a CHIP targeted low-income child would be able to receive their services through either Title XIX or Title XXI federal funding, at the discretion of the State. All of the ARKids First children would remain in the 1115(a) demonstration waiver regardless of the funding source. The children who did not meet the definition of a CHIP targeted low-income child were the children of state employees and the children who met the eligibility requirements for regular Title XIX Medicaid. In 2002, CMS instructed the State that parents or guardians of children who met eligibility for Title XIX Medicaid did not have the choice to have their children receive services through either Title XIX Medicaid or the Title XXI CHIP ARKids First 1115(a) demonstration waiver. Children found eligible for Title XIX Medicaid must receive services through the Title XIX Medicaid program. Effective August 4, 2000, the ARKids First program was separated into ARKids-A (regular children's Title XIX Medicaid program) and ARKids-B (1115(a) demonstration waiver Title XXI CHIP program), and ARKids First became an umbrella for these two programs.

The application form and the promotional materials for ARKids-A and ARKids-B identify the two programs as ARKids First. Applications may be made at the local DHS County Office, by mail, or through the internet, and a toll free number is available to clients. Applications in English or Spanish may be printed from the ARKids First website at [www.arkidsfirst.com](http://www.arkidsfirst.com). Applications in other languages are available upon request.

**C. ARKids-B Title XXI CHIP Separate Child Health Program**

In November 2013, CMS recommended the State transition the ARKids-B 1115(a) demonstration waiver Title XXI CHIP Medicaid expansion program to a Title XXI CHIP separate child health program through the CHIP state plan and advised that if this was done, orthodontia services would have to be added to the ARKids-B program's benefit package of services. As the current ARKids-B 1115(a) demonstration waiver's renewal was due to end December 31, 2013, the State requested and CMS approved an extension of the ARKids-B demonstration waiver to allow the State time to prepare, submit, and have approved an amendment to the CHIP state plan.

Effective 1/1/14 ARKids-B beneficiaries ages 6 through 18 in families with incomes from 100% FPL up to 142% FPL were moved to Title XIX Medicaid ARKids-A (MAGI CHIP SPA Group 2/CS2 PDF page) but continue to be funded through title XXI CHIP.

Children ages 0 through age 18 in families with a household income above 142% FPL up to and including 211% FPL are eligible for ARKids-B. There is no asset test. The State maintains qualifying criteria for ARKids-B that includes income criteria based on modified adjusted gross income methodologies as defined at 42 CFR §435.603. As allowed under 42 CFR §457.805, all ARKids-B enrollees must not have had employer-sponsored or group health insurance within 90 days prior to program enrollment. The State maintains, at minimum, the required exemptions to the period of uninsurance as specified at 42 CFR §457.805. There is no presumptive eligibility. Retroactive eligibility may be determined up to three months prior to the date of application. ARKids-B offers a less comprehensive benefit package than the State's traditional Title XIX Medicaid program (ARKids-A) and requires co-payments.

The State elected a copayment as the only cost sharing requirement, because it is the most equitable form of cost sharing. The State did not want to assess an enrollment fee nor monthly premiums because it wanted the family's cost sharing responsibility to be related solely to usage. Cost sharing is required for services that are not categorized as well-health. The State will keep the current copayment structure in place for ARKids-B enrollees.

The benefit package includes inpatient and outpatient hospital services, physician surgical and medical services, laboratory and x-ray services, well-baby care, including age-appropriate immunizations. Enrollees in the ARKids-B are not eligible for the full range of Medicaid State Plan services. The ARKids-B schedule of benefits is outlined in the table in section 6.2. ARKids-B Program).

ARKids-B utilizes the same provider system as ARKids-A (regular children's Title XIX Medicaid) and operates under a primary care case management model. ARKids-B beneficiaries select or align with a primary care physician responsible for furnishing primary and preventive services and making medically necessary referrals. Enrollees are



entitled to change their primary care physician selection at any time, without limitation. As part of the enrollment materials, enrollees are provided with information concerning their disenrollment rights.

The Division of Medical Services (DMS) and the Division of County Operations (DCO) are divisions of the Department of Human Services. DMS is responsible for the administration of the Medicaid and CHIP programs except for eligibility, which is the responsibility of DCO.

#### **D. Overview of Unborn Child Title XXI CHIP Separate Child Health Program**

The Arkansas Department of Human Services administers the CHIP Unborn Child program.

The essential elements of the program are:

- Medical verification of the pregnancy is required.
- Applicant must have no other insurance that covers the pregnancy.
- Statewide income standard is from zero up to 209% FPL
- There is no resource test for the Unborn Child program.
- The benefits (with the exception of sterilization or any other family planning services) will be the same as the SIXTH OMNIBUS BUDGET RECONCILIATION ACT (SOBRA) pregnant women category under Title XIX Medicaid and include only obstetrical services and treatment for conditions that may complicate or endanger the pregnancy. Benefits include:
  - Prenatal services
  - Delivery
- Postpartum services (Postpartum coverage is through the end of the month in which the 60<sup>th</sup> day from the date of delivery falls. When one or more physicians in a group see the Unborn Child program beneficiary and at least two months of antepartum care were provided culminating in delivery or the beneficiary was continuously CHIP eligible for two or more months before delivery and on the delivery date, the global method of billing CHIP for postpartum services provided is used. When less than two months of antepartum care was provided to the Unborn Child program beneficiary or the beneficiary was not CHIP eligible for at least the last two months of the pregnancy, the antepartum/obstetrical care without delivery and the delivery and postpartum care can be billed to CHIP using the itemized billing method.)
- Services that are determined by the physician as medically necessary as, if not provided, could complicate or endanger the eligible Unborn Child program's

beneficiary's pregnancy.

- 1.1-DS  The State will provide dental-only supplemental coverage. Only States operating a separate CHIP program are eligible for this option. States choosing this option must also complete sections 4.1-DS, 4.2-DS, 6.2-DS, 8.2-DS, and 9.10 of this SPA template. (Section 2110(b)(5))
- 1.2.  Check to provide an assurance that expenditures for child health assistance will not be claimed prior to the time that the State has legislative authority to operate the State plan or plan amendment as approved by CMS. (42 CFR 457.40(d))
- 1.3.  Check to provide an assurance that the State complies with all applicable civil rights requirements, including title VI of the Civil Rights Act of 1964, title II of the Americans with Disabilities Act of 1990, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, 45 CFR part 80, part 84, and part 91, and 28 CFR part 35. (42CFR 457.130)

Guidance: The effective date as specified below is defined as the date on which the State begins to incur costs to implement its State plan or amendment. (42 CFR 457.65) The implementation date is defined as the date the State begins to provide services; or, the date on which the State puts into practice the new policy described in the State plan or amendment. For example, in a State that has increased eligibility, this is the date on which the State begins to provide coverage to enrollees (and not the date the State begins outreach or accepting applications).

- 1.4. Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

**Original Plan**

Effective Date: Medicaid Expansion (ARKids First Program) – Phase I: 10-1-98

Implementation Date: Medicaid Expansion (ARKids First Program) – Phase I: 10-1-98

**SPA #1, Purpose of SPA:** Separate State CHIP – Phase II \_\_\_\_\_

Proposed effective date: Not Implemented

Proposed implementation date: Not Implemented

**SPA # 2, Purpose of SPA:** Medicaid Expansion (ARKids-B Program) – Phase III

Effective Date: 1-1-01

Implementation Date: Implemented retroactively to 1-1-01

**SPA # 3, Purpose of SPA:** Separate State CHIP (Unborn Child Program) – Phase III

Effective Date: 7-1-04

Implementation Date: 7-1-04

**SPA # 4, Purpose of SPA:** To make technical changes to align Arkansas' CHIP state plan with current practice in the State---To delete the references to the ARKids-B opt-out provision & to clarify that Primary Care Case Management (PCCM) is now included in the HIFA ARHealthNetworks 1115(a) demonstration waiver.

Effective Date: 5-5-11

Implementation Date: 5-1-11

**SPA # 5, Purpose of SPA:** Add Poison Control & Drug Information Center Health Services Initiative

Effective Date: 7-1-11

Implementation Date: 7-1-11

**Superseding Pages of MAGI CHIP State Plan Material**

Transmittal Number & Effective/Implementation Date	SPA Group	PDF Number	Description	Superseded Plan Section(s)
AR-13-0039 Effective/Implementation Date: 10/1/13	Eligibility Processing	CS24	Single, streamlined application, screening & enrollment process, renewals	Supersedes the current sections 4.3 & 4.4
AR-14-0015 Effective/Implementation Date: 8/1/15	MAGI Eligibility & Methods	CS13	Deemed newborn	Section 4.3
		CS7	Coverage of targeted low-income children	Sections 4.1.1; 4.1.2 & 4.1.3
		CS10	Coverage for	Section 4.1.7

			children who have access to public employee coverage	
<b>AR-13-0021</b> Effective/Implementation Date: 1/1/14	XXI Medicaid Expansion	CS3	Eligibility for Medicaid expansion program	Section 4.0
<b>AR-13-0040</b> Effective/Implementation Date: 1/1/14	Establish 2101(f) groups	CS14	Children ineligible for Medicaid as a result of the elimination of income disregards	Incorporate within a separate subsection under section 4.1
<b>AR-14-0042</b> Effective/Implementation Date: 1/1/14	Non- Financial Eligibility	CS17	Residency	Section 4.1.5

**Superseding Pages of MAGI CHIP State Plan Material**

<b>Transmittal Number &amp; Effective/Implementation Date</b>	<b>SPA Group</b>	<b>PDF Number</b>	<b>Description</b>	<b>Superseded Plan Section(s)</b>
<b>AR-14-0016</b> Effective/Implementation Date: 8/1/15	Non-Financial Eligibility	CS18	Citizenship	Sections 4.1.0; 4.1-LR & 4.1.1-LR
		CS19	Social security number	Section 4.1.9.1
		CS20	Substitution of coverage	Section 4.4.4
		CS27	Continuous eligibility	Sections 4.1.8 & 4.1.9.2
<b>AR-13-0022</b> Effective/Implementation Date: 1/1/14	MAGI Eligibility & Methods	CS9	Conception to Birth	Sections 4.1.1; 4.1.2 & 4.1.3
		CS15	MAGI-based income methodology	Incorporated within a separate subsection under Section 4.3
<b>AR-17-0006</b> Effective/Implementation Date: 1/1/18	Non-Financial Eligibility	CS18	Citizenship	Supersedes previously approved CS18

<b>AR-18-0003</b> Effective/Implementation Date: 1/1/18	Eligibility Processing	CS24	Change Arkansas to an Assessment State	Supersedes previously approved CS24
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**SPA # 6, Purpose of SPA:** Separate State CHIP (ARKids-B Program)

Effective Date: 8-1-15

Implementation Date: 8-1-15

**SPA # 7. Purpose of SPA:** Add Intensive Home & Community-Based Family & Child/Youth Support Health Services Initiative

Effective Date: 11-1-16

Implementation Date: 11-1-16

**SPA # 8, Purpose of SPA:** Add Health & Well-Being Program for Maltreated Children Health Services Initiative

Effective Date: 1-1-17

Implementation: 1-1-17

**SPA #9, Purpose of SPA:** Update State Plan in compliance with MHPAEA standards. Change use of generic prescriptions from "when available" to "when obtainable"; change Substance Abuse Treatment Services (SATS) to Outpatient Behavioral Health Services (OBHS) which includes Substance Abuse Services; and change benefit thresholds for occupational, physical, and speech therapy services from 4 units of each discipline daily to 6 units of each weekly with an option for extension of benefits, comparable to recently revised Medicaid standards.

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Effective Date: 7-1-~~18~~18

Implementation: 7-1-~~18~~18

**1.4- TC Tribal Consultation** (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

Not applicable, as there are no Indian Health Programs or Urban Indian Organizations in the State of Arkansas

TN No: Approval Date Effective Date

**Section 2. General Background and Description of Approach to Children’s Health Insurance Coverage and Coordination**

Guidance: The demographic information requested in 2.1. can be used for State planning and will be used strictly for informational purposes. THESE NUMBERS WILL NOT BE USED AS A BASIS FOR THE ALLOTMENT.

Factors that the State may consider in the provision of this information are age breakouts, income brackets, definitions of insurability, and geographic location, as well as race and ethnicity. The State should describe its information sources and the assumptions it uses for the development of its description.

- Population
- Number of uninsured
- Race demographics
- Age Demographics
- Info per region/Geographic information

**2.1.** Describe the extent to which, and manner in which, children in the State (including targeted low-income children and other groups of children specified) identified, by income level and other relevant factors, such as race, ethnicity and geographic location, currently have creditable health coverage (as defined in 42 CFR 457.10). To the extent feasible, distinguish between creditable coverage under public health insurance programs and public-private partnerships (See Section 10 for annual report requirements). (Section 2102(a)(1)); (42 CFR 457.80(a))

**A. Children Covered by Department of Human Services (DHS) Programs**

As of the January - March, 2014 quarter, there were 307,568 children enrolled in regular Title XIX Medicaid (ARKids-A). The racial break out is as follows: 165,507 (53.81%) White; 76,006 (24.71%) Black or African American; 38,727 (12.59%) Hispanic or Latino (No Race Information Available); 6,253 (2.03%) Hispanic or Latino and One or More Races; 1,000 (.33%) American Indian or Alaska Native; 2,127 (.69%) Asian; 2,061 (.67%) Native Hawaiian or Other Pacific Islander; 5,215 (1.70%) More than One Race (Hispanic or Latino Not Indicated) 10,657 (3.46%) Unknown; and 15 (.00487) No Entry.

There were 71,506 children enrolled in the Title XXI CHIP ARKids-B category as of the January – March, 2014 quarter. The racial breakout is as follows: 44,559 (62.31%) White; 13,428 (18.77%) Black or African American; 7,947 (11.11%) Hispanic or Latino (No Race Information Available; 1,041 (1.45%) Hispanic or Latino and One or More Races; 196 (.27%) American Indian or Alaska Native; 715 (.99%) Asian; 358 (.50%) Native Hawaiian or Other Pacific Islander; 928 (1.29%) More than One Race (Hispanic or Latino Not Indicated; 2,333 (3.26%) Unknown and 1(.00135%) No Entry.

## **B. CHIP**

Phase I, was implemented 10-1-98. Phase I was a Medicaid expansion, which added children under age 19 born after 9-30-82 and before 10-1-83. The last child aged out of the Medicaid expansion on 9-30-02.

Phase II, a separate CHIP, was approved 2-16-01, but was not implemented. The separate state CHIP would have covered a portion of the ARKids-B children.

Phase III, was a combination program: The Medicaid expansion was a subset of the Title XXI CHIP ARKids-B 1115(a) demonstration waiver (implemented retroactively to 1-1-01). The separate child health program covered the Unborn Child program (implemented 7-1-04). Phase III supersedes Phase II.

In November 2013, CMS recommended the State transition the Title XXI CHIP ARKids-B 1115(a) demonstration waiver Medicaid expansion program to a separate child health program through the CHIP state plan. As the current ARKids-B 1115(a) demonstration waiver's renewal period was due to end December 31, 2013, the State requested and CMS approved a 6-month extension (January 1 – June 30, 2014), a one-month (July 1 -31, 2014) extension, a 5-month (August 1 – December 31, 2014) extension, and a 5-month (January 1 – May 31, 2015) extension of the ARKids-B 1115(a) demonstration waiver to allow the State time to prepare and submit an amendment to the CHIP state plan, make necessary systems changes, put into place an inter-agency agreement with the Arkansas Department of Health (ADH) for the ADH to continue to provide vaccines to providers of ARKids-B beneficiaries, since these beneficiaries would no longer be eligible for the VFC program once ARKids-B is transitioned to the CHIP state plan as a separate child health program, and to accomplish other needed actions to accomplish this transition. Because the State's currently approved CHIP state plan had been entered on an older template version, before the CHIP SPA #6 was completed, the State's currently approved CHIP state plan was transitioned to the latest version of the CHIP state plan template, and the CHIP SPA #6 was prepared on the latest template version.

## **C. Continued Need for CHIP Coverage Within the State of Arkansas**

In a report release March 13, 2014, it is indicated Arkansas children are more likely to receive vaccinations, dental care, mental health and other health services than they were just a few years

ago, although the State continues to lag behind most of the nation in many areas of children's well-being, and State's youth still need better access to medical care and consistent health education. These findings were published in the fourth edition of "Natural Wonders: The State of Children's Health in Arkansas" that was published by Natural Wonders Partnership Council, a group that includes the Arkansas Department of Human Services, the Arkansas Department of Health, the Arkansas Department of Education, Arkansas Children's Hospital, Arkansas Advocates for Children & Families, Arkansas State Dental Health Association, Arkansas Chapter of the American Academy of Pediatrics, the University of Arkansas for Medical Sciences College of Medicine Department of Pediatrics, the University of Arkansas for Medical Sciences Fay W. Boozman College of Public Health, the University of Arkansas at Little Rock, University of Arkansas at Little Rock Institute of Economic Advancement, the University of Arkansas Clinton School of Public Service, Arkansas Blue Cross and Blue Shield, Arkansas Center for Health Improvement, Arkansas Kids Count, the Arkansas Association of Educational Administrators, Arkansas Children's Trust Fund, Arkansas Hunger Relief Alliance, Arkansas Minority Health Commission, and other state agencies and organizations.

The report provides an update on efforts to address the biggest risks faced by the State's children and offers strategies for improving children's health based on data collection and analysis drawing on reports by other organizations, as well as focus groups conducted by Children's Hospital and a survey of 1,000 households in 2012, the report lists 10 priorities for improving children's health. The report identified nine areas of emphasis for addressing the health needs of Arkansas children: 1.) Prenatal Care, Infant Mortality and Teen Pregnancy; 2.) Immunizations; 3.) Oral Health; 4.) Injury Prevention; 5.) Tobacco Use Prevention; 6.) Obesity Prevention; 7.) Mental Health Services; 8.) Health Services Needs and Expansions; 9.) Capacity Building.

The Arkansas System of Care is now reaching more families than ever. Family support partners help families set wrap-around goals for at-risk children, local care coordinating councils strengthen community-based servicers, and local youth-and family-focused activities help support families struggling with behavioral health problems. The federal Patient Protection and Affordable Care Act of 2010 and the "Private Options" 1115 demonstration waiver, the State's program to use federal Medicaid money to subsidize private insurance for people earning up to 138% of the FPL are expected to extend insurance coverage to 500,000 previously uninsured Arkansans. As their parents secure coverage, as many as 40% of the State's remaining uninsured children are expected to receive coverage as well. A 2013 law ensures that new home-visiting programs are Evidence-based and establishes an evaluation plan to track and measure outcomes for child and family well-being and school readiness. Arkansas has already received more than \$7 million annually to expand Evidence-based home-visiting program and to improve training of home visitors across the State. An additional 1,000 families are being served today as a result of this effort.

The 2014 update provides a new dataset, allowing analysis to compare progress made in these areas since the first report was issued. Conducted in late 2012, the survey questioned 1,000 households about needs, challenges and assets related to children's health. The Natural Wonders update also drew on the results of eight focus groups in Batesville, Forrest City, Gurdon, Lavaca,



Little Rock, Jonesboro, and Springdale. Additional data was drawn from existing sources ranging from the U. S. Census Bureau to the Annie E. Casey Foundation Kids Count to neighborhood focused research by local organizations. The report emphasizes opportunities for improvement in several areas where children still face risks to their health and well-being.

Addressing access to health-care services, the report noted that more than 3000 children are enrolled in the ARKids First programs (Title XIX Medicaid ARKids-A and Title XXI CHIP ARKids-B), but Arkansas children on Medicaid/CHIP are less likely than those in other states to receive recommended medical checkups.

According to the report, vaccination compliance among Arkansas children increased from 57% in 2007 to 72% in 2011. However, the report also noted that more than 4,300 Arkansas children didn't receive vaccinations in 2012 – 2013, blamed in part because parents can claim a "philosophical" objection to having their children vaccinated.

Twenty seven percent of Arkansas children ages 6 – 9 years of age now have dental sealants compared to 15% in 2009, and three new mobile dental clinics managed and staff by Arkansas Children's Hospital have resulted in more than 2,000 previously underserved Arkansas children receiving dental care annually.

Arkansas' childhood obesity rates are still high, with about 38% of children registering overweight or obesity weight levels. That percentage is about 6 points higher than the national average of 32%. Arkansas ranks 44<sup>th</sup> in the nation for obese children.

The State's youth smoking rate dropped from 36% in 2000 to 24% in 2010. In 2013, two state laws passed that will help reduce children's access and exposure to e-cigarettes.

The Arkansas Trauma System was formalized in 2009 so injured patients could be routed more efficiently to the best facility for care.

With support from Arkansas Children's Hospital and the Blue & You Foundation, hundreds of classrooms in the State now have free access to online health education curriculum through Health Teacher and GoNoodle. Arkansas is the only state in the nation with this kind of initiative.

And while teenage births reported in 2011 for Arkansas dropped slightly by about 2.9% since 2009, falling from 15.5% of all births in 2002 to 12.6 % of all births in 2011, the State is the fourth highest nationwide in babies born to 15 – 19 year-old mothers. In addition, the State's infant mortality rate is high, and deaths attributed to Sudden Infant Death Syndrome are almost twice the national average. The report suggests renewed emphasis on strategies to reduce these statistics and relieve other risks children in Arkansas face.

The report noted that a study by Feeding America, a national network of food banks, found that 28% of Arkansas children in 2011 lived in households that are considered food insecure, meaning

household members reported that a lack of money limited what they ate. Arkansas ranks first nationwide in food insecurity, despite Arkansas food banks providing more than 34 million pounds of food to families in 2013. The report notes that Arkansas' child food insecurity rate is 27.8%. Children's Hospital's financial counselors, who normally help parents find assistance to pay medical bills, began helping eligible families apply for food stamps. The hospital also began participating in the U. S. Agriculture Department's summer food service program, offering children free lunches from the cafeteria. The hospital gave out 1,728 meals under the program and plans to expand the program within the next few months to provide meals year-round.

A law was passed in 2009 that prohibits 16- and 17-year olds from driving between 11:00 p.m. and 4:00 a.m. or with more than one unrelated passenger younger than 21 unless the driver who is 21 years of age or older is also in the car. Also, drivers younger than 18 years of age are prohibited from using a cellphone while driving. A 2012 study by the Arkansas Center for Health Improvement found that traffic deaths in crashes in Arkansas involving teen drivers dropped 59% from 25 deaths per 10,000 drivers in 2008 to 10 deaths per 10,000 drivers in 2010. However, the State's motor vehicle accidents are still the leading cause of death in unintentional injuries for residents between the ages of 1 – 44 years of age.

#### **D. Public-Private Partnerships**

The State does not have a public-private partnership. The State does not have a BC/BS Caring Program for Children.

Guidance: Section 2.2 allows states to request to use the funds available under the 10 percent limit on administrative expenditures in order to fund services not otherwise allowable. The health services initiatives must meet the requirements of 42 CFR 457.10.

**2.2. Health Services Initiatives-** Describe if the State will use the health services initiative option as allowed at 42 CFR 457.10. If so, describe what services or programs the State is proposing to cover with administrative funds, including the cost of each program, and how it is currently funded (if applicable), also update the budget accordingly. (Section 2105(a)(1)(D)(ii)); (42 CFR 457.10)

#### **Poison Control & Drug Information Center Health Services Initiative**

Arkansas uses the health services initiative (HSI) option allowed at 42 CFR 457.10 to support the Arkansas Poison and Drug Information Center (APDIC). The University of Arkansas for Medical Sciences (UAMS) College of Pharmacy operates the APDIC as a service to individuals and healthcare professionals of the State. The APDIC mission is to provide timely, useful clinical advice in potential poison exposures while enhancing a statewide system of population-based surveillance, vital records and statistics, with an ongoing plan to monitor, test and implement processes to reach unprecedented levels of performance. The APDIC provides emergency

telephone treatment advice, referral assistance, and information to manage exposure to poisonous and hazardous substances and provides emergent drug information to healthcare providers statewide. APDIC operates 24 hours a day, seven days a week at no charge to the public with full information and treatment capabilities. Presently all the Specialists in Poison Information (SPIs) are Certified Specialists in Poison Information (CSPIs), and the center employs three toxicologists (2 pharmacists and 1 physician) to manage cases. The services are provided via a toll-free telephone number to all communities throughout Arkansas, including underserved, low income, and indigent populations. Services are available by use of an interpreter in over 150 languages and telecommunication devices are used for the deaf and hearing impaired.

APDIC public education programs on poisoning response and prevention direct attention and resources to at-risk children, adolescents and adults living in poverty, including minority and immigrant communities. The public education specifically targets the federally designated delta region of Arkansas. The APDIC works closely with schools, healthcare organizations, parenting groups, and childcare providers throughout Arkansas to promote poison awareness. The toxicologists in the center have worked closely with the Arkansas Department of Health on emerging drugs of abuse and were instrumental in helping move the synthetic marijuana substances, "Bath Salts", and phenazepam to scheduled status in Arkansas. The APDIC public education program provided education programs to over 30,000 children, parents and caregivers throughout Arkansas. Additionally, over 150,000 educational brochures, telephone stickers and magnets are distributed throughout Arkansas each year. Materials have been developed in English and Spanish.

Approximately 23,000 exposure cases from Arkansas are received annually by APDIC. From SFY12 children represented 63.4% of all poisoning exposure cases received by APDIC. An estimated 34.8% of total cases relate to poisoning exposures of children in families whose annual household incomes are no more than 200% FPL. APDIC calculated the number of children below 200% by tracking the total number of calls; the ages of the persons involved and then estimated the number of children below 200% based on The Kids Count Data Center 2010 statistics that estimates 55% of Arkansas' children are living in households with incomes no greater than 200% FPL. In addition to calls regarding exposures, the APDIC receives over 11,500 calls each year from Arkansans requesting poison or drug information. These calls are considered preventive.

APDIC intervention resulted in over 88% of the exposure calls originating at home (in children less than six years of age) being handled in the home, so the children did not have to use an emergency department or need a 911 call and response. Each call to the APDIC significantly reduces costs in other medical spending. A recent study in the **Journal of Medical Toxicology** showed a median of 36 dollars in unnecessary healthcare charges were prevented for each dollar spent supporting a poison center.

The APDIC public toll-free number is listed in the emergency section of all Arkansas telephone directories. The number is also included in numerous community directories throughout Arkansas. The APDIC serves every county of the State on at least a monthly basis.

Without the CHIP funding, the Arkansas Poison and Drug Information Center would not have the operating funds to continue to provide 24 hour services to the citizens of Arkansas. The funds provided for the APDIC from the Health Services Initiative will only provide funding for costs that are directly related to the provision of services by the APDIC.

The APDIC will provide actual expenditures on children for each quarter of the SFY for reimbursement. Exposures in children have ranged from 62-68% of total case annually during 2004-2011.

The only provider that currently qualifies under the APDIC methodology is the University of Arkansas for Medical Sciences (UAMS), a State Operated public provider. UAMS receives and retains the entire Medicaid payments under APDIC. However, a specific agreed upon quarterly IGT dollar amount is received from UAMS and by signed agreement (one single quarterly agreement) is associated with the total of all Medicaid amounts paid to UAMS. The agreement specifies that the IGT \$ amount cannot exceed the quarterly total Medicaid amount paid to UAMS after the IGT is received multiplied by the quarterly State Match % rate.

The State assures that the APDIC will not supplant or match CHIP Federal funds with other Federal funds, nor allow other Federal funds to supplant or match CHIP Federal funds.

#### **Intensive Home & Community-Based Family & Child/Youth Support Health Services Initiative**

Arkansas uses the health services initiative (HSI) option allowed at 42 CFR 457.10 to provide intensive home and community-based family and child/youth support services to children/youth who are involved in the Arkansas child welfare system and have serious mental health challenges. Children/youth in the State's child welfare system would include any child/youth with an open protective services case, to include those in the legal custody of the Arkansas Department of Human Services (DHS) as well as those with "in-home cases". Families involved that have "in-home cases" are those that have a true finding of child/youth maltreatment, but the children/youth are still in the legal and physical custody of their parents/caregivers while the DHS provides services and supports to address the issues that brought the family to the attention of the DHS as well as otherwise strengthen the family unit. The State will consider using access to children through the HSI program to enroll eligible but unenrolled children in Medicaid or CHIP where possible and appropriate.

The State assures that the Intensive Home and Community-Based Family and Child/Youth Support Health Services Initiative will target only children/youth under the age of 19.

Children/youth must meet criteria in **all five (5)** of the following categories to be considered having "serious mental health challenges":

1. A child under the age of 18 or a youth between the ages of 18 and 19 who receives behavioral health services prior to the 18<sup>th</sup> birthday and who meets the following requirements:
  - A. Functional Impairment in **two** of the following five capacities (compared with expected development level):
    - a. Functional self-care: Impairment in self-care is manifested by a person's consistent inability to take care of personal grooming, hygiene, clothes and meeting of nutritional needs;
    - b. Functioning in the community: Impairment in community function is manifested by a consistent lack of age appropriate behavioral controls, decision-making, judgement and value systems which result in potential involvement or involvement in the juvenile justice system;
    - c. Functioning in social relationships,
    - d. Functioning in the family,
    - e. Functioning at school/work;
2. The child/youth must have **one** of the following:
  - A. Has demonstrated a danger to self or others within the last 6 months;
  - B. Has engaged in serious or repeated acts of destruction to property within the last 6 months;
  - C. The individual is self-destructive such as at risk for suicide, runaway, promiscuity or at risk for causing serious injury to others;
3. The child/youth has a psychiatric disorder that has been diagnosed by a licensed mental health professional. **The following disorders are exclude unless co-occurring with another psychiatric disorder:**
  - A. Autism Spectrum Disorder,
  - B. Substance Use Disorder,
  - C. Intellectual Disability Disorder;
4. The child/youth is currently involved with **two or more** child-serving divisions or agencies including mental health services;
5. The child/youth meets criteria for at least two of the following six:
  - A. Is currently at risk for out-of-home placement in a residential facility for severe behavioral or psychiatric issues;
  - B. Is currently an inpatient in an acute care psychiatric hospital or has experienced two or more acute care psychiatric hospitalization within the last 12 months;
  - C. Recent (within last six months) or pending discharge from a residential facility for severe behavioral or psychiatric issues;
  - D. A history of one or more suicide attempts within the past 12 months;
  - E. History of significant trauma;
  - F. Behavior has resulted in significant involvement with the Juvenile Court in the last 12 months.

The goal of the project is to provide needed behavioral support to children/youth and to foster families and relative caregivers to allow children/youth to move out of a psychiatric or behavioral residential treatment facility and return to community settings. The behavior management will be

the focus of the program and will be provided to the family who receives the child/youth into a home setting. The children/youth could be in the custody of the Arkansas Department of Human Services (DHS) and be placed in foster homes or children/youth who can return to biological families. In both instances, the children/youth and families will be provided with behavioral assistance. The goal of the project is also to reduce the number of children ~~and~~ youth in the custody of the state who are living in psychiatric residential treatment facilities by helping move them to family homes. Families will be provided the support needed to safely manage the behavioral health issues of the child/youth after discharge from a psychiatric residential treatment facility through an array of services to prepare for and manage the transition and integration the child/youth back into the home/community setting and manage behavioral issues. The proposed services are in addition to the services available in the Medicaid benefit package under the Rehabilitation option. Community-based behavioral health services that are available do not include the intensive behavioral support outlined in this HSI.

The psychiatric or behavioral residential treatment facility can begin work with the child/youth in preparation for the transition and integration of the child/youth back into the home/community setting. At the time the child/youth is ready to be discharged and the child's/youth's caregiver has been identified, the psychiatric residential treatment facility will work with the caregiver prior to the actual discharge. The first 90 days is the period of transition when a child/youth leaves a psychiatric or behavioral residential treatment facility and moves to a family home, community and educational setting. The child/youth has been in a highly structured environment with constant supervision and set schedule. The change to a new setting and, in most cases, new family causes much stress and adjustment for both the child/youth and family. The most intensive level of behavioral structuring and intervention is needed during this time. Providers may ask for extension of services if the child/youth or family needs continued support to maintain the child/youth in the community setting. If a child/youth is asked to be removed out of a particular foster home, the HSI services will follow the child/youth to his/her subsequent placement. Services provided through the HSI can also be used to prevent re-admissions to a psychiatric residential treatment facility or ensure the support is available to prevent initial admission.

This HSI is expected to benefit a total of 110 children/youth. At any given time, approximately 65% of the children/youth in the Arkansas foster care system are IV-E eligible and, as such, receive foster care IV-E Medicaid ("category 92"). Any child/youth who is SSI eligible is receiving Medicaid in "category 45" SSI Medicaid including IV-E eligible children/youth. If the SSI Medicaid ends, the agency places the child/youth in another Medicaid category for which the child/youth is eligible. The majority of the remaining (approximately) 35% children/youth at any given point in time in Arkansas foster care system are enrolled in Medicaid based on a different category (e.g., "category 91"). There is a small population of children/youth in foster care who do not receive Medicaid. Children/youth who would not be open in Medicaid include those who are:

1. Not citizens,
2. Incarcerated/lock-up,
3. Placed out-of-state,

4. Have too much income (extremely rare),
5. Have just entered foster care and the agency has not yet completed Medicaid determination (extremely rare).

The State has chosen five coverage regions that would include both urban and rural areas. The areas include the northeast corner of the state as well as the southeast corner. The northeast corner of the state and the counties below this corner of the state are part of the delta regions of Arkansas that borders Mississippi. The counties contain some of the highest poverty rates in Arkansas. The remaining areas cover the state in between these two corners and contain both rural and urban areas.

#### **Services Definitions:**

**Child/Youth and Family Support Services** is a specific outcome-oriented intervention provided individually with the child/youth and/or his/her caregiver(s) that provides the necessary support to attain the goals of family and community integration. The interventions will be guided by the particular behaviors displayed by the youth/child. All interventions will be trauma informed. The ranges of interventions are individualized to the child/youth/caregiver and become part of a behavioral plan developed in conjunction to the wrap-around process. The wrap-around service coordinator will identify non-traditional services and supports needed and can work with the family caregiver and community resources to access those needed. The wrap-around plan involves all staff that work with the child/youth either directly or through the child welfare family service worker. Most likely, the child welfare family service worker will provide information to court personnel. Services will be individualized based on level of experience and knowledge of the caregiver. Some caregivers will have been trained as therapeutic foster care parents so would not need additional parenting curricula training, but would need individualized support and coaching. For caregivers that have not been trained, the Nurturing Parenting Program will be utilized. Services involve applying positive behavioral interventions and supports within the community to foster behaviors that are rehabilitative and restorative in nature. The intervention should result in sustainably positive behavioral changes that improve functioning, enhance the quality of life and strengthen skills in a variety of life domains.

**Services for Principal Caregivers** are designed to increase a child's/youth's positive behaviors and encourage compliance with parents/guardians at home; working with teachers/schools to modify classroom environment to increase positive behaviors in the classroom; and increase a child's/youth's social skills, including understanding of feelings, conflict management, academic engagement, and cooperation with teachers and other school staff. This service is intended to increase parental skill development in managing their child's/youth's symptoms of their illness and training the parents/guardians in effective interventions and techniques for working with the schools.

**Services for Child/Youth** may take the form of mental health Behavioral Aids to assist in integration into home and community environment. Behavioral Aids work directly with the child/youth to intervene with negative behaviors and support the development of the positive behaviors that

would allow the child/youth to function in a community setting. The Arkansas Medicaid program under the rehabilitation option allows service provision by mental health paraprofessionals. Under that program, each mental health paraprofessional, including Behavioral Aids, must receive 40 hours of initial training and be certified by the behavioral health agency provider. All paraprofessionals providing services under this HSI will be certified mental health paraprofessionals. The Behavioral Aid is provided to the child/youth in their home, community and school setting as needed to help the child/youth internalize the skills learned through therapy services and prevent behaviors such as aggression toward others, self-injury and property damage. The number of Behavioral Aids needed by the child/youth through the school day and then in the home would depend on the level of need of the child/youth and Labor law. If the child's/youth's need necessitates a Behavioral Aid throughout the school day and also in the home, the child/youth could have two Behavioral Aids based on what is allowed in Labor law regarding hours worked, overtime, etc.

The services included in the Intensive Home and Community-Based Family and Child/Youth Support Health Services Initiative will be done in conjunction with a state general revenue funded program of care coordination. The care coordination model used is the Wrap-Around Process which means that the child/youth and family take the lead in setting goals and deciding how to meet them. Each child/youth/family is assigned to a Wrap-Around Specialist who helps the family communicate their strengths and needs and build up and access community resources. This program:

- Helps parents/caregivers and child/youth to communicate their family's strengths and needs;
- Supports parents/caregivers to realistically plan for challenges they may experience when the child/youth comes home after residential treatment and by working with residential provider to develop a transition plan;
- Helps parents/caregivers understand and interact with mental health, educational, health, child welfare, and other systems;
- Provides access to non-traditional services and supports including mentoring, tutoring, individual and family therapy, supportive recreational and enrichment activities, camps, parenting support, crisis support, and other needed services or supports identified by the child/youth and their families.

The Intensive Home and Community-Based Family and Child/Youth Support Health Services Initiative will be managed by the care coordinator leading the Wrap-Around Process. The family and support services will be provided by para-professional staff members employed by an Arkansas Medicaid certified behavioral health agency and supervised by a master's level clinician. Reimbursement for the Intensive Home and Community-Based Family and Child/Youth Support Health Services Initiative will be an inclusive daily rate that can be higher during the first 90 days out of the congregate care setting and a lower rate the second 90 days and then tapered off.

Examples of the above defined services would include risk management and safety planning for child/youth leaving congregate care setting and reintegrating into a family home setting; support to



caregiver to understand and manage behaviors; development of behavioral management plan; caregiver coaching to address behaviors associated with community reintegration and trauma; accompanying child/youth on community outings to observe behaviors, identify behavioral triggers, intervene and use results to train caregivers.

These services are in addition to the services available in the Medicaid benefit package under the Rehabilitation option. Community-based behavioral health services that are available do not include the intensive behavioral support outlined in this HSI.

The State assures that the Intensive Home and Community-Based Family and Child/Youth Support Health Services Initiative will not supplant or match CHIP federal funds with other federal funds, nor allow other federal funds to supplant or match CHIP federal funds.

#### **Health & Well-Being Program for Maltreated Children Health Services Initiative**

Arkansas uses the health services initiative (HSI) option allowed at 42 CFR 457.10 to provide health & well-being services to improve the health and safety of maltreated children under the age of eight whose families do not qualify or are not already enrolled in an Evidence-based home visiting program and whose families are involved in a protective services case (court and non-court involved) due to a true report or a differential response case involving:

- Neglect
- Environmental Neglect\*
- Inadequate Supervision\*
- Medical Neglect
- Failure to Thrive
- Garrett's Law \*\*
- Medical Neglect
- Munchausen Syndrome by proxy
- Assessing the presence of and to prevent children's exposure to lead in the home and surrounding environment.

\*Two of the allegations that will be eligible for referral to this program are environmental neglect and inadequate supervision, both of which fall under the general category of neglect. In many of the environmental neglect cases involving infants and toddlers, the environment of the home poses a threat to the health and safety of those infants and toddlers who are still crawling on the floor, often playing on the floor, and/or are not adequately supervised because environmental neglect cases typically involve home situations that include, but are not limited to, animal feces on the floor, exposed wires, broken windows, holes in the floor, severe roach/flea/bed bug/rodent infestations, rotted food within easy access and general lack of cleanliness due to the parents not knowing how to properly clean/manage the home and/or not having the resources to purchase certain cleaning materials, pay for exterminator services, repairs, etc. Another example of supporting parents in the

daily management of the household would include ensuring parents know how to properly and regularly bathe their children, launder their clothes and meal plan on a budget to provide adequate nutrition to their children even with limited financial resources.

\*\*An individualized assessment of the family's needs and strengths is conducted on all referrals to the agency, including Garrett's Law reports. Given that Garrett's Law reports involve substance-exposed infants, referrals for substance abuse assessment and treatment are included in the family's case plan the vast majority of the time. Referral/coordination with mental/behavioral health treatment is also included as needed based on the family's individualized assessment. The Evidence-based Family Advocacy Support Tool (FAST) is the assessment instrument utilized for in-home cases. Arkansas recognizes that HSIs' monies can only be used for children, not parents. The HSI funds used in the Health & Well-Being Program for Maltreated Children HSI program will be dedicated to services for the children in these cases while other funding streams will cover, and other agency staff will be responsible for general case plan services. It is important to remember that referral to the Health & Well-Being for Maltreated Children HSI program is just one possible service (assuming eligibility criteria are met) within a family's case. While there will be dedicated Health & Well-Being for Maltreated Children HSI program staff, there will still be a primary DCFS caseworker assigned to the family to manage the overall case plan, speak to the family's progress in court, etc.

This population includes a segment of one of the greatest risk populations identified in the Arkansas Department of Human Services, Division of Children & Family Services' 2016 Child & Family Services Plan (CFSP) 2015 – 2019/Annual Progress & Services Report (APSR). The Health & Well-Being for Maltreated Children HSI program improves Arkansas' capacity to deliver public health and child welfare services to the children described above and their families. There will be additional child health services (i.e., delivery of public health information and child welfare services related to the health needs of children served) provided to families referred to the Health & Well-Being for Maltreated Children HSI program in addition to participation in the Evidence-based Safe-Care home visiting program curriculum used in the HSI.

If a family meets the criteria for the HSI, the family will receive all of the services proposed in the HSI. All families involved with the Division of Children & Family Services (DCFS) do receive an initial family assessment (the Evidence-based Family Advocacy Support Tool (FAST) for families with in-home protective services cases). The Family Service Worker (FSW) will be responsible for completing the FAST for each family, not the HSI caseworker. Families referred to the HSI may receive additional services outside of the HSI based on the results of the FAST, but those additional services will also be provided by the family's primary FSW, not the HSI caseworker.

The State assures that the Health & Well-Being for Maltreated Children HSI program will target only children/youth under the age of 19, the majority being low income. The State estimates that 98% of the children served in this program would fall under the CHIP eligibility threshold.

The goals for the Health & Well-Being for Maltreated Children Health Services Initiative program are:

- To prevent the removal of children from the home and re-occurrence of child maltreatment;
- To improve the overall health and well-being of young children and their families;
- To assist parents in managing the health needs of their young children.;
- To coach parents of young children in positive parenting techniques that encourage healthy physical, cognitive, social and emotional development of their children;
- To assess the presence of and to prevent children's exposure to lead in the home and surrounding environment.
- To provide support to parents in the daily management of their households in order to improve the health, safety and overall functioning of the home to ensure the health of young children living in the home.;

There will be additional child health services (i.e., delivery of public health information and child welfare services related to the health needs of children served) provided to families referred to this HSI in addition to participation in the Evidence-based SafeCare home visiting program curriculum. In an effort to further enhance this Evidence-based home visiting program and other health-related activities described above, program staff will also provide more generalized "home-making" services to the families' homes that will support parents in the daily management of their households to improve the health and safety of their young children and complement the information and activities already provided through other Evidence-based home visiting program activities that address similar topics. These services are designed to improve the health, safety and overall functioning of the home and include activities such as teaching parents how to properly clean the home to maintain proper hygiene for their young children's safety, how to develop a meal plan on a budget to ensure adequate health and nutrition for their young children. This will not impact the model delivery of the Evidence-based practice. This will simply be an addition to the SafeCare home visiting program curriculum.

The program will assist parents in managing the health needs of their young children by helping parents keep various medical appointments for their young children, providing transportation to their children's appointments as needed and making necessary referrals to specialized health services. Program staff will provide educational material regarding family planning, immunizations and other public health-related materials to promote the health and safety of young children. To stay within HSI guidelines, transportation to children's medical appointments is the only transportation included in the Health & Well-Being for Maltreated Children HSI program. There will be other transportation services that need to be provided, e.g., transportation to other case plan services, court, etc.), but those transportation services will be provided under a different funding stream and by staff other than Health & Well-Being for Maltreated Children HSI program.

The program will also include the implementation of an Evidence-based home-visiting program provided by a Family Service Worker with support from HSI program staff. This program focuses on infant and child health, parent-child/infant interactions and home safety for young children and

has been demonstrated in the literature to support positive parenting linked with lessened child maltreatment.

### **SafeCare Evidence-Based Home Visiting Program**

The SafeCare Evidence-based home visiting program is designed to remediate parenting behaviors that can lead to child neglect and abuse. The program was developed to offer a more easily disseminated and streamlined program to parents at risk for child abuse and neglect. This program has also shown success in reducing recidivism in child protective services (CPS) reports. The SafeCare Evidence-based home visiting program provides parent training in three focused areas: (1) parent-child/infant interactions, (2) infant and child health and (3) home safety for young children. The program emphasizes learning a social context and uses behavioral principles for parent training across the three areas. The State will contract with the national SafeCare program to provide training and follow-up coaching support to staff in Arkansas to ensure model fidelity. Contracts with the national SafeCare program have already been made to confirm that this would be a possibility.

### **SafeCare Evidence-Based Home Visiting Program Components**

The SafeCare Evidence-based home visiting program includes one-on-one home visits between home visitors and families. All SafeCare Evidence-based home visiting program activities include baseline assessments and observation of parental knowledge and skills, parent training to enhance the health and safety of their young children and follow-up assessments to monitor change which permits the evaluation of the effectiveness of the program with our populations. Each training activity typically involves one assessment session and five training sessions. Home visitors use a seven-step approach to address target behaviors related to promoting the health of their young children: (1) describe the desired target parent behaviors, (2) explain the rationale for each behavior, (3) model each behavior, (4) ask the parent to practice the behavior, (5) provide positive feedback, (6) provide constructive feedback and (7) review the parent's performance, have the parent practice and set goals for the week. The training is designed to promote generalization skills across time, behaviors and settings as they relate to improving the health of their young children. The program will be evaluated using the tools provided by the national SafeCare model. If the HSI program isn't proven to be effective, changes will be made accordingly, as long as the delivery of the program maintains model fidelity.

### **SafeCare Evidence-Based Home Visiting Program Target Population**

The SafeCare Evidence-based home visiting program is designed to improve the health and safety of young children for families with a history of child maltreatment or risk factors for child maltreatment, including young parents; parents with multiple children; parents with history of depression or other mental health problems, substance abuse or intellectual disabilities; parents being reunified with their children; parents recently released from prison and parents with a history

of domestic violence or intimate partner violence. The program also serves parents of children with developmental or physical disabilities or mental health, emotional or behavioral issues. The SafeCare Evidence-based home visiting program is intended to complement the more specialized intervention services these families might be receiving from other agencies that improve the health and safety of their young children. The SafeCare Evidence-based home visiting program is available to parents with children ages birth to age eight and has been used with culturally diverse populations.

#### **SafeCare Evidence-Based Home Visiting Program Intensity & Length**

The SafeCare Evidence-based home visiting program home visitors conduct weekly or bi-weekly home visits for approximately 60 to 90 minutes each. The SafeCare Evidence-based home visiting program visitation is typically delivered between 18 and 22 weeks, depending on parents' progress and whether other services are integrated into SafeCare Evidence-based home visiting program delivery. The SafeCare program is designed to be delivered within 18 weeks; however, some families may need additional support/tutorials that may extend the program up to 22 weeks. Home visitors work with parents until they meet a set of skill-based criteria established for each of the three program areas. While a family case with DCFS that is managed by the DCFS Family Service Worker (FSW) may be open longer than 18 – 22 weeks, the actual HSI program provided by the HSI specific case worker will only be delivered for 18 – 22 weeks.

#### **Assessing for the Presence & Prevention of Lead Exposure in the Home and Surrounding Environment**

The health & well-being program for maltreated children health services initiative also includes the assessment for the presence and prevention of lead exposure in the home and surrounding environment. When lead exposure is found in the home, work is done with the parent in the following areas:

**Creating barriers between living/play areas & lead sources.** Until the environmental clean-up is completed, parents are provided instruction in cleaning and isolating all sources of lead, such as closing and locking doors to keep children away from chipping or peeling paint on walls, applying temporary barriers such as contact paper or duct tape, covering holes in walls or blocking children's access to other sources of lead.

**Regularly wash children's hands & toys.** Instructing parents that hands and toys can become contaminated from household dust or exterior soil. Both are known lead sources.

**Regularly wet-mop floors & wet-wipe window components.** Instructing parents that because household dust is a major source of lead, they should wet-mop floors and wet-wipe horizontal surfaces every 2 – 3 weeks. Windowsills and wells can contain high levels of leaded dust. Parents are instructed that windowsills and wells should be kept clean; if feasible, windows should be shut

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to prevent abrasion of painted surfaces or opened from the top sash, and shoes should be taken off when entering the house to prevent bringing lead-contaminated soil in from the outside.

**Prevent children from playing in bare soil; if possible, provide them with sandboxes.** Parents are instructed, if possible, to plant grass on areas of bare soil or cover the soil with grass seed, mulch or wood chips, and until the bare soil is covered, move play areas away from bare soil and away from the sides of the house. If there is a sandbox, parents are instructed to cover the box when not in use to prevent cats from using it as a litter box. This will help protect children from exposure to animal waste.

The State assures that the Health Well-Being Program for Maltreated Children HSI will not supplant or match CHIP federal funds with other federal funds, nor allow other federal funds to supplant or match CHIP federal funds.

**2.3-TC Tribal Consultation Requirements-** (Sections 1902(a)(73) and 2107(e)(1)(C)); (ARRA #2, CHIPRA #3, issued May 28, 2009) Section 1902(a)(73) of the Social Security Act (the Act) requires a State in which one or more Indian Health Programs or Urban Indian Organizations furnish health care services to establish a process for the State Medicaid agency to seek advice on a regular, ongoing basis from designees of Indian health programs, whether operated by the Indian Health Service (IHS), Tribes or Tribal organizations under the Indian Self-Determination and Education Assistance Act (ISDEAA), or Urban Indian Organizations under the Indian Health Care Improvement Act (IHCA). Section 2107(e)(1)(C) of the Act was also amended to apply these requirements to the Children's Health Insurance Program (CHIP). Consultation is required concerning Medicaid and CHIP matters having a direct impact on Indian health programs and Urban Indian organizations.

Describe the process the State uses to seek advice on a regular, ongoing basis from federally-recognized tribes, Indian Health Programs and Urban Indian Organizations on matters related to Medicaid and CHIP programs and for consultation on State Plan Amendments, waiver proposals, waiver extensions, waiver amendments, waiver renewals and proposals for demonstration projects prior to submission to CMS. Include information about the frequency, inclusiveness and process for seeking such advice.

Not applicable, as there are no Indian Health Programs or Urban Indian Organizations in the State of Arkansas.

**Section 3. Methods of Delivery and Utilization Controls**

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's- Medicaid plan, and continue on to Section 4 (Eligibility Standards and Methodology).

Guidance: In Section 3.1, describe all delivery methods the State will use to provide services to enrollees, including: (1) contracts with managed care organizations (MCO), prepaid inpatient health plans (PIHP), prepaid ambulatory health plans (PAHP), primary care case management entities (PCCM entities), and primary care case managers (PCCM); (2) contracts with indemnity health insurance plans; (3) fee-for-service (FFS) paid by the State to health care providers; and (4) any other arrangements for health care delivery. The State should describe any variations based upon geography and by population (including the conception to birth population). States must submit the managed care contract(s) to CMS' Regional Office for review.

**3.1. Delivery Systems** (Section 2102(a)(4)) (42 CFR 457.490; Part 457, Subpart L)

**3.1.1 Choice of Delivery System**

**3.1.1.1** Does the State use a managed care delivery system for its CHIP populations? Managed care entities include MCOs, PIHPs, PAHPs, PCCM entities and PCCMs as defined in 42 CFR 457.10. Please check the box and answer the questions below that apply to your State.

- No, the State does not use a managed care delivery system for any CHIP populations.
- Yes, the State uses a managed care delivery system for all CHIP populations.
- Yes, the State uses a managed care delivery system; however, only some of the CHIP population is included in the managed care delivery system and some of the CHIP population is included in a fee-for-service system.

If the State uses a managed care delivery system for only some of its CHIP populations and a fee-for-service system for some of its CHIP populations, please describe which populations are, and which are not, included in the State's managed care delivery system for CHIP. States will be asked to specify which managed care entities are used by the State in its managed care delivery system below in Section 3.1.2.

Guidance: Utilization control systems are those administrative mechanisms that are designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package.

Examples of utilization control systems include- but are not limited to: requirements for referrals to specialty care; requirements that clinicians

use clinical practice guidelines; or demand management systems (e.g., use of an 800 number for after-hours and urgent care). In addition, the State should describe its plans for review, coordination, and implementation of utilization controls, addressing both procedures and State developed standards for review, in order to assure that necessary care is delivered in a cost-effective and efficient manner. (42 CFR 457.490(b))

If the State does not use a managed care delivery system for any or some of its CHIP populations, describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of:

- The methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102(a)(4); 42 CFR 457.490(a))
- The utilization control systems designed to ensure that enrollees receiving health care services under the State plan receive only appropriate and medically necessary health care consistent with the benefit package described in the approved State plan. (Section 2102(a)(4); 42 CFR 457.490(b))

Guidance: Only States that use a managed care delivery system for all or some CHIP populations need to answer the remaining questions under Section 3 (starting with 3.1.1.2). If the State uses a managed care delivery system for only some of its CHIP population, the State's responses to the following questions will only apply to those populations.

#### 3.1.1.2

Do any of your CHIP populations that receive services through a managed care delivery system receive any services outside of a managed care delivery system?

- No  
 Yes

If yes, please describe which services are carved out of your managed care delivery system and how the State provides these services to an enrollee, such as through fee-for-service. Examples of carved out services may include transportation and dental, among others.

### 3.1.2 Use of a Managed Care Delivery System for All or Some of the State's CHIP Populations



**3.1.2.1**

Check each of the types of entities below that the State will contract with under its managed care delivery system, and select and/or explain the method(s) of payment that the State will use:

- Managed care organization (MCO) (42 CFR 457.10)
  - Capitation payment
  - Describe population served:
  
- Prepaid inpatient health plan (PIHP) (42 CFR 457.10)
  - Capitation payment
  - Other (please explain)
  - Describe population served:

Guidance: If the State uses prepaid ambulatory health plan(s) (PAHP) to exclusively provide non-emergency medical transportation (a NEMT PAHP), the State should not check the following box for that plan. Instead, complete section 3.1.3 for the NEMT PAHP.

- Prepaid ambulatory health plan (PAHP) (42 CFR 457.10)
  - Capitation payment
  - Other (please explain)
  - Describe population served:
  
- Primary care case manager (PCCM) (individual practitioners) (42 CFR 457.10)
  - Case management fee
  - Other (please explain)
  
- Primary care case management entity (PCCM Entity) (42 CFR 457.10)
  - Case management fee
  - Shared savings, incentive payments, and/or other financial rewards for improved quality outcomes (see 42 CFR 457.1240(f))
  - Other (please explain)

If PCCM entity is selected, please indicate which of the following function(s) the entity will provide (as described in 42 CFR 457.10), in addition to PCCM services:

- Provision of intensive telephonic case management
- Provision of face-to-face case management
- Operation of a nurse triage advice line
- Development of enrollee care plans

- Execution of contracts with fee-for-service (FFS) providers in the FFS program
- Oversight responsibilities for the activities of FFS providers in the FFS program
- Provision of payments to FFS providers on behalf of the State
- Provision of enrollee outreach and education activities
- Operation of a customer service call center
- Review of provider claims, utilization and/or practice patterns to conduct provider profiling and/or practice improvement
- Implementation of quality improvement activities including administering enrollee satisfaction surveys or collecting data necessary for performance measurement of providers
- Coordination with behavioral health systems/providers
- Other (please describe)

- 3.1.2.2  The State assures that if its contract with an MCO, PAHP, or PIHP allows the entity to use a physician incentive plan, the contract stipulates that the entity must comply with the requirements set forth in 42 CFR 422.208 and 422.210. (42 CFR 457.1201(h), cross-referencing to 42 CFR 438.3(i))

### 3.1.3 Nonemergency Medical Transportation PAHPs

Guidance: Only complete Section 3.1.3 if the State uses a PAHP to exclusively provide non-emergency medical transportation (a NEMT PAHP). If a NEMT PAHP is the only managed care entity for CHIP in the State, please continue to Section 4 after checking the assurance below. If the State uses a PAHP that does not exclusively provide NEMT and/or uses other managed care entities beyond a NEMT PAHP, the State will need to complete the remaining sections within Section 3.

- The State assures that it complies with all requirements applicable to NEMT PAHPs, and through its contracts with such entities, requires NEMT PAHPs to comply with all applicable requirements, including the following (from 42 CFR 457.1206(b)):
- All contract provisions in 42 CFR 457.1201 except those set forth in 42 CFR 457.1201(h) (related to physician incentive plans) and 42 CFR 457.1201(l) (related to mental health parity).
  - The information requirements in 42 CFR 457.1207 (see Section 3.5 below for more details).
  - The provision against provider discrimination in 42 CFR 457.1208.
  - The State responsibility provisions in 42 CFR 457.1212 (about disenrollment), 42 CFR 457.1214 (about conflict of interest safeguards), and 42 CFR 438.62(a), as cross-referenced in 42 CFR 457.1216 (about continued services to enrollees).

- The provisions on enrollee rights and protections in 42 CFR 457.1220, 457.1222, 457.1224, and 457.1226.
- The PAHP standards in 42 CFR 438.206(b)(1), as cross-referenced by 42 CFR 457.1230(a) (about availability of services), 42 CFR 457.1230(d) (about coverage and authorization of services), and 42 CFR 457.1233(a), (b) and (d) (about structure and operation standards).
- An enrollee's right to a State review under subpart K of 42 CFR 457.
- Prohibitions against affiliations with individuals debarred or excluded by Federal agencies in 42 CFR 438.610, as cross referenced by 42 CFR 457.1285.
- Requirements relating to contracts involving Indians, Indian Health Care Providers, and Indian managed care entities in 42 CFR 457.1209.

### 3.2. General Managed Care Contract Provisions

- 3.2.1  The State assures that it provides for free and open competition, to the maximum extent practical, in the bidding of all procurement contracts for coverage or other services, including external quality review organizations, in accordance with the procurement requirements of 45 CFR part 75, as applicable. (42 CFR 457.940(b); 42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(e))
- 3.2.2  The State assures that it will include provisions in all managed care contracts that define a sound and complete procurement contract, as required by 45 CFR part 75, as applicable. (42 CFR 457.940(c))
- 3.2.3  The State assures that each MCO, PIHP, PAHP, PCCM, and PCCM entity complies with any applicable Federal and State laws that pertain to enrollee rights, and ensures that its employees and contract providers observe and protect those rights (42 CFR 457.1220, cross-referencing to 42 CFR 438.100). These Federal and State laws include: Title VI of the Civil Rights Act of 1964 (45 CFR part 80), Age Discrimination Act of 1975 (45 CFR part 91), Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, Titles II and III of the Americans with Disabilities Act, and section 1557 of the Patient Protection and Affordable Care Act.
- 3.2.4  The State assures that it operates a Web site that provides the MCO, PIHP, PAHP, and PCCM entity contracts. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(3))

### 3.3 Rate Development Standards and Medical Loss Ratio

- 3.3.1 The State assures that its payment rates are:

- Based on public or private payment rates for comparable services for comparable populations; and
- Consistent with actuarially sound principles as defined in 42 CFR 457.10. (42 CFR 457.1203(a))

**Guidance:** States that checked both boxes under 3.3.1 above do not need to make the next assurance. If the state is unable to check both boxes under 3.1.1 above, the state must check the next assurance.

- If the State is unable to meet the requirements under 42 CFR 457.1203(a), the State attests that it must establish higher rates because such rates are necessary to ensure sufficient provider participation or provider access or to enroll providers who demonstrate exceptional efficiency or quality in the provision of services. (42 CFR 457.1203(b))

**3.3.2**  The State assures that its rates are designed to reasonably achieve a medical loss ratio standard equal to at least 85 percent for the rate year and provide for reasonable administrative costs. (42 CFR 457.1203(c))

**3.3.3**  The State assures that it will provide to CMS, if requested by CMS, a description of the manner in which rates were developed in accordance with the requirements of 42 CFR 457.1203(a) through (c). (42 CFR 457.1203(d))

**3.3.4**  The State assures that it annually submits to CMS a summary description of the reports pertaining to the medical loss ratio received from the MCOs, PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(a))

**3.3.5** Does the State require an MCO, PIHP, or PAHP to pay remittances through the contract for not meeting the minimum MLR required by the State? (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b)(1))

- No, the State does not require any MCO, PIHP, or PAHP to pay remittances.
- Yes, the State requires all MCOs, PIHPs, and PAHPs to pay remittances.
- Yes, the State requires some, but not all, MCOs, PIHPs, and PAHPs to pay remittances.

If the State requests some, but not all, MCOs, PIHPs, and PAHPs to pay remittances through the contract for not meeting the minimum MLR required by the State, please describe which types of managed care entities are and are not required to pay remittances. For example, if a state requires a medical MCO to pay a remittances but not a dental PAHP, please include this information.

If the answer to the assurance above is yes for any or all managed care entities, please answer the next assurance:

- The State assures that if a remittance is owed by an MCO, PIHP, or PAHP to the State, the State:
  - Reimburses CMS for an amount equal to the Federal share of the remittance, taking into account applicable differences in the Federal matching rate; and
  - Submits a separate report describing the methodology used to determine the State and Federal share of the remittance with the annual report provided to CMS that summarizes the reports received from the MCOs, PIHPs, and PAHPs. (42 CFR 457.1203(e), cross referencing to 42 CFR 438.74(b))

3.3.6  The State assures that each MCO, PIHP, and PAHP calculates and reports the medical loss ratio in accordance with 42 CFR 438.8. (42 CFR 457.1203(f))

### 3.4 Enrollment

- The State assures that its contracts with MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities provide that the MCO, PIHP, PAHP, PCCM or PCCM entity:
  - Accepts individuals eligible for enrollment in the order in which they apply without restriction (unless authorized by CMS), up to the limits set under the contract (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(1));
  - Will not, on the basis of health status or need for health care services, discriminate against individuals eligible to enroll (42 CFR 457.1201(d), cross-referencing to 42 CFR 438.3(d)(3)); and
  - Will not discriminate against individuals eligible to enroll on the basis of race, color, national origin, sex, sexual orientation, gender identity, or disability and will not use any policy or practice that has the effect of discriminating on the basis of race, color, national origin, sex, sexual orientation, gender identity or disability. (42 CFR 457.1201(d), cross-referencing to 438.3(d)(4))

#### 3.4.1 Enrollment Process

3.4.1.1  The State assures that it provides informational notices to potential enrollees in an MCO, PIHP, PAHP, PCCM, or PCCM entity that includes the available managed care entities, explains how to select an entity, explains the implications of making or not making an active choice of an entity, explains the length of the enrollment period as well as the disenrollment policies, and complies with the information requirements in 42 CFR 457.1207 and accessibility standards established under 42 CFR 457.340. (42 CFR 457.1210(c))

3.4.1.2  The State assures that its enrollment system gives beneficiaries already enrolled in an MCO, PIHP, PAHP, PCCM, or PCCM entity priority to

continue that enrollment if the MCO, PIHP, PAHP, PCCM, or PCCM entity does not have the capacity to accept all those seeking enrollment under the program. (42 CFR 457.1210(b))

- 3.4.1.3** Does the State use a default enrollment process to assign beneficiaries to an MCO, PIHP, PAHP, PCCM, or PCCM entity? (42 CFR 457.1210(a))
- Yes  
 No

If the State uses a default enrollment process, please make the following assurances:

- The State assigns beneficiaries only to qualified MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities that are not subject to the intermediate sanction of having suspension of all new enrollment (including default enrollment) under 42 CFR 438.702 and have capacity to enroll beneficiaries. (42 CFR 457.1210(a)(1)(i))
- The State maximizes continuation of existing provider-beneficiary relationships under 42 CFR 457.1210(a)(1)(ii) or if that is not possible, distributes the beneficiaries equitably and does not arbitrarily exclude any MCO, PIHP, PAHP, PCCM or PCCM entity from being considered. (42 CFR 457.1210(a)(1)(ii), 42 CFR 457.1210(a)(1)(iii))

**3.4.2 Disenrollment**

- 3.4.2.1**  The State assures that the State will notify enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f)(2))
- 3.4.2.2**  The State assures that the effective date of an approved disenrollment, regardless of the procedure followed to request the disenrollment, will be no later than the first day of the second month following the month in which the enrollee requests disenrollment or the MCO, PIHP, PAHP, PCCM or PCCM entity refers the request to the State. (42 CFR 457.1212, cross-referencing to 438.56(e)(1))
- 3.4.2.3**  If a beneficiary disenrolls from an MCO, PIHP, PAHP, PCCM, or PCCM entity, the State assures that the beneficiary is provided the option to enroll in another plan or receive benefits from an alternative delivery system. (Section 2103(f)(3) of the Social Security Act, incorporating section 1932(a)(4); 42 CFR 457.1212, cross referencing to 42 CFR 438.56; State Health Official Letter #09-008)

**3.4.2.4 MCO, PIHP, PAHP, PCCM and PCCM Entity Requests for Disenrollment.**

- The State assures that contracts with MCOs, PIHPs, PAHPs, PCCMs and PCCM entities describe the reasons for which an MCO, PIHP, PAHP, PCCM and PCCM entity may request disenrollment of an enrollee, if any. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b))

Guidance: Reasons for disenrollment by the MCO, PIHP, PAHP, PCCM, and PCCM entity must be specified in the contract with the State. Reasons for disenrollment may not include an adverse change in the enrollee's health status, or because of the enrollee's utilization of medical services, diminished mental capacity, or uncooperative or disruptive behavior resulting from his or her special needs (except when his or her continued enrollment in the MCO, PIHP, PAHP, PCCM or PCCM entity seriously impairs the entity's ability to furnish services to either this particular enrollee or other enrollees). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(b)(2))

**3.4.2.5 Enrollee Requests for Disenrollment.**

Guidance: The State may also choose to limit disenrollment from the MCO, PIHP, PAHP, PCCM, or PCCM entity, except for either: 1) for cause, at any time; or 2) without cause during the latter of the 90 days after the beneficiary's initial enrollment or the State sends the beneficiary notice of that enrollment, at least once every 12 months, upon reenrollment if the temporary loss of CHIP eligibility caused the beneficiary to miss the annual disenrollment opportunity, or when the State imposes the intermediate sanction specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

Does the State limit disenrollment from an MCO, PIHP, PAHP, PCCM and PCCM entity by an enrollee? (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c))

- Yes  
 No

If the State limits disenrollment by the enrollee from an MCO, PIHP, PAHP, PCCM and PCCM entity, please make the following assurances (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)):

- The State assures that enrollees and their representatives are given written notice of disenrollment rights at least 60 days before the start of each

enrollment period. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(1))

- The State assures that beneficiary requests to disenroll for cause will be permitted at any time by the MCO, PIHP, PAHP, PCCM or PCCM entity. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(1) and (d)(2))
- The State assures that beneficiary requests for disenrollment without cause will be permitted by the MCO, PIHP, PAHP, PCCM or PCCM entity at the following times:
  - During the 90 days following the date of the beneficiary's initial enrollment into the MCO, PIHP, PAHP, PCCM, or PCCM entity, or during the 90 days following the date the State sends the beneficiary notice of that enrollment, whichever is later;
  - At least once every 12 months thereafter;
  - If the State plan provides for automatic reenrollment for an individual who loses CHIP eligibility for a period of 2 months or less and the temporary loss of CHIP eligibility has caused the beneficiary to miss the annual disenrollment opportunity; and
  - When the State imposes the intermediate sanction on the MCO, PIHP, PAHP, PCCM or PCCM entity specified in 42 CFR 438.702(a)(4). (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(c)(2))

- 3.4.2.6  The State assures that the State ensures timely access to a State review for any enrollee dissatisfied with a State agency determination that there is not good cause for disenrollment. (42 CFR 457.1212, cross-referencing to 42 CFR 438.56(f)(2))

### 3.5 Information Requirements for Enrollees and Potential Enrollees

- 3.5.1  The State assures that it provides, or ensures its contracted MCOs, PAHPs, PIHPs, PCCMs and PCCM entities provide, all enrollment notices, informational materials, and instructional materials related to enrollees and potential enrollees in accordance with the terms of 42 CFR 457.1207, cross-referencing to 42 CFR 438.10.
- 3.5.2  The State assures that all required information provided to enrollees and potential enrollees are in a manner and format that may be easily understood and is readily accessible by such enrollees and potential enrollees. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(1))
- 3.5.3  The State assures that it operates a Web site that provides the content specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)-(i) either directly or by linking to individual MCO, PIHP, PAHP and PCCM entity Web sites.



- 3.5.4  The State assures that it has developed and requires each MCO, PIHP, PAHP and PCCM entity to use:
- Definitions for the terms specified under 42 CFR 438.10(c)(4)(i), and
  - Model enrollee handbooks, and model enrollee notices. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(4))
- 3.5.5  If the State, MCOs, PIHPs, PAHPs, PCCMs or PCCM entities provide the information required under 42 CFR 457.1207 electronically, check this box to confirm that the State assures that it meets the requirements under 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(c)(6) for providing the material in an accessible manner. Including that:
- The format is readily accessible;
  - The information is placed in a location on the State, MCO's, PIHP's, PAHP's, or PCCM's, or PCCM entity's Web site that is prominent and readily accessible;
  - The information is provided in an electronic form which can be electronically retained and printed;
  - The information is consistent with the content and language requirements in 42 CFR 438.10; and
  - The enrollee is informed that the information is available in paper form without charge upon request and is provided the information upon request within 5 business days.
- 3.5.6  The State assures that it meets the language and format requirements set forth in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(d), including but not limited to:
- Establishing a methodology that identifies the prevalent non-English languages spoken by enrollees and potential enrollees throughout the State, and in each MCO, PIHP, PAHP, or PCCM entity service area;
  - Making oral interpretation available in all languages and written translation available in each prevalent non-English language;
  - Requiring each MCO, PIHP, PAHP, and PCCM entity to make its written materials that are critical to obtaining services available in the prevalent non-English languages in its particular service area;
  - Making interpretation services available to each potential enrollee and requiring each MCO, PIHP, PAHP, and PCCM entity to make those services available free of charge to each enrollee; and
  - Notifying potential enrollees, and requiring each MCO, PIHP, PAHP, and PCCM entity to notify its enrollees:
    - That oral interpretation is available for any language and written translation is available in prevalent languages;
    - That auxiliary aids and services are available upon request and at no cost

- for enrollees with disabilities; and
- How to access the services in 42 CFR 457.1207, cross-referencing 42 CFR 438.10(d)(5)(i) and (ii).

3.5.7

The State assures that the State or its contracted representative provides the information specified in 42 CFR 457.1207, cross-referencing to 438.10(e)(2), and includes the information either in paper or electronic format, to all potential enrollees at the time the potential enrollee becomes eligible to enroll in a voluntary managed care program or is first required to enroll in a mandatory managed care program and within a timeframe that enables the potential enrollee to use the information to choose among the available MCOs, PIHPs, PAHPs, PCCMs and PCCM entities:

- Information about the potential enrollee's right to disenroll consistent with the requirements of 42 CFR 438.56 and which explains clearly the process for exercising this disenrollment right, as well as the alternatives available to the potential enrollee based on their specific circumstance;
- The basic features of managed care;
- Which populations are excluded from enrollment in managed care, subject to mandatory enrollment, or free to enroll voluntarily in the program;
- The service area covered by each MCO, PIHP, PAHP, PCCM, or PCCM entity;
- Covered benefits including:
  - Which benefits are provided by the MCO, PIHP, or PAHP; and which, if any, benefits are provided directly by the State; and
  - For a counseling or referral service that the MCO, PIHP, or PAHP does not cover because of moral or religious objections, where and how to obtain the service;
- The provider directory and formulary information required in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h) and (i);
- Any cost-sharing for the enrollee that will be imposed by the MCO, PIHP, PAHP, PCCM, or PCCM entity consistent with those set forth in the State plan;
- The requirements for each MCO, PIHP or PAHP to provide adequate access to covered services, including the network adequacy standards established in 42 CFR 457.1218, cross-referencing 42 CFR 438.68;
- The MCO, PIHP, PAHP, PCCM and PCCM entity's responsibilities for coordination of enrollee care; and
- To the extent available, quality and performance indicators for each MCO, PIHP, PAHP and PCCM entity, including enrollee satisfaction.

3.5.8

The State assures that it will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs,

PIHPs, PAHPs and PCCM entities, including that the State must notify all enrollees of their right to disenroll consistent with the requirements of 42 CFR 438.56 at least annually.

- 3.5.9  The State assures that each MCO, PIHP, PAHP and PCCM entity will provide the information specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(f) to all enrollees of MCOs, PIHPs, PAHPs and PCCM entities, including that:
- The MCO, PIHP, PAHP and, when appropriate, the PCCM entity, must make a good faith effort to give written notice of termination of a contracted provider within the timeframe specified in 42 CFR 438.10(f), and
  - The MCO, PIHP, PAHP and, when appropriate, the PCCM entity must make available, upon request, any physician incentive plans in place as set forth in 42 CFR 438.3(i).

- 3.5.10  The State assures that each MCO, PIHP, PAHP and PCCM entity will provide enrollees of that MCO, PIHP, PAHP or PCCM entity an enrollee handbook that meets the requirements as applicable to the MCO, PIHP, PAHP and PCCM entity, specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(1)-(2), within a reasonable time after receiving notice of the beneficiary's enrollment, by a method consistent with 42 CFR 438.10(g)(3), and including the following items:

- Information that enables the enrollee to understand how to effectively use the managed care program, which, at a minimum, must include:
  - Benefits provided by the MCO, PIHP, PAHP or PCCM entity;
  - How and where to access any benefits provided by the State, including any cost sharing, and how transportation is provided; and
  - In the case of a counseling or referral service that the MCO, PIHP, PAHP, or PCCM entity does not cover because of moral or religious objections, the MCO, PIHP, PAHP, or PCCM entity must inform enrollees that the service is not covered by the MCO, PIHP, PAHP, or PCCM entity and how they can obtain information from the State about how to access these services;
- The amount, duration, and scope of benefits available under the contract in sufficient detail to ensure that enrollees understand the benefits to which they are entitled;
- Procedures for obtaining benefits, including any requirements for service authorizations and/or referrals for specialty care and for other benefits not furnished by the enrollee's primary care provider;
- The extent to which, and how, after-hours and emergency coverage are provided, including:
  - What constitutes an emergency medical condition and emergency services;
  - The fact that prior authorization is not required for emergency

services; and

- The fact that, subject to the provisions of this section, the enrollee has a right to use any hospital or other setting for emergency care;
- Any restrictions on the enrollee's freedom of choice among network providers;
- The extent to which, and how, enrollees may obtain benefits, including family planning services and supplies from out-of-network providers;
- Cost sharing, if any is imposed under the State plan;
- Enrollee rights and responsibilities, including the elements specified in 42 CFR §438.100;
- The process of selecting and changing the enrollee's primary care provider;
- Grievance, appeal, and review procedures and timeframes, consistent with 42 CFR 457.1260, in a State-developed or State-approved description, including:
  - The right to file grievances and appeals;
  - The requirements and timeframes for filing a grievance or appeal;
  - The availability of assistance in the filing process; and
  - The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee;
- How to access auxiliary aids and services, including additional information in alternative formats or languages;
- The toll-free telephone number for member services, medical management, and any other unit providing services directly to enrollees; and
- Information on how to report suspected fraud or abuse.

3.5.11  The State assures that each MCO, PIHP, PAHP and PCCM entity will give each enrollee notice of any change that the State defines as significant in the information specified in the enrollee handbook at least 30 days before the intended effective date of the change. (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(g)(4))

3.5.12  The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available a provider directory for the MCO's, PIHP's, PAHP's or PCCM entity's network providers, including for physicians (including specialists), hospitals, pharmacies, and behavioral health providers, that includes information as specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(1)-(2) and (4).

3.5.13  The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will update any information included in a paper provider directory at least

monthly and in an electronic provider directories as specified in 42 CFR 438.10(h)(3). (42 CFR 457.1207, cross-referencing to 42 CFR 438.10(h)(3))

- 3.5.14  The State assures that each MCO, PIHP, PAHP and when appropriate, PCCM entity, will make available the MCO's, PIHP's, PAHP's, or PCCM entity's formulary that meets the requirements specified in 42 CFR 457.1207, cross-referencing to 42 CFR 438.10(i), including:
- Which medications are covered (both generic and name brand); and
  - What tier each medication is on.

- 3.5.15  The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity follows the requirements for marketing activities under 42 CFR 457.1224, cross-referencing to 42 CFR 438.104 (except 42 CFR 438.104(c)).

Guidance: Requirements for marketing activities include, but are not limited to, that the MCO, PIHP, PAHP, PCCM, or PCCM entity does not distribute any marketing materials without first obtaining State approval; distributes the materials to its entire service areas as indicated in the contract; does not seek to influence enrollment in conjunction with the sale or offering of any private insurance; and does not, directly or indirectly, engage in door-to-door, telephone, email, texting, or other cold-call marketing activities. (42 CFR 104(b))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.5 (3.5.16 through 3.5.18).

- 3.5.16  The State assures that each MCO, PIHP and PAHP protects communications between providers and enrollees under 42 CFR 457.1222, cross-referencing to 42 CFR 438.102.

- 3.5.17  The State assures that MCOs, PIHPs, and PAHPs have arrangements and procedures that prohibit the MCO, PIHP, and PAHP from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity. (42 CFR 457.1280(b)(2))

Guidance: States should also complete Section 3.9, which includes additional provisions about the notice procedures for grievances and appeals.

- 3.5.18  The State assures that each contracted MCO, PIHP, and PAHP comply with the notice requirements specified for grievances and appeals in accordance with the terms of 42 CFR 438, Subpart F, except that the terms of 42 CFR 438.420 do not apply and that references to reviews should be read to refer to reviews as described in 42 CFR 457, Subpart K. (42 CFR 457.1260)

### 3.6 Benefits and Services

Guidance: The State should also complete Section 3.10 (Program Integrity).

- 3.6.1  The State assures that MCO, PIHP, PAHP, PCCM entity, and PCCM contracts involving Indians, Indian health care providers, and Indian managed care entities comply with the requirements of 42 CFR 438.14. (42 CFR 457.1209)
- 3.6.2  The State assures that all services covered under the State plan are available and accessible to enrollees. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)
- 3.6.3  The State assures that it:
- Publishes the State’s network adequacy standards developed in accordance with 42 CFR 457.1218, cross-referencing 42 CFR 438.68(b)(1) on the Web site required by 42 CFR 438.10;
  - Makes available, upon request, the State’s network adequacy standards at no cost to enrollees with disabilities in alternate formats or through the provision of auxiliary aids and services. (42 CFR 457.1218, cross-referencing 42 CFR 438.68(e))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete the remaining assurances in Section 3.6 (3.6.4 through 3.6.20).

- 3.6.4  The State assures that each MCO, PAHP and PIHP meet the State’s network adequacy standards. (42 CFR 457.1218, cross-referencing 42 CFR 438.68; 42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206)
- 3.6.5  The State assures that each MCO, PIHP, and PAHP includes within its network of credentialed providers:
- A sufficient number of providers to provide adequate access to all services covered under the contract for all enrollees, including those with limited English proficiency or physical or mental disabilities;
  - Women’s health specialists to provide direct access to covered care necessary to provide women’s routine and preventative health care services for female enrollees; and
  - Family planning providers to ensure timely access to covered services. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b))
- 3.6.6  The State assures that each contract under 42 CFR 457.1201 permits an enrollee to choose his or her network provider. (42 CFR 457.1201(j), cross-referencing 42 CFR 438.3(l))

3.6.7  The State assures that each MCO, PIHP, and PAHP provides for a second opinion from a network provider, or arranges for the enrollee to obtain one outside the network, at no cost. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(3))

3.6.8  The State assures that each MCO, PIHP, and PAHP ensures that providers, in furnishing services to enrollees, provide timely access to care and services, including by:

- Requiring the contract to adequately and timely cover out-of-network services if the provider network is unable to provide necessary services covered under the contract to a particular enrollee and at a cost to the enrollee that is no greater than if the services were furnished within the network;
- Requiring the MCO, PIHP and PAHP meet and its network providers to meet State standards for timely access to care and services, taking into account the urgency of the need for services;
- Ensuring that the hours of operation for a network provider are no less than the hours of operation offered to commercial enrollees or comparable to Medicaid or CHIP Fee-For-Service, if the provider serves only Medicaid or CHIP enrollees;
- Ensuring that the MCO, PIHP and PAHP makes available services include in the contract on a 24 hours a day, 7 days a week basis when medically necessary;
- Establishing mechanisms to ensure compliance by network providers;
- Monitoring network providers regularly to determine compliance;
- Taking corrective action if there is a failure to comply by a network provider. (42 CFR 457.1230(a), cross-referencing to 42 CFR 438.206(b)(4) and (5) and (c))

3.6.9  The State assures that each MCO, PIHP, and PAHP has the capacity to serve the expected enrollment in its service area in accordance with the State's standards for access to care. (42 CFR 457.1230(b), cross-referencing to 42 CFR 438.207)

3.6.10  The State assures that each MCO, PIHP, and PAHP will be required to submit documentation to the State, at the time of entering into a contract with the State, on an annual basis, and at any time there has been a significant change to the MCO, PIHP, or PAHP's operations that would affect the adequacy of capacity and services, to demonstrate that each MCO, PIHP, and PAHP for the anticipated number of enrollees for the service area:

- Offers an appropriate range of preventative, primary care and specialty services; and
- Maintains a provider network that is sufficient in number, mix, and geographic distribution. (42 CFR 457.1230, cross-referencing to 42

CFR 438.207(b))

- 3.6.11**  Except that 42 CFR 438.210(a)(5) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the coverage of services requirements under 42 CFR 438.210, including:
- Identifying, defining, and specifying the amount, duration, and scope of each service that the MCO, PIHP, or PAHP is required to offer; and
  - Permitting an MCO, PIHP, or PAHP to place appropriate limits on a service. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(a) except that 438.210(a)(5) does not apply to CHIP contracts)
- 3.6.12**  Except that 438.210(b)(2)(iii) does not apply to CHIP, the State assures that its contracts with each MCO, PIHP, or PAHP comply with the authorization of services requirements under 42 CFR 438.210, including that:
- The MCO, PIHP, or PAHP and its subcontractors have in place and follow written policies and procedures;
  - The MCO, PIHP, or PAHP have in place mechanisms to ensure consistent application of review criteria and consult with the requesting provider when appropriate; and
  - Any decision to deny a service authorization request or to authorize a service in an amount, duration, or scope that is less than requested be made by an individual with appropriate expertise in addressing the enrollee's medical, or behavioral health needs. (42 CFR 457.1230(d), cross referencing to 42 CFR 438.210(b), except that 438.210(b)(2)(iii) does not apply to CHIP contracts)
- 3.6.13**  The State assures that its contracts with each MCO, PIHP, or PAHP require each MCO, PIHP, or PAHP to notify the requesting provider and given written notice to the enrollee of any adverse benefit determination to deny a service authorization request, or to authorize a service in an amount, duration, or scope that is less than requested. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(c))
- 3.6.14**  The State assures that its contracts with each MCO, PIHP, or PAHP provide that compensation to individuals or entities that conduct utilization management activities is not structured so as to provide incentives for the individual or entity to deny, limit, or discontinue medically necessary services to any enrollee. (42 CFR 457.1230(d), cross-referencing to 42 CFR 438.210(e))
- 3.6.15**  The State assures that it has a transition of care policy that meets the requirements of 438.62(b)(1) and requires that each contracted MCO, PIHP, and PAHP implements the policy. (42 CFR 457.1216, cross-referencing to 42 CFR 438.62)



- 3.6.16  The State assures that each MCO, PIHP, and PAHP has implemented procedures to deliver care to and coordinate services for all enrollees in accordance with 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208, including:
- Ensure that each enrollee has an ongoing source of care appropriate to his or her needs;
  - Ensure that each enrollee has a person or entity formally designated as primarily responsible for coordinating the services accessed by the enrollee;
  - Provide the enrollee with information on how to contract their designated person or entity responsible for the enrollee's coordination of services;
  - Coordinate the services the MCO, PIHP, or PAHP furnishes to the enrollee between settings of care; with services from any other MCO, PIHP, or PAHP; with fee-for-service services; and with the services the enrollee receives from community and social support providers;
  - Make a best effort to conduct an initial screening of each enrollee's needs within 90 days of the effective date of enrollment for all new enrollees;
  - Share with the State or other MCOs, PIHPs, or PAHPs serving the enrollee the results of any identification and assessment of the enrollee's needs;
  - Ensure that each provider furnishing services to enrollees maintains and shares, as appropriate, an enrollee health record in accordance with professional standards; and
  - Ensure that each enrollee's privacy is protected in the process of coordinating care is protected with the requirements of 45 CFR parts 160 and 164 subparts A and E. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(b))

Guidance: For assurances 3.6.17 through 3.6.20, applicability to PIHPs and PAHPs is based a determination by the State in relation to the scope of the entity's services and on the way the State has organized its delivery of managed care services, whether a particular PIHP or PAHP is required to implement the mechanisms for identifying, assessing, and producing a treatment plan for an individual with special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(a)(2))

- 3.6.17  The State assures that it has implemented mechanisms for identifying to MCOs, PIHPs, and PAHPs enrollees with special health care needs who are eligible for assessment and treatment services under 42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c) and included the mechanism in the State's quality strategy.

3.6.18  The State assures that each applicable MCO, PIHP, and PAHP implements the mechanisms to comprehensively assess each enrollee identified by the state as having special health care needs. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(2))

3.6.19  The State assures that each MCO, PIHP, and PAHP will produce a treatment or service plan that meets the following requirements for enrollees identified with special health care needs:

- Is in accordance with applicable State quality assurance and utilization review standards;
- Reviewed and revised upon reassessment of functional need, at least every 12 months, or when the enrollee's circumstances or needs change significantly. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(3))

3.6.20  The State assures that each MCO, PIHP, and PAHP must have a mechanism in place to allow enrollees to directly access a specialist as appropriate for the enrollee's condition and identified needs for enrollees identified with special health care needs who need a course of treatment or regular care monitoring. (42 CFR 457.1230(c), cross-referencing to 42 CFR 438.208(c)(4))

### 3.7 Operations

3.7.1  The State assures that it has established a uniform credentialing and recredentialing policy that addresses acute, primary, behavioral, and substance use disorders providers and requires each MCO, PIHP and PAHP to follow those policies. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(b)(1))

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the remaining assurances in Section 3.7 (3.7.2 through 3.7.9).

3.7.2 The State assures each contracted MCO, PIHP and PAHP will comply with the provider selection requirements in 42 CFR 457.1208 and 457.1233(a), cross-referencing 42 CFR 438.12 and 438.214, including that:

- Each MCO, PIHP, or PAHP implements written policies and procedures for selection and retention of network providers (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(a));
- MCO, PIHP, and PAHP network provider selection policies and procedures do not discriminate against particular providers that serve high-risk populations or specialize in conditions that require costly treatment (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(c));
- MCOs, PIHPs, and PAHPs do not discriminate in the participation, reimbursement, or indemnification of any provider who is acting within the

scope of his or her license or certification, solely on the basis of that license or certification (42 CFR 457.1208, cross referencing 42 CFR 438.12(a));

- If an MCO, PIHP, or PAHP declines to include individual or groups of providers in the MCO, PIHP, or PAHP's provider network, the MCO, PIHP, and PAHP gives the affected providers written notice of the reason for the decision (42 CFR 457.1208, cross referencing 42 CFR 438.12(a)); and
- MCOs, PIHPs, and PAHPs do not employ or contract with providers excluded from participation in Federal health care programs under either section 1128 or section 1128A of the Act. (42 CFR 457.1233(a), cross-referencing 42 CFR 438.214(d)).

**3.7.3**

The State assures that each contracted MCO, PIHP, and PAHP complies with the subcontractual relationships and delegation requirements in 42 CFR 457.1233(b), cross-referencing 42 CFR 438.230, including that:

- The MCO, PIHP, or PAHP maintains ultimate responsibility for adhering to and otherwise fully complying with all terms and conditions of its contract with the State;
- All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor specify that all delegated activities or obligations, and related reporting responsibilities, are specified in the contract or written agreement, the subcontractor agrees to perform the delegated activities and reporting responsibilities specified in compliance with the MCO's, PIHP's, or PAHP's contract obligations, and the contract or written arrangement must either provide for revocation of the delegation of activities or obligations, or specify other remedies in instances where the State or the MCO, PIHP, or PAHP determine that the subcontractor has not performed satisfactorily;
- All contracts or written arrangements between the MCO, PIHP, or PAHP and any subcontractor must specify that the subcontractor agrees to comply with all applicable CHIP laws, regulations, including applicable subregulatory guidance and contract provisions; and
- The subcontractor agrees to the audit provisions in 438.230(c)(3).

**3.7.4**

The State assures that each contracted MCO and, when applicable, each PIHP and PAHP, adopts and disseminates practice guidelines that are based on valid and reliable clinical evidence or a consensus of providers in the particular field; consider the needs of the MCO's, PIHP's, or PAHP's enrollees; are adopted in consultation with network providers; and are reviewed and updated periodically as appropriate. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(b) and (c))

- 3.7.5  The State assures that each contracted MCO and, when applicable, each PIHP and PAHP makes decisions for utilization management, enrollee education, coverage of services, and other areas to which the guidelines apply are consistent with the practice guidelines. (42 CFR 457.1233(c), cross referencing 42 CFR 438.236(d))
- 3.7.6  The State assures that each contracted MCO, PIHP, and PAHP maintains a health information system that collects, analyzes, integrates, and reports data consistent with 42 CFR 438.242. The systems must provide information on areas including, but not limited to, utilization, claims, grievances and appeals, and disenrollments for other than loss of CHIP eligibility. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)
- 3.7.7  The State assures that it reviews and validates the encounter data collected, maintained, and submitted to the State by the MCO, PIHP, or PAHP to ensure it is a complete and accurate representation of the services provided to the enrollees under the contract between the State and the MCO, PIHP, or PAHP and meets the requirements 42 CFR 438.242 of this section. (42 CFR 457.1233(d), cross referencing 42 CFR 438.242)
- 3.7.8  The State assures that it will submit to CMS all encounter data collected, maintained, submitted to the State by the MCO, PIHP, and PAHP once the State has reviewed and validated the data based on the requirements of 42 CFR 438.242. (CMS State Medicaid Director Letter #13-004)
- 3.7.9  The State assures that each contracted MCO, PIHP and PAHP complies with the privacy protections under 42 CFR 457.1110. (42 CFR 457.1233(e))

### 3.8 **Beneficiary Protections**

- 3.8.1  The State assures that each MCO, PIHP, PAHP, PCCM and PCCM entity has written policies regarding the enrollee rights specified in 42 CFR 438.100. (42 CFR 457.1220, cross-referencing to 42 CFR 438.100(a)(1))
- 3.8.2  The State assures that its contracts with an MCO, PIHP, PAHP, PCCM, or PCCM entity include a guarantee that the MCO, PIHP, PAHP, PCCM, or PCCM entity will not avoid costs for services covered in its contract by referring enrollees to publicly supported health care resources. (42 CFR 457.1201(p))
- 3.8.3  The State assures that MCOs, PIHPs, and PAHPs do not hold the enrollee liable for the following:
  - The MCO's, PIHP's or PAHP's debts, in the event of the entity's solvency. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(a))
  - Covered services provided to the enrollee for which the State does not pay the MCO, PIHP or PAHP or for which the State, MCO, PIHP, or PAHP does not

pay the individual or the health care provider that furnished the services under a contractual, referral or other arrangement. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(b))

- Payments for covered services furnished under a contract, referral or other arrangement that are in excess of the amount the enrollee would owe if the MCO, PIHP or PAHP covered the services directly. (42 CFR 457.1226, cross-referencing to 42 CFR 438.106(c))

### 3.9 Grievances and Appeals

Guidance: Only States with MCOs, PIHPs, or PAHPs need to complete Section 3.9. States with PCCMs and/or PCCM entities should be adhering to the State's review process for benefits.

3.9.1  The State assures that each MCO, PIHP, and PAHP has a grievance and appeal system in place that allows enrollees to file a grievance and request an appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c))

3.9.2  The State assures that each MCO, PIHP, and PAHP has only one level of appeal for enrollees. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(b))

3.9.3  The State assures that an enrollee may request a State review after receiving notice that the adverse benefit determination is upheld, or after an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 438.402(c))

3.9.4. Does the state offer and arrange for an external medical review?

- Yes  
 No

Guidance: Only states that answered yes to assurance 3.9.4 need to complete the next assurance (3.9.5).

3.9.5  The State assures that the external medical review is:

- At the enrollee's option and not required before or used as a deterrent to proceeding to the State review;
- Independent of both the State and MCO, PIHP, or PAHP;
- Offered without any cost to the enrollee; and
- Not extending any of the timeframes specified in 42 CFR 438.408. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(1)(i))

- 3.9.6  The State assures that an enrollee may file a grievance with the MCO, PIHP, or PAHP at any time. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(i))
- 3.9.7  The State assures that an enrollee has 60 calendar days from the date on an adverse benefit determination notice to file a request for an appeal to the MCO, PIHP, or PAHP. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(2)(ii))
- 3.9.8  The State assures that an enrollee may file a grievance and request an appeal either orally or in writing. (42 CFR 457.1260, cross-referencing to 42 CFR 438.402(a) and 438.402(c)(3)(i))
- 3.9.9  The State assures that each MCO, PIHP, and PAHP gives enrollees timely and adequate notice of an adverse benefit determination in writing consistent with the requirements below in Section 3.9.10 and in 42 CFR 438.10.
- 3.9.10  The State assures that the notice of an adverse benefit determination explains:
- The adverse benefit determination.
  - The reasons for the adverse benefit determination, including the right of the enrollee to be provided upon request and free of charge, reasonable access to and copies of all documents, records, and other information relevant to the enrollee's adverse benefit determination. Such information includes medical necessity criteria, and any processes, strategies, or evidentiary standards used in setting coverage limits.
  - The enrollee's right to request an appeal of the MCO's, PIHP's, or PAHP's adverse benefit determination, including information on exhausting the MCO's, PIHP's, or PAHP's one level of appeal and the right to request a State review.
  - The procedures for exercising the rights specified above under this assurance.
  - The circumstances under which an appeal process can be expedited and how to request it. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(b))
- 3.9.11  The State assures that the notice of an adverse benefit determination is provided in a timely manner in accordance with 42 CFR 457.1260. (42 CFR 457.1260, cross-referencing to 42 CFR 438.404(c))
- 3.9.12  The State assures that MCOs, PIHPs, and PAHPs give enrollees reasonable assistance in completing forms and taking other procedural steps related to a grievance or appeal. This includes, but is not limited to, auxiliary aids and services upon request, such as providing interpreter services and toll-free numbers that have adequate TTY/TTD and interpreter capability. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(a))

- 3.9.13** The state makes the following assurances related to MCO, PIHP, and PAHP processes for handling enrollee grievances and appeals:
- Individuals who make decisions on grievances and appeals were neither involved in any previous level of review or decision-making nor a subordinate of any such individual.
  - Individuals who make decisions on grievances and appeals, if deciding any of the following, are individuals who have the appropriate clinical expertise in treating the enrollee's condition or disease:
    - An appeal of a denial that is based on lack of medical necessity.
    - A grievance regarding denial of expedited resolution of an appeal.
    - A grievance or appeal that involves clinical issues.
  - All comments, documents, records, and other information submitted by the enrollee or their representative will be taken into account, without regard to whether such information was submitted or considered in the initial adverse benefit determination.
  - Enrollees have a reasonable opportunity, in person and in writing, to present evidence and testimony and make legal and factual arguments.
  - Enrollees are provided the enrollee's case file, including medical records, other documents and records, and any new or additional evidence considered, relied upon, or generated by the MCO, PIHP or PAHP (or at the direction of the MCO, PIHP or PAHP) in connection with the appeal of the adverse benefit determination. This information must be provided free of charge and sufficiently in advance of the resolution timeframe for appeals.
  - The enrollee and his or her representative or the legal representative of a deceased enrollee's estate are included as parties to the appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.406(b))
- 3.9.14**  The State assures that standard grievances are resolved (including notice to the affected parties) within 90 calendar days from the day the MCO, PIHP, or PAHP receives the grievance. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b))
- 3.9.15**  The State assures that standard appeals are resolved (including notice to the affected parties) within 30 calendar days from the day the MCO, PIHP, or PAHP receives the appeal. The MCO, PIHP, or PAHP may extend the timeframe by up to 14 calendar days if the enrollee requests the extension or the MCO, PIHP, or PAHP shows that there is need for additional information and that the delay is in the enrollee's interest. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b) and (c))
- 3.9.16**  The State assures that each MCO, PIHP, and PAHP establishes and maintains an expedited review process for appeals that is no longer than 72 hours after the

MCO, PIHP, or PAHP receives the appeal. The expedited review process applies when the MCO, PIHP, or PAHP determines (for a request from the enrollee) or the provider indicates (in making the request on the enrollee's behalf or supporting the enrollee's request) that taking the time for a standard resolution could seriously jeopardize the enrollee's life, physical or mental health, or ability to attain, maintain, or regain maximum function. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(b) and (c), and 42 CFR 438.410(a))

- 3.9.17**  The State assures that if an MCO, PIHP, or PAHP denies a request for expedited resolution of an appeal, it transfers the appeal within the timeframe for standard resolution in accordance with 42 CFR 438.408(b)(2). (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(c)(1))
- 3.9.18**  The State assures that if the MCO, PIHP, or PAHP extends the timeframes for an appeal not at the request of the enrollee or it denies a request for an expedited resolution of an appeal, it completes all of the following:
- Make reasonable efforts to give the enrollee prompt oral notice of the delay.
  - Within 2 calendar days give the enrollee written notice of the reason for the decision to extend the timeframe and inform the enrollee of the right to file a grievance if he or she disagrees with that decision.
  - Resolve the appeal as expeditiously as the enrollee's health condition requires and no later than the date the extension expires. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c) and 42 CFR 438.410(c))
- 3.9.19**  The State assures that if an MCO, PIHP, or PAHP fails to adhere to the notice and timing requirements in this section, the enrollee is deemed to have exhausted the MCO's, PIHP's, or PAHP's appeals process and the enrollee may initiate a State review. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(c)(3))
- 3.9.20**  The State assures that has established a method that an MCO, PIHP, and PAHP will use to notify an enrollee of the resolution of a grievance and ensure that such methods meet, at a minimum, the standards described at 42 CFR 438.10. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(1))
- 3.9.21**  For all appeals, the State assures that each contracted MCO, PIHP, and PAHP provides written notice of resolution in a format and language that, at a minimum, meet the standards described at 42 CFR 438.10. The notice of resolution includes at least the following items:
- The results of the resolution process and the date it was completed; and
  - For appeals not resolved wholly in favor of the enrollees:
    - The right to request a State review, and how to do so.
    - The right to request and receive benefits while the hearing is pending, and how to make the request.



- That the enrollee may, consistent with State policy, be held liable for the cost of those benefits if the hearing decision upholds the MCO's, PIHP's, or PAHP's adverse benefit determination. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(i) and (e))
- 3.9.22**  For notice of an expedited resolution, the State assures that each contracted MCO, PIHP, or PAHP makes reasonable efforts to provide oral notice, in addition to the written notice of resolution. (42 CFR 457.1260, cross referencing to 42 CFR 457.408(d)(2)(ii))
- 3.9.23**  The State assures that if it offers an external medical review:
- The review is at the enrollee's option and is not required before or used as a deterrent to proceeding to the State review;
  - The review is independent of both the State and MCO, PIHP, or PAHP; and
  - The review is offered without any cost to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.408(f))
- 3.9.24**  The State assures that MCOs, PIHPs, and PAHPs do not take punitive action against providers who request an expedited resolution or support an enrollee's appeal. (42 CFR 457.1260, cross-referencing to 42 CFR 438.410(b))
- 3.9.25**  The State assures that MCOs, PIHPs, or PAHPs must provide information specified in 42 CFR 438.10(g)(2)(xi) about the grievance and appeal system to all providers and subcontractors at the time they enter into a contract. This includes:
- The right to file grievances and appeals;
  - The requirements and timeframes for filing a grievance or appeal;
  - The availability of assistance in the filing process;
  - The right to request a State review after the MCO, PIHP or PAHP has made a determination on an enrollee's appeal which is adverse to the enrollee; and
  - The fact that, when requested by the enrollee, benefits that the MCO, PIHP, or PAHP seeks to reduce or terminate will continue if the enrollee files an appeal or a request for State review within the timeframes specified for filing, and that the enrollee may, consistent with State policy, be required to pay the cost of services furnished while the appeal or State review is pending if the final decision is adverse to the enrollee. (42 CFR 457.1260, cross-referencing to 42 CFR 438.414)
- 3.9.26**  The State assures that it requires MCOs, PIHPs, and PAHPs to maintain records of grievances and appeals and reviews the information as part of its ongoing monitoring procedures, as well as for updates and revisions to the State quality strategy. The record must be accurately maintained in a manner accessible to the state and available upon request to CMS. (42 CFR 457.1260, cross-referencing to 42 CFR 438.416)

- 3.9.27  The State assures that if the MCO, PIHP, or PAHP, or the State review officer reverses a decision to deny, limit, or delay services that were not furnished while the appeal was pending, the MCO, PIHP, or PAHP must authorize or provide the disputed services promptly and as expeditiously as the enrollee's health condition requires but no later than 72 hours from the date it receives notice reversing the determination. (42 CFR 457.1260, cross-referencing to 42 CFR 438.424(a))

### 3.10 Program Integrity

Guidance: The State should complete Section 11 (Program Integrity) in addition to Section 3.10.

Guidance: Only States with MCOs, PIHPs, or PAHPs need to answer the first seven assurances (3.10.1 through 3.10.7).

- 3.10.1 The State assures that any entity seeking to contract as an MCO, PIHP, or PAHP under a separate child health program has administrative and management arrangements or procedures designed to safeguard against fraud and abuse, including:
- Enforcing MCO, PIHP, and PAHP compliance with all applicable Federal and State statutes, regulations, and standards;
  - Prohibiting MCOs, PIHPs, or PAHPs from conducting any unsolicited personal contact with a potential enrollee by an employee or agent of the MCO, PAHP, or PIHP for the purpose of influencing the individual to enroll with the entity; and
  - Including a mechanism for MCOs, PIHPs, and PAHPs to report to the State, to CMS, or to the Office of Inspector General (OIG) as appropriate, information on violations of law by subcontractors, providers, or enrollees of an MCO, PIHP, or PAHP and other individuals. (42 CFR 457.1280)
- 3.10.2  The State assures that it has in effect safeguards against conflict of interest on the part of State and local officers and employees and agents of the State who have responsibilities relating to the MCO, PIHP, or PAHP contracts or enrollment processes described in 42 CFR 457.1210(a). (42 CFR 457.1214, cross referencing 42 CFR 438.58)
- 3.10.3  The State assures that it periodically, but no less frequently than once every 3 years, conducts, or contracts for the conduct of, an independent audit of the accuracy, truthfulness, and completeness of the encounter and financial data submitted by, or on behalf of, each MCO, PIHP or PAHP. (42 CFR 457.1285, cross referencing 42 CFR 438.602(e))
- 3.10.4  The State assures that it requires MCOs, PIHPs, PAHP, and or subcontractors (only to the extent that the subcontractor is delegated responsibility by the MCO,

PIHP, or PAHP for coverage of services and payment of claims) implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse. The arrangements or procedures must include the following:

- A compliance program that include all of the elements described in 42 CFR 438.608(a)(1);
- Provision for prompt reporting of all overpayments identified or recovered, specifying the overpayments due to potential fraud, to the State;
- Provision for prompt notification to the State when it receives information about changes in an enrollee's circumstances that may affect the enrollee's eligibility;
- Provision for notification to the State when it receives information about a change in a network provider's circumstances that may affect the network provider's eligibility to participate in the managed care program, including the termination of the provider agreement with the MCO, PIHP or PAHP;
- Provision for a method to verify, by sampling or other methods, whether services that have been represented to have been delivered by network providers were received by enrollees and the application of such verification processes on a regular basis;
- In the case of MCOs, PIHPs, or PAHPs that make or receive annual payments under the contract of at least \$5,000,000, provision for written policies for all employees of the entity, and of any contractor or agent, that provide detailed information about the False Claims Act and other Federal and State laws described in section 1902(a)(68) of the Act, including information about rights of employees to be protected as whistleblowers;
- Provision for the prompt referral of any potential fraud, waste, or abuse that the MCO, PIHP, or PAHP identifies to the State Medicaid/CHIP program integrity unit or any potential fraud directly to the State Medicaid Fraud Control Unit; and
- Provision for the MCO's, PIHP's, or PAHP's suspension of payments to a network provider for which the State determines there is a credible allegation of fraud in accordance with 42 CFR 455.23. (42 CFR 457.1285, cross referencing 42 CFR 438.608(a))

- 3.10.5  The State assures that each MCO, PIHP, or PAHP requires and has a mechanism for a network provider to report to the MCO, PIHP or PAHP when it has received an overpayment, to return the overpayment to the MCO, PIHP or PAHP within 60 calendar days after the date on which the overpayment was identified, and to notify the MCO, PIHP or PAHP in writing of the reason for the overpayment. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(2))

- 3.10.6**  The State assures that each MCO, PIHP, or PAHP reports annually to the State on their recoveries of overpayments. (42 CFR 457.1285, cross referencing 42 CFR 438.608(d)(3))
- 3.10.7**  The State assures that it screens and enrolls, and periodically revalidates, all network providers of MCOs, PIHPs, and PAHPs, in accordance with the requirements of part 455, subparts B and E. This requirement also extends to PCCMs and PCCM entities to the extent that the primary care case manager is not otherwise enrolled with the State to provide services to fee-for-service beneficiaries. (42 CFR 457.1285, cross referencing 42 CFR 438.602(b)(1) and 438.608(b))
- 3.10.8**  The State assures that it reviews the ownership and control disclosures submitted by the MCO, PIHP, PAHP, PCCM or PCCM entity, and any subcontractors. (42 CFR 457.1285, cross referencing 42 CFR 438.602(c))
- 3.10.9**  The State assures that it confirms the identity and determines the exclusion status of the MCO, PIHP, PAHP, PCCM or PCCM entity, any subcontractor, as well as any person with an ownership or control interest, or who is an agent or managing employee of the MCO, PIHP, PAHP, PCCM or PCCM entity through routine checks of Federal databases. If the State finds a party that is excluded, the State promptly notifies the MCO, PIHP, PAHP, PCCM, or PCCM entity and takes action consistent with 42 CFR 438.610(c). (42 CFR 457.1285, cross referencing 42 CFR 438.602(d))
- 3.10.10**  The State assures that it receives and investigates information from whistleblowers relating to the integrity of the MCO, PIHP, PAHP, PCCM, or PCCM entity, subcontractors, or network providers receiving Federal funds under this part. (42 CFR 457.1285, cross referencing 42 CFR 438.602(f))
- 3.10.11**  The State assures that MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities with which the State contracts are not located outside of the United States and that no claims paid by an MCO, PIHP, or PAHP to a network provider, out-of-network provider, subcontractor or financial institution located outside of the U.S. are considered in the development of actuarially sound capitation rates. (42 CFR 457.1285, cross referencing to 42 CFR 438.602(i); Section 1902(a) (80) of the Social Security Act)
- 3.10.12** The State assures that MCOs, PIHPs, PAHPs, PCCMs, and PCCM entities submit to the State the following data, documentation, and information:
- Encounter data in the form and manner described in 42 CFR 438.818.
  - Data on the basis of which the State determines the compliance of the MCO, PIHP, or PAHP with the medical loss ratio requirement described in 42 CFR 438.8.

- Data on the basis of which the State determines that the MCO, PIHP or PAHP has made adequate provision against the risk of insolvency as required under 42 CFR 438.116.
- Documentation described in 42 CFR 438.207(b) on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and accessibility of services, including the adequacy of the provider network, as set forth in 42 CFR 438.206.
- Information on ownership and control described in 42 CFR 455.104 of this chapter from MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors as governed by 42 CFR 438.230.
- The annual report of overpayment recoveries as required in 42 CFR 438.608(d)(3). (42 CFR 457.1285, cross referencing 42 CFR 438.604(a))

**3.10.13**

The State assures that:

- It requires that the data, documentation, or information submitted in accordance with 42 CFR 457.1285, cross referencing 42 CFR 438.604(a), is certified in a manner that the MCO's, PIHP's, PAHP's, PCCM's, or PCCM entity's Chief Executive Officer or Chief Financial Officer is ultimately responsible for the certification. (42 CFR 457.1285, cross referencing 42 CFR 438.606(a))
- It requires that the certification includes an attestation that, based on best information, knowledge, and belief, the data, documentation, and information specified in 42 CFR 438.604 are accurate, complete, and truthful. (42 CFR 457.1285, cross referencing 42 CFR 438.606(b)); and
- It requires the MCO, PIHP, PAHP, PCCM, or PCCM entity to submit the certification concurrently with the submission of the data, documentation, or information required in 42 CFR 438.604(a) and (b). (42 CFR 457.1285, cross referencing 42 CFR 438.604(c))

**3.10.14**

The State assures that each MCO, PIHP, PAHP, PCCM, PCCM entity, and any subcontractors provides: written disclosure of any prohibited affiliation under 42 CFR 438.610, written disclosure of and information on ownership and control required under 42 CFR 455.104, and reports to the State within 60 calendar days when it has identified the capitation payments or other payments in excess of amounts specified in the contract. (42 CFR 457.1285, cross referencing 42 CFR 438.608(c))

**3.10.15**

The State assures that services are provided in an effective and efficient manner. (Section 2101(a))

**3.10.16**

The State assures that it operates a Web site that provides:

- The documentation on which the State bases its certification that the MCO, PIHP or PAHP has complied with the State's requirements for availability and

- accessibility of services;
- Information on ownership and control of MCOs, PIHPs, PAHPs, PCCMs, PCCM entities, and subcontractors; and
- The results of any audits conducted under 42 CFR 438.602(e). (42 CFR 457.1285, cross-referencing to 42 CFR 438.602(g)).

### 3.11 Sanctions

Guidance: Only States with MCOs need to answer the next three assurances (3.11.1 through 3.11.3).

Intermediate sanctions are defined at 42 CFR 438.702(a)(4) as: (1) Civil money penalties; (2) Appointment of temporary management (for an MCO); (3) Granting enrollees the right to terminate enrollment without cause; (4) Suspension of all new enrollment; and (5) Suspension of payment for beneficiaries.

- 3.11.1  The State assures that it has established intermediate sanctions that it may impose if it makes the determination that an MCO has acted or failed to act in a manner specified in 438.700(b)-(d). (42 CFR 457.1270, cross referencing 42 CFR 438.700)
- 3.11.2  The State assures that it will impose temporary management if it finds that an MCO has repeatedly failed to meet substantive requirements of part 457 subpart L. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))
- 3.11.3  The State assures that if it imposes temporary management on an MCO, the State allows enrollees the right to terminate enrollment without cause and notifies the affected enrollees of their right to terminate enrollment. (42 CFR 457.1270, cross referencing 42 CFR 438.706(b))

Guidance: Only states with PCCMs, or PCCM entities need to answer the next assurance (3.11.4).

- 3.11.4 Does the State establish intermediate sanctions for PCCMs or PCCM entities?
- Yes
- No

Guidance: Only states with MCOs and states that answered yes to assurance 3.11.4 need to complete the next three assurances (3.11.5 through 3.11.7).

- 3.11.5  The State assures that before it imposes intermediate sanctions, it gives the affected entity timely written notice. (42 CFR 457.1270, cross referencing 42 CFR 438.710(a))
- 3.11.6  The State assures that if it intends to terminate an MCO, PCCM, or PCCM entity, it provides a pre-termination hearing and written notice of the decision as specified in 42 CFR 438.710(b). If the decision to terminate is affirmed, the State assures that it gives enrollees of the MCO, PCCM or PCCM entity notice of the termination and information, consistent with 42 CFR 438.10, on their options for receiving CHIP services following the effective date of termination. (42 CFR 457.1270, cross referencing 42 CFR 438.710(b))
- 3.11.7  The State assures that it will give CMS written notice that complies with 42 CFR 438.724 whenever it imposes or lifts a sanction for one of the violations listed in 42 CFR 438.700. (42 CFR 457.1270, cross referencing 42 CFR 438.724)

### 3.12 Quality Measurement and Improvement; External Quality Review

Guidance: The State should complete Sections 7 (Quality and Appropriateness of Care) and 9 (Strategic Objectives and Performance Goals and Plan Administration) in addition to Section 3.12.

Guidance: States with MCO(s), PIHP(s), PAHP(s), or certain PCCM entity/ies (PCCM entities whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes - see 42 CFR 457.1240(f)) - should complete the applicable sub-sections for each entity type in this section, regarding 42 CFR 457.1240 and 1250.

#### 3.12.1 Quality Strategy

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs, or PCCM entities need to complete section 3.12.1.

- 3.12.1.1  The State assures that it will draft and implement a written quality strategy for assessing and improving the quality of health care and services furnished CHIP enrollees as described in 42 CFR 438.340(a). The quality strategy must include the following items:
- The State-defined network adequacy and availability of services standards for MCOs, PIHPs, and PAHPs required by 42 CFR 438.68 and 438.206 and examples of Evidence-based clinical practice guidelines the State requires in accordance with 42 CFR 438.236;
  - A description of:
    - The quality metrics and performance targets to be used in measuring the performance and improvement of each MCO, PIHP,

and PAHP with which the State contracts, including but not limited to, the performance measures reported in accordance with 42 CFR 438.330(c); and

- The performance improvement projects to be implemented in accordance with 42 CFR 438.330(d), including a description of any interventions the State proposes to improve access, quality, or timeliness of care for beneficiaries enrolled in an MCO, PIHP, or PAHP;
- Arrangements for annual, external independent reviews, in accordance with 42 CFR 438.350, of the quality outcomes and timeliness of, and access to, the services covered under each contract;
- A description of the State's transition of care policy required under 42 CFR 438.62(b)(3);
- The State's plan to identify, evaluate, and reduce, to the extent practicable, health disparities based on age, race, ethnicity, sex, and primary language;
- For MCOs, appropriate use of intermediate sanctions that, at a minimum, meet the requirements of subpart I of 42 CFR Part 438;
- A description of how the State will assess the performance and quality outcomes achieved by each PCCM entity;
- The mechanisms implemented by the State to comply with 42 CFR 438.208(c)(1) (relating to the identification of persons with special health care needs);
- Identification of the external quality review (EQR)-related activities for which the State has exercised the option under 42 CFR 438.360 (relating to nonduplication of EQR-related activities), and explain the rationale for the State's determination that the private accreditation activity is comparable to such EQR-related activities;
- Identification of which quality measures and performance outcomes the State will publish at least annually on the Web site required under 42 CFR 438.10(c)(3); and
- The State's definition of a "significant change" for the purposes of updating the quality strategy under 42 CFR 438.340(c)(3)(ii). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b))

3.12.1.2  The State assures that the goals and objectives for continuous quality improvement in the quality strategy are measurable and take into consideration the health status of all populations in the State served by the MCO, PIHP, and PAHP. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(2))

3.12.1.3  The State assures that for purposes of the quality strategy, the State provides the demographic information for each CHIP enrollee to the



MCO, PIHP or PAHP at the time of enrollment. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(b)(6))

- 3.12.1.4  The State assures that it will review and update the quality strategy as needed, but no less than once every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2))
- 3.12.1.5  The State assures that its review and updates to the quality strategy will include an evaluation of the effectiveness of the quality strategy conducted within the previous 3 years and the recommendations provided pursuant to 42 CFR 438.364(a)(4). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(i) and (iii).
- 3.12.1.6  The State assures that it will submit to CMS:
- A copy of the initial quality strategy for CMS comment and feedback prior to adopting it in final; and
  - A copy of the revised strategy whenever significant changes are made to the document, or whenever significant changes occur within the State's CHIP program, including after the review and update required every 3 years. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(3))
- 3.12.1.7  Before submitting the strategy to CMS for review, the State assures that when it drafts or revises the State's quality strategy it will:
- Make the strategy available for public comment; and
  - If the State enrolls Indians in the MCO, PIHP, or PAHP, consult with Tribes in accordance with the State's Tribal consultation policy. (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(1))
- 3.12.1.8  The State assures that it makes the results of the review of the quality strategy (including the effectiveness evaluation) and the final quality strategy available on the Web site required under 42 CFR 438.10(c)(3). (42 CFR 457.1240(e), cross referencing to 42 CFR 438.340(c)(2)(ii) and (d))

### 3.12.2 Quality Assessment and Performance Improvement Program

- 3.12.2.1 Quality Assessment and Performance Improvement Program: Measures and Projects

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next two assurances (3.12.2.1.1 and 3.12.2.1.2).

- 3.12.2.1.1**  The State assures that it requires that each MCO, PIHP, and PAHP establish and implement an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The elements of the assessment and program include at least:
- Standard performance measures specified by the State;
  - Any measures and programs required by CMS (42 CFR 438.330(a)(2));
  - Performance improvement projects that focus on clinical and non-clinical areas, as specified in 42 CFR 438.330(d);
  - Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c);
  - Mechanisms to detect both underutilization and overutilization of services; and
  - Mechanisms to assess the quality and appropriateness of care furnished to enrollees with special health care needs, as defined by the State in the quality strategy under 42 CFR 457.1240(e) and Section 3.12.1 of this template. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(b) and (c)(1))

Guidance: A State may request an exemption from including the performance measures or performance improvement programs established by CMS under 42 CFR 438.330(a)(2), by submitting a written request to CMS explaining the basis for such request.

- 3.12.2.1.2**  The State assures that each MCO, PIHP, and PAHP's performance improvement projects are designed to achieve significant improvement, sustained over time, in health outcomes and enrollee satisfaction. The performance improvement projects include at least the following elements:
- Measurement of performance using objective quality indicators;
  - Implementation of interventions to achieve improvement in the access to and quality of care;
  - Evaluation of the effectiveness of the interventions based on the performance measures specified in 42 CFR 438.330(d)(2)(i); and
  - Planning and initiation of activities for increasing or sustaining improvement. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(2))

Guidance: Only states with a PCCM entity whose contract with the State provides for shared savings, incentive payments or other financial reward for improved quality outcomes need to, complete the next assurance (3.12.2.1.3).

- 3.12.2.1.3  The State assures that it requires that each PCCM entity establishes and implements an ongoing comprehensive quality assessment and performance improvement program for the services it furnishes to its enrollees as provided in 42 CFR 438.330, except that the terms of 42 CFR 438.330(d)(4) (related to dual eligibles) do not apply. The assessment and program must include:
- Standard performance measures specified by the State;
  - Mechanisms to detect both underutilization and overutilization of services; and
  - Collection and submission of performance measurement data in accordance with 42 CFR 438.330(c). (42 CFR 457.1240(a) and (b), cross referencing to 42 CFR 438.330(b)(3) and (c))

**3.12.2.2 Quality Assessment and Performance Improvement Program: Reporting and Effectiveness**

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.2.2.

- 3.12.2.2.1  The State assures that each MCO, PIHP, and PAHP reports on the status and results of each performance improvement project conducted by the MCO, PIHP, and PAHP to the State as required by the State, but not less than once per year. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(d)(3))
- 3.12.2.2.2  The State assures that it annually requires each MCO, PIHP, and PAHP to:
- 1) Measure and report to the State on its performance using the standard measures required by the State;
  - 2) Submit to the State data specified by the State to calculate the MCO's, PIHP's, or PAHP's performance using the standard measures identified by the State; or
  - 3) Perform a combination of options (1) and (2) of this assurance. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(c)(2))
- 3.12.2.2.3  The State assures that the State reviews, at least annually, the impact and effectiveness of the quality assessment and performance improvement program of each MCO, PIHP, PAHP and PCCM entity. The State's review must include:

- The MCO's, PIHP's, PAHP's, and PCCM entity's performance on the measures on which it is required to report; and
- The outcomes and trended results of each MCO's, PIHP's, and PAHP's performance improvement projects. (42 CFR 457.1240(b), cross referencing to 42 CFR 438.330(e)(1))

### 3.12.3 Accreditation

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.3.

3.12.3.1  The State assures that it requires each MCO, PIHP, and PAHP to inform the state whether it has been accredited by a private independent accrediting entity, and, if the MCO, PIHP, or PAHP has received accreditation by a private independent accrediting agency, that the MCO, PIHP, and PAHP authorizes the private independent accrediting entity to provide the State a copy of its recent accreditation review that includes the MCO, PIHP, and PAHP's accreditation status, survey type, and level (as applicable); accreditation results, including recommended actions or improvements, corrective action plans, and summaries of findings; and expiration date of the accreditation. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(a) and (b)).

3.12.3.2  The State assures that it will make the accreditation status for each contracted MCO, PIHP, and PAHP available on the Web site required under 42 CFR 438.10(c)(3), including whether each MCO, PIHP, and PAHP has been accredited and, if applicable, the name of the accrediting entity, accreditation program, and accreditation level; and update this information at least annually. (42 CFR 457.1240(c), cross referencing to 42 CFR 438.332(c))

### 3.12.4 Quality Rating

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete Section 3.12.4.

The State assures that it will implement and operate a quality rating system that issues an annual quality rating for each MCO, PIHP, and PAHP, which the State will prominently display on the Web site required under 42 CFR 438.10(c)(3), in accordance with the requirements set forth in 42 CFR 438.334. (42 CFR 457.1240(d))

Guidance: States will be required to comply with this assurance within 3 years after CMS, in consultation with States and other Stakeholders and after providing public notice and opportunity for comment, has identified performance measures and a methodology for a Medicaid and CHIP managed care quality rating system in the Federal Register.

### 3.12.5 Quality Review

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5 and 3.12.5.1.

- The State assures that each contract with a MCO, PIHP, PAHP, or PCCM entity requires that a qualified EQRO performs an annual external quality review (EQR) for each contracting MCO, PIHP, PAHP or PCCM entity, except as provided in 42 CFR 438.362. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(a))

#### 3.12.5.1 External Quality Review Organization

- 3.12.5.1.1  The State assures that it contracts with at least one external quality review organization (EQRO) to conduct either EQR alone or EQR and other EQR-related activities. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.356(a))
- 3.12.5.1.2  The State assures that any EQRO used by the State to comply with 42 CFR 457.1250 must meet the competence and independence requirements of 42 CFR 438.354 and, if the EQRO uses subcontractors, that the EQRO is accountable for and oversees all subcontractor functions. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.354 and 42 CFR 438.356(b) through (d))

#### 3.12.5.2 External Quality Review-Related Activities

Guidance: Only states with MCOs, PIHPs, or PAHPs need to complete the next three assurances (3.12.5.2.1 through 3.12.5.2.3). Under 42 CFR 457.1250(a), the State, or its agent or EQRO, must conduct the EQR-related activity under 42 CFR 438.358(b)(1)(iv) regarding validation of the MCO, PIHP, or PAHP's network adequacy during the preceding 12 months; however, the State may permit its contracted MCO, PIHP, and PAHPs to use information from a private accreditation review in lieu of any or all the EQR-related activities under 42 CFR 438.358(b)(1)(i) through (iii) (relating to the validation of performance improvement projects, validation of performance measures, and compliance review).

- 3.12.5.2.1  The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(1)(i) through (iv) (relating to the validation of performance improvement projects, validation of performance measures, compliance review, and validation of network adequacy) will be conducted on all MCOs, PIHPs, or PAHPs. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(b)(1))

**3.12.5.2.2**  The State assures that if it elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will document the use of nonduplication in the State’s quality strategy. (42 CFR 457.1250(a), cross referencing 438.360, 438.358(b)(1)(i) through (b)(1)(iii), and 438.340)

**3.12.5.2.3**  The State assures that if the State elects to use nonduplication for any or all of the three mandatory EQR-related activities described at 42 CFR 438.358(b)(1)(i) – (iii), the State will ensure that all information from a Medicare or private accreditation review for an MCO, PIHP, or PAHP will be furnished to the EQRO for analysis and inclusion in the EQR technical report described in 42 CFR 438.364. ((42 CFR 457.1250(a), cross referencing to 42 CFR 438.360(b))

Guidance: Only states with PCCM entities need to complete the next assurance (3.12.5.2.4).

**3.12.5.2.4**  The State assures that the mandatory EQR-related activities described in 42 CFR 438.358(b)(2) (cross-referencing 42 CFR 438.358(b)(1)(ii) and (b)(1)(iii)) will be conducted on all PCCM entities, which include:

- Validation of PCCM entity performance measures required in accordance with 42 CFR 438.330(b)(2) or PCCM entity performance measures calculated by the State during the preceding 12 months; and
- A review, conducted within the previous 3-year period, to determine the PCCM entity’s compliance with the standards set forth in subpart D of 42 CFR part 438 and the quality assessment and performance improvement requirements described in 42 CFR 438.330. (42 CFR 457.1250(a), cross referencing to 438.358(b)(2))

### **3.12.5.3 External Quality Review Report**

Guidance: All states with MCOs, PIHPs, PAHPs, PCCMs or PCCM entities need to complete Sections 3.12.5.3.

**3.12.5.3.1**  The State assures that data obtained from the mandatory and optional, if applicable, EQR-related activities in 42 CFR 438.358 is used for the annual EQR to comply with 42 CFR 438.350 and must

include, at a minimum, the elements in §438.364(a)(2)(i) through (iv). (42 CFR 457.1250(a), cross referencing to 42 CFR 438.358(a)(2))

- 3.12.5.3.2**  The State assures that only a qualified EQRO will produce the EQR technical report (42 CFR 438.364(c)(1)).
- 3.12.5.3.3**  The State assures that in order for the qualified EQRO to perform an annual EQR for each contracting MCO, PIHP, PAHP or PCCM entity under 42 CFR 438.350(a) that the following conditions are met:
- The EQRO has sufficient information to use in performing the review;
  - The information used to carry out the review must be obtained from the EQR-related activities described in 42 CFR 438.358 and, if applicable, from a private accreditation review as described in 42 CFR 438.360;
  - For each EQR-related activity (mandatory or optional), the information gathered for use in the EQR must include the elements described in 42 CFR 438.364(a)(2)(i) through (iv); and
  - The information provided to the EQRO in accordance with 42 CFR 438.350(b) is obtained through methods consistent with the protocols established by the Secretary in accordance with 42 CFR 438.352. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(b) through (e))
- 3.12.5.3.4**  The State assures that the results of the reviews performed by a qualified EQRO of each contracting MCO, PIHP, PAHP, and PCCM entity are made available as specified in 42 CFR 438.364 in an annual detailed technical report that summarizes findings on access and quality of care. The report includes at least the following items:
- A description of the manner in which the data from all activities conducted in accordance with 42 CFR 438.358 were aggregated and analyzed, and conclusions were drawn as to the quality, timeliness, and access to the care furnished by the MCO, PIHP, PAHP, or PCCM entity (described in 42 CFR 438.310(c)(2));
  - For each EQR-related activity (mandatory or optional) conducted in accordance with 42 CFR 438.358:
    - Objectives;
    - Technical methods of data collection and analysis;

- Description of data obtained, including validated performance measurement data for each activity conducted in accordance with 42 CFR 438.358(b)(1)(i) and (ii); and
  - Conclusions drawn from the data;
  - An assessment of each MCO's, PIHP's, PAHP's, or PCCM entity's strengths and weaknesses for the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
  - Recommendations for improving the quality of health care services furnished by each MCO, PIHP, PAHP, or PCCM entity, including how the State can target goals and objectives in the quality strategy, under 42 CFR 438.340, to better support improvement in the quality, timeliness, and access to health care services furnished to CHIP beneficiaries;
  - Methodologically appropriate, comparative information about all MCOs, PIHPs, PAHPs, and PCCM entities, consistent with guidance included in the EQR protocols issued in accordance with 42 CFR 438.352(e); and
  - An assessment of the degree to which each MCO, PIHP, PAHP, or PCCM entity has addressed effectively the recommendations for quality improvement made by the EQRO during the previous year's EQR. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.350(f) and 438.364(a))
- 3.12.5.3.5**  The State assures that it does not substantively revise the content of the final EQR technical report without evidence of error or omission. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(b))
- 3.12.5.3.6**  The State assures that it finalizes the annual EQR technical report by April 30<sup>th</sup> of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(1))
- 3.12.5.3.7**  The State assures that it posts the most recent copy of the annual EQR technical report on the Web site required under 42 CFR 438.10(c)(3) by April 30th of each year. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(i))
- 3.12.5.3.8**  The State assures that it provides printed or electronic copies of the information specified in 42 CFR 438.364(a) for the annual EQR technical report, upon request, to interested parties such as participating health care providers, enrollees and potential enrollees of the MCO, PIHP, PAHP, or PCCM, beneficiary



advocacy groups, and members of the general public. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(2)(ii))

**3.12.5.3.9**  The State assures that it makes the information specified in 42 CFR 438.364(a) for the annual EQR technical report available in alternative formats for persons with disabilities, when requested. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(c)(3))

**3.12.5.3.10**  The State assures that information released under 42 CFR 438.364 for the annual EQR technical report does not disclose the identity or other protected health information of any patient. (42 CFR 457.1250(a), cross referencing to 42 CFR 438.364(d))

**Section 4. Eligibility Standards and Methodology**

Guidance: States electing to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan or combination plan should check the appropriate box and provide the ages and income level for each eligibility group. If the State is electing to take up the option to expand Medicaid eligibility as allowed under section 214 of CHIPRA regarding lawfully residing, complete section 4.1-LR as well as update the budget to reflect the additional costs if the state will claim title XXI match for these children until and if the time comes that the children are eligible for Medicaid.

**4.0.  Medicaid Expansion**

**4.0.1.** Ages of each eligibility group and the income standard for that group:

See page CS3

**4.1.  Separate Program** Check all standards that will apply to the State plan. (42CFR 457.305(a) and 457.320(a))

See page CS14 for children who lose Medicaid/CHIP due to the elimination of income disregards.

**4.1.0**  Describe how the State meets the citizenship verification requirements. Include whether or not State has opted to use SSA verification option.

**4.1.1**  Geographic area served by the Plan if less than Statewide:

**4.1.2**  Ages of each eligibility group, including unborn children and pregnant

women (if applicable) and the income standard for that group:

**4.1.2.1-PC**  Age: through birth (SHO #02-004, issued November 12, 2002)

See page CS9.

**4.1.3**  Income of each separate eligibility group (if applicable):

**4.1.3.1-PC**  0% of the FPL (and not eligible for Medicaid) through %  
of the FPL (SHO #02-004, issued November 12, 2002)

See page CS9.

**4.1.4**  Resources of each separate eligibility group (including any standards relating to spend downs and disposition of resources):

**4.1.5**  Residency (so long as residency requirement is not based on length of time in state):

**4.1.6**  Disability Status (so long as any standard relating to disability status does not restrict eligibility):

Not applicable.

**4.1.7**  Access to or coverage under other health coverage:

CHIP enrollees cannot be eligible for Title XIX Medicaid. CHIP enrollees cannot have access to a state health benefits program. Enrollees in the Title XXI CHIP Unborn Child separate child health program may not have health insurance that covers pregnancy related services. If a parent or guardian voluntarily terminates within 90-days preceding application for a child for the Title XXI CHIP ARKids-B separate child program an insurance in which the child is covered for a reason other than those allowed conditions or exemptions specifically stated in eligibility criteria, the child will be ineligible for the ARKids-B separate child health program. See also page CS20 – Substitution of Coverage.

**4.1.8**  Duration of eligibility, not to exceed 12 months:

Continuous eligibility does not apply to the Unborn Child CHIP separate child program.

**4.1.9**  Other Standards- Identify and describe other standards for or affecting eligibility, including those standards in 457.310 and 457.320 that are not

addressed above. For instance:

Guidance: States may only require the SSN of the child who is applying for coverage. If SSNs are required and the State covers unborn children, indicate that the unborn children are exempt from providing a SSN. Other standards include, but are not limited to presumptive eligibility and deemed newborns.

- 4.1.9.1  States should specify whether Social Security Numbers (SSN) are required.

See page CS19

Guidance: States should describe their continuous eligibility process and populations that can be continuously eligible.

- 4.1.9.2  Continuous eligibility

- 4.1-PW  **Pregnant Women Option** (section 2112)- The State includes eligibility for one or more populations of targeted low-income pregnant women under the plan. Describe the population of pregnant women that the State proposes to cover in this section. Include all eligibility criteria, such as those described in the above categories (for instance, income and resources) that will be applied to this population. Use the same reference number system for those criteria (for example, 4.1.1-P for a geographic restriction). Please remember to update sections 8.1.1-PW, 8.1.2-PW, and 9.10 when electing this option.

Guidance: States have the option to cover groups of “lawfully residing” children and/or pregnant women. States may elect to cover (1) “lawfully residing” children described at section 2107(e)(1)(J) of the Act; (2) “lawfully residing” pregnant women described at section 2107(e)(1)(J) of the Act; or (3) both. A state electing to cover children and/or pregnant women who are considered lawfully residing in the U.S. must offer coverage to all such individuals who meet the definition of lawfully residing, and may not cover a subgroup or only certain groups. In addition, states may not cover these new groups only in CHIP, but must also extend the coverage option to Medicaid. States will need to update their budget to reflect the additional costs for coverage of these children. If a State has been covering these children with State only funds, it is helpful to indicate that so CMS understands the basis for the enrollment estimates and the projected cost of providing coverage. Please remember to update section 9.10 when electing this option.

- 4.1- LR  **Lawfully Residing Option** (Sections 2107(e)(1)(J) and 1903(v)(4)(A); (CHIPRA # 17, SHO # 10-006 issued July 1, 2010) Check if the State is electing the option under section 214 of the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) regarding lawfully residing to provide coverage to the following otherwise eligible

pregnant women and children as specified below who are lawfully residing in the United States including the following:

A child or pregnant woman shall be considered lawfully present if he or she is:

- (1) A qualified alien as defined in section 431 of PRWORA (8 U.S.C. §1641);
- (2) An alien in nonimmigrant status who has not violated the terms of the status under which he or she was admitted or to which he or she has changed after admission;
- (3) An alien who has been paroled into the United States pursuant to section 212(d)(5) of the Immigration and Nationality Act (INA) (8 U.S.C. §1182(d)(5)) for less than 1 year, except for an alien paroled for prosecution, for deferred inspection or pending removal proceedings;
- (4) An alien who belongs to one of the following classes:
  - (i) Aliens currently in temporary resident status pursuant to section 210 or 245A of the INA (8 U.S.C. §§1160 or 1255a, respectively);
  - (ii) Aliens currently under Temporary Protected Status (TPS) pursuant to section 244 of the INA (8 U.S.C. §1254a), and pending applicants for TPS who have been granted employment authorization;
  - (iii) Aliens who have been granted employment authorization under 8 CFR 274a.12(c)(9), (10), (16), (18), (20), (22), or (24);
  - (iv) Family Unity beneficiaries pursuant to section 301 of Pub. L. 101-649, as amended;
  - (v) Aliens currently under Deferred Enforced Departure (DED) pursuant to a decision made by the President;
  - (vi) Aliens currently in deferred action status; or
  - (vii) Aliens whose visa petition has been approved and who have a pending application for adjustment of status;
- (5) A pending applicant for asylum under section 208(a) of the INA (8 U.S.C. § 1158) or for withholding of removal under section 241(b)(3) of the INA (8 U.S.C. § 1231) or under the Convention Against Torture who has been granted employment authorization, and such an applicant under the age of 14 who has had an application pending for at least 180 days;
- (6) An alien who has been granted withholding of removal under the Convention Against Torture;
- (7) A child who has a pending application for Special Immigrant Juvenile status as described in section 101(a)(27)(J) of the INA (8 U.S.C. §1101(a)(27)(J));
- (8) An alien who is lawfully present in the Commonwealth of the Northern Mariana Islands under 48 U.S.C. § 1806(e); or
- (9) An alien who is lawfully present in American Samoa under the immigration laws of American Samoa.

- Elected for pregnant women.  
 Elected for children under age

**See CHIP eligibility page CS18 for CHIP coverage to otherwise eligible lawfully residing alien children under age 19 and pregnant women**

- 4.1.1-LR  The State provides assurance that for an individual whom it enrolls in Medicaid under the CHIPRA Lawfully Residing option, it has verified, at the time of the individual's initial eligibility determination and at the time of the eligibility redetermination, that the individual continues to be lawfully residing in the United States. The State must first attempt to verify this status using information provided at the time of initial application. If the State cannot do so from the information readily available, it must require the individual to provide documentation or further evidence to verify satisfactory immigration status in the same manner as it would for anyone else claiming satisfactory immigration status under section 1137(d) of the Act.

See page CS18 for CHIP coverage to otherwise eligible children under age 19

- 4.1-DS  **Supplemental Dental** (Section 2103(c)(5) - A child who is eligible to enroll in dental-only supplemental coverage, effective January 1, 2009. Eligibility is limited to only targeted low-income children who are otherwise eligible for CHIP but for the fact that they are enrolled in a group health plan or health insurance offered through an employer. The State's CHIP plan income eligibility level is at least the highest income eligibility standard under its approved State child health plan (or under a waiver) as of January 1, 2009. All who meet the eligibility standards and apply for dental-only supplemental coverage shall be provided benefits. States choosing this option must report these children separately in SEDS. Please update sections 1.1-DS, 4.2-DS, and 9.10 when electing this option.

- 4.2. **Assurances** The State assures by checking the box below that it has made the following findings with respect to the eligibility standards in its plan: (Section 2102(b)(1)(B) and 42 CFR 457.320(b))

- 4.2.1.  These standards do not discriminate on the basis of diagnosis.
- 4.2.2.  Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income. This applies to pregnant women included in the State plan as well as targeted low-income children.
- 4.2.3.  These standards do not deny eligibility based on a child having a pre-existing medical condition. This applies to pregnant women as well as targeted low-income children.

- 4.2-DS Supplemental Dental - Please update sections 1.1-DS, 4.1-DS, and 9.10 when electing

this option. For dental-only supplemental coverage, the State assures that it has made the following findings with standards in its plan: (Section 2102(b)(1)(B) and 42 CFR 457.320(b))

**4.2.1-DS**  These standards do not discriminate on the basis of diagnosis.

**4.2.2-DS**  Within a defined group of covered targeted low-income children, these standards do not cover children of higher income families without covering children with a lower family income.

**4.2.3-DS**  These standards do not deny eligibility based on a child having a pre-existing medical condition.

**4.3. Methodology.** Describe the methods of establishing and continuing eligibility and enrollment. The description should address the procedures for applying the eligibility standards, the organization and infrastructure responsible for making and reviewing eligibility determinations, and the process for enrollment of individuals receiving covered services, and whether the State uses the same application form for Medicaid and/or other public benefit programs. (Section 2102(b)(2)) (42CFR, 457.350)

See page CS15 for Modified Adjusted Gross Income (MAGI)-based income methodologies.

See page CS24 for eligibility processing.

**Retroactive coverage for the Title XXI CHIP separate child health programs ARKids-B and Unborn Child:** The effective first day of coverage for the ARKids-B and Unborn Child programs is the first day of the month of application unless retroactive coverage is approved. The State is required to provide retroactive eligibility for up to three full months prior to the date of application to applicants who:

1. Received medical services in the retroactive period, and
2. Were eligible in the month the medical services were received.

Retroactive eligibility will be provided to applicants who were otherwise eligible in the month services were received regardless of whether they were ineligible at other times during retroactive period. Retroactive eligibility is separate and apart from current eligibility, i.e., applicants not eligible for the current period may be eligible for the retroactive period. Retroactive eligibility is the same for the Title XXI CHIP ARKids-B and Unborn Child programs. Coverage for ARKids-B will end on the last day of the month that eligibility ceases, unless continued eligibility is determined at the time of reevaluation. Women in the Unborn Child program will receive coverage during pregnancy and the 60 day postpartum period. Postpartum coverage is through the end of the month in which the 60<sup>th</sup> day from the date of delivery falls. When one or more physicians in a group see the Unborn Child program beneficiary and at least two months of antepartum care were provided culminating in delivery or the beneficiary was continuously CHIP eligible for two or more months before delivery and on the delivery date, the global method of billing CHIP for postpartum

services provided is used. When less than two months of antepartum care was provided to the Unborn Child program beneficiary or the beneficiary was not CHIP eligible for at least the last two months of the pregnancy, the antepartum/obstetrical care without delivery and the delivery and postpartum care can be billed to CHIP using the itemized billing method.

The methods of establishing eligibility and continuing enrollment are the same as under Title XIX

Guidance: The box below should be checked as related to children and pregnant women.  
Please note: A State providing dental-only supplemental coverage may not have a waiting list or limit eligibility in any way.

**4.3.1. Limitation on Enrollment** Describe the processes, if any, that a State will use for instituting enrollment caps, establishing waiting lists, and deciding which children will be given priority for enrollment. If this section does not apply to your state, check the box below. (Section 2102(b)(2)) (42CFR, 457.305(b))

Check here if this section does not apply to your State.

Guidance: Note that for purposes of presumptive eligibility, States do not need to verify the citizenship status of the child. States electing this option should indicate so in the State plan. (42 CFR 457.355)

**4.3.2.**  Check if the State elects to provide presumptive eligibility for children that meets the requirements of section 1920A of the Act. (Section 2107(e)(1)(L)); (42 CFR 457.355)

Guidance: Describe how the State intends to implement the Express Lane option. Include information on the identified Express Lane agency or agencies, and whether the State will be using the Express Lane eligibility option for the initial eligibility determinations, redeterminations, or both.

**4.3.3-EL Express Lane Eligibility**  Check here if the state elects the option to rely on a finding from an Express Lane agency when determining whether a child satisfies one or more components of CHIP eligibility. The state agrees to comply with the requirements of sections 2107(e)(1)(E) and 1902(e)(13) of the Act for this option. Please update sections 4.4-EL, 5.2-EL, 9.10, and 12.1 when electing this option. This authority may not apply to eligibility determinations made before February 4, 2009, or after September 30, 2013. (Section 2107(e)(1)(E))

**4.3.3.1-EL** Also indicate whether the Express Lane option is applied to (1) initial eligibility determination, (2) redetermination, or (3) both.

**4.3.3.2-EL** List the public agencies approved by the State as Express Lane agencies.

**4.3.3.3-EL** List the components/components of CHIP eligibility that are determined under the Express Lane. In this section, specify any differences in budget unit, deeming, income exclusions, income disregards, or other methodology between CHIP eligibility determinations for such children and the determination under the Express Lane option.

**4.3.3.3-EL** List the component/components of CHIP eligibility that are determined under the Express Lane.

**4.3.3.4-EL** Describe the option used to satisfy the screen and enrollment requirements before a child may be enrolled under title XXI.

Guidance: States should describe the process they use to screen and enroll children required under section 2102(b)(3)(A) and (B) of the Social Security Act and 42 CFR 457.350(a) and 457.80(c). Describe the screening threshold set as a percentage of the Federal poverty level (FPL) that exceeds the highest Medicaid income threshold applicable to a child by a minimum of 30 percentage points. (NOTE: The State may set this threshold higher than 30 percentage points to account for any differences between the income calculation methodologies used by an Express Lane agency and those used by the State for its Medicaid program. The State may set one screening threshold for all children, based on the highest Medicaid income threshold, or it may set more than one screening threshold, based on its existing, age-related Medicaid eligibility thresholds.) Include the screening threshold(s) expressed as a percentage of the FPL, and provide an explanation of how this was calculated. Describe whether the State is temporarily enrolling children in CHIP, based on the income finding from an Express Lane agency, pending the completion of the screen and enroll process.

In this section, states should describe their eligibility screening process in a way that addresses the five assurances specified below. The State should consider including important definitions, the relationship with affected Federal, State and local agencies, and other applicable criteria that will describe the State's ability to make assurances. (Sections 2102(b)(3)(A) and 2110(b)(2)(B)), (42 CFR 457.310(b)(2), 42CFR 457.350(a)(1) and 457.80(c)(3))

**4.4. Eligibility screening and coordination with other health coverage programs**

States must describe how they will assure that:

See page CS24 for eligibility processing.

- 4.4.1.**  only targeted low-income children who are ineligible for Medicaid or not covered under a group health plan or health insurance (including access to a State health benefits plan) are furnished child health assistance under the plan. (Sections 2102(b)(3)(A), 2110(b)(2)(B)) (42 CFR 457.310(b), 42 CFR



457.350(a)(1) and 42 CFR 457.80(c)(3)) Confirm that the State does not apply a waiting period for pregnant women.

At eligibility determination and redetermination, an applicant for/beneficiary of the Title XXI CHIP ARKids-B separate child health program is reviewed to determine that the applicant/beneficiary is not Title XIX Medicaid eligible and that the parent or guardian did not voluntarily terminate an insurance policy in which the child was covered within 90-days preceding application for the child for ARKids-B, for a reason other than those allowed conditions or exemptions specifically stated in eligibility criteria. At eligibility determination and redetermination, an applicant for/beneficiary of the Title XXI CHIP Unborn Child separate child health program is reviewed to determine that the applicant/beneficiary is not Title XIX Medicaid eligible and is not under an insurance policy that covers pregnancy related services prior to enrollment in the State's Unborn Child program. The Unborn Child separate child health program does not assess a waiting period for applicants. See also page CS10 – Children Who Have Access to Public Employee Coverage.

- 4.4.2.  children found through the screening process to be potentially eligible for medical assistance under the State Medicaid plan are enrolled for assistance under such plan; (Section 2102(b)(3)(B)) (42CFR, 457.350(a)(2))

Screening procedures identify any applicant or enrollee of the Title XXI CHIP ARKids-B or Unborn Child separate child health programs who would be potentially eligible for Title XIX Medicaid services. An application can be completed and submitted electronically. An application can also be completed in writing on an approved DHS application form and submitted to the Agency via mail, fax, e-mail, telephone or in person to a designated DHS Agency. An application can be submitted by the individual, the individual's spouse, or Authorized Representative, emancipated minor, or if the applicant is a minor who is not living with a parent, a caretaker acting responsibly for the minor. Although an application will be accepted and processed with only the minimal information listed below, the applicant is to complete as much information as possible in order to avoid delays in determining eligibility and processing the application. An application must include at a minimum the following information:

1. Applicant's name,
2. Applicant's address (or other means of contacting the applicant if homeless), and
3. Applicant's signature (written, telephonic, or electronic).

An application submitted to DHS for processing must be monitored and tracked to ensure that the application is disposed of in a timely manner. The system is designed to monitor and track the application process from beginning to end. Therefore, each application received by the Agency must be entered into the system upon receipt to

begin the process and to assign an application ID. This is referred to as registering the application. Applications submitted online will automatically be registered by the system. Applications submitted to DHS via mail, phone, fax, e-mail or in person must be entered into the system and registered by the Agency staff. Medicaid/CHIP applications must be disposed of within 45 days from the date of application unless a disability determination is required. Applications requiring a disability determination must be disposed of within 90 days from the date of application. Eligibility for all Medicaid/CHIP categories is determined in accordance with general eligibility requirements and financial eligibility. Non-financial criteria are determined depending on the category of coverage. Eligibility factors are verified in accordance with Medical Services eligibility policy requirements. Generally speaking, the system determines Medicaid/CHIP eligibility according to a rules based engine utilizing the data entered into the system by the individual, agency staff, or a combination of both. Specific eligibility determination process steps are as follows:

1. Once enough information has been entered, the system will screen the applicant's eligibility for Medicaid/CHIP and if the individual appears eligible, will verify the applicant's data through various data matches.
2. If the applicant's data and data sources are "reasonably compatible" and eligibility exists, the system will approve the application, update all information regarding the case, and send a notification of approval to the individual.
3. If eligibility does not exist based on the information entered on the application, the system will deny the application and send a notice to the individual.
4. If additional information is required to process the application due to reasonable compatibility issues or missing data, the system will send a notification to the individual requesting the needed information.
5. An interview with the applicant is not required. The applicant will be contacted only if necessary to obtain necessary information.
6. When all requested information is supplied by the applicant, the caseworker will enter the information into the system which will then determine eligibility.
7. If the application is denied, the system will send a notification of denial.

Applications must be disposed of by one of the following actions:

**Approval:** When all eligibility requirements are determined to be met, the application will be approved, and the individual enrolled in the appropriate Medicaid/CHIP coverage group. An approval notice is sent to the applicant advising that he or she has been approved for coverage with the effective date of coverage.

**Denial:** An application will be denied in the following situations:

1. The applicant is determined to be ineligible due to an eligibility requirement not being met;

2. Eligibility cannot be established due to failure of the applicant to provide information necessary to determine eligibility; or
3. The applicant withdraws the application.

When an application is denied, a denial notice is sent advising the applicant of the denial, reason for denial, and the applicant's right to appeal the denial.

Each individual approved for Medicaid/CHIP by DHS will be enrolled in the appropriate eligibility coverage group. The system will make this determination based on the information entered to the system. Upon enrollment, a Medicaid or ARKids ID card is issued to the eligible individual if the person does not already have an existing care.

- 4.4.3.  children found through the screening process to be ineligible for Medicaid are enrolled in CHIP; (Sections 2102(a)(1) and (2) and 2102(c)(2)) (42CFR 431.636(b)(4))

Any applicant or enrollee who is found ineligible for Medicaid services is automatically reviewed for CHIP separate child health program eligibility.

- 4.4.4.  the insurance provided under the State child health plan does not substitute for coverage under group health plans. (Section 2102(b)(3)(C)) (42CFR, 457.805)

See page CS20 for substitution of coverage

- 4.4.4.1.  (formerly 4.4.4.4) If the State provides coverage under a premium assistance program, describe: 1) the minimum period without coverage under a group health plan. This should include any allowable exceptions to the waiting period; 2) the expected minimum level of contribution employers will make; and 3) how cost-effectiveness is determined. (42CFR 457.810(a)-(c))

- 4.4.5.  Child health assistance is provided to targeted low-income children in the State who are American Indian and Alaska Native. (Section 2102(b)(3)(D)) (42 CFR 457.125(a))

American Indian and Alaska Native children are eligible for Arkansas' CHIP separate child health program on the same basis as any other children in the State, regardless of whether they may be eligible for or served by Indian Health Services-funded care.

Guidance: When the State is using an income finding from an Express Lane agency, the State must still comply with screen and enroll requirements before enrolling children in CHIP. The State may either continue its current screen and enroll process, or elect one of two new options to fulfill these requirements.

**4.4-EL** The State should designate the option it will be using to carry out screen and enroll requirements:

- The State will continue to use the screen and enroll procedures required under section 2102(b)(3)(A) and (B) of the Social Security Act and 42 CFR 457.350(a) and 42 CFR 457.80(c). Describe this process.
- The State is establishing a screening threshold set as a percentage of the Federal poverty level (FPL) that exceeds the highest Medicaid income threshold applicable to a child by a minimum of 30 percentage points. (NOTE: The State may set this threshold higher than 30 percentage points to account for any differences between the income calculation methodologies used by the Express Lane agency and those used by the State for its Medicaid program. The State may set one screening threshold for all children, based on the highest Medicaid income threshold, or it may set more than one screening threshold, based on its existing, age-related Medicaid eligibility thresholds.) Include the screening threshold(s) expressed as a percentage of the FPL, and provide an explanation of how this was calculated.
- The State is temporarily enrolling children in CHIP, based on the income finding from the Express Lane agency, pending the completion of the screen and enroll process.

**Section 5. Outreach and Coordination**

**5.1.** (formerly 2.2) Describe the current State efforts to provide or obtain creditable health coverage for uninsured children by addressing sections 5.1.1 and 5.1.2. (Section 2102(a)(2) (42CFR 457.80(b))

Guidance: The information below may include whether the state elects express lane eligibility a description of the State’s outreach efforts through Medicaid and state-only programs.

**1.1.1.** (formerly 2.2.1.) The steps the State is currently taking to identify and enroll all uninsured children who are eligible to participate in public health insurance programs (i.e., Medicaid and state-only child health insurance):

**Medicaid/CHIP**

The State has been extremely active in its effort to identify and enroll uncovered children who are eligible to participate in the Arkansas Medicaid/CHIP Program.

The State has cooperative agreements with 35 hospitals, clinics, and organizations throughout the state to place out-stationed DHS Medicaid/CHIP eligibility workers in their facilities. This has simplified the application process and has encouraged individuals and families to apply for Medicaid/CHIP when otherwise they might not have done so.

DHS also has an agreement with the Federally Qualified Health Centers for 19 staff who cover their 36 sites. These FQHC staff members assist in the application process. Medicaid/CHIP outreach is also furthered by a contract between the Arkansas Department of Human Services and the Arkansas Department of Health (ADH) for ConnectCare, the Arkansas Primary Care Case Management program. ConnectCare provides outreach through statewide television and radio advertisements to inform both current eligibles and potential eligibles about the merits of primary medical coverage through Arkansas Medicaid/CHIP.

#### **State-only Child Health Insurance**

The State does not have any State-only child health insurance programs.

**Guidance:** The State may address the coordination between the public-private outreach and the public health programs that is occurring statewide. This section will provide a historic record of the steps the State is taking to identify and enroll all uninsured children from the time the State's plan was initially approved. States do not have to rewrite his section but may instead update this section as appropriate.

- 5.1.2.** (formerly 2.2.2.) The steps the State is currently taking to identify and enroll all uninsured children who are eligible to participate in health insurance programs that involve a public-private partnership:  
The State does not have a public-private partnership. The State does not have a BC/BS Caring Program for Children.

**Guidance:** The State should describe below how it's Title XXI program will closely coordinate the enrollment with Medicaid because under Title XXI, children identified as Medicaid-eligible are required to be enrolled in Medicaid. Specific information related to Medicaid screen and enroll procedures is requested in Section 4.4. (42CFR 457.80(c))

- 1.2.**(formerly 2.3) Describe how CHIP coordinates with other public and private health insurance programs, other sources of health benefits coverage for children, other relevant child health programs, (such as title V), that provide health care services for low-income children to increase the number of children with creditable health coverage. (Section 2102(a)(3), 2102(b)(3)(E) and 2102(c)(2)) (42CFR 457.80(c)). This item requires a brief overview of how Title XXI efforts – particularly new enrollment outreach efforts – will be coordinated with and improve upon existing State efforts.

Children formerly covered in the 1115 demonstration ARKids B will be covered for health coverage

funded through Title XXI CHIP as a separate child health program.

**Targeted to Uninsured Children**

The ARKids-B program is designed to provide health insurance coverage for uninsured children under age 19. Uninsured is defined as not having group or employer sponsored primary comprehensive health insurance within the previous 90 days prior to program enrollment unless such insurance was lost through no-fault. An example of no-fault would be if the child had had health insurance through a parent's employment, and the parent is no longer employed. Also children who have inaccessible health insurance are considered to be uninsured. For example, a child has inaccessible health insurance if the child has an out of state, non-custodial parent with HMO insurance for his/her child, but the HMO network does not contain medical providers where the child resides.

**Coordination With Medicaid**

The ARKids First name is used as an umbrella for ARKids-A (Title XIX Medicaid) and ARKids-B (Title XXI CHIP).. Based on the family's countable income and household size, eligibility will be determined in the appropriate ARKids First category; ARKids-A or ARKids-B.

The application form contains a chart, which shows the services and cost sharing requirements in each program.

Title XXI CHIP ARKids-B uses the same provider network and the same fiscal agent to process claims that Title XIX Medicaid ARKids-A uses.

NOTE: ARKids-B will be funded by Title XXI.

**Coordination with Children's Medical Services**

The Department of Human Services operates a Children's Medical Services Program which provides care coordination and/or specialized medical care and rehabilitation for children with special health care needs whose families are partially or wholly unable to provide for such services, and who meet the agency's criteria. Children's Medical Services are funded by federal (Title V) and state funds. The Children's Medical Services staff coordinates closely with Medicaid/CHIP, especially with regard to the TEFRA-like Medicaid 1115 demonstration waiver, to ensure that the children they serve receive the widest range of services to which they are entitled. Please reference Section 1.1.3. (Sub-Section A) for more information and history regarding the TEFRA-like demonstration.

**Coordination with Maternal and Child Health**

The Title V Maternal and Child Health (MCH) programs are administered by the Arkansas Department of Health. Preventive health services are available to women, children, adolescents and families in 100 service sites in the state's 75 counties. Preventive services provided include well-child screens, immunizations, prenatal care, family planning, hearing and vision screening, newborn screening, blood lead screening, and follow-up. Over 250,000 Arkansans receive some level of Title V MCH services each year. Services to children with Special Health Care Needs are coordinated with DHS.

**5.2-EL** The State should include a description of its election of the Express Lane eligibility option to provide a simplified eligibility determination process and expedited enrollment of eligible children into Medicaid or CHIP.

Guidance: Outreach strategies may include, but are not limited to, community outreach workers, outstationed eligibility workers, translation and transportation services, assistance with enrollment forms, case management and other targeting activities to inform families of low-income children of the availability of the health insurance program under the plan or other private or public health coverage.

The description should include information on how the State will inform the target of the availability of the programs, including American Indians and Alaska Natives, and assist them in enrolling in the appropriate program.

**1.3.Strategies** Describe the procedures used by the State to accomplish outreach to families of children likely to be eligible for child health assistance or other public or private health coverage to inform them of the availability of the programs, and to assist them in enrolling their children in such a program. (Section 2102(c)(1)) (42CFR 457.90)

Arkansas developed a comprehensive outreach strategy for ARKids-B. The strategy applies equally to the Title XXI CHIP ARKids-B and the Unborn Child separate child health programs. Outreach for the ARKids-B and Unborn Child programs is through the ConnectCare contract with ADH and through the ADH pregnant women's program. Outreach and education for ARKids First (Title XIX Medicaid ARKids-A and Title XXI CHIP ARKids-B) is also through a contract.

#### **Media Campaign**

In addition to the regular Title XIX Medicaid ARKids-A outreach, Arkansas developed outreach geared specifically to the Title XXI CHIP ARKids-B Program. Governor Mike Huckabee held a gala press conference on September 11, 1997, to launch the ARKids-B Program. This has been followed by an extensive media campaign, including television, radio, print, and distribution of brochures in such places as McDonald's® food sacks. A key factor in the success of this campaign was the active role Governor Huckabee took by appearing in television and radio public service announcements, as well as in the printed materials and on the ARKids-B website: [www.ARKidsfirst.com](http://www.ARKidsfirst.com).

The media campaign has been modified to incorporate the changes in the use of the ARKids First name; ARKids First is now composed of ARKids-A (Title XIX Medicaid) and ARKids-B, (Title XXI CHIP)..

#### **Coordination With Public and Private Entities**

The outreach effort has been further advanced by working in cooperation with a broad range of public and private entities. These include Arkansas Children's Hospital (they co-sponsor an ARKids First (ARKids-A (Title XIX Medicaid) and ARKids-B (Title XXI CHIP) newspaper insert with DHS), Arkansas Advocates for Children and Families, and several public schools, day care centers, hospitals, clinics, churches, and community centers. Arkansas Department of Human Services (DHS) county offices widely distribute ARKids First application forms to these organizations. Arkansas Advocates for Children and Families has been particularly instrumental in providing outreach by targeting outreach efforts in key parts of the state.

A supply of applications for ARKids First (ARKids-A (Title XIX Medicaid), ARKids-B (Title XXI CHIP) and the Unborn Child (Title XXI CHIP) separate child health programs) are provided to the Arkansas Department of Health (ADH) for distribution in their WIC clinics. ADH is a primary intake point for the separate child health insurance programs.

#### **Contracts**

##### **A. Contract Funded through the Arkansas Department of Human Services to Provide Education and Outreach**

Arkansas Department of Human Services spends approximately \$125,000 each state fiscal year on outreach and education for ARKids First (Title XIX Medicaid ARKids-A and Title XXI CHIP ARKids-B). The primary goal of the outreach and education is to prompt families already participating in the ARKids program to utilize prevention services, such as well child checkups. There is a print media campaign that promotes using ARKids for well-child, dental and eye check-ups. Materials are purchased (such as refrigerator magnets with a list of every needed well-child checkup for the first four years of a child's life) that are distributed during at least a dozen large scale family consignment sales across the state. In addition, Radio Disney Summer Safety Roadshow events are held at each of five summer feeding sites across the state and radio advertising is conducted.

##### **B. Contract with the Arkansas Department of Health**

The State has a contract with the Arkansas Department of Health (ADH) to provide information to recipients/applicants through a media campaign and a 24 hour toll-free telephone Help Line Service. The Help Line Service responds to questions received from ARKids First (ARKids-A (Title XIX Medicaid) and ARKids-B (Title XXI CHIP)) applicants/recipients and providers by



telephone concerning eligibility, access, enrollment, rights and responsibilities and other issues. The ADH media campaign publicizes the telephone Help Line, promotes appropriate usage of the medical care system, and uses the most cost-effective strategies, as determined by ADH with DHS approval. The campaign may include television and radio advertising, direct mail, print media, telemarketing and other viable methods that target children.

**Website**

The ARKids First website address is <http://www.arkidsfirst.com>. The site has six subject links: 1) eligibility, 2) questions, 3) apply, (this includes an application in English or Spanish which can be printed from the website), 4) benefits, 5) more information, and 6) other services.

The Arkansas Medicaid website is located at <https://www.medicaid.state.ar.us>. This site contains a link to the ARKids First site.

**Section 6. Coverage Requirements for Children’s Health Insurance – ARKids-B Program**

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan and proceed to Section 7 since children covered under a Medicaid expansion program will receive all Medicaid covered services including EPSDT.

**6.1.** The State elects to provide the following forms of coverage to children: (Check all that apply.) (Section 2103(c); (42CFR 457.410(a))

Guidance: Benchmark coverage is substantially equal to the benefits coverage in a benchmark benefit package (FEHBP-equivalent coverage, State employee coverage, and/or the HMO coverage plan that has the largest insured commercial, non-Medicaid enrollment in the state). If box below is checked, either 6.1.1.1., 6.1.1.2., or 6.1.1.3. must also be checked. (Section 2103(a)(1))

**6.1.1.**  Benchmark coverage; (Section 2103(a)(1) and 42 CFR 457.420)

Guidance: Check box below if the benchmark benefit package to be offered by the State is the standard Blue Cross/Blue Shield preferred provider option service benefit plan, as described in and offered under Section 8903(1) of Title 5, United States Code. (Section 2103(b)(1) (42 CFR 457.420(b))

**6.1.1.1.**  FEHBP-equivalent coverage; (Section 2103(b)(1) (42 CFR 457.420(a)) (If checked, attach copy of the plan.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is State employee coverage, meaning a coverage plan that is offered and generally available to State employees in the state. (Section 2103(b)(2))

- 6.1.1.2.  State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is offered by a health maintenance organization (as defined in Section 2791(b)(3) of the Public Health Services Act) and has the largest insured commercial, non-Medicaid enrollment of covered lives of such coverage plans offered by an HMO in the state. (Section 2103(b)(3) (42 CFR 457.420(c)))

- 6.1.1.3.  HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: States choosing Benchmark-equivalent coverage must check the box below and ensure that the coverage meets the following requirements:

- the coverage includes benefits for items and services within each of the categories of basic services described in 42 CFR 457.430:
  - dental services
  - inpatient and outpatient hospital services,
  - physicians' services,
  - surgical and medical services,
  - laboratory and x-ray services,
  - well-baby and well-child care, including age-appropriate immunizations, and
  - emergency services;
- the coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages (FEHBP-equivalent coverage, State employee coverage, or coverage offered through an HMO coverage plan that has the largest insured commercial enrollment in the state); and
- the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the additional categories in such package, if offered, as described in 42 CFR 457.430:
  - coverage of prescription drugs,
  - mental health services,
  - vision services and
  - hearing services.

If 6.1.2. is checked, a signed actuarial memorandum must be attached. The actuary who prepares the opinion must select and specify the standardized set and population to be used under paragraphs (b)(3) and (b)(4) of 42 CFR 457.431. The State must provide sufficient detail to explain the basis of the methodologies used to estimate the actuarial value or, if requested by CMS, to replicate the State results.

The actuarial report must be prepared by an individual who is a member of the American Academy of Actuaries. This report must be prepared in accordance with the principles and standards of the American Academy of Actuaries. In preparing the report, the actuary must use generally accepted actuarial principles and methodologies, use a standardized set of utilization and price factors, use a standardized population that is representative of privately insured children of the age of children who are expected to be covered under the State child health plan, apply the same principles and factors in comparing the value of different coverage (or categories of services), without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used, and take into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under the State child health plan that results from the limitations on cost sharing under such coverage. (Section 2103(a)(2))

- 6.1.2.  Benchmark-equivalent coverage; (Section 2103(a)(2) and 42 CFR 457.430) Specify the coverage, including the amount, scope and duration of each service, as well as any exclusions or limitations. Attach a signed actuarial report that meets the requirements specified in 42 CFR 457.431.

Guidance: A State approved under the provision below, may modify its program from time to time so long as it continues to provide coverage at least equal to the lower of the actuarial value of the coverage under the program as of August 5, 1997, or one of the benchmark programs. If “existing comprehensive state-based coverage” is modified, an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of August 5, 1997, or one of the benchmark plans must be attached. Also, the fiscal year 1996 State expenditures for “existing comprehensive state-based coverage” must be described in the space provided for all states. (Section 2103(a)(3))

- 6.1.3.  Existing Comprehensive State-Based Coverage; (Section 2103(a)(3) and 42 CFR 457.440) This option is only applicable to New York, Florida, and Pennsylvania. Attach a description of the benefits package, administration, and date of enactment. If existing comprehensive State-based coverage is modified, provide an actuarial opinion documenting that the actuarial value of the modification is

greater than the value as of August 5, 1997 or one of the benchmark plans.  
Describe the fiscal year 1996 State expenditures for existing comprehensive state-based coverage.

Guidance: Secretary-approved coverage refers to any other health benefits coverage deemed appropriate and acceptable by the Secretary upon application by a state. (Section 2103(a)(4)) (42 CFR 457.250)

6.1.4.  Secretary-approved Coverage. (Section 2103(a)(4)) (42 CFR 457.450)

See ATTACHMENT A for a copy of Arkansas State and Public School Employees benchmark benefits description.

Guidance: Section 1905(r) of the Act defines EPSDT to require coverage of (1) any medically necessary screening, and diagnostic services, including vision, hearing, and dental screening and diagnostic services, consistent with a periodicity schedule based on current and reasonable medical practice standards or the health needs of an individual child to determine if a suspected condition or illness exists; and (2) all services listed in section 1905(a) of the Act that are necessary to correct or ameliorate any defects and mental and physical illnesses or conditions discovered by the screening services, whether or not those services are covered under the Medicaid state plan. Section 1902(a)(43) of the Act requires that the State (1) provide and arrange for all necessary services, including supportive services, such as transportation, needed to receive medical care included within the scope of the EPSDT benefit and (2) inform eligible beneficiaries about the services available under the EPSDT benefit.

If the coverage provided does not meet all of the statutory requirements for EPSDT contained in sections 1902(a)(43) and 1905(r) of the Act, do not check this box.

6.1.4.1.  Coverage of all benefits that are provided to children under the same as Medicaid State plan, including Early Periodic Screening Diagnosis and Treatment (EPSDT)

6.1.4.2.  Comprehensive coverage for children under a Medicaid Section 1115 demonstration waiver

6.1.4.3.  Coverage that the State has extended to the entire Medicaid population

Guidance: Check below if the coverage offered includes benchmark coverage, as

specified in  457.420, plus additional coverage. Under this option, the State must clearly demonstrate that the coverage it provides includes the same coverage as the benchmark package, and also describes the services that are being added to the benchmark package.

- 6.1.4.4.  Coverage that includes benchmark coverage plus additional coverage  
Vision services (eye exam – one routine eye exam [refraction] every 12 months and eyeglasses – one pair every 12 months) and dental services (routine dental care & orthodontia) make up the additional benefit coverage to the Arkansas State and Public School Employees benchmark benefits. (See ATTACHMENT A for a copy of Arkansas State and Public School Employees benchmark benefits description).

- 6.1.4.5.  Coverage that is the same as defined by existing comprehensive state-based coverage applicable only New York, Pennsylvania, or Florida (under 457.440)

Guidance: Check below if the State is purchasing coverage through a group health plan, and intends to demonstrate that the group health plan is substantially equivalent to or greater than to coverage under one of the benchmark plans specified in 457.420, through use of a benefit-by-benefit comparison of the coverage. Provide a sample of the comparison format that will be used. Under this option, if coverage for any benefit does not meet or exceed the coverage for that benefit under the benchmark, the State must provide an actuarial analysis as described in 457.431 to determine actuarial equivalence.

- 6.1.4.6.  Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Provide a sample of how the comparison will be done)

Guidance: Check below if the State elects to provide a source of coverage that is not described above. Describe the coverage that will be offered, including any benefit limitations or exclusions.

- 6.1.4.7.  Other (Describe)

Guidance: All forms of coverage that the State elects to provide to children in its plan must be checked. The State should also describe the scope, amount and duration of services covered under its plan, as well as any exclusions or limitations. States that choose to cover unborn children under the State plan should include a separate section 6.2 that specifies benefits for the unborn child population. (Section 2110(a)) (42CFR, 457.490)

If the state elects to cover the new option of targeted low income pregnant women, but chooses to provide a different benefit package for these pregnant women under the CHIP plan, the state must include a separate section 6.2 describing the benefit package for pregnant women. (Section 2112)

- 6.2. The State elects to provide the following forms of coverage to children: (Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a)) (42CFR 457.490)

**ARKids-B Program**

The Title XXI CHIP ARKids-B program's benefit package includes inpatient and outpatient hospital services, physician, surgical and medical services, laboratory and x-ray services, well baby care, including age-appropriate immunizations. Enrollees in ARKids-B are not eligible for the full range of Medicaid State Plan services. The chart below provides a description of the coverage and the amount, duration, and scope of services covered in certain services included in the ARKids-B fee-for-service benefit package, as well as any exclusions or limitations. -The services checked below in the pre-print are included in the ARKids-B benefit package. Other services including Home and Community Based Services are available through an approved 1915b waiver amendment when the beneficiary is assessed with a functional need and assigned to an MCO.

Ambulance (Emergency Only)
Ambulatory Surgical Center
Audiological Services (only Tympanometry, CPT procedure code 92567, when the diagnosis is within the ICD-9-CM range of 381.0 through 382.9)
Certified Nurse Midwife
Chiropractor
Dental Care (routine dental care & orthodontia)
Durable Medical Equipment (DME) (Limited to \$500 per State Fiscal Year (SFY) July 1 – June 30)
Emergency Dept. Services (Emergent, non-emergent, assessment)
Family Planning
Federally Qualified Health Center (FQHC)
Home Health (10 visits per SFY (July 1 – June 30))
Hospital, Inpatient
Hospital, Outpatient
Inpatient Psychiatric Hospital & <del>Psychiatric Residential Treatment Facility (Emergency Only)</del> <u>Available through both fee-for-service and PASSE</u>
<u>Psychiatric Residential Treatment Facility (PRTF) Available through PASSE</u>
Immunizations (All per protocol)
Laboratory & X-Ray
Medical Supplies (Limited to \$125/month unless benefit extension is approved)
<del>Mental &amp; Behavioral Health</del> , Outpatient <u>Behavioral Health and Substance Abuse Treatment,</u>

<u>clinical level and crisis services</u>
School-Based Mental Health
Nurse Practitioner
Physician
Podiatry
Prenatal Care
Prescription Drugs
Preventive Health Screenings (All per protocol)
Rural Health Clinic
Speech Therapy
Evaluation – <del>Four 30 minute units/Two evaluations billed by CPT proper evaluation code guidance</del> /SFY (July 1 – June 30) <del>unless benefit extension is approved</del>
Therapy – <del>Four 15 minute units/day 90 minutes per week unless with</del> benefit extension is <del>approved available if medically necessary</del>
Physical Therapy
Evaluation – <del>Four 30 minute units/Two evaluations billed by CPT proper evaluation code</del> /SFY (July 1 – June 30) <del>unless benefit extension is approved</del>
Therapy – <del>Four 90 minutes per week with 15 minute units/day unless</del> benefit extension is <del>approved available if medically necessary</del>
Occupational Therapy
Evaluation – <del>Four 30 minute units/Two evaluations billed by CPT proper evaluation code</del> /SFY (July 1 – June 30) <del>unless benefit extension is approved</del>
Therapy – <del>Four 15 minute units/day unless 90 minutes per week with</del> benefit extension is <del>approved available if medically necessary</del>
<u>Substance Abuse Treatment Services (SATS), Outpatient</u>
Vision
(Eye exam – One routine eye exam (refraction) every 12 months
Eyeglasses) – One pair every 12 months

- 6.2.1.  Inpatient services (Section 2110(a)(1))  
~~Both~~
- 6.2.2.  Outpatient services (Section 2110(a)(2))  
~~Both~~
- 6.2.3.  Physician services (Section 2110(a)(3))  
~~Both~~
- 6.2.4.  Surgical services (Section 2110(a)(4))  
~~Both~~
- 6.2.5.  Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))  
~~Both~~
- 6.2.6.  Prescription drugs (Section 2110(a)(6))  
~~Both~~
- 6.2.7.  Over-the-counter medications (Section 2110(a)(7))

- 6.2.8.  ~~Neither~~  
Laboratory and radiological services (Section 2110(a)(8))
- 6.2.9.  ~~Both~~  
Prenatal care and pre-pregnancy family services and supplies (Section 2110(a)(9))
- 6.2.10.  ~~Both~~  
Inpatient mental health services, other than services described in 6.2.18., but including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10))
- 6.2.11.  ~~Both~~  
Outpatient mental health services, other than services described in 6.2.19, but including services furnished in a state-operated mental hospital and including community-based services (Section 2110(a)(11))
- 6.2.12.  ~~Both~~  
Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12))
- 6.2.13.  ~~Both~~  
Disposable medical supplies (Section 2110(a)(13))
- Guidance: Home and community based services may include supportive services such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home.
- 6.2.14.  ~~Both~~  
Home and community-based health care services (Section 2110(a)(14))
- Guidance: Nursing services may include nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services in a home, school or other setting.
- 6.2.15.  ~~Both~~  
Nursing care services (Section 2110(a)(15))
- 6.2.16.  ~~Neither~~  
Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))
- 6.2.17.  ~~Both~~  
Dental services (Section 2110(a)(17)) States updating their dental benefits must complete 6.2-DC (CHIPRA # 7, SHO # #09-012 issued October 7, 2009)
- 6.2.18.  ~~Both~~  
Vision screenings and services (Section 2110(a)(24))
- 6.2.19.  ~~Both~~  
Hearing screenings and services (Section 2110(a)(24))

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- ~~Both~~
- 6.2.20.   Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))  
~~PASSE~~
- 6.2.21.  Outpatient substance abuse treatment services (Section 2110(a)(19))  
~~Both~~
- 6.2.22.  Case management services (Section 2110(a)(20))  
~~Both~~
- 6.2.23.   Care coordination services (Section 2110(a)(21))  
~~PASSE~~
- 6.2.24.  Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))  
~~Both~~
- 6.2.25.  Hospice care (Section 2110(a)(23))  
~~Neither~~
- Guidance: See guidance for section 6.1.4.1 for a guidance on the statutory requirements for EPSDT under sections 1905(r) and 1902(a)(43) of the Act. If the benefit being provided does not meet the EPSDT statutory requirements, do not check this box.
- 6.2.26.  EPSDT consistent with requirements of sections 1905(r) and 1902(a)(43) of the Act  
~~Neither~~
- Guidance: Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic or rehabilitative service may be provided, whether in a facility, home, school, or other setting, if recognized by State law and only if the service is: 1) prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as prescribed by State law; 2) performed under the general supervision or at the direction of a physician; or 3) furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.
- 6.2.27.   Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (Section 2110(a)(24))  
~~PASSE, if a carved-in service.~~
- 6.2.28.  Premiums for private health care insurance coverage (Section 2110(a)(25))  
~~Neither~~
- 6.2.29.  Medical transportation (Section 2110(a)(26))  
~~Neither (Carved-out of PASSE)~~
- Guidance: Enabling services, such as transportation, translation, and outreach services, may be offered only if designed to increase the accessibility of primary and preventive health care services for eligible low-income individuals.
- 6.2.30.   Enabling services (such as transportation, translation, and outreach services)

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(Section 2110(a)(27))

~~PASSE, if a carved-in service~~

- 6.2.31.  Any other health care services or items specified by the Secretary and not included under this Section (Section 2110(a)(28))

~~Neither~~

**6.2-DC Dental Coverage** (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) The State will provide dental coverage to children through one of the following. Please update Sections 9.10 and 10.3-DC when electing this option. Dental services provided to children eligible for dental-only supplemental services must receive the same dental services as provided to otherwise eligible CHIP children (Section 2103(a)(5)):

- 6.2.1-DC.  State Specific Dental Benefit Package. The State assures dental services represented by the following categories of common dental terminology (CDT<sup>1</sup>) codes are included in the dental benefits:
1. Diagnostic (i.e., clinical exams, x-rays) (CDT codes: D0100-D0999) (must follow periodicity schedule)
  2. Preventive (i.e., dental prophylaxis, topical fluoride treatments, sealants) (CDT codes: D1000-D1999) (must follow periodicity schedule)
  3. Restorative (i.e., fillings, crowns) (CDT codes: D2000-D2999)
  4. Endodontic (i.e., root canals) (CDT codes: D3000-D3999)
  5. Periodontics (treatment of gum disease) (CDT codes: D4000-D4999)
  6. Prosthodontic (dentures) (CDT codes: D5000-D5899, D5900-D5999, and D6200-D6999)
  7. Oral and Maxillofacial Surgery (i.e., extractions of teeth and other oral surgical procedures) (CDT codes: D7000-D7999)
  8. Orthodontics (i.e., braces) (CDT codes: D8000-D8999)
  9. Emergency Dental Services

6.2.1.1-DC Periodicity Schedule. The State has adopted the following periodicity schedule:

- State-developed Medicaid-specific  
 American Academy of Pediatric Dentistry  
 Other Nationally recognized periodicity schedule  
 Other (description attached)

6.2.2-DC  Benchmark coverage; (Section 2103(c)(5), 42 CFR 457.410, and 42 CFR 457.420)

6.2.2.1-DC  FEHBP-equivalent coverage; (Section 2103(c)(5)(C)(i)) (If checked, attach copy of the dental supplemental plan benefits description and the

applicable CDT<sup>2</sup> codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

**6.2.2.2-DC**  State employee coverage; (Section 2103(c)(5)(C)(ii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

**6.2.2.3-DC**  HMO with largest insured commercial enrollment (Section 2103(c)(5)(C)(iii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

**6.2-DS**  **Supplemental Dental Coverage-** The State will provide dental coverage to children eligible for dental-only supplemental services. Children eligible for this option must receive the same dental services as provided to otherwise eligible CHIP children (Section 2110(b)(5)(C)(ii)). Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, and 9.10 when electing this option.

Guidance: Under Title XXI, pre-existing condition exclusions are not allowed, with the only exception being in relation to another law in existence (HIPAA/ERISA). Indicate that the plan adheres to this requirement by checking the applicable description.

In the event that the State provides benefits through a group health plan or group health coverage, or provides family coverage through a group health plan under a waiver (see Section 6.4.2.), pre-existing condition limits are allowed to the extent permitted by HIPAA/ERISA. If the State is contracting with a group health plan or provides benefits through group health coverage, describe briefly any limitations on pre-existing conditions. (Formerly 8.6.)

**6.2- MHPAEA** Section 2103(c)(6)(A) of the Social Security Act requires that, to the extent that it provides both medical/surgical benefits and mental health or substance use disorder benefits, a State child health plan ensures that financial requirements and treatment limitations applicable to mental health and substance use disorder benefits comply with the mental health parity requirements of section 2705(a) of the Public Health Service Act in the same manner that such requirements apply to a group health plan. If the state child health plan provides for delivery of services through a managed care arrangement, this requirement applies to both the state and managed care plans. These requirements are also applicable to any additional benefits provided voluntarily to the child health plan population by managed care entities and will be considered as part of CMS's contract review process at 457.1201(l).

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**6.2.1- MHPAEA** Before completing a parity analysis, the State must determine whether each covered benefit is a medical/surgical, mental health, or substance use disorder benefit based on a standard that is consistent with state and federal law and generally recognized independent standards of medical practice (§457.496(f)(1)(i)).

**6.2.1.1- MHPAEA** Please choose the standard(s) the state uses to determine whether a covered benefit is a medical/surgical benefit, mental health benefit, or substance use disorder benefit. The most current version of the standard elected must be used. If different standards are used for the different benefit types, please specify the benefit type(s) to which each standard is applied. If “Other” is selected, please provide a description of that standard.

- International Classification of Disease (ICD)
- Diagnostic and Statistical Manual of Mental Disorders (DSM)
- State guidelines
- Other (Describe:

DHS uses standard definitions to define the behavioral health disorders and medical/surgical benefits.

- MH/SUD benefits are benefits for items and services for MH/SUD conditions.
- Medical/surgical benefits are benefits for items and services for medical conditions or surgical procedures.

Arkansas State Law provides the following definitions for clarity:

- "Mental illnesses" and "substance use disorders" mean those illnesses and disorders that are covered by a health benefit plan listed in the International Classification of Diseases manual and the Diagnostic and Statistical Manual of Mental Disorders.
- Unless specifically otherwise stated, "mental illness" includes substance use disorders. (

**6.2.1.2- MHPAEA** Does the State provide mental health and/or substance use disorder benefits?

- Yes
- No

**Guidance: If the State does not provide any mental health or substance use disorder benefits, the mental health parity requirements do not apply (§457.496(f)(1)). Continue on to Section 6.3.**

**6.2.2- MHPAEA** Section 2103(c)(6)(B) of the Act provides that to the extent a State child health plan includes coverage of early and periodic screening, diagnostic, and treatment services (EPSDT) defined in section 1905(r) of the Act and provided in accordance with section 1902(a)(43) of the Act, the plan shall be deemed to satisfy the parity requirements of section 2103(c)(6)(A) of the Act.

**6.2.2.1- MHPAEA** Does the State child health plan provide coverage of EPSDT? The State must provide for coverage of EPSDT benefits, consistent with Medicaid statutory requirements, as indicated in section 6.2.26 of the State child health plan in order to answer “yes.”

Yes

No

**Guidance: If the State child health plan *does not* provide EPSDT consistent with Medicaid statutory requirements at sections 1902(a)(43) and 1905(r) of the Act, please go to Section 6.2.3- MHPAEA to complete the required parity analysis of the State child health plan.**

**If the state *does* provide EPSDT benefits consistent with Medicaid requirements, please continue this section to demonstrate compliance with the statutory requirements of section 2103(c)(6)(B) of the Act and the mental health parity regulations of §457.496(b) related to deemed compliance.**

**6.2.2.2- MHPAEA** EPSDT benefits are provided to the following:

All children covered under the State child health plan

A subset of children covered under the State child health plan.

Please describe the different populations (if applicable) covered under the State child health plan that are provided EPSDT benefits consistent with Medicaid statutory requirements.

**Guidance: If only a subset of children are provided EPSDT benefits under the State child health plan, §457.496(b)(3) limits deemed compliance to those**

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**children only and you must complete Section 6.2.3- MHPAEA to complete the required parity analysis for the other children.**

**6.2.2.3- MHPAEA** To be deemed compliant with the MHPAEA parity requirements, States must provide EPSDT in accordance with sections 1902(a)(43) and 1905(r) of the Act (§457.496(b)(2)). The State assures each of the following for children eligible for EPSDT under the separate State child health plan:

- All screening services, including screenings for mental health and substance use disorder conditions, are provided at intervals that align with a periodicity schedule that meets reasonable standards of medical or dental practice as well as when medically necessary to determine the existence of suspected illness or conditions (Section 1905(r)).
- All diagnostic services described in 1905(a) of the Act are provided as needed to diagnose suspected conditions or illnesses discovered through screening services, whether or not those services are covered under the Medicaid state plan (Section 1905(r)).
- All items and services described in section 1905(a) of the Act are provided when needed to correct or ameliorate a defect or any physical or mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the Medicaid State plan (Section 1905(r)(5)).
- Treatment limitations applied to services provided under the EPSDT benefit are not limited based on a monetary cap or budgetary constraints and may be exceeded as medically necessary to correct or ameliorate a medical or physical condition or illness (Section 1905(r)(5)).
- Non-quantitative treatment limitations, such as definitions of medical necessity or criteria for medical necessity, are applied in an individualized manner that does not preclude coverage of any items or services necessary to correct or ameliorate any medical or physical condition or illness (Section 1905(r)(5)).
- EPSDT benefits are not excluded on the basis of any condition, disorder, or diagnosis (Section 1905(r)(5)).

The provision of all requested EPSDT screening services, as well as any corrective treatments needed based on those screening services, are provided or arranged for as necessary (Section 1902(a)(43)).

All families with children eligible for the EPSDT benefit under the separate State child health plan are provided information and informed about the full range of services available to them (Section 1902(a)(43)(A)).

**Guidance: For states seeking deemed compliance for their entire State child health plan population, please continue to Section 6.3. If not all of the covered populations are offered EPSDT, the State must conduct a parity analysis of the benefit packages provided to those populations. Please continue to 6.2.3-MHPAEA.**

#### **Mental Health Parity Analysis Requirements for States Not Providing EPSDT to All Covered Populations**

**Guidance: The State must complete a parity analysis for each population under the State child health plan that is not provided the EPSDT benefit consistent with the requirements §457.496(b). If the State provides benefits or limitations that vary within the child or pregnant woman populations, states should perform a parity analysis for each of the benefit packages. For example, if different financial requirements are applied according to a beneficiary's income, a separate parity analysis is needed for the benefit package provided at each income level.**

Sections 6.2.3 MHPAEA through 6.2.6 MHPAEA apply to the ARKids-B population only.

**6.2.3- MHPAEA** In order to conduct the parity analysis, the State must place all medical/surgical and mental health and substance use disorder benefits covered under the State child health plan into one of four classifications: Inpatient, outpatient, emergency care, and prescription drugs (§§457.496(d)(2)(ii); 457.496(d)(3)(ii)(B)).

**6.2.3.1 MHPAEA** Please describe below the standard(s) used to place covered benefits into one of the four classifications.

#### **Placement of Services in Benefit Categories**

**Inpatient** – Inpatient services provided and billed by a hospital or other covered facility

- Room and board, such as semiprivate or intensive accommodations, general nursing care, meals and special diets, and other hospital services

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Outpatient – Medical services provided and billed by professionals under the scope of their licensure in a setting other than an inpatient setting.

Emergency Care – Inpatient or outpatient hospital services that a prudent layperson with an average knowledge of health and medicine would reasonably believe are necessary to prevent death or serious impairment of health and which, because of the danger to life or health, require use of the most accessible hospital available and equipment to furnish those services.

Prescription Drugs – A drug which, in accordance with federal or state statutes, may not be obtained without a valid prescription.

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6.2.3.1.1 MHPAEA The state assures that:

- The State has classified all benefits covered under the State plan into one of the four classifications.
- The same reasonable standards are used for determining the classification for a mental health or substance use disorder benefit as are used for determining the classification of medical/surgical benefits.

6.2.3.1.2- MHPAEA Does the state use sub-classifications to distinguish between office visits and other outpatient services?

- Yes
- No

6.2.3.1.2.1- MHPAEA If the State uses sub-classifications to distinguish between outpatient office visits and other outpatient services, the State assures the following:

- The sub-classifications are only used to distinguish office visits from other outpatient items and services, and are not used to distinguish between similar services on other bases (ex: generalist vs. specialist visits).

**Guidance: For purposes of this section, any reference to “classification(s)” includes sub-classification(s) in states using sub-classifications to distinguish between outpatient office visits from other outpatient services.**

6.2.3.2 MHPAEA The State assures that:



Mental health/ substance use disorder benefits are provided in all classifications in which medical/surgical benefits are provided under the State child health plan.

**Guidance: States are not required to cover mental health or substance use disorder benefits. However if a state does provide any mental health or substance use disorders, those mental health or substance use disorder benefits must be provided in all the same classifications in which medical/surgical benefits are covered under the State child health plan.**

### **Annual and Aggregate Lifetime Limits**

**6.2.4- MHPAEA** A State that provides both medical/surgical benefits and mental health and/or substance use disorder benefits must comply with parity requirements related to annual and aggregate lifetime dollar limits for benefits covered under the State child health plan (§457.496(c)).

**6.2.4.1- MHPAEA** Please indicate whether the State applies an aggregate lifetime dollar limit and/or an annual dollar limit on any mental health or substance abuse disorder benefits covered under the State child health plan.

Aggregate lifetime dollar limit is applied

Aggregate annual dollar limit is applied

No dollar limit is applied

**Guidance: If there are no aggregate lifetime or annual dollar limit on any mental health or substance use disorder benefits, please go to section 6.2.5- MHPAEA.**

**6.2.4.2- MHPAEA** Are there any medical/surgical benefits covered under the State child health plan that have either an aggregate lifetime dollar limit or an annual dollar limit? If yes, please specify what type of limits apply.

No

**Guidance: If no aggregate lifetime dollar limit is applied to medical/ surgical benefits, the State may not impose an aggregate lifetime dollar limit on any mental health or substance use disorder benefits. If no aggregate annual dollar limit is applied to medical/surgical benefits, the State may not impose an aggregate annual dollar limit on any mental health or substance use disorder benefits (§457.496(c)(1)).**

**6.2.4.3 – MHPAEA.** States applying an aggregate lifetime or annual dollar limit on

medical/surgical benefits and mental health or substance use disorder benefits must determine whether the portion of the medical/surgical benefits to which the limit applies is less than one-third, at least one-third but less than two-thirds, or at least two-thirds of all medical/surgical benefits covered under the State plan (457.496(c)).

The portion of medical/surgical benefits subject to the limit is based on the dollar amount expected to be paid for all medical/surgical benefits under the State plan for the State plan year or portion of the plan year after a change in benefits that affects the applicability of the aggregate lifetime or annual dollar limits (457.496(c)(3)).

- The State assures that it has developed a reasonable methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable.

**Guidance: Please include the state's methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable, as an attachment to the State child health plan.**

**6.2.4.3.1- MHPAEA** Please indicate the portion of the total costs for medical and surgical benefits covered under the State plan which are subject to a lifetime dollar limit:

- Less than 1/3  
 At least 1/3 and less than 2/3  
 At least 2/3

**6.2.4.3.2- MHPAEA** Please indicate the portion of the total costs for medical and surgical benefits covered under the State plan which are subject to an annual dollar limit:

- Less than 1/3  
 At least 1/3 and less than 2/3  
 At least 2/3

**Guidance: If an aggregate lifetime limit is applied to less than one-third of all medical/surgical benefits, the State may not impose an aggregate lifetime limit on any mental health or substance use disorder benefits. If an annual dollar limit is applied to less than one-third of all medical surgical benefits, the State may not impose an annual dollar limit on any mental health or substance use disorder benefits (§457.496(c)(1)). Skip to section 6.2.5-MHPAEA.**

**If the State applies an aggregate lifetime or annual dollar limit to at least one-third of all medical/surgical benefits, please continue below to provide the assurances related to the determination of the portion of total costs for medical/surgical benefits that are subject to either an annual or lifetime limit.**

**6.2.4.3.2.1- MHPAEA** If the State applies an aggregate lifetime or annual dollar limit to at least 1/3 and less than 2/3 of all medical/surgical benefits, the State assures the following (§§457.496(c)(4)(i)(B); 457.496(c)(4)(ii)):

- The State applies an aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits that is no more restrictive than an average limit calculated for medical/surgical benefits.

**Guidance: The state's methodology for calculating the average limit for medical/surgical benefits must be consistent with §§457.496(c)(4)(i)(B) and 457.496(c)(4)(ii). Please include the state's methodology as an attachment to the State child health plan.**

**6.2.4.3.2.2- MHPAEA** If at least 2/3 of all medical/surgical benefits are subject to an annual or lifetime limit, the State assures either of the following (§457.496(c)(2)(i); (§457.496(c)(2)(ii)):

- The aggregate lifetime or annual dollar limit is applied to both medical/surgical benefits and mental health and substance use disorder benefits in a manner that does not distinguish between medical/surgical benefits and mental health and substance use disorder benefits; or
- The aggregate lifetime or annual dollar limit placed on mental health and substance use disorder benefits is no more restrictive than the aggregate lifetime or annual dollar limit on medical/surgical benefits.

#### **Quantitative Treatment Limitations**

**6.2.5- MHPAEA** Does the State apply quantitative treatment limitations (QTLs) on any mental health or substance use disorder benefits in any classification of benefits? If yes, specify the classification(s) of benefits in which the State applies one or more QTLs on any mental health or substance use disorder benefits.

Yes (Specify: \_\_\_\_\_ )

No

**Guidance: If the state does not apply any type of QTLs on any mental health or substance use disorder benefits in any classification, the state meets parity requirements for QTLs and should continue to Section 6.2.6 - MHPAEA. If the state does apply financial requirements to any mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue.**

**6.2.5.1- MHPAEA** Does the State apply any type of QTL on any medical/surgical benefits?

Yes

No

**Guidance: If the State does not apply QTLs on any medical/surgical benefits, the State may not impose quantitative treatment limitations on mental health or substance use disorder benefits, please go to Section 6.2.6- MHPAEA related to non-quantitative treatment limitations.**

**6.2.5.2- MHPAEA** Within each classification of benefits in which the State applies a type of QTL on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation. More specifically, the State must determine the ratio of (a) the dollar amount of all payments expected to be paid under the State plan for medical and surgical benefits within a classification which are subject to the type quantitative treatment limitation for the plan year (or portion of the plan year after a mid-year change affecting the applicability of a type of quantitative treatment limitation to any medical/surgical benefits in the class) to (b) the dollar amount expected to be paid for all medical and surgical benefits within the classification for the plan year. For purposes of this paragraph all payments expected to be paid under the State plan includes payments expected to be made directly by the State and payments which are expected to be made by MCEs contracting with the State. (§457.496(d)(3)(i)(C))

The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above for each classification within which the State applies QTLs to mental health or substance use disorder benefits. (§457.496(d)(3)(i)(E))

**Guidance: Please include the state's methodology as an attachment to the State child health plan.**

**6.2.5.3- MHPAEA** For each type of QTL applied to any mental health or substance use

disorder benefits within a given classification, does the State apply the same type of QTL to “substantially all” (defined as at least two-thirds) of the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

Yes

No

**Guidance: If the State does not apply a type of QTL to substantially all medical/surgical benefits in a given classification of benefits, the State may not impose that type of QTL on mental health or substance use disorder benefits in that classification. (§457.496(d)(3)(i)(A))**

**6.2.5.3.1- MHPAEA** For each type of QTL applied to mental health or substance use disorder benefits, the State must determine the predominant level of that type which is applied to medical/surgical benefits in the classification. The “predominant level” of a type of QTL in a classification is the level (or least restrictive of a combination of levels) that applies to more than one-half of the medical/surgical benefits in that classification, as described in §§457.496(d)(3)(i)(B). The portion of medical/surgical benefits in a classification to which a given level of a QTL type is applied is based on the dollar amount of payments expected to be paid for medical/surgical benefits subject to that level as compared to all medical/surgical benefits in the classification, as described in §457.496(d)(3)(i)(C). For each type of quantitative treatment limitation applied to mental health or substance use disorder benefits, the State assures:

The same reasonable methodology applied in determining the dollar amounts used to determine whether substantially all medical/surgical benefits within a classification are subject to a type of quantitative treatment limitation also is applied in determining the dollar amounts used to determine the predominant level of a type of quantitative treatment limitation applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of quantitative treatment limitation applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

**Guidance: If there is no single level of a type of QTL that exceeds the one-half threshold, the State may combine levels within a type of QTL such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold (§457.496(d)(3)(i)(B)(2)).**

## Non-Quantitative Treatment Limitations

**6.2.6- MHPAEA** The State may utilize non-quantitative treatment limitations (NQTs) for mental health or substance use disorder benefits, but the State must ensure that those NQTs comply with all the mental health parity requirements (§§457.496(d)(4); 457.496(d)(5)).

**6.2.6.1 – MHPAEA** If the State imposes any NQTs, complete this subsection. If the State does not impose NQTs, please go to Section 6.2.7-MHPAEA.

The State assures that the processes, strategies, evidentiary standards or other factors used in the application of any NQTL to mental health or substance use disorder benefits are no more stringent than the processes, strategies, evidentiary standards or other factors used in the application of NQTs to medical/surgical benefits within the same classification.

**Guidance: Examples of NQTs include medical management standards to limit or exclude benefits based on medical necessity, restrictions based on geographic location, provider specialty, or other criteria to limit the scope or duration of benefits, provider reimbursement rates and provider network design (ex: preferred providers vs. participating providers). Additional examples of possible NQTs are provided in §457.496(d)(4)(ii).**

**6.2.6.2 – MHPAEA** The State or MCE contracting with the State must comply with parity if they provide coverage of medical or surgical benefits furnished by out-of-network providers.

**6.2.6.2.1- MHPAEA** Does the state or MCE contracting with the State provide coverage of services provided by out of network providers?

Yes

No

**6.2.6.2.2- MHPAEA** If yes, please assure the following:

The State attests that when determining access to out-of-network providers within a benefit classification, the processes, strategies, evidentiary standards, or other factors used to determine access to those providers for mental health/ substance use disorder benefits are comparable to and applied no more stringently than the processes, strategies, evidentiary standards or other factors used to determine access for out- of-network providers for medical/surgical benefits.

**Availability of Plan Information**

Section 6.2.7 MHPAEA applies to ARKids-B fee-for-service and to ARKids-B PASSE managed care. The responses do not differ.

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**6.2.7- MHPAEA** The State must provide beneficiaries, potential enrollees, and providers with information related to medical necessity criteria and denials of payment or reimbursement for mental health or substance use disorder services.

**6.2.7.1- MHPAEA** Medical necessity criteria determinations must be made available to any current or potential enrollee or contracting provider, upon request. The state attests that the following entities provide this information:

- State
- Managed Care entities
- Both

**6.2.7.2- MHPAEA** Reason for any denial for reimbursement or payment for mental health or substance use disorder benefits must be made available to the enrollee by the health plan or the State. The state attests that the following entities provide denial information:

- State
- Managed Care entities
- Both

**6.3.** The State assures that, with respect to pre-existing medical conditions, one of the following two statements applies to its plan: (42CFR 457.480)

- 6.3.1.**  The State shall not permit the imposition of any pre-existing medical condition exclusion for covered services (Section 2102(b)(1)(B)(ii)); OR
- 6.3.2.**  The State contracts with a group health plan or group health insurance coverage, or contracts with a group health plan to provide family coverage under a waiver (see Section 6.6.2. (formerly 6.4.2) of the template). Pre-existing medical conditions are permitted to the extent allowed by HIPAA/ERISA. (Formerly 8.6.) (Section 2103(f)) Describe:

Guidance: States may request two additional purchase options in Title XXI: cost effective coverage through a community-based health delivery system and for the purchase of family coverage. (Section 2105(c)(2) and (3)) (457.1005 and 457.1010)

**6.4. Additional Purchase Options-** If the State wishes to provide services under the plan through cost effective alternatives or the purchase of family coverage, it must request the appropriate option. To be approved, the State must address the following: (Section 2105(c)(2) and (3)) (42 CFR 457.1005 and 457.1010)

**6.4.1.  Cost Effective Coverage-** Payment may be made to a State in excess of the 10 percent limitation on use of funds for payments for: 1) other child health assistance for targeted low-income children; 2) expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); 3) expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and 4) other reasonable costs incurred by the State to administer the plan, if it demonstrates the following (42CFR 457.1005(a)):

**6.4.1.1.** Coverage provided to targeted low-income children through such expenditures must meet the coverage requirements above; Describe the coverage provided by the alternative delivery system. The State may cross reference Section 6.2.1 - 6.2.28. (Section 2105(c)(2)(B)(i)) (42CFR 457.1005(b))

**6.4.1.2.** The cost of such coverage must not be greater, on an average per child basis, than the cost of coverage that would otherwise be provided for the coverage described above; Describe the cost of such coverage on an average per child basis. (Section 2105(c)(2)(B)(ii)) (42CFR 457.1005(b))

Guidance: Check below if the State is requesting to provide cost-effective coverage through a community-based health delivery system. This allows the State to waive the 10 percent limitation on expenditures not used for Medicaid or health insurance assistance if coverage provided to targeted low-income children through such expenditures meets the requirements of Section 2103; the cost of such coverage is not greater, on an average per child basis, than the cost of coverage that would otherwise be provided under Section 2103; and such coverage is provided through the use of a community-based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Services Act or with hospitals such as those that receive disproportionate share payment adjustments under Section 1886(c)(5)(F) or 1923.

If the cost-effective alternative waiver is requested, the State must demonstrate that payments in excess of the 10 percent limitation will be used for other child health assistance for targeted low-income children; expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other



low-income children); expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and other reasonable costs incurred by the State to administer the plan. (42CFR, 457.1005(a))

- 6.4.1.3.** The coverage must be provided through the use of a community based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Service Act or with hospitals such as those that receive disproportionate share payment adjustments under Section 1886(c)(5)(F) or 1923 of the Social Security Act. Describe the community-based delivery system. (Section 2105(c)(2)(B)(iii)) (42CFR 457.1005(a))

Guidance: Check 6.4.2.if the State is requesting to purchase family coverage. Any State requesting to purchase such coverage will need to include information that establishes to the Secretary’s satisfaction that: 1) when compared to the amount of money that would have been paid to cover only the children involved with a comparable package, the purchase of family coverage is cost effective; and 2) the purchase of family coverage is not a substitution for coverage already being provided to the child. (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.**  **Purchase of Family Coverage-** Describe the plan to purchase family coverage. Payment may be made to a State for the purpose of family coverage under a group health plan or health insurance coverage that includes coverage of targeted low-income children, if it demonstrates the following: (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.1.** Purchase of family coverage is cost-effective. The State’s cost of purchasing family coverage, including administrative expenditures, that includes coverage for the targeted low-income children involved or the family involved (as applicable) under premium assistance programs must not be greater than the cost of obtaining coverage under the State plan for all eligible targeted low-income children or families involved; and (2) The State may base its demonstration of cost effectiveness on an assessment of the cost of coverage, including administrative costs, for children or families under premium assistance programs to the cost of other CHIP coverage for these children or families, done on a case-by-case basis, or on the cost of premium assisted coverage in the aggregate.

- 6.4.2.2.** The State assures that the family coverage would not otherwise substitute for health insurance coverage that would be provided to such children but for the purchase of family coverage. (Section 2105(c)(3)(B)) (42CFR 457.1010(b))

- 6.4.2.3.** The State assures that the coverage for the family otherwise meets title XXI requirements. (42CFR 457.1010(c))

**6.4.3-PA: Additional State Options for Providing Premium Assistance** (CHIPRA # 13, SHO # 10-002 issued February, 2, 2010) A State may elect to offer a premium assistance subsidy for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(B), to all targeted low-income children who are eligible for child health assistance under the plan and have access to such coverage. No subsidy shall be provided to a targeted low-income child (or the child's parent) unless the child voluntarily elects to receive such a subsidy. (Section 2105(c)(10)(A)). Please remember to update section 9.10 when electing this option. Does the State provide this option to targeted low-income children?

- Yes  
 No

- 6.4.3.1-PA** Qualified Employer-Sponsored Coverage and Premium Assistance Subsidy

**6.4.3.1.1-PA** Provide an assurance that the qualified employer-sponsored insurance meets the definition of qualified employer-sponsored coverage as defined in Section 2105(c)(10)(B), and that the premium assistance subsidy meets the definition of premium assistance subsidy as defined in 2105(c)(10)(C).

**6.4.3.1.2-PA** Describe whether the State is providing the premium assistance subsidy as reimbursement to an employee or for out-of-pocket expenditures or directly to the employee's employer.

- 6.4.3.2-PA:** Supplemental Coverage for Benefits and Cost Sharing Protections Provided under the Child Health Plan.

**6.4.3.2.1-PA** If the State is providing premium assistance for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(E)(i), provide an assurance that the State is providing for each targeted low-income child enrolled in such coverage, supplemental coverage consisting of all items or services that are not covered or are only partially covered, under the qualified employer-sponsored coverage consistent with 2103(a) and cost sharing protections consistent with Section 2103(e).

**6.4.3.2.2-PA** Describe whether these benefits are being provided through the employer or by the State providing wraparound benefits.

**6.4.3.2.3-PA** If the State is providing premium assistance for benchmark or benchmark-equivalent coverage, the State ensures that such group health plans or health insurance coverage offered through an employer will be certified by an

actuary as coverage that is equivalent to a benchmark benefit package described in Section 2103(b) or benchmark equivalent coverage that meets the requirements of Section 2103(a)(2).

**6.4.3.3-PA:** Application of Waiting Period Imposed Under State Plan: States are required to apply the same waiting period to premium assistance as is applied to direct coverage for children under their CHIP State plan, as specified in Section 2105(c)(10)(F).

**6.4.3.3.1-PA** Provide an assurance that the waiting period for children in premium assistance is the same as for those children in direct coverage (if State has a waiting period in place for children in direct CHIP coverage).

**6.4.3.4-PA:** Opt-Out and Outreach, Education, and Enrollment Assistance

**6.4.3.4.1-PA** Describe the State's process for ensuring parents are permitted to disenroll their child from qualified employer-sponsored coverage and to enroll in CHIP effective on the first day of any month for which the child is eligible for such assistance and in a manner that ensures continuity of coverage for the child (Section 2105(c)(10)(G)).

**6.4.3.4.2-PA** Describe the State's outreach, education, and enrollment efforts related to premium assistance programs, as required under Section 2102(c)(3). How does the State inform families of the availability of premium assistance, and assist them in obtaining such subsidies? What are the specific significant resources the State intends to apply to educate employers about the availability of premium assistance subsidies under the State child health plan? (Section 2102(c))

**6.4.3.5-PA Purchasing Pool-** A State may establish an employer-family premium assistance purchasing pool and may provide a premium assistance subsidy for enrollment in coverage made available through this pool (Section 2105(c)(10)(I)). Does the State provide this option?

- Yes  
 No

**6.6.3.5.1-PA** Describe the plan to establish an employer-family premium assistance purchasing pool.

**6.6.3.5.2-PA** Provide an assurance that employers who are eligible to participate: 1) have less than 250 employees; 2) have at least one employee who is a pregnant woman eligible for CHIP or a member of a family that has at least one child eligible under the State's CHIP plan.

**6.6.3.5.3-PA** Provide an assurance that the State will not claim for any administrative expenditures attributable to the establishment or operation of such a pool except to the extent such payment would otherwise be permitted under this title.

**6.4.3.6-PA Notice of Availability of Premium Assistance-** Describe the procedures that assure that if a State provides premium assistance subsidies under this Section, it must: 1) provide as part of the application and enrollment process, information describing the availability of premium assistance and how to elect to obtain a subsidy; and 2) establish other procedures to ensure that parents are fully informed of the choices for child health assistance or through the receipt of premium assistance subsidies (Section 2105(c)(10)(K)).

**6.4.3.6.1-PA** Provide an assurance that the State includes information about premium assistance on the CHIP application or enrollment form.

## **Section 6. Coverage Requirements for Children’s Health Insurance – Title XXI CHIP Unborn Child Program**

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State’s Medicaid plan and proceed to Section 7 since children covered under a Medicaid expansion program will receive all Medicaid covered services including EPSDT.

**6.1.** The State elects to provide the following forms of coverage to children: (Check all that apply.) (Section 2103(c)); (42CFR 457.410(a))

Guidance: Benchmark coverage is substantially equal to the benefits coverage in a benchmark benefit package (FEHBP-equivalent coverage, State employee coverage, and/or the HMO coverage plan that has the largest insured commercial, non-Medicaid enrollment in the state). If box below is checked, either 6.1.1.1., 6.1.1.2., or 6.1.1.3. must also be checked. (Section 2103(a)(1))

**6.1.1.**  Benchmark coverage; (Section 2103(a)(1) and 42 CFR 457.420)

Guidance: Check box below if the benchmark benefit package to be offered by the State is the standard Blue Cross/Blue Shield preferred provider option service benefit plan, as described in and offered under Section 8903(1) of Title 5, United States Code. (Section 2103(b)(1) (42 CFR 457.420(b))

- 6.1.1.1.  FEHBP-equivalent coverage; (Section 2103(b)(1) (42 CFR 457.420(a)) (If checked, attach copy of the plan.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is State employee coverage, meaning a coverage plan that is offered and generally available to State employees in the state. (Section 2103(b)(2))

- 6.1.1.2.  State employee coverage; (Section 2103(b)(2)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: Check box below if the benchmark benefit package to be offered by the State is offered by a health maintenance organization (as defined in Section 2791(b)(3) of the Public Health Services Act) and has the largest insured commercial, non-Medicaid enrollment of covered lives of such coverage plans offered by an HMO in the state. (Section 2103(b)(3) (42 CFR 457.420(c)))

- 6.1.1.3.  HMO with largest insured commercial enrollment (Section 2103(b)(3)) (If checked, identify the plan and attach a copy of the benefits description.)

Guidance: States choosing Benchmark-equivalent coverage must check the box below and ensure that the coverage meets the following requirements:

- the coverage includes benefits for items and services within each of the categories of basic services described in 42 CFR 457.430:
  - dental services
  - inpatient and outpatient hospital services,
  - physicians' services,
  - surgical and medical services,
  - laboratory and x-ray services,
  - well-baby and well-child care, including age-appropriate immunizations,  
and
  - emergency services;
- the coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages (FEHBP-equivalent coverage, State employee coverage, or coverage offered through an HMO coverage plan that has the largest insured commercial enrollment in the state); and
- the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the additional categories in such package, if offered, as described in 42 CFR 457.430:
  - coverage of prescription drugs,

- mental health services.
- vision services and
- hearing services.

If 6.1.2. is checked, a signed actuarial memorandum must be attached. The actuary who prepares the opinion must select and specify the standardized set and population to be used under paragraphs (b)(3) and (b)(4) of 42 CFR 457.431. The State must provide sufficient detail to explain the basis of the methodologies used to estimate the actuarial value or, if requested by CMS, to replicate the State results.

The actuarial report must be prepared by an individual who is a member of the American Academy of Actuaries. This report must be prepared in accordance with the principles and standards of the American Academy of Actuaries. In preparing the report, the actuary must use generally accepted actuarial principles and methodologies, use a standardized set of utilization and price factors, use a standardized population that is representative of privately insured children of the age of children who are expected to be covered under the State child health plan, apply the same principles and factors in comparing the value of different coverage (or categories of services), without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used, and take into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under the State child health plan that results from the limitations on cost sharing under such coverage. (Section 2103(a)(2))

- 6.1.2.  Benchmark-equivalent coverage; (Section 2103(a)(2) and 42 CFR 457.430) Specify the coverage, including the amount, scope and duration of each service, as well as any exclusions or limitations. Attach a signed actuarial report that meets the requirements specified in 42 CFR 457.431.

Guidance: A State approved under the provision below, may modify its program from time to time so long as it continues to provide coverage at least equal to the lower of the actuarial value of the coverage under the program as of August 5, 1997, or one of the benchmark programs. If “existing comprehensive state-based coverage” is modified, an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of August 5, 1997, or one of the benchmark plans must be attached. Also, the fiscal year 1996 State expenditures for “existing comprehensive state-based coverage” must be described in the space provided for all states. (Section 2103(a)(3))

- 6.1.3.  Existing Comprehensive State-Based Coverage; (Section 2103(a)(3) and 42 CFR 457.440) This option is only applicable to New York, Florida, and Pennsylvania.

Attach a description of the benefits package, administration, and date of enactment. If existing comprehensive State-based coverage is modified, provide an actuarial opinion documenting that the actuarial value of the modification is greater than the value as of August 5, 1997 or one of the benchmark plans. Describe the fiscal year 1996 State expenditures for existing comprehensive state-based coverage.

Guidance: Secretary-approved coverage refers to any other health benefits coverage deemed appropriate and acceptable by the Secretary upon application by a state. (Section 2103(a)(4)) (42 CFR 457.250)

6.1.4.  Secretary-approved Coverage. (Section 2103(a)(4)) (42 CFR 457.450)

Guidance: Section 1905(r) of the Act defines EPSDT to require coverage of (1) any medically necessary screening, and diagnostic services, including vision, hearing, and dental screening and diagnostic services, consistent with a periodicity schedule based on current and reasonable medical practice standards or the health needs of an individual child to determine if a suspected condition or illness exists; and (2) all services listed in section 1905(a) of the Act that are necessary to correct or ameliorate any defects and mental and physical illnesses or conditions discovered by the screening services, whether or not those services are covered under the Medicaid state plan. Section 1902(a)(43) of the Act requires that the State (1) provide and arrange for all necessary services, including supportive services, such as transportation, needed to receive medical care included within the scope of the EPSDT benefit and (2) inform eligible beneficiaries about the services available under the EPSDT benefit.

If the coverage provided does not meet all of the statutory requirements for EPSDT contained in sections 1902(a)(43) and 1905(r) of the Act, do not check this box.

6.1.4.1.  Coverage of all benefits that are provided to children under the same as Medicaid State plan, including Early Periodic Screening Diagnosis and Treatment (EPSDT)

6.1.4.2.  Comprehensive coverage for children under a Medicaid Section 1115 demonstration waiver

6.1.4.3.  Coverage that the State has extended to the entire Medicaid population

Guidance: Check below if the coverage offered includes benchmark coverage, as specified in 457.420, plus additional coverage. Under this option, the

State must clearly demonstrate that the coverage it provides includes the same coverage as the benchmark package, and also describes the services that are being added to the benchmark package.

6.1.4.4.  Coverage that includes benchmark coverage plus additional coverage

6.1.4.5.  Coverage that is the same as defined by existing comprehensive state-based coverage applicable only New York, Pennsylvania, or Florida (under 457.440)

Guidance: Check below if the State is purchasing coverage through a group health plan, and intends to demonstrate that the group health plan is substantially equivalent to or greater than to coverage under one of the benchmark plans specified in 457.420, through use of a benefit-by-benefit comparison of the coverage. Provide a sample of the comparison format that will be used. Under this option, if coverage for any benefit does not meet or exceed the coverage for that benefit under the benchmark, the State must provide an actuarial analysis as described in 457.431 to determine actuarial equivalence.

6.1.4.6.  Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Provide a sample of how the comparison will be done)

Guidance: Check below if the State elects to provide a source of coverage that is not described above. Describe the coverage that will be offered, including any benefit limitations or exclusions.

6.1.4.7.  Other (Describe)

**Conception through birth:** For the Title XXI CHIP **Unborn Child program**, the State covers the same services that it covers in the Medicaid state plan for SIXTH OMNIBUS BUDGET RECONCILIATION ACT (SOBRA) pregnant women with the exception of sterilization or other family planning services. Services include prenatal services, delivery, 60 day postpartum services and services for conditions that are determined by a physician as needed, as if not provided, could complicate and/or endanger the pregnancy. Postpartum coverage is through the end of the month in which the 60<sup>th</sup> day from the date of delivery falls. When one or more physicians in a group see the Unborn Child program beneficiary and at least two months of antepartum care were provided culminating in delivery or the beneficiary was continuously CHIP eligible for two or more months before delivery and on the delivery date, the global method of billing CHIP for postpartum services provided is used. When less than two months of antepartum care was provided to the Unborn



Child program beneficiary or the beneficiary was not CHIP eligible for at least the last two months of the pregnancy, the antepartum/obstetrical care without delivery and the delivery and postpartum care can be billed to CHIP using the itemized billing method.

Guidance: All forms of coverage that the State elects to provide to children in its plan must be checked. The State should also describe the scope, amount and duration of services covered under its plan, as well as any exclusions or limitations. States that choose to cover unborn children under the State plan should include a separate section 6.2 that specifies benefits for the unborn child population. (Section 2110(a)) (42CFR, 457.490)

If the state elects to cover the new option of targeted low income pregnant women, but chooses to provide a different benefit package for these pregnant women under the CHIP plan, the state must include a separate section 6.2 describing the benefit package for pregnant women. (Section 2112)

- 6.2. The State elects to provide the following forms of coverage to children: (Check all that apply. If an item is checked, describe the coverage with respect to the amount, duration and scope of services covered, as well as any exclusions or limitations) (Section 2110(a)) (42CFR 457.490)

**Title XXI CHIP Unborn Child Program**

For the Unborn Child program, the State covers pregnancy related services and services that are determined as medically needed by a physician as, if not provided, could complicate or endanger the pregnancy. In the Unborn Child program the State covers the same services that it covers for the SIXTH OMNIBUS BUDGET RECONCILIATION ACT (SOBRA) pregnant women category in the Title XIX Medicaid state plan with the exception of sterilization or any other family planning services. The services checked below are covered as a result of the eligible Unborn Child program's beneficiary's pregnancy. Other services not checked below could potentially be covered for the CHIP Unborn Child group, depending on the need of the recipient and is determined by a physician as medically needed, as if not provided, could complicate and/or endanger the pregnancy. Arkansas CHIP program rules apply; examples include benefit limits, extension of benefit limit procedures, prior authorization requirements, age limits, etc.

- 6.2.1.  Inpatient services (Section 2110(a)(1))
- 6.2.2.  Outpatient services (Section 2110(a)(2))
- 6.2.3.  Physician services (Section 2110(a)(3))
- 6.2.4.  Surgical services (Section 2110(a)(4))
- 6.2.5.  Clinic services (including health center services) and other ambulatory health care services. (Section 2110(a)(5))

- 6.2.6.  Prescription drugs (Section 2110(a)(6))
- 6.2.7.  Over-the-counter medications (Section 2110(a)(7))
- 6.2.8.  Laboratory and radiological services (Section 2110(a)(8))
- 6.2.9.  Prenatal care and pre-pregnancy family services and supplies (Section 2110(a)(9))
- 6.2.10.  Inpatient mental health services, other than services described in 6.2.18., but including services furnished in a state-operated mental hospital and including residential or other 24-hour therapeutically planned structural services (Section 2110(a)(10))
- 6.2.11.  Outpatient mental health services, other than services described in 6.2.19, but including services furnished in a state-operated mental hospital and including community-based services (Section 2110(a)(11))
- 6.2.12.  Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices) (Section 2110(a)(12))
- 6.2.13.  Disposable medical supplies (Section 2110(a)(13))
- Guidance: Home and community based services may include supportive services such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home.
- 6.2.14.  Home and community-based health care services (Section 2110(a)(14))
- Guidance: Nursing services may include nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services in a home, school or other setting.
- 6.2.15.  Nursing care services (Section 2110(a)(15))
- 6.2.16.  Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest (Section 2110(a)(16))
- 6.2.17.  Dental services (Section 2110(a)(17)) States updating their dental benefits must complete 6.2-DC (CHIPRA # 7, SHO # #09-012 issued October 7, 2009)

- 6.2.18.  Vision screenings and services (Section 2110(a)(24))
- 6.2.19.  Hearing screenings and services (Section 2110(a)(24))
- 6.2.20.  Inpatient substance abuse treatment services and residential substance abuse treatment services (Section 2110(a)(18))
- 6.2.21.  Outpatient substance abuse treatment services (Section 2110(a)(19))
- 6.2.22.  Case management services (Section 2110(a)(20))
- 6.2.23.  Care coordination services (Section 2110(a)(21))
- 6.2.24.  Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders (Section 2110(a)(22))
- 6.2.25.  Hospice care (Section 2110(a)(23))
- Guidance: See guidance for section 6.1.4.1 for a guidance on the statutory requirements for EPSDT under sections 1905(r) and 1902(a)(43) of the Act. If the benefit being provided does not meet the EPSDT statutory requirements, do not check this box.
- 6.2.26.  EPSDT consistent with requirements of sections 1905(r) and 1902(a)(43) of the Act
- Guidance: Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic or rehabilitative service may be provided, whether in a facility, home, school, or other setting, if recognized by State law and only if the service is: 1) prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as prescribed by State law; 2) performed under the general supervision or at the direction of a physician; or 3) furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.
- 6.2.27.  Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services. (Section 2110(a)(24))
- 6.2.28.  Premiums for private health care insurance coverage (Section 2110(a)(25))
- 6.2.29.  Medical transportation (Section 2110(a)(26))
- Guidance: Enabling services, such as transportation, translation, and outreach services, may be offered only if designed to increase the accessibility of primary and preventive

health care services for eligible low-income individuals.

6.2.30.  Enabling services (such as transportation, translation, and outreach services) (Section 2110(a)(27))

6.2.31.  Any other health care services or items specified by the Secretary and not included under this Section (Section 2110(a)(28))

**6.2-DC Dental Coverage** (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) The State will provide dental coverage to children through one of the following. Please update Sections 9.10 and 10.3-DC when electing this option. Dental services provided to children eligible for dental-only supplemental services must receive the same dental services as provided to otherwise eligible CHIP children (Section 2103(a)(5)):

- 6.2.1-DC  State Specific Dental Benefit Package. The State assures dental services represented by the following categories of common dental terminology (CDT<sup>3</sup>) codes are included in the dental benefits:
10. Diagnostic (i.e., clinical exams, x-rays) (CDT codes: D0100-D0999) (must follow periodicity schedule)
  11. Preventive (i.e., dental prophylaxis, topical fluoride treatments, sealants) (CDT codes: D1000-D1999) (must follow periodicity schedule)
  12. Restorative (i.e., fillings, crowns) (CDT codes: D2000-D2999)
  13. Endodontic (i.e., root canals) (CDT codes: D3000-D3999)
  14. Periodontics (treatment of gum disease) (CDT codes: D4000-D4999)
  15. Prosthodontic (dentures) (CDT codes: D5000-D5899, D5900-D5999, and D6200-D6999)
  16. Oral and Maxillofacial Surgery (i.e., extractions of teeth and other oral surgical procedures) (CDT codes: D7000-D7999)
  17. Orthodontics (i.e., braces) (CDT codes: D8000-D8999)
  18. Emergency Dental Services

- 6.2.1.1-DC Periodicity Schedule. The State has adopted the following periodicity schedule:
- State-developed Medicaid-specific
  - American Academy of Pediatric Dentistry
  - Other Nationally recognized periodicity schedule
  - Other (description attached)

6.2.2-DC  Benchmark coverage; (Section 2103(c)(5), 42 CFR 457.410, and 42 CFR 457.420)

- 6.2.2.1-DC  FEHBP-equivalent coverage; (Section 2103(c)(5)(C)(i)) (If checked, attach copy of the dental supplemental plan benefits description and the applicable CDT<sup>4</sup> codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)
- 6.2.2.2-DC  State employee coverage; (Section 2103(c)(5)(C)(ii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)
- 6.2.2.3-DC  HMO with largest insured commercial enrollment (Section 2103(c)(5)(C)(iii)) (If checked, identify the plan and attach a copy of the benefits description and the applicable CDT codes. If the State chooses to provide supplemental services, also attach a description of the services and applicable CDT codes)

6.2-DS  **Supplemental Dental Coverage-** The State will provide dental coverage to children eligible for dental-only supplemental services. Children eligible for this option must receive the same dental services as provided to otherwise eligible CHIP children (Section 2110(b)(5)(C)(ii)). Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, and 9.10 when electing this option.

Guidance: Under Title XXI, pre-existing condition exclusions are not allowed, with the only exception being in relation to another law in existence (HIPAA/ERISA). Indicate that the plan adheres to this requirement by checking the applicable description.

In the event that the State provides benefits through a group health plan or group health coverage, or provides family coverage through a group health plan under a waiver (see Section 6.4.2.), pre-existing condition limits are allowed to the extent permitted by HIPAA/ERISA. If the State is contracting with a group health plan or provides benefits through group health coverage, describe briefly any limitations on pre-existing conditions. (Formerly 8.6.)

**6.2- MHPAEA** Section 2103(c)(6)(A) of the Social Security Act requires that, to the extent that it provides both medical/surgical benefits and mental health or substance use disorder benefits, a State child health plan ensures that financial requirements and treatment limitations applicable to mental health and substance use disorder benefits comply with the mental health parity requirements of section 2705(a) of the Public Health Service Act in the same manner that such requirements apply to a group health plan. If the state child health plan provides for delivery of services through a managed care

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arrangement, this requirement applies to both the state and managed care plans. These requirements are also applicable to any additional benefits provided voluntarily to the child health plan population by managed care entities and will be considered as part of CMS's contract review process at 457.1201(l).

**6.2.1- MHPAEA** Before completing a parity analysis, the State must determine whether each covered benefit is a medical/surgical, mental health, or substance use disorder benefit based on a standard that is consistent with state and federal law and generally recognized independent standards of medical practice (§457.496(f)(1)(i)).

**6.2.1.1- MHPAEA** Please choose the standard(s) the state uses to determine whether a covered benefit is a medical/surgical benefit, mental health benefit, or substance use disorder benefit. The most current version of the standard elected must be used. If different standards are used for the different benefit types, please specify the benefit type(s) to which each standard is applied. If "Other" is selected, please provide a description of that standard.

International Classification of Disease (ICD)

Diagnostic and Statistical Manual of Mental Disorders (DSM)

State guidelines

Other (Describe: Services are only provided when the life of the unborn child would be impaired, as evidenced by the ICD-10 diagnosis under pregnancy-related classification.)

**6.2.1.2- MHPAEA** Does the State provide mental health and/or substance use disorder benefits?

Yes

No

**Guidance: If the State does not provide any mental health or substance use disorder benefits, the mental health parity requirements do not apply (§457.496(f)(1)).**

**Continue on to Section 6.3.**

**6.2.2- MHPAEA** Section 2103(c)(6)(B) of the Act provides that to the extent a State child health plan includes coverage of early and periodic screening, diagnostic, and treatment services (EPSDT) defined in section 1905(r) of the Act and provided in accordance with section 1902(a)(43) of the Act, the plan shall be deemed to satisfy the parity requirements of section 2103(c)(6)(A) of the Act.

**6.2.2.1- MHPAEA** Does the State child health plan provide coverage of EPSDT? The State must provide for coverage of EPSDT benefits, consistent with Medicaid statutory requirements,

as indicated in section 6.2.26 of the State child health plan in order to answer “yes.”

Yes

No

**Guidance: If the State child health plan *does not* provide EPSDT consistent with Medicaid statutory requirements at sections 1902(a)(43) and 1905(r) of the Act, please go to Section 6.2.3- MHPAEA to complete the required parity analysis of the State child health plan.**

**If the state *does* provide EPSDT benefits consistent with Medicaid requirements, please continue this section to demonstrate compliance with the statutory requirements of section 2103(c)(6)(B) of the Act and the mental health parity regulations of §457.496(b) related to deemed compliance.**

**6.2.2.2- MHPAEA** EPSDT benefits are provided to the following:

All children covered under the State child health plan

A subset of children covered under the State child health plan.

Please describe the different populations (if applicable) covered under the State child health plan that are provided EPSDT benefits consistent with Medicaid statutory requirements.

**Guidance: If only a subset of children are provided EPSDT benefits under the State child health plan, §457.496(b)(3) limits deemed compliance to those children only and you must complete Section 6.2.3- MHPAEA to complete the required parity analysis for the other children.**

**6.2.2.3- MHPAEA** To be deemed compliant with the MHPAEA parity requirements, States must provide EPSDT in accordance with sections 1902(a)(43) and 1905(r) of the Act (§457.496(b)(2)). The State assures each of the following for children eligible for EPSDT under the separate State child health plan:

All screening services, including screenings for mental health and substance use disorder conditions, are provided at intervals that align with a periodicity schedule that meets reasonable standards of medical or dental practice as well as when medically necessary to determine the existence of suspected illness or conditions (Section 1905(r)).

- All diagnostic services described in 1905(a) of the Act are provided as needed to diagnose suspected conditions or illnesses discovered through screening services, whether or not those services are covered under the Medicaid state plan (Section 1905(r)).
- All items and services described in section 1905(a) of the Act are provided when needed to correct or ameliorate a defect or any physical or mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the Medicaid State plan (Section 1905(r)(5)).
- Treatment limitations applied to services provided under the EPSDT benefit are not limited based on a monetary cap or budgetary constraints and may be exceeded as medically necessary to correct or ameliorate a medical or physical condition or illness (Section 1905(r)(5)).
- Non-quantitative treatment limitations, such as definitions of medical necessity or criteria for medical necessity, are applied in an individualized manner that does not preclude coverage of any items or services necessary to correct or ameliorate any medical or physical condition or illness (Section 1905(r)(5)).
- EPSDT benefits are not excluded on the basis of any condition, disorder, or diagnosis (Section 1905(r)(5)).
- The provision of all requested EPSDT screening services, as well as any corrective treatments needed based on those screening services, are provided or arranged for as necessary (Section 1902(a)(43)).
- All families with children eligible for the EPSDT benefit under the separate State child health plan are provided information and informed about the full range of services available to them (Section 1902(a)(43)(A)).

**Guidance: For states seeking deemed compliance for their entire State child health plan population, please continue to Section 6.3. If not all of the covered populations are offered EPSDT, the State must conduct a parity analysis of the**



**benefit packages provided to those populations. Please continue to 6.2.3-MHPAEA.**

**Mental Health Parity Analysis Requirements for States Not Providing EPSDT to All Covered Populations**

**Guidance: The State must complete a parity analysis for each population under the State child health plan that is not provided the EPSDT benefit consistent with the requirements §457.496(b). If the State provides benefits or limitations that vary within the child or pregnant woman populations, states should perform a parity analysis for each of the benefit packages. For example, if different financial requirements are applied according to a beneficiary's income, a separate parity analysis is needed for the benefit package provided at each income level.**

**6.2.3- MHPAEA** In order to conduct the parity analysis, the State must place all medical/surgical and mental health and substance use disorder benefits covered under the State child health plan into one of four classifications: Inpatient, outpatient, emergency care, and prescription drugs (§§457.496(d)(2)(ii); 457.496(d)(3)(ii)(B)).

**6.2.3.1 MHPAEA** Please describe below the standard(s) used to place covered benefits into one of the four classifications.

**6.2.3.1.1 MHPAEA** The state assures that:

- The State has classified all benefits covered under the State plan into one of the four classifications.
- The same reasonable standards are used for determining the classification for a mental health or substance use disorder benefit as are used for determining the classification of medical/surgical benefits.

**6.2.3.1.2- MHPAEA** Does the state use sub-classifications to distinguish between office visits and other outpatient services?

- Yes
- No

**6.2.3.1.2.1- MHPAEA** If the State uses sub-classifications to distinguish between outpatient office visits and other outpatient services, the State assures the following:

The sub-classifications are only used to distinguish office visits from other outpatient items and services, and are not used to distinguish between similar services on other bases (ex: generalist vs. specialist visits).

**Guidance: For purposes of this section, any reference to “classification(s)” includes sub-classification(s) in states using sub-classifications to distinguish between outpatient office visits from other outpatient services.**

**6.2.3.2 MHPAEA** The State assures that:

Mental health/ substance use disorder benefits are provided in all classifications in which medical/surgical benefits are provided under the State child health plan.

**Guidance: States are not required to cover mental health or substance use disorder benefits. However if a state does provide any mental health or substance use disorders, those mental health or substance use disorder benefits must be provided in all the same classifications in which medical/surgical benefits are covered under the State child health plan.**

#### **Annual and Aggregate Lifetime Limits**

**6.2.4- MHPAEA** A State that provides both medical/surgical benefits and mental health and/or substance use disorder benefits must comply with parity requirements related to annual and aggregate lifetime dollar limits for benefits covered under the State child health plan (§457.496(c)).

**6.2.4.1- MHPAEA** Please indicate whether the State applies an aggregate lifetime dollar limit and/or an annual dollar limit on any mental health or substance abuse disorder benefits covered under the State child health plan.

- Aggregate lifetime dollar limit is applied
- Aggregate annual dollar limit is applied
- No dollar limit is applied

**Guidance: If there are no aggregate lifetime or annual dollar limit on any mental health or substance use disorder benefits, please go to section 6.2.5- MHPAEA.**

**6.2.4.2- MHPAEA** Are there any medical/surgical benefits covered under the State child health plan that have either an aggregate lifetime dollar limit or an annual dollar limit? If yes, please specify what type of limits apply.

Yes (Type(s) of limit: \_\_\_\_\_ )

No

**Guidance: If no aggregate lifetime dollar limit is applied to medical/ surgical benefits, the State may not impose an aggregate lifetime dollar limit on *any* mental health or substance use disorder benefits. If no aggregate annual dollar limit is applied to medical/surgical benefits, the State may not impose an aggregate annual dollar limit on *any* mental health or substance use disorder benefits (§457.496(c)(1)).**

**6.2.4.3 – MHPAEA.** States applying an aggregate lifetime or annual dollar limit on medical/surgical benefits and mental health or substance use disorder benefits must determine whether the portion of the medical/surgical benefits to which the limit applies is less than one-third, at least one-third but less than two-thirds, or at least two-thirds of all medical/surgical benefits covered under the State plan (457.496(c)).

The portion of medical/surgical benefits subject to the limit is based on the dollar amount expected to be paid for all medical/surgical benefits under the State plan for the State plan year or portion of the plan year after a change in benefits that affects the applicability of the aggregate lifetime or annual dollar limits (457.496(c)(3)).

The State assures that it has developed a reasonable methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable.

**Guidance: Please include the state’s methodology to calculate the portion of covered medical/surgical benefits which are subject to the aggregate lifetime and/or annual dollar limit, as applicable, as an attachment to the State child health plan.**

**6.2.4.3.1- MHPAEA** Please indicate the portion of the total costs for medical and surgical benefits covered under the State plan which are subject to a lifetime dollar limit:

Less than 1/3

At least 1/3 and less than 2/3

At least 2/3

**6.2.4.3.2- MHPAEA** Please indicate the portion of the total costs for medical and surgical benefits covered under the State plan which are subject to an annual dollar limit:

Less than 1/3

At least 1/3 and less than 2/3

At least 2/3

**Guidance: If an aggregate lifetime limit is applied to less than one-third of all medical/surgical benefits, the State may not impose an aggregate lifetime limit on any mental health or substance use disorder benefits. If an annual dollar limit is applied to less than one-third of all medical surgical benefits, the State may not impose an annual dollar limit on any mental health or substance use disorder benefits (§457.496(c)(1)). Skip to section 6.2.5-MHPAEA.**

**If the State applies an aggregate lifetime or annual dollar limit to at least one-third of all medical/surgical benefits, please continue below to provide the assurances related to the determination of the portion of total costs for medical/surgical benefits that are subject to either an annual or lifetime limit.**

**6.2.4.3.2.1- MHPAEA** If the State applies an aggregate lifetime or annual dollar limit to at least 1/3 and less than 2/3 of all medical/surgical benefits, the State assures the following (§§457.496(c)(4)(i)(B); 457.496(c)(4)(ii)):

The State applies an aggregate lifetime or annual dollar limit on mental health or substance use disorder benefits that is no more restrictive than an average limit calculated for medical/surgical benefits.

**Guidance: The state's methodology for calculating the average limit for medical/surgical benefits must be consistent with §§457.496(c)(4)(i)(B) and 457.496(c)(4)(ii). Please include the state's methodology as an attachment to the State child health plan.**

**6.2.4.3.2.2- MHPAEA** If at least 2/3 of all medical/surgical benefits are subject to an annual or lifetime limit, the State assures either of the following (§457.496(c)(2)(i); (§457.496(c)(2)(ii)):

The aggregate lifetime or annual dollar limit is applied to both medical/surgical benefits and mental health and substance use disorder benefits in a manner that does not distinguish between medical/surgical benefits and mental health and substance use disorder benefits; or

The aggregate lifetime or annual dollar limit placed on mental health and substance use disorder benefits is no more restrictive than the aggregate lifetime or annual dollar limit on medical/surgical benefits.

### Quantitative Treatment Limitations

**6.2.5- MHPAEA** Does the State apply quantitative treatment limitations (QTLs) on any mental health or substance use disorder benefits in any classification of benefits? If yes, specify the classification(s) of benefits in which the State applies one or more QTLs on any mental health or substance use disorder benefits.

Yes (Specify: \_\_\_\_\_ )

No

**Guidance: If the state does not apply any type of QTLs on any mental health or substance use disorder benefits in any classification, the state meets parity requirements for QTLs and should continue to Section 6.2.6 - MHPAEA. If the state does apply financial requirements to any mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue.**

**6.2.5.1- MHPAEA** Does the State apply any type of QTL on any medical/surgical benefits?

Yes

No

**Guidance: If the State does not apply QTLs on any medical/surgical benefits, the State may not impose quantitative treatment limitations on mental health or substance use disorder benefits, please go to Section 6.2.6- MHPAEA related to non-quantitative treatment limitations.**

**6.2.5.2- MHPAEA** Within each classification of benefits in which the State applies a type of QTL on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation. More specifically, the State must determine the ratio of (a) the dollar amount of all payments expected to be paid under the State plan for medical and surgical benefits within a classification which are subject to the type quantitative treatment limitation for the plan year (or portion of the plan year after a mid-year change affecting the applicability of a type of quantitative treatment limitation to any medical/surgical benefits in the class) to (b) the dollar amount expected to be paid for all medical and surgical benefits within the classification for the plan year. For purposes of this paragraph all payments expected to be paid under the State plan includes payments expected to

be made directly by the State and payments which are expected to be made by MCEs contracting with the State. (§457.496(d)(3)(i)(C))

- The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above for each classification within which the State applies QTLs to mental health or substance use disorder benefits. (§457.496(d)(3)(i)(E))

**Guidance: Please include the state’s methodology as an attachment to the State child health plan.**

**6.2.5.3- MHPAEA** For each type of QTL applied to any mental health or substance use disorder benefits within a given classification, does the State apply the same type of QTL to “substantially all” (defined as at least two-thirds) of the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

- Yes  
 No

**Guidance: If the State does not apply a type of QTL to substantially all medical/surgical benefits in a given classification of benefits, the State may not impose that type of QTL on mental health or substance use disorder benefits in that classification.** (§457.496(d)(3)(i)(A))

**6.2.5.3.1- MHPAEA** For each type of QTL applied to mental health or substance use disorder benefits, the State must determine the predominant level of that type which is applied to medical/surgical benefits in the classification. The “predominant level” of a type of QTL in a classification is the level (or least restrictive of a combination of levels) that applies to more than one-half of the medical/surgical benefits in that classification, as described in §§457.496(d)(3)(i)(B). The portion of medical/surgical benefits in a classification to which a given level of a QTL type is applied is based on the dollar amount of payments expected to be paid for medical/surgical benefits subject to that level as compared to all medical/surgical benefits in the classification, as described in §457.496(d)(3)(i)(C). For each type of quantitative treatment limitation applied to mental health or substance use disorder benefits, the State assures:

- The same reasonable methodology applied in determining the dollar amounts used to determine whether substantially all medical/surgical benefits within a classification are subject to a type of quantitative treatment limitation also is applied in determining the dollar amounts used to determine the predominant level of a type of quantitative treatment limitation applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of quantitative treatment limitation applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

**Guidance: If there is no single level of a type of QTL that exceeds the one-half threshold, the State may combine levels within a type of QTL such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold (§457.496(d)(3)(i)(B)(2)).**

### Non-Quantitative Treatment Limitations

**6.2.6- MHPAEA** The State may utilize non-quantitative treatment limitations (NQTLs) for mental health or substance use disorder benefits, but the State must ensure that those NQTLs comply with all the mental health parity requirements (§§457.496(d)(4); 457.496(d)(5)).

**6.2.6.1 – MHPAEA** If the State imposes any NQTLs, complete this subsection. If the State does not impose NQTLs, please go to Section 6.2.7-MHPAEA.

The State assures that the processes, strategies, evidentiary standards or other factors used in the application of any NQTL to mental health or substance use disorder benefits are no more stringent than the processes, strategies, evidentiary standards or other factors used in the application of NQTLs to medical/surgical benefits within the same classification.

**Guidance: Examples of NQTLs include medical management standards to limit or exclude benefits based on medical necessity, restrictions based on geographic location, provider specialty, or other criteria to limit the scope or duration of benefits, provider reimbursement rates and provider network design (ex: preferred providers vs. participating providers). Additional examples of possible NQTLs are provided in §457.496(d)(4)(ii).**

**6.2.6.2 – MHPAEA** The State or MCE contracting with the State must comply with parity if they provide coverage of medical or surgical benefits furnished by out-of-network providers.

**6.2.6.2.1- MHPAEA** Does the state or MCE contracting with the State provide coverage of services provided by out of network providers?

Yes

No

**6.2.6.2.2- MHPAEA** If yes, please assure the following:

- The State attests that when determining access to out-of-network providers within a benefit classification, the processes, strategies, evidentiary standards, or other factors used to determine access to those providers for mental health/ substance use disorder benefits are comparable to and applied no more stringently than the processes, strategies, evidentiary standards or other factors used to determine access for out- of-network providers for medical/surgical benefits.

**Availability of Plan Information**

**6.2.7- MHPAEA** The State must provide beneficiaries, potential enrollees, and providers with information related to medical necessity criteria and denials of payment or reimbursement for mental health or substance use disorder services.

**6.2.7.1- MHPAEA** Medical necessity criteria determinations must be made available to any current or potential enrollee or contracting provider, upon request. The state attests that the following entities provide this information:

- State  
 Managed Care entities  
 Both

**6.2.7.2- MHPAEA** Reason for any denial for reimbursement or payment for mental health or substance use disorder benefits must be made available to the enrollee by the health plan or the State. The state attests that the following entities provide denial information:

- State  
 Managed Care entities

Both

**6.3.** The State assures that, with respect to pre-existing medical conditions, one of the following two statements applies to its plan: (42CFR 457.480)

- 6.3.1.**  The State shall not permit the imposition of any pre-existing medical condition exclusion for covered services (Section 2102(b)(1)(B)(ii)); OR  
**6.3.2.**  The State contracts with a group health plan or group health insurance coverage, or contracts with a group health plan to provide family coverage under a waiver (see Section 6.6.2. (formerly 6.4.2) of the template). Pre-existing medical



conditions are permitted to the extent allowed by HIPAA/ERISA. (Formerly 8.6.) (Section 2103(f)) Describe:

Guidance: States may request two additional purchase options in Title XXI: cost effective coverage through a community-based health delivery system and for the purchase of family coverage. (Section 2105(c)(2) and (3)) (457.1005 and 457.1010)

**6.4. Additional Purchase Options-** If the State wishes to provide services under the plan through cost effective alternatives or the purchase of family coverage, it must request the appropriate option. To be approved, the State must address the following: (Section 2105(c)(2) and (3)) (42 CFR 457.1005 and 457.1010)

**6.4.1.  Cost Effective Coverage-** Payment may be made to a State in excess of the 10 percent limitation on use of funds for payments for: 1) other child health assistance for targeted low-income children; 2) expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); 3) expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and 4) other reasonable costs incurred by the State to administer the plan, if it demonstrates the following (42CFR 457.1005(a)):

**6.4.1.1.** Coverage provided to targeted low-income children through such expenditures must meet the coverage requirements above; Describe the coverage provided by the alternative delivery system. The State may cross reference Section 6.2.1 - 6.2.28. (Section 2105(c)(2)(B)(i)) (42CFR 457.1005(b))

**6.4.1.2.** The cost of such coverage must not be greater, on an average per child basis, than the cost of coverage that would otherwise be provided for the coverage described above; Describe the cost of such coverage on an average per child basis. (Section 2105(c)(2)(B)(ii)) (42CFR 457.1005(b))

Guidance: Check below if the State is requesting to provide cost-effective coverage through a community-based health delivery system. This allows the State to waive the 10 percent limitation on expenditures not used for Medicaid or health insurance assistance if coverage provided to targeted low-income children through such expenditures meets the requirements of Section 2103; the cost of such coverage is not greater, on an average per child basis, than the cost of coverage that would otherwise be provided under Section 2103; and such coverage is provided through the use of a community-based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Services Act or with hospitals such as those that receive disproportionate

share payment adjustments under Section 1886(c)(5)(F) or 1923.

If the cost-effective alternative waiver is requested, the State must demonstrate that payments in excess of the 10 percent limitation will be used for other child health assistance for targeted low-income children; expenditures for health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); expenditures for outreach activities as provided in Section 2102(c)(1) under the plan; and other reasonable costs incurred by the State to administer the plan. (42CFR, 457.1005(a))

- 6.4.1.3.** The coverage must be provided through the use of a community based health delivery system, such as through contracts with health centers receiving funds under Section 330 of the Public Health Service Act or with hospitals such as those that receive disproportionate share payment adjustments under Section 1886(c)(5)(F) or 1923 of the Social Security Act. Describe the community-based delivery system. (Section 2105(c)(2)(B)(iii)) (42CFR 457.1005(a))

Guidance: Check 6.4.2.if the State is requesting to purchase family coverage. Any State requesting to purchase such coverage will need to include information that establishes to the Secretary's satisfaction that: 1) when compared to the amount of money that would have been paid to cover only the children involved with a comparable package, the purchase of family coverage is cost effective; and 2) the purchase of family coverage is not a substitution for coverage already being provided to the child. (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.**  **Purchase of Family Coverage-** Describe the plan to purchase family coverage. Payment may be made to a State for the purpose of family coverage under a group health plan or health insurance coverage that includes coverage of targeted low-income children, if it demonstrates the following: (Section 2105(c)(3)) (42CFR 457.1010)

- 6.4.2.1.** Purchase of family coverage is cost-effective. The State's cost of purchasing family coverage, including administrative expenditures, that includes coverage for the targeted low-income children involved or the family involved (as applicable) under premium assistance programs must not be greater than the cost of obtaining coverage under the State plan for all eligible targeted low-income children or families involved; and (2) The State may base its demonstration of cost effectiveness on an assessment of the cost of coverage, including administrative costs, for children or families under premium assistance programs to the cost of other CHIP coverage for these children or families, done on a case-by-case

basis, or on the cost of premium assisted coverage in the aggregate.

**6.4.2.2.** The State assures that the family coverage would not otherwise substitute for health insurance coverage that would be provided to such children but for the purchase of family coverage. (Section 2105(c)(3)(B)) (42CFR 457.1010(b))

**6.4.2.3.** The State assures that the coverage for the family otherwise meets title XXI requirements. (42CFR 457.1010(c))

**6.4.3-PA: Additional State Options for Providing Premium Assistance** (CHIPRA # 13, SHO # 10-002 issued February, 2, 2010) A State may elect to offer a premium assistance subsidy for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(B), to all targeted low-income children who are eligible for child health assistance under the plan and have access to such coverage. No subsidy shall be provided to a targeted low-income child (or the child's parent) unless the child voluntarily elects to receive such a subsidy. (Section 2105(c)(10)(A)). Please remember to update section 9.10 when electing this option. Does the State provide this option to targeted low-income children?

- Yes  
 No

**6.4.3.1-PA** Qualified Employer-Sponsored Coverage and Premium Assistance Subsidy

**6.4.3.1.1-PA** Provide an assurance that the qualified employer-sponsored insurance meets the definition of qualified employer-sponsored coverage as defined in Section 2105(c)(10)(B), and that the premium assistance subsidy meets the definition of premium assistance subsidy as defined in 2105(c)(10)(C).

**6.4.3.1.2-PA** Describe whether the State is providing the premium assistance subsidy as reimbursement to an employee or for out-of-pocket expenditures or directly to the employee's employer.

**6.4.3.2-PA:** Supplemental Coverage for Benefits and Cost Sharing Protections Provided under the Child Health Plan.

**6.4.3.2.1-PA** If the State is providing premium assistance for qualified employer-sponsored coverage, as defined in Section 2105(c)(10)(E)(i), provide an assurance that the State is providing for each targeted low-income child enrolled in such coverage, supplemental coverage consisting of all items or services that are not covered or are only partially covered, under the qualified employer-sponsored coverage consistent with 2103(a) and cost sharing protections consistent with Section 2103(e).

**6.4.3.2-PA** Describe whether these benefits are being provided through the employer or by the State providing wraparound benefits.

**6.4.3.3-PA** If the State is providing premium assistance for benchmark or benchmark-equivalent coverage, the State ensures that such group health plans or health insurance coverage offered through an employer will be certified by an actuary as coverage that is equivalent to a benchmark benefit package described in Section 2103(b) or benchmark equivalent coverage that meets the requirements of Section 2103(a)(2).

**6.4.3.3-PA:** Application of Waiting Period Imposed Under State Plan: States are required to apply the same waiting period to premium assistance as is applied to direct coverage for children under their CHIP State plan, as specified in Section 2105(c)(10)(F).

**6.4.3.3.1-PA** Provide an assurance that the waiting period for children in premium assistance is the same as for those children in direct coverage (if State has a waiting period in place for children in direct CHIP coverage).

**6.4.3.4-PA:** Opt-Out and Outreach, Education, and Enrollment Assistance

**6.4.3.4.1-PA** Describe the State's process for ensuring parents are permitted to disenroll their child from qualified employer-sponsored coverage and to enroll in CHIP effective on the first day of any month for which the child is eligible for such assistance and in a manner that ensures continuity of coverage for the child (Section 2105(c)(10)(G)).

**6.4.3.4.2-PA** Describe the State's outreach, education, and enrollment efforts related to premium assistance programs, as required under Section 2102(c)(3). How does the State inform families of the availability of premium assistance, and assist them in obtaining such subsidies? What are the specific significant resources the State intends to apply to educate employers about the availability of premium assistance subsidies under the State child health plan? (Section 2102(c))

**6.4.3.5-PA Purchasing Pool-** A State may establish an employer-family premium assistance purchasing pool and may provide a premium assistance subsidy for enrollment in coverage made available through this pool (Section 2105(c)(10)(I)). Does the State provide this option?

- Yes  
 No

**6.6.3.5.1-PA** Describe the plan to establish an employer-family premium assistance purchasing pool.

**6.6.3.5.2-PA** Provide an assurance that employers who are eligible to participate: 1) have less than 250 employees; 2) have at least one employee who is a pregnant woman eligible for CHIP or a member of a family that has at least one child eligible under the State's CHIP plan.

**6.6.3.5.3-PA** Provide an assurance that the State will not claim for any administrative expenditures attributable to the establishment or operation of such a pool except to the extent such payment would otherwise be permitted under this title.

**6.4.3.6-PA Notice of Availability of Premium Assistance-** Describe the procedures that assure that if a State provides premium assistance subsidies under this Section, it must: 1) provide as part of the application and enrollment process, information describing the availability of premium assistance and how to elect to obtain a subsidy; and 2) establish other procedures to ensure that parents are fully informed of the choices for child health assistance or through the receipt of premium assistance subsidies (Section 2105(c)(10)(K)).

**6.4.3.6.1-PA** Provide an assurance that the State includes information about premium assistance on the CHIP application or enrollment form.

## **Section 7. Quality and Appropriateness of Care**

**Guidance:** **Methods for Evaluating and Monitoring Quality-** Methods to assure quality include the application of performance measures, quality standards consumer information strategies, and other quality improvement strategies.

Performance measurement strategies could include using measurements for external reporting either to the State or to consumers and for internal quality improvement purposes. They could be based on existing measurement sets that have undergone rigorous evaluation for their appropriateness (e.g., HEDIS). They may include the use of standardized member satisfaction surveys (e.g., CAHPS) to assess members' experience of care along key dimensions such as access, satisfaction, and system performance.

Quality standards are often used to assure the presence of structural and process measures that promote quality and could include such approaches as: the use of external and periodic review of health plans by groups such as the National Committee for Quality Assurance; the establishment of standards related to consumer

protection and quality such as those developed by the National Association of Insurance Commissioners; and the formation of an advisory group to the State or plan to facilitate consumer and community participation in the plan.

Information strategies could include: the disclosure of information to beneficiaries about their benefits under the plan and their rights and responsibilities; the provision of comparative information to consumers on the performance of available health plans and providers; and consumer education strategies on how to access and effectively use health insurance coverage to maximize quality of care.

Quality improvement strategies should include the establishment of quantified quality improvement goals for the plan or the State and provider education. Other strategies include specific purchasing specifications, ongoing contract monitoring mechanisms, focus groups, etc.

Where States use managed care organizations to deliver CHIP care, recent legal changes require the State to use managed care quality standards and quality strategies similar to those used in Medicaid managed care.

**Tools for Evaluating and Monitoring Quality-** Tools and types of information available include, HEDIS (Health Employer Data Information Set) measures, CAHPS (Consumer Assessments of Health Plans Study) measures, vital statistics data, and State health registries (e.g., immunization registries).

Quality monitoring may be done by external quality review organizations, or, if the State wishes, internally by a State board or agency independent of the State CHIP Agency. Establishing grievance measures is also an important aspect of monitoring.

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 8.

**Guidance:** The State must specify the qualifications of entities that will provide coverage and the conditions of participation. States should also define the quality standard they are using, for example, NCOA Standards or other professional standards. Any description of the information strategies used should be linked to Section 9. (Section 2102(a)(7)(A)) (42CFR, 457.495)

- 7.1.** Describe the methods (including external and internal monitoring) used to assure the quality and appropriateness of care, particularly with respect to well-baby care, well-child care, and immunizations provided under the plan. (Section 2102(a)(7)(A)) (42CFR 457.495(a)) Will the State utilize any of the following tools to assure quality? (Check all that apply and describe the activities for any categories utilized.)

7.1.1.  Quality standards

7.1.2.  Performance measurement

7.1.2 (a)  CHIPRA Quality Core Set

7.1.2 (b)  Other

7.1.3.  Information strategies

7.1.4.  Quality improvement strategies

**Access to Services** – Arkansas Foundation for Medical Care (AFMC), DHS DMS contract agent for provider relations, encourages provider participation and compliance in the primary care case management program and other programs through site visits and regular correspondence to primary care physicians, select specialty physicians, and hospitals. Additionally, AFMC provider relations provides submissions to professional journals, participates in professional and specialty organizations, and sponsors conferences. Each quarter more than 750 primary care physicians are visited, and pertinent information is shared related to program performance, policy, and updates on planned activities and initiatives.

AFMC regularly distributes articles of interest directly to the provider community via newsletter, blast faxes, conference calls and virtual meetings as well as publications in established journals. Furthermore, provider representatives are actively engaged in trade associations, such as the Arkansas Medical Society, the Arkansas Academy of Family Practice, and the Arkansas Hospital Association. These relationships afford additional opportunities for strengthening the provider network via collaboration, presentations, and exhibits at conferences and other healthcare related events throughout the state annually to offer a more dedicated venue for detailed discussion, collaboration and relationship advancement with the provider community and related stakeholders.

**Information to Beneficiaries Regarding Covered Services, Preventive Health, and Facilitate Access to Primary Care Physicians and Specialists** – Arkansas Foundation for Medical Care (AFMC), DHS DMS contract agent for beneficiary relations improves the quality and effectiveness of medical care by establishing and maintaining positive relationships with beneficiaries in Medicaid and CHIP related matters. This is accomplished through direct contact with beneficiaries and the creation, printing, and distribution of promotional, interventional, and informational materials. AFMC also operates a toll free complaint line that is available to the Medicaid or CHIP beneficiaries Monday – Friday.

There is a minimum of four beneficiary communications per year. Materials are available

in Spanish and English and other languages upon request, e.g., beneficiaries are mailed a postcard with the number of the Beneficiary Grievance Line.

AFMC beneficiary relations also maintains a website that contains tools for beneficiaries as well as professionals. Educational materials can be downloaded and printed or ordered at the website by either beneficiaries or health care professionals. Currently the website has approximately 10 pages of educational brochures available, e.g. Acute MI Indicators, Adolescent Immunization (Spanish and English), Adolescent Immunization Poster (Spanish and English), All Terrain Vehicle Safety (Spanish and English), Antibiotic Resistance Activity Sheet. Informational blogs are also available at the AFMC website. New B/P Guideline and Eat Like a Diabetic are the newest blogs posted. Other current informational blogs are: Adult Immunization, Adverse Drug Events, Breast Cancer Prevention, Cardiac Disparities, Colorectal Cancer.

Additionally, DHS DMS partners with the Arkansas Department of Health (ADH) to provide beneficiary outreach in the form of a newsletter with pertinent Medicaid or CHIP related messages. ADH provides a call center to facilitate the selection of a primary care physician and assistance in locating a dental provider.

**Quality Improvement Strategies** – DHS DMS contracts with a Quality Improvement Organization (QIO) to serve as a quality improvement contract agent. The QIO identifies potential projects through research of current challenges, national initiatives and HEDIS measures that will improve the quality of care for Arkansas beneficiaries. Data analysis is performed to determine the target population, clinical measures, and strategies for success. Project topics and research are presented to DHS DMS for approval.

Upon approval by DHS DMS, development of the project is begun including more intensive research utilizing Evidence-based guidelines and criteria, journal research, and data analysis.

Strategies for success, resources, educational tools, and materials are developed for academic detailing. Materials are reviewed by the QIO contract agent's communication department to ensure that the literacy level is appropriate for the target audience. The project plan including all resources, educational tools and materials, and strategies for success is submitted to DHS for approval prior to dissemination of the project to the provider community. Academic detailing is provided to the relevant provider population to increase the quality of service provided to Medicaid and CHIP beneficiaries.

**Performance Metrics** – Arkansas Foundation for Medical Care (AFMC) beneficiary relations also assesses beneficiaries' needs and satisfaction through standardized surveys or focus groups. AFMC develops and conducts surveys and provides data analysis and reports. AFMC statisticians and analysts conduct consumer satisfaction surveys for beneficiaries participating in Primary Care Case Management (PCCM), Children's Health



Insurance Program, Tax Equity and Fiscal Responsibility Act (TEFRA). These populations are surveyed using Consumer Assessment of Healthcare Providers and Systems (CAHPS®) modified CAHPS®, Experience of Care and Health Outcomes (ECHO®), Pregnancy Risk Assessment Monitoring System (PRAMS)-Like, SF-36. And custom designed surveys.

AFMC manages all aspects of sample design, population sampling, survey design, data collection, and analysis. AFMC also sends survey results to the National CAHPS® Benchmarking Database (NCBD). This process provided a means for comparison to other participating states' health care programs and set appropriate benchmarks CAHPS® surveys are designed to assess consumer satisfaction with various aspects of the healthcare delivery system including, but not limited to, the plan structure, providers, customer service, and overall healthcare and wellness.

In addition to CAHPS®, DHS DMS monitors performance of both the Medicaid and CHIP state plans through use of the HEDIS data set. Each year, DHS DMS data analytics contract agents publish a HEDIS report with many of the available metrics. Additionally, AFMC data analytics contract agent assists DHS DMS in compiling the data required for the submission through CARTS and CHIPRA core metrics such as annual well-child visits, annual dental visits, and immunization data.

Guidance: Provide a brief description of methods to be used to assure access to covered services, including a description of how the State will assure the quality and appropriateness of the care provided. The State should consider whether there are sufficient providers of care for the newly enrolled populations and whether there is reasonable access to care. (Section 2102(a)(7)(B))

7.2. Describe the methods used, including monitoring, to assure: (Section 2102(a)(7)(B)) (42CFR 457.495)

7.2.1. Access to well-baby care, well-child care, well-adolescent care and childhood and adolescent immunizations. (Section 2102(a)(7)) (42CFR 457.495(a))

Enrollees participating in the Title XXI CHIP ARKids-B separate child health program must enroll with a ConnectCare primary care physician (PCP) or Patient Centered Medical Home (PCMH) who is responsible for managing the health care of the enrollees. This would include the provision of primary care services and health education to the enrollees; making referrals for medically necessary specialty physicians' services and for hospital care and other medically necessary services; monitoring and coordinating the immunization status of childhood and adolescent immunizations of enrollees under the age of 21 in his/her PCP caseload; coordinating and monitoring enrollees' prescribed medical and rehabilitative services with the providers of those services, hospital care, and other services; as well as assisting in locating medical services for the enrollees; and the monitoring and maintenance of the Child Health Services/Early and Periodic

Screening, Diagnosis, and Treatment (EPSDT) screening periodicity of any enrollees under the age of 21, regardless of who screens those enrollees. This would also include the coordination and monitoring of any subsequent referrals, treatment, or testing for the enrollees. This monitoring and assurance in accessing care are consistent with those methods used for Title XIX enrollees.

**7.2.2. Access to covered services, including emergency services as defined in 42 CFR 457.10. (Section 2102(a)(7)) 42CFR 457.495(b))**

The role of the Provider Representative includes the ongoing visitation with health care providers, facilities, and emergency rooms to ensure these providers continued acceptance of Title XIX and Title XXI eligible beneficiaries and their adherence to policies of covered health care services. Statistical analysis is used as a means of identifying, among other things, problem(s) associated with access to covered services. When any access problems are identified, the Provider Representative conducts follow-up with providers to identify solutions and correction of the identified problem(s).

Enrollees participating in the Title XXI CHIP ARKids-B and Unborn Child separate child health programs must enroll with a ConnectCare primary care physician (PCP) or Patient Centered Medical Home (PCMH). ConnectCare and Patient Centered Medical Home enrollees must have the same access as private pay and insured persons to emergency and non-emergency medical services.

ConnectCare PCPs must have hours of operation that are reasonable and adequate to serve all of his/her patients; make available 24/7 telephone access to a live voice (an employee of the primary care physician or an answering service) or to an answering machine that will immediately page an on-call professional who will provide information and instructions for treating emergency and non-emergency conditions, make appropriate referrals for non-emergency services, and provide information regarding accessing other services and handling medical problems during hours the PCP's office is closed; respond to after-hours calls regarding non-emergencies within 30-minutes; make after-hours telephone numbers as widely available as possible to his/her patients; and regularly check answering machines to ensure the machine functions correctly and instructions are up-to-date when answering machines with recorded instructions are employed for after-hours callers.

Patient Centered Medical Homes (PCMH) must make available 24/7 access to care; provide telephone access to a live voice (e.g., an employee of the primary care physician or an answering service) or to an answering machine that immediately pages an on-call medical profession 24/7 who will provide information and instructions for treating emergency and non-emergency conditions, make appropriate referrals for non-emergency services, and provide information regarding accessing other services and handling medical problems during hours the PCP's office is closed; respond to after-hours calls regarding non-emergencies within 30-minutes (calls must be treated as an emergency if made under circumstances where a prudent layperson with an average knowledge of health care would reasonably believe that treatment is immediately necessary to prevent death or serious health impairment); make after-hours telephone number known, at a

minimum, by providing the 24-hour emergency number to all beneficiaries, posting the 24-hour emergency number on all public entries to each site, and including the 24-hour emergency phone number on answering machine greetings; and regularly check answering machines to ensure the machine functions correctly and instructions are up-to-date when answering machines with recorded instructions are employed for after-hours callers. Documentation by written report of the completion of these activities must be provided by the Patient Centered Medical Home (PCMH) via provider portal.

- 7.2.3.** Appropriate and timely procedures to monitor and treat enrollees with chronic, complex, or serious medical conditions, including access to an adequate number of visits to specialists experienced in treating the specific medical condition and access to out-of-network providers when the network is not adequate for the enrollee's medical condition. (Section 2102(a)(7)) (42CFR 457.495(c))

Enrollees participating in the Title XXI CHIP ARKids-B and Unborn Child separate child health programs must enroll with a ConnectCare primary care physician (PCP) or Patient Centered Medical Home (PCMH) who is responsible for managing the health care of the enrollees. This would include the provision of primary care services and health education to the enrollees; making referrals for medically necessary specialty physicians' services and for hospital care and other medically necessary services; monitoring and coordinating the immunization status of childhood and adolescent immunizations of enrollees under the age of 21 in his/her PCP caseload; coordinating and monitoring enrollees' prescribed medical and rehabilitative services with the providers of those services, hospital care, and other services; as well as assisting in locating medical services for the enrollees in-network and out-of-network when in-network providers are not adequate for the enrollees' medical condition; and the monitoring and maintenance of the Child Health Services/Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) screening periodicity of any enrollees under the age of 21, regardless of who screens those enrollees. This would also include the coordination and monitoring of any subsequent referrals, treatment, or testing for the enrollees. ConnectCare and Patient Centered Medical Home enrollees must have the same access as private pay and insured persons to emergency and non-emergency medical services. This monitoring and assurance in accessing care are consistent with those methods used for Title XIX enrollees.

ConnectCare PCPs must have hours of operation that are reasonable and adequate to serve all of his/her patients; make available 24/7 telephone access to a live voice (an employee of the primary care physician or an answering service) or to an answering machine that will immediately page an on-call professional who will provide information and instructions for treating emergency and non-emergency conditions, make appropriate referrals for non-emergency services, and provide information regarding accessing other services and handling medical problems during hours the PCP's office is closed; respond to after-hours calls regarding non-emergencies within 30-minutes; make after-hours telephone numbers as widely available as possible to his/her patients; and regularly check answering machines to ensure the machine functions correctly and instructions are up-to-date when answering machines with recorded instructions are employed for after-hours

callers.

Patient Centered Medical Homes (PCMH) must identify the top 10% of high-priority beneficiaries using DMS patient panel data that ranks beneficiaries by risk or the practice's patient-centered assessment to determine which beneficiaries on this list are high-priority; identify and reduce medical neighborhood barriers to coordinated care at the practice level; make available 24/7 access to care; provide telephone access to a live voice (e.g., an employee of the primary care physician or an answering service) or to an answering machine that immediately pages an on-call medical profession 24/7 who will provide information and instructions for treating emergency and non-emergency conditions, make appropriate referrals for non-emergency services, and provide information regarding accessing other services and handling medical problems during hours the PCP's office is closed; respond to after-hours calls regarding non-emergencies within 30-minutes (calls must be treated as an emergency if made under circumstances where a prudent layperson with an average knowledge of health care would reasonably believe that treatment is immediately necessary to prevent death or serious health impairment); make after-hours telephone number known, at a minimum, by providing the 24-hour emergency number to all beneficiaries, posting the 24-hour emergency number on all public entries to each site, and including the 24-hour emergency phone number on answering machine greetings; regularly check answering machines to ensure the machine functions correctly and instructions are up-to-date when answering machines with recorded instructions are employed for after-hours callers; establish processes that result in contact with beneficiaries who have not received preventive care; complete a short survey related to beneficiaries' ability to receive timely care, appointments, and information from specialists, including Behavioral Health (BH) specialists.

The role of the Provider Representative includes the ongoing visitation with health care providers, facilities, and emergency rooms to ensure these providers continued acceptance of Title XIX and Title XXI eligible beneficiaries and their adherence to policies of covered health care services. Statistical analysis is used as a means of identifying, among other things, problem(s) associated with access to covered services. When any access problems are identified, the Provider Representative conducts follow-up with providers to identify solutions and correction of the identified problem(s).

- 7.2.4.** Decisions related to the prior authorization of health services are completed in accordance with State law or, in accordance with the medical needs of the patient, within 14 days after the receipt of a request for services. (Section 2102(a)(7)) (42CFR 457.495(d)) Exigent medical circumstances may require more rapid response according to the medical needs of the patient.

The Arkansas DHS Division of Medical Services employs and contracts with quality improvement organizations who exercise a stringent review of prior authorizations (PAs) completed for covered health care services for Title XIX and Title XXI enrollees to ensure PAs have been completed in accordance with State law, in accordance with the medical needs of the patient, and within the specified number of days after the receipt of a request for services.

**Section 8. Cost-Sharing and Payment -  
CHIP Title XXI CHIP ARKids-B Program**

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 9.

**8.1.** Is cost-sharing imposed on any of the children covered under the plan? (42CFR 457.505) Indicate if this also applies for pregnant women. (CHIPRA #2, SHO # 09-006, issued May 11, 2009)

**8.1.1.**  Yes for the Title XXI CHIP ARKids-B separate child health program.

**8.1.2.**  No, skip to question 8.8.

**8.1.1-PW**  Yes

**8.1.2-PW**  No, skip to question 8.8.

**Guidance:** It is important to note that for families below 150 percent of poverty, the same limitations on cost sharing that are under the Medicaid program apply. (These cost-sharing limitations have been set forth in Section 1916 of the Social Security Act, as implemented by regulations at 42 CFR 447.50 - 447.59). For families with incomes of 150 percent of poverty and above, cost sharing for all children in the family cannot exceed 5 percent of a family's income per year. Include a statement that no cost sharing will be charged for pregnancy-related services. (CHIPRA #2, SHO # 09-006, issued May 11, 2009) (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

**8.2.** Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge by age and income (if applicable) and the service for which the charge is imposed or time period for the charge, as appropriate. (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

**8.2.1.**  Premiums:

**8.2.2.**  Deductibles:

**8.2.3.**  Coinsurance or copayments:

Co-payments and co-insurance apply for all services deemed fee-for-service with the

exception of immunizations, preventive health screenings, family planning, and prenatal care. Beneficiaries deemed eligible for MCO services under the 1915B Arkansas PASSE Program do not have any co-payments or co-insurance obligations. The Title XXI CHIP ARKids-B schedule of co-payments and co-insurance for fee-for-service is outlined in the following table. The annual cumulative cost-sharing maximum cannot exceed 5% of the ARKids-B beneficiary's family's income.

Benefits/Limits	Co-Pay/Co-Insurance
Ambulance (Emergency Only)	\$10 per trip
Ambulatory Surgical Center	\$10 per visit
Audiological Services (only Tympanometry, CPT procedure code 92567, when the diagnosis is within the ICD-9-CM range of 381.0 through 382.9)	None (Considered Preventative Health Screening)
Certified Nurse Midwife	\$10 per visit
Chiropractor	\$10 per visit
Dental Care (routine dental care & orthodontia)	\$10 per visit
Durable Medical Equipment (DME) (Limited to \$500 per State Fiscal Year (SFY) July 1 – June 30)	10% of Medicaid allowed per DME item
Emergency Dept. Services, (Emergent, non-emergent, assessment)	\$10 per visit
Family Planning	None
Federally Qualified Health Center (FQHC)	\$10 per visit
Home Health (10 visits per SFY (July 1 – June 30))	\$10 per visit
Hospital, Inpatient	10% of first inpatient day
Hospital, Outpatient	\$10 per visit
Inpatient Psychiatric Hospital & Psychiatric (Acute and Residential Treatment Unit) Residential Treatment Facility (Emergency Only) Available through both fee-for-service and PASSE	10% of first inpatient day
Inpatient Psychiatric Residential Treatment Facility. Available through PASSE	10% of first inpatient day
Immunizations (All per protocol)	None
Laboratory & X-Ray	\$10 per visit
Medical Supplies (Limited to \$125/month unless benefit extension is approved)	None
Tier 1 Mental & Behavioral Health, Outpatient, including substance abuse services	\$10 per visit
School-Based Mental Health	\$10 per visit
Nurse Practitioner	\$10 per visit
Physician	\$10 per visit
Podiatry	\$10 per visit
Prenatal Care	None
Prescription Drugs	\$5 per prescription (Must use generic, if available/obtainable)
Preventive Health Screenings (All per protocol)	None

Rural Health Clinic	\$10 per visit
Speech Therapy Evaluation – <del>Four 30 minute units</del> <u>Two evaluations</u> <del>when billed by proper CPT code/SFY (July 1 – June 30) unless benefit extension is approved</del> Therapy – <del>Four 15 minute units/day unless 90 minutes per week with</del> <u>benefit extension is available approved if medically necessary.</u>	\$10 per visit
Physical Therapy Evaluation – <del>Four 30 minute units</del> <u>Two evaluations</u> <del>when billed by proper CPT code/SFY (July 1 – June 30) unless benefit extension is approved</del> Therapy – <del>Four 15 minute units/day 90 minutes per week unless with</del> <u>benefit extension is approved available if medically necessary.</u>	\$10 per visit
Occupational Therapy Evaluation – <del>Four 30 minute units</del> <u>Two evaluations</u> <del>when billed by proper CPT code/SFY (July 1 – June 30) unless benefit extension is approved</del> Therapy – <del>Four 15 minute units/day 90 minutes per week unless with</del> <u>benefit extension is approved available if medically necessary.</u>	\$10 per visit
<del>Substance Abuse Treatment Services (SATS), outpatient</del>	<del>\$10 per visit</del>
Vision (Eye exam, Eyeglasses)	\$10 per visit No co-pay for eyeglasses

8.2.4.  Other:

8.2-DS  **Supplemental Dental** (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) For children enrolled in the dental-only supplemental coverage, describe the amount of cost-sharing, specifying any sliding scale based on income. Also describe how the State will track that the cost sharing does not exceed 5 percent of gross family income. The 5 percent of income calculation shall include all cost-sharing for health insurance and dental insurance. (Section 2103(e)(1)(A)) (42 CFR 457.505(a), 457.510(b), and (c), 457.515(a) and (c), and 457.560(a)) Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, 6.2-DS, and 9.10 when electing this option.

8.2.1-DS  Premiums:

8.2.2-DS  Deductibles:

8.2.3-DS  Coinsurance or copayments:

8.2.4-DS  Other:

8.3. Describe how the public will be notified, including the public schedule, of this cost sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)(1)(A)) (42CFR 457.505(b))

The State has developed and distributed to Division of County Operations (DCO) County Offices, physicians' offices, hospitals, and other public businesses throughout the state ARKids First (includes ARKids-A (Title XIX Medicaid program) and ARKids-B (Title XXI CHIP state plan separate child health program)) pamphlets that include information pertaining to cost sharing, the cumulative 5% cap based on the ARKids-B beneficiary's families' income, and families of eligible ARKids-B beneficiaries are not responsible for tracking their out-of-pocket expenses for the purpose of the 5% cap. There is also an ARKids First website that includes this same information. The Arkansas Department of Human Services spends approximately \$125,000 per state fiscal year via contract on outreach and education for ARKids First which includes information pertaining to cost sharing, the cumulative 5% cap based on the ARKids-B beneficiary's families' income, and families of eligible ARKids-B beneficiaries are not responsible for tracking their out-of-pocket expenses for the purpose of the 5% cap are not responsible for tracking their out-of-pocket expenses for the purpose of the 5% cap.

Guidance: The State should be able to demonstrate upon request its rationale and justification regarding these assurances. This section also addresses limitations on payments for certain expenditures and requirements for maintenance of effort.

8.4. The State assures that it has made the following findings with respect to the cost sharing in its plan: (Section 2103(e))

- 8.4.1.  Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B)) (42CFR 457.530)
- 8.4.2.  No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2)) (42CFR 457.520)
- 8.4.3.  No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. (Section 2103(e)(1)(A)) (42CFR 457.515(f))

8.4.1- MHPAEA  There is no separate accumulation of cumulative financial requirements, as defined in §457.496(a), for mental health and substance abuse disorder benefits compared to medical/surgical benefits (§457.496(d)(3)(iii)).

8.4.2- MHPAEA  If applicable, any different levels of financial requirements that are applied to different tiers of prescription drugs are determined based on reasonable factors, regardless of whether a drug is generally prescribed for medical/surgical benefits or mental health/substance use disorder benefits (§457.496(d)(3)(ii)(A)).



8.4.3- MHPAEA   Cost sharing applied to benefits provided under the State child health plan will remain capped at five percent of the beneficiary's income as required §457.560 (§457.496(d)(i)(D)).

8.4.4- MHPAEA Does the State apply financial requirements to any mental health or substance use disorder benefits? If yes, specify the classification(s) of benefits in which the State applies financial requirements on any mental health or substance use disorder benefits.

Yes (Specify: Beneficiaries who qualify for Tier 1 fee-for-service benefits under the Arkansas PASSE Program are subject to copays and coinsurance. The annual cumulative cost-sharing maximum cannot exceed 5% of the ARKids-B beneficiary's family's income. Children who are assessed as Tier 2 or Tier 3 in the Arkansas PASSE Program are exempt from all copays and coinsurance regardless of whether the service is MH/SUD or MS.)

No

**Guidance: If the state does not apply financial requirements on any mental health or substance use disorder benefits, the state meets parity requirements for financial requirements. If the state does apply financial requirements to mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue below.**

8.4.5- MHPAEA Does the State apply any type of financial requirements on any medical/surgical benefits?

Yes

No

**Guidance: If the State does not apply financial requirements on any medical/surgical benefits, the State may not impose financial requirements on mental health or substance use disorder benefits.**

8.4.6- MHPAEA Within each classification of benefits in which the State applies a type of financial requirement on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation.

The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above (Section 6.2.5.2) for each classification or

within which the State applies financial requirements to mental health or substance use disorder benefits (§457.496(d)(3)(i)(E)).

**Guidance: Please include the state’s methodology as an attachment to the State child health plan.**

**8.4.7- MHPAEA** For each type of financial requirement applied to any mental health or substance use disorder benefits within a given classification, does the State apply the same type of financial requirement to at least two-thirds (“substantially all”) of all the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

Yes

No

**Guidance: If the State does not apply a type of financial requirement to substantially all medical/surgical benefits in a given classification of benefits, the State may not impose financial requirements on mental health or substance use disorder benefits in that classification. (§457.496(d)(3)(i)(A))**

**8.4.8- MHPAEA** For each type of financial requirement applied to substantially all medical/surgical benefits in a classification, the State must determine the predominant level (as defined in §457.496(d)(3)(i)(B)(1)) of that type which is applied to medical/surgical benefits in the classification. For each type of financial requirement applied to substantially all medical/surgical benefits in a classification, the State assures:

The same reasonable methodology applied in determining the dollar amounts used in determining whether substantially all medical/surgical benefits within a classification are subject to a type of financial requirement also is applied in determining the dollar amounts used to determine the predominant level of a type of financial requirement applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of financial requirement applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

**Guidance: If there is no single level of a type of financial requirement that exceeds the one-half threshold, the State may combine levels within a type of financial requirement such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold**

**(§457.496(d)(3)(i)(B)(2)).**

- 8.5. Describe how the State will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the State for overpayment by an enrollee: (Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))

To protect families against excessive medical expenses and comply with the statutory limit of no more than 5% of family income being expended on cost sharing expenses, the state keeps the co-pays the families are required to pay minimal. Because of the low co-payment, very few families are likely to exceed the limit and would not approach the 5% limit.

The annual 5% cap is calculated when the ARKids-B beneficiary is approved. The MMIS generates a notice to the ARKids-B beneficiary's family notifying the family of their specific cumulative cap for cost sharing based on the family's income. If a family's income decreases during the year, the 5% cap is recalculated, and a new notice is sent to the family. The 5% cap is not recalculated if the family's income increases. All beneficiaries' specific 5% limits are recalculated each year in June, and the recalculated limit is effective July 1.

Arkansas' Medicaid MMIS system tracks the ARKids-B beneficiaries' families' progress toward the 5% cap. Families are not responsible for tracking their out-of-pocket expenses for the purpose of the 5% cap. Providers (who are responsible for the collection of co-pays from Medicaid and CHIP beneficiaries) indicate the services rendered to the ARKids-B beneficiary on the claim form submitted. The MMIS automatically calculates the co-pay that would apply for the services rendered and checks the accrual amount against the ARKids-B beneficiary's family's income (via ARKids Family Income/File). When cost sharing reaches, in the aggregate, 5% of the ARKids-B beneficiary's family's total income, co-payments are no longer assessed against the ARKids-B beneficiary's family until the next SFY.

Families are notified when their cost sharing maximum is met. There will be a statement on the notice (received by both the ARKids-B beneficiary's family and the provider) that the cost-sharing maximum has been met and that Medicaid is paying the full Medicaid allowed rate for the service.

Sometimes an ARKids-B beneficiary's family will exceed the 5% cap due to a lag in processing previous claims. Providers are required to refund to the ARKids-B beneficiary's family the cost sharing amount that exceeded the 5% cap that the provider collected from the family if, at the time a claim is submitted and processed, the system determines that the family's cumulative cost-sharing maximum has been met. This may happen even though the family was required to provide cost-sharing on the date of service if the provider waited a period of time to submit the claim for payment. For example, a family had not yet met its cost-sharing maximum on the date of service, and therefore the provider collected the required cost share amount. The provider submitted the claim two months later, and in the interim, the family met its cost sharing maximum through

receiving and paying for other services. In this case, even though the family was required to pay a co-payment on the date of service, that amount is not in the system until the claim is processed. On the date the claim was adjudicated, the family had met its obligation for cost sharing, and the provider must refund to the family the amount the family paid that exceeds the 5% cap that the provider collected from the family for cost sharing.

- 8.6.** Describe the procedures the State will use to ensure American Indian (as defined by the Indian Health Care Improvement Act of 1976) and Alaska Native children will be excluded from cost-sharing. (Section 2103(b)(3)(D)) (42CFR 457.535)

The MMIS checks the race of enrollees. Any enrollee who is of the American Indian race (based on the definition in the Indian Health Care Improvement Act of 1976) or are children of the Alaska Native race are excluded from cost sharing.

- 8.7.** Provide a description of the consequences for an enrollee or applicant who does not pay a charge. (42CFR 457.570 and 457.505(c))

Collecting co-payments from beneficiaries is providers' responsibility. Providers may not deny services to CHIP eligible beneficiaries because of the beneficiaries' inability to pay cost-sharing. However, beneficiaries' inability to pay cost-sharing does not eliminate beneficiaries' liability for the cost-sharing charge.

Guidance: Section 8.7.1 is based on Section 2101(a) of the Act provides that the purpose of title XXI is to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.

- 8.7.1.** Provide an assurance that the following disenrollment protections are being applied:

The State does not charge premiums to Title XXI CHIP ARKids-B enrollees.

Guidance: Provide a description below of the State's premium grace period process and how the State notifies families of their rights and responsibilities with respect to payment of premiums. (Section 2103(e)(3)(C))

- 8.7.1.1.**  State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, copayments, coinsurance, deductibles or similar fees prior to disenrollment. (42CFR 457.570(a))
- 8.7.1.2.**  The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-

payment of cost-sharing charges. (42CFR 457.570(b))

8.7.1.3.  In the instance mentioned above, that the State will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. (42CFR 457.570(b))

8.7.1.4  The State provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. (42CFR 457.570(c))

8.8. The State assures that it has made the following findings with respect to the payment aspects of its plan: (Section 2103(e))

8.8.1.  No Federal funds will be used toward State matching requirements. (Section 2105(c)(4)) (42CFR 457.220)

8.8.2.  No cost-sharing (including premiums, deductibles, copayments, coinsurance and all other types) will be used toward State matching requirements. (Section 2105(c)(5) (42CFR 457.224) (Previously 8.4.5)

8.8.3.  No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under the this title. (Section 2105(c)(6)(A)) (42CFR 457.626(a)(1))

8.8.4.  Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. (Section 2105(d)(1)) (42CFR 457.622(b)(5))

8.8.5.  No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest. (Section 2105(c)(7)(B)) (42CFR 457.475)

8.8.6.  No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). (Section 2105(c)(7)(A)) (42CFR 457.475)

**Section 8. Cost-Sharing and Payment - Title XXI CHIP Unborn Child Program**

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue on to Section 9.

8.1. Is cost-sharing imposed on any of the children covered under the plan? (42CFR 457.505) Indicate if this also applies for pregnant women. (CHIPRA #2, SHO # 09-006, issued May 11, 2009)

8.1.1.  Yes

8.1.2.  No, skip to question 8.8.

- 8.1.1-PW  Yes  
 8.1.2-PW  No, skip to question 8.8.

Guidance: It is important to note that for families below 150 percent of poverty, the same limitations on cost sharing that are under the Medicaid program apply. (These cost-sharing limitations have been set forth in Section 1916 of the Social Security Act, as implemented by regulations at 42 CFR 447.50 - 447.59). For families with incomes of 150 percent of poverty and above, cost sharing for all children in the family cannot exceed 5 percent of a family's income per year. Include a statement that no cost sharing will be charged for pregnancy-related services. (CHIPRA #2, SHO # 09-006, issued May 11, 2009) (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

8.2. Describe the amount of cost-sharing, any sliding scale based on income, the group or groups of enrollees that may be subject to the charge by age and income (if applicable) and the service for which the charge is imposed or time period for the charge, as appropriate. (Section 2103(e)(1)(A)) (42CFR 457.505(a), 457.510(b) and (c), 457.515(a) and (c))

- 8.2.1.  Premiums:  
 8.2.2.  Deductibles:  
 8.2.3.  Coinsurance or copayments:  
 8.2.4.  Other:

8.2-DS  **Supplemental Dental** (CHIPRA # 7, SHO # #09-012 issued October 7, 2009) For children enrolled in the dental-only supplemental coverage, describe the amount of cost-sharing, specifying any sliding scale based on income. Also describe how the State will track that the cost sharing does not exceed 5 percent of gross family income. The 5 percent of income calculation shall include all cost-sharing for health insurance and dental insurance. (Section 2103(e)(1)(A)) (42 CFR 457.505(a), 457.510(b), and (c), 457.515(a) and (c), and 457.560(a)) Please update Sections 1.1-DS, 4.1-DS, 4.2-DS, 6.2-DS, and 9.10 when electing this option.

- 8.2.1-DS  Premiums:  
 8.2.2-DS  Deductibles:  
 8.2.3-DS  Coinsurance or copayments:

8.2.4-DS  Other:

8.3. Describe how the public will be notified, including the public schedule, of this cost sharing (including the cumulative maximum) and changes to these amounts and any differences based on income. (Section 2103(e)(1)(A)) (42CFR 457.505(b))

Guidance: The State should be able to demonstrate upon request its rationale and justification regarding these assurances. This section also addresses limitations on payments for certain expenditures and requirements for maintenance of effort.

8.4. The State assures that it has made the following findings with respect to the cost sharing in its plan: (Section 2103(e))

8.4.1.  Cost-sharing does not favor children from higher income families over lower income families. (Section 2103(e)(1)(B)) (42CFR 457.530)

8.4.2.  No cost-sharing applies to well-baby and well-child care, including age-appropriate immunizations. (Section 2103(e)(2)) (42CFR 457.520)

8.4.3  No additional cost-sharing applies to the costs of emergency medical services delivered outside the network. (Section 2103(e)(1)(A)) (42CFR 457.515(f))

8.4.1- MHPAEA  There is no separate accumulation of cumulative financial requirements, as defined in §457.496(a), for mental health and substance abuse disorder benefits compared to medical/surgical benefits (§457.496(d)(3)(iii)).

8.4.2- MHPAEA  If applicable, any different levels of financial requirements that are applied to different tiers of prescription drugs are determined based on reasonable factors, regardless of whether a drug is generally prescribed for medical/surgical benefits or mental health/substance use disorder benefits (§457.496(d)(3)(ii)(A)).

8.4.3- MHPAEA  Cost sharing applied to benefits provided under the State child health plan will remain capped at five percent of the beneficiary's income as required §457.560 (§457.496(d)(i)(D)).

8.4.4- MHPAEA Does the State apply financial requirements to any mental health or substance use disorder benefits? If yes, specify the classification(s) of benefits in which the State applies financial requirements on any mental health or substance use disorder benefits.

Yes (Specify: \_\_\_\_\_ )

No

**Guidance: If the state does not apply financial requirements on any mental health or substance use disorder benefits, the state meets parity requirements for financial**

**requirements. If the state does apply financial requirements to mental health or substance use disorder benefits, the state must conduct a parity analysis. Please continue below.**

**8.4.5- MHPAEA** Does the State apply any type of financial requirements on any medical/surgical benefits?

Yes

No

**Guidance: If the State does not apply financial requirements on any medical/surgical benefits, the State may not impose financial requirements on mental health or substance use disorder benefits.**

**8.4.6- MHPAEA** Within each classification of benefits in which the State applies a type of financial requirement on any mental health or substance use disorder benefits, the State must determine the proportion of medical and surgical benefits in the class which are subject to the limitation.

The State assures it has applied a reasonable methodology to determine the dollar amounts used in the ratio described above (Section 6.2.5.2) for each classification or within which the State applies financial requirements to mental health or substance use disorder benefits (§457.496(d)(3)(i)(E)).

**Guidance: Please include the state's methodology as an attachment to the State child health plan.**

**8.4.7- MHPAEA** For each type of financial requirement applied to any mental health or substance use disorder benefits within a given classification, does the State apply the same type of financial requirement to at least two-thirds ("substantially all") of all the medical/surgical benefits within the same classification? (§457.496(d)(3)(i)(A))

Yes

No

**Guidance: If the State does not apply a type of financial requirement to substantially all medical/surgical benefits in a given classification of benefits, the State may not impose financial requirements on mental health or substance use disorder benefits in that classification. (§457.496(d)(3)(i)(A))**

**8.4.8- MHPAEA** For each type of financial requirement applied to substantially all



medical/surgical benefits in a classification, the State must determine the predominant level (as defined in §457.496(d)(3)(i)(B)(1)) of that type which is applied to medical/surgical benefits in the classification. For each type of financial requirement applied to substantially all medical/surgical benefits in a classification, the State assures:

The same reasonable methodology applied in determining the dollar amounts used in determining whether substantially all medical/surgical benefits within a classification are subject to a type of financial requirement also is applied in determining the dollar amounts used to determine the predominant level of a type of financial requirement applied to medical/surgical benefits within a classification. (§457.496(d)(3)(i)(E))

The level of each type of financial requirement applied by the State to mental health or substance use disorder benefits in any classification is no more restrictive than the predominate level of that type which is applied by the State to medical/surgical benefits within the same classification. (§457.496(d)(2)(i))

**Guidance: If there is no single level of a type of financial requirement that exceeds the one-half threshold, the State may combine levels within a type of financial requirement such that the combined levels are applied to at least half of all medical/surgical benefits within a classification; the predominate level is the least restrictive level of the levels combined to meet the one-half threshold (§457.496(d)(3)(i)(B)(2)).**

- 8.5. Describe how the State will ensure that the annual aggregate cost-sharing for a family does not exceed 5 percent of such family's income for the length of the child's eligibility period in the State. Include a description of the procedures that do not primarily rely on a refund given by the State for overpayment by an enrollee: (Section 2103(e)(3)(B)) (42CFR 457.560(b) and 457.505(e))
- 8.6. Describe the procedures the State will use to ensure American Indian (as defined by the Indian Health Care Improvement Act of 1976) and Alaska Native children will be excluded from cost-sharing. (Section 2103(b)(3)(D)) (42CFR 457.535)
- 8.7. Provide a description of the consequences for an enrollee or applicant who does not pay a charge. (42CFR 457.570 and 457.505(c))

Guidance: Section 8.7.1 is based on Section 2101(a) of the Act provides that the purpose of title XXI is to provide funds to States to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children in an effective and efficient manner that is coordinated with other sources of health benefits coverage for children.

- 8.7.1. Provide an assurance that the following disenrollment protections are being applied:

Guidance: Provide a description below of the State's premium grace period process and how the State notifies families of their rights and responsibilities with respect to payment of premiums. (Section 2103(e)(3)(C))

- 8.7.1.1.  State has established a process that gives enrollees reasonable notice of and an opportunity to pay past due premiums, copayments, coinsurance, deductibles or similar fees prior to disenrollment. (42CFR 457.570(a))
- 8.7.1.2.  The disenrollment process affords the enrollee an opportunity to show that the enrollee's family income has declined prior to disenrollment for non-payment of cost-sharing charges. (42CFR 457.570(b))
- 8.7.1.3.  In the instance mentioned above, that the State will facilitate enrolling the child in Medicaid or adjust the child's cost-sharing category as appropriate. (42CFR 457.570(b))
- 8.7.1.4  The State provides the enrollee with an opportunity for an impartial review to address disenrollment from the program. (42CFR 457.570(c))

**8.8.** The State assures that it has made the following findings with respect to the payment aspects of its plan: (Section 2103(e))

- 8.8.1.  No Federal funds will be used toward State matching requirements. (Section 2105(c)(4)) (42CFR 457.220)
- 8.8.2.  No cost-sharing (including premiums, deductibles, copayments, coinsurance and all other types) will be used toward State matching requirements. (Section 2105(c)(5) (42CFR 457.224) (Previously 8.4.5)
- 8.8.3.  No funds under this title will be used for coverage if a private insurer would have been obligated to provide such assistance except for a provision limiting this obligation because the child is eligible under the this title. (Section 2105(c)(6)(A)) (42CFR 457.626(a)(1))
- 8.8.4.  Income and resource standards and methodologies for determining Medicaid eligibility are not more restrictive than those applied as of June 1, 1997. (Section 2105(d)(1)) (42CFR 457.622(b)(5))
- 8.8.5.  No funds provided under this title or coverage funded by this title will include coverage of abortion except if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest. (Section 2105)(c)(7)(B)) (42CFR 457.475)
- 8.8.6.  No funds provided under this title will be used to pay for any abortion or to assist in the purchase, in whole or in part, for coverage that includes abortion (except as described above). (Section 2105)(c)(7)(A)) (42CFR 457.475)

**Section 9. Strategic Objectives and Performance Goals and Plan Administration**

Guidance: States should consider aligning its strategic objectives with those discussed in Section II of the CHIP Annual Report.

- 9.1.** Describe strategic objectives for increasing the extent of creditable health coverage among targeted low-income children and other low-income children: (Section 2107(a)(2)) (42CFR 457.710(b))
- I. Increase the number of children in Arkansas who are enrolled in CHIP.
  - II. Increase access to care for children enrolled in CHIP.
  - III. Improve the healthcare of children enrolled in CHIP through the use of preventative care.

Guidance: Goals should be measurable, quantifiable and convey a target the State is working towards.

- 9.2.** Specify one or more performance goals for each strategic objective identified: (Section 2107(a)(3)) (42CFR 457.710(c))

**Performance Goal for Objective I:**

The total number of children enrolled in CHIP will increase each year by one half percent or be adjusted up or down based on historical data.

**Performance Goal for Objective II:**

The total number of children receiving preventive dental services, including orthodontia, will increase each year by one half percent or be adjusted up or down based on historical data.

**Performance Goal for Objective III:**

The total number of children under 15 months of life; children ages 3 through 6 years; and adolescents ages 12 through 18 years receiving well-child visits will increase each year by one half percent or be adjusted up or down based on historical data.

Guidance: The State should include data sources to be used to assess each performance goal. In addition, check all appropriate measures from 9.3.1 to 9.3.8 that the State will be utilizing to measure performance, even if doing so duplicates what the State has already discussed in Section 9.

It is acceptable for the State to include performance measures for population subgroups chosen by the State for special emphasis, such as racial or ethnic minorities, particular

high-risk or hard to reach populations, children with special needs, etc.

HEDIS (Health Employer Data and Information Set) 2008 contains performance measures relevant to children and adolescents younger than 19. In addition, HEDIS 3.0 contains measures for the general population, for which breakouts by children's age bands (e.g., ages < 1, 1-9, 10-19) are required. Full definitions, explanations of data sources, and other important guidance on the use of HEDIS measures can be found in the HEDIS 2008 manual published by the National Committee on Quality Assurance. So that State HEDIS results are consistent and comparable with national and regional data, states should check the HEDIS 2008 manual for detailed definitions of each measure, including definitions of the numerator and denominator to be used. For states that do not plan to offer managed care plans, HEDIS measures may also be able to be adapted to organizations of care other than managed care.

- 9.3. Describe how performance under the plan will be measured through objective, independently verifiable means and compared against performance goals in order to determine the State's performance, taking into account suggested performance indicators as specified below or other indicators the State develops: (Section 2107(a)(4)(A),(B)) (42CFR 457.710(d))

**Measurement of Performance Goal for Objective I:**

The baseline for measuring this goal will be based on the beneficiary enrollment data for ARKids-B for FFY 2014. Thereafter, beneficiary enrollment data for ARKids-B for the current FFY will be used.

**Measurement of Performance Goal for Objective II:**

The baseline for measuring this goal will be based on preventive dental services claims data for FFY 2014. Thereafter, preventive dental services claims data for the current FFY will be used.

**Measurement of Performance Goal for Objective III:**

The baseline for measuring this goal will be based on well-child visits HEDIS measures claims data for FFY 2014. Thereafter, well-child visits HEDIS measures claims data for the current FFY will be used.

Check the applicable suggested performance measurements listed below that the State plans to use: (Section 2107(a)(4))

- 9.3.1.  The increase in the percentage of Medicaid-eligible children enrolled in Medicaid.  
9.3.2.  The reduction in the percentage of uninsured children.  
9.3.3.  The increase in the percentage of children with a usual source of care.  
9.3.4.  The extent to which outcome measures show progress on one or more of the

health problems identified by the state.

- 9.3.5.  HEDIS Measurement Set relevant to children and adolescents younger than 19.  
9.3.6.  Other child appropriate measurement set. List or describe the set used.

- 9.3.7.  If not utilizing the entire HEDIS Measurement Set, specify which measures will be collected, such as:

- 9.3.7.1.  Immunizations  
9.3.7.2.  Well childcare  
9.3.7.3.  Adolescent well visits  
9.3.7.4.  Satisfaction with care  
9.3.7.5.  Mental health  
9.3.7.6.  Dental care  
9.3.7.7.  Other, list:

- 9.3.8.  Performance measures for special targeted populations.

- 9.4.  The State assures it will collect all data, maintain records and furnish reports to the Secretary at the times and in the standardized format that the Secretary requires. (Section 2107(b)(1)) (42CFR 457.720)

Guidance: The State should include an assurance of compliance with the annual reporting requirements, including an assessment of reducing the number of low-income uninsured children. The State should also discuss any annual activities to be undertaken that relate to assessment and evaluation of the program.

- 9.5.  The State assures it will comply with the annual assessment and evaluation required under Section 10. Briefly describe the State's plan for these annual assessments and reports. (Section 2107(b)(2)) (42CFR 457.750)

The State uses a Primary Care Case Management (PCCM) and Patient Centered Medical Home (PCMH) systems. The State is responsible for assessment and evaluation under the PCCM and PCMH systems and intends to use the same contract for the Title XXI CHIP ARKids-B and Unborn Child separate state child health programs. The contractor evaluates data including number of office visits, continuity of care, and hospitalizations, etc.

- 9.6.  The State assures it will provide the Secretary with access to any records or information relating to the plan for purposes of review or audit. (Section 2107(b)(3)) (42CFR 457.720)

Guidance: The State should verify that they will participate in the collection and evaluation of data as new measures are developed or existing measures are revised as deemed necessary by CMS, the states, advocates, and other interested parties.

- 9.7.  The State assures that, in developing performance measures, it will modify those measures to meet national requirements when such requirements are developed. (42CFR 457.710(e))
- 9.8. The State assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a State under Title XIX: (Section 2107(e)) (42CFR 457.135)
- 9.8.1.  Section 1902(a)(4)(C) (relating to conflict of interest standards)
  - 9.8.2.  Paragraphs (2), (16) and (17) of Section 1903(i) (relating to limitations on payment)
  - 9.8.3.  Section 1903(w) (relating to limitations on provider donations and taxes)
  - 9.8.4.  Section 1132 (relating to periods within which claims must be filed)

Guidance: Section 9.9 can include discussion of community-based providers and consumer representatives in the design and implementation of the plan and the method for ensuring ongoing public involvement. Issues to address include a listing of public meetings or announcements made to the public concerning the development of the children's health insurance program or public forums used to discuss changes to the State plan.

- 9.9. Describe the process used by the State to accomplish involvement of the public in the design and implementation of the plan and the method for ensuring ongoing public involvement. (Section 2107(c)) (42CFR 457.120(a) and (b))

The ARKids-B work group and the Arkansas Advocates for Children and Families agency agree that Arkansas should continue funding eligible children through the Title XXI ARKids-B CHIP separate state child health program and to cover unborn children in the Unborn Child CHIP separate child health program. This is supported by the Arkansas Advocates for Children and Families, the Arkansas Department of Health, and the Arkansas Center for Health Improvement.

Changes in the Title XXI CHIP ARKids-B and Unborn Child CHIP separate child health programs will be promulgated as required by the State's Administrative Procedures Act (APA). The APA also requires that the agency publish a notice, regarding proposed rules, in a newspaper with statewide circulation. As a part of the APA process, DMS also notifies "interested persons" and appropriate Medicaid/CHIP providers of proposed rules to solicit comments and input. A public hearing will be conducted during the required APA 30-day comment period to obtain public comment. The APA process requires the review of new and revised rules by the Administrative Public Health and Rules and Regulations Subcommittees of the Arkansas Legislative Council.

- 9.9.1. Describe the process used by the State to ensure interaction with Indian Tribes and organizations in the State on the development and implementation of the procedures required in 42 CFR 457.125. States should provide notice and consultation with Tribes on proposed pregnant women expansions. (Section 2107(c)) (42CFR 457.120(c))

Not applicable, as there are no American Indian Nations, Tribes, reservations or organizations in the State of Arkansas.

- 9.9.2. For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), describe how and when prior public notice was provided as required in 42 CFR 457.65(b) through (d).

Amendments relating to eligibility or benefits, including cost sharing and enrollment procedures will be promulgated according to the State's Administrative Procedures Act. The Act requires a public notice in a statewide newspaper with a 30-day comment period.

A public hearing will be conducted during the required APA 30-day comment period to obtain public comment/input.

- 9.9.3. Describe the State's interaction, consultation, and coordination with any Indian tribes and organizations in the State regarding implementation of the Express Lane eligibility option.

Not applicable, as there are no American Indian Nations, Tribes, reservations or organizations in the State of in the State of Arkansas.

- 9.10. Provide a 1-year projected budget. A suggested financial form for the budget is below. The budget must describe: (Section 2107(d)) (42CFR 457.140)

**Poison Control & Drug Information Center Health Services Initiative**

Please See ATTACHMENT B for State's projected one-year CHIP budget for poison control and drug information center health services initiative.

- Planned use of funds, including:
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
  - Assumptions on which the budget is based, including cost per child and expected enrollment.
  - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.
  - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.

- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.
- Include a separate budget line to indicate the cost of providing coverage to pregnant women.
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children.
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage.
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility.
- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
  - Total 1-year cost of adding prenatal coverage
  - Estimate of unborn children covered in year 1

**CHIP Budget**

<b>STATE:</b>	<b>FFY Budget</b>
<b>Federal Fiscal Year</b>	
State's enhanced FMAP rate	
<b>Benefit Costs</b>	
Insurance payments	
Managed care	
<u>per member/per month rate</u>	
Fee for Service	
<b>Total Benefit Costs</b>	
(Offsetting beneficiary cost sharing payments)	
<b>Net Benefit Costs</b>	
<b>Cost of Proposed SPA Changes – Benefit</b>	
<b>Administration Costs</b>	
Personnel	
General administration	
Contractors/Brokers	
Claims Processing	
Outreach/marketing costs	
Health Services Initiatives	
Other	
<b>Total Administration Costs</b>	
10% Administrative Cap	



<b>Cost of Proposed SPA Changes</b>	
Federal Share	
State Share	
<b>Total Costs of Approved CHIP Plan</b>	

**NOTE: Include the costs associated with the current SPA.**

**The Source of State Share Funds:**

Provide a 1-year projected budget. A suggested financial form for the budget is below. The budget must describe: (Section 2107(d)) (42CFR 457.140)

**Intensive Home & Community-Based Family & Child/Youth Support Health Services Initiative**

Please See ATTACHMENT C for State’s projected one-year CHIP budget for intensive home and community-based family and child/youth support health services initiative.

- Planned use of funds, including:
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
  - Assumptions on which the budget is based, including cost per child and expected enrollment.
  - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.
  - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.
- Include a separate budget line to indicate the cost of providing coverage to pregnant women.
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children.
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage.
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility.

- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
  - Total 1-year cost of adding prenatal coverage
  - Estimate of unborn children covered in year 1

Please See ATTACHMENT C for State’s projected one-year CHIP budget for intensive home and community-based family and child/youth support health services initiative.

**CHIP Budget**

<b>STATE:</b>	<b>FFY Budget</b>
<b>Federal Fiscal Year</b>	
State’s enhanced FMAP rate	
<b>Benefit Costs</b>	
Insurance payments	
Managed care	
<u>per member/per month rate</u>	
Fee for Service	
<b>Total Benefit Costs</b>	
(Offsetting beneficiary cost sharing payments)	
<b>Net Benefit Costs</b>	
<b>Cost of Proposed SPA Changes – Benefit</b>	
<b>Administration Costs</b>	
Personnel	
General administration	
Contractors/Brokers	
Claims Processing	
Outreach/marketing costs	
Health Services Initiatives	
Other	
<b>Total Administration Costs</b>	
10% Administrative Cap	
<b>Cost of Proposed SPA Changes</b>	
Federal Share	
State Share	
<b>Total Costs of Approved CHIP Plan</b>	

**NOTE: Include the costs associated with the current SPA.**

**The Source of State Share Funds:**

Provide a 1-year projected budget. A suggested financial form for the budget is below.  
The budget must describe: (Section 2107(d)) (42CFR 457.140)

**Health & Well-Being Program for Maltreated Children Health Services Initiative**

Please See ATTACHMENT D for State's projected one-year budget for health & well-being program for maltreated children health services initiative.

- Planned use of funds, including:
  - Projected amount to be spent on health services;
  - Projected amount to be spent on administrative costs, such as outreach, child health initiatives, and evaluation; and
  - Assumptions on which the budget is based, including cost per child and expected enrollment.
  - Projected expenditures for the separate child health plan, including but not limited to expenditures for targeted low income children, the optional coverage of the unborn, lawfully residing eligibles, dental services, etc.
  - All cost sharing, benefit, payment, eligibility need to be reflected in the budget.
- Projected sources of non-Federal plan expenditures, including any requirements for cost-sharing by enrollees.
- Include a separate budget line to indicate the cost of providing coverage to pregnant women.
- States must include a separate budget line item to indicate the cost of providing coverage to premium assistance children.
- Include a separate budget line to indicate the cost of providing dental-only supplemental coverage.
- Include a separate budget line to indicate the cost of implementing Express Lane Eligibility.
- Provide a 1-year projected budget for all targeted low-income children covered under the state plan using the attached form. Additionally, provide the following:
  - Total 1-year cost of adding prenatal coverage
  - Estimate of unborn children covered in year 1

Please See ATTACHMENT D for State’s projected one-year budget for health & well-being program for maltreated children health services initiative.

**CHIP Budget**

<b>STATE:</b>	<b>FFY Budget</b>
<b>Federal Fiscal Year</b>	
State’s enhanced FMAP rate	
<b>Benefit Costs</b>	
Insurance payments	
Managed care	
per member/per month rate	
Fee for Service	
<b>Total Benefit Costs</b>	
(Offsetting beneficiary cost sharing payments)	
<b>Net Benefit Costs</b>	
<b>Cost of Proposed SPA Changes – Benefit</b>	
<b>Administration Costs</b>	
Personnel	
General administration	
Contractors/Brokers	
Claims Processing	
Outreach/marketing costs	
Health Services Initiatives	
Other	
<b>Total Administration Costs</b>	
10% Administrative Cap	
<b>Cost of Proposed SPA Changes</b>	
Federal Share	
State Share	
<b>Total Costs of Approved CHIP Plan</b>	

**NOTE: Include the costs associated with the current SPA.**

**The Source of State Share Funds:**

**Section 10. Annual Reports and Evaluations**

Guidance: The National Academy for State Health Policy (NASHP), CMS and the states developed framework for the annual report that states have the option to use to complete the required evaluation report. The framework recognizes the diversity in State approaches to implementing CHIP and provides consistency across states in the structure, content, and format of the evaluation report. Use of the framework and submission of this information will allow comparisons to be made between states and on a nationwide basis. The framework for the annual report can be obtained from NASHP's website at <http://www.nashp.org>. Per the title XXI statute at Section 2108(a), states must submit reports by January 1<sup>st</sup> to be compliant with requirements.

**10.1.** **Annual Reports.** The State assures that it will assess the operation of the State plan under this Title in each fiscal year, including: (Section 2108(a)(1),(2)) (42CFR 457.750)

**10.1.1.**  The progress made in reducing the number of uninsured low-income children and report to the Secretary by January 1 following the end of the fiscal year on the result of the assessment, and

**10.2.**  The State assures it will comply with future reporting requirements as they are developed. (42CFR 457.710(e))

**10.3.**  The State assures that it will comply with all applicable Federal laws and regulations, including but not limited to Federal grant requirements and Federal reporting requirements.

**10.3-DC**  The State agrees to submit yearly the approved dental benefit package and to submit quarterly current and accurate information on enrolled dental providers in the State to the Health Resources and Services Administration for posting on the Insure Kids Now! Website. Please update Sections 6.2-DC and 9.10 when electing this option.

**Section 11. Program Integrity (Section 2101(a))**

Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan, and continue to Section 12.

**11.1.**  The State assures that services are provided in an effective and efficient manner through free and open competition or through basing rates on other public and private rates that are actuarially sound. (Section 2101(a)) (42CFR 457.940(b))

**11.2.** The State assures, to the extent they apply, that the following provisions of the Social Security Act will apply under Title XXI, to the same extent they apply to a State under

Title XIX: (Section 2107(e)) (42CFR 457.935(b)) (The items below were moved from section 9.8. Previously 9.8.6. - 9.8.9.)

- 11.2.1.  42 CFR Part 455 Subpart B (relating to disclosure of information by providers and fiscal agents)
- 11.2.2.  Section 1124 (relating to disclosure of ownership and related information)
- 11.2.3.  Section 1126 (relating to disclosure of information about certain convicted individuals)
- 11.2.4.  Section 1128A (relating to civil monetary penalties)
- 11.2.5.  Section 1128B (relating to criminal penalties for certain additional charges)
- 11.2.6.  Section 1128E (relating to the National health care fraud and abuse data collection program)

**Section 12. Applicant and Enrollee Protections (Sections 2101(a))**

- Check here if the State elects to use funds provided under Title XXI only to provide expanded eligibility under the State's Medicaid plan.

- 12.1. Eligibility and Enrollment Matters-** Describe the review process for eligibility and enrollment matters that complies with 42 CFR 457.1120. Describe any special processes and procedures that are unique to the applicant's rights when the State is using the Express Lane option when determining eligibility.

The review process for CHIP eligibility and enrollment matters is the same as the Medicaid Fair Hearing process.

Guidance: "Health services matters" refers to grievances relating to the provision of health care.

- 12.2. Health Services Matters-** Describe the review process for health services matters that complies with 42 CFR 457.1120.

The review process for CHIP health service matters is the same as the Medicaid Fair Hearing process.

- 12.3. Premium Assistance Programs-** If providing coverage through a group health plan that does not meet the requirements of 42 CFR 457.1120, describe how the State will assure that applicants and enrollees have the option to obtain health benefits coverage other than through the group health plan at initial enrollment and at each redetermination of eligibility.

N/A

**Key for Newly Incorporated Templates**

The newly incorporated templates are indicated with the following letters after the numerical section throughout the template.

- PC- Prenatal care and associated health care services (SHO #02-004, issued November 12, 2002)
- PW- Coverage of pregnant women (CHIPRA #2, SHO # 09-006, issued May 11, 2009)
- TC- Tribal consultation requirements (ARRA #2, CHIPRA #3, issued May 28, 2009)
- DC- Dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
- DS- Supplemental dental benefits (CHIPRA # 7, SHO # #09-012, issued October 7, 2009)
- PA- Premium assistance (CHIPRA # 13, SHO # 10-002, issued February 2, 2010)
- EL- Express lane eligibility (CHIPRA # 14, SHO # 10-003, issued February 4, 2010)
- LR- Lawfully Residing requirements (CHIPRA # 17, SHO # 10-006, issued July 1, 2010)

CMS Regional Offices				
CMS Regional Offices	States		Associate Regional Administrator	Regional Office Address
Region 1- Boston	Connecticut Massachusetts Maine	New Hampshire Rhode Island Vermont	Richard R. McGreal <a href="mailto:richard.mcgreal@cms.hhs.gov">richard.mcgreal@cms.hhs.gov</a>	John F. Kennedy Federal Bldg. Room 2275 Boston, MA 02203-0003
Region 2- New York	New York Virgin Islands	New Jersey Puerto Rico	Michael Melendez <a href="mailto:michael.melendez@cms.hhs.gov">michael.melendez@cms.hhs.gov</a>	26 Federal Plaza Room 3811 New York, NY 10278-0063
Region 3- Philadelphia	Delaware District of Columbia Maryland	Pennsylvania Virginia West Virginia	Ted Gallagher <a href="mailto:ted.gallagher@cms.hhs.gov">ted.gallagher@cms.hhs.gov</a>	The Public Ledger Building 150 South Independence Mall West Suite 216 Philadelphia, PA 19106
Region 4- Atlanta	Alabama Florida Georgia Kentucky	Mississippi North Carolina South Carolina Tennessee	Jackie Glaze <a href="mailto:jackie.glaze@cms.hhs.gov">jackie.glaze@cms.hhs.gov</a>	Atlanta Federal Center 4 <sup>th</sup> Floor 61 Forsyth Street, S.W. Suite 4T20 Atlanta, GA 30303-8909
Region 5- Chicago	Illinois Indiana Michigan	Minnesota Ohio Wisconsin	Verlon Johnson <a href="mailto:verlon.johnson@cms.hhs.gov">verlon.johnson@cms.hhs.gov</a>	233 North Michigan Avenue, Suite 600 Chicago, IL 60601
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Region 7- Kansas City	Iowa Kansas	Missouri Nebraska	James G. Scott <a href="mailto:james.scott1@cms.hhs.gov">james.scott1@cms.hhs.gov</a>	Richard Bulling Federal Bldg. 601 East 12 Street, Room 235 Kansas City, MO 64106-2808
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Region 10- Seattle	Idaho Washington	Alaska Oregon	Carol Pevery <a href="mailto:carol.pevery@cms.hhs.gov">carol.pevery@cms.hhs.gov</a>	2001 Sixth Avenue MS RX-43 Seattle, WA 98121
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MARKKUP

## **GLOSSARY**

Adapted directly from Sec. 2110. DEFINITIONS.

**CHILD HEALTH ASSISTANCE-** For purposes of this title, the term ‘child health assistance’ means payment for part or all of the cost of health benefits coverage for targeted low-income children that includes any of the following (and includes, in the case described in Section 2105(a)(2)(A), payment for part or all of the cost of providing any of the following), as specified under the State plan:

1. Inpatient hospital services.
2. Outpatient hospital services.
3. Physician services.
4. Surgical services.
5. Clinic services (including health center services) and other ambulatory health care services.
6. Prescription drugs and biologicals and the administration of such drugs and biologicals, only if such drugs and biologicals are not furnished for the purpose of causing, or assisting in causing, the death, suicide, euthanasia, or mercy killing of a person.
7. Over-the-counter medications.
8. Laboratory and radiological services.
9. Prenatal care and pre-pregnancy family planning services and supplies.
10. Inpatient mental health services, other than services described in paragraph (18) but including services furnished in a State-operated mental hospital and including residential or other 24-hour therapeutically planned structured services.
11. Outpatient mental health services, other than services described in paragraph (19) but including services furnished in a State-operated mental hospital and including community-based services.
12. Durable medical equipment and other medically-related or remedial devices (such as prosthetic devices, implants, eyeglasses, hearing aids, dental devices, and adaptive devices).
13. Disposable medical supplies.
14. Home and community-based health care services and related supportive services (such as home health nursing services, home health aide services, personal care, assistance with activities of daily living, chore services, day care services, respite care services, training for family members, and minor modifications to the home).
15. Nursing care services (such as nurse practitioner services, nurse midwife services, advanced practice nurse services, private duty nursing care, pediatric nurse services, and respiratory care services) in a home, school, or other setting.
16. Abortion only if necessary to save the life of the mother or if the pregnancy is the result of an act of rape or incest.
17. Dental services.
18. Inpatient substance abuse treatment services and residential substance abuse treatment services.
19. Outpatient substance abuse treatment services.
20. Case management services.
21. Care coordination services.
22. Physical therapy, occupational therapy, and services for individuals with speech, hearing, and language disorders.

23. Hospice care.
24. Any other medical, diagnostic, screening, preventive, restorative, remedial, therapeutic, or rehabilitative services (whether in a facility, home, school, or other setting) if recognized by State law and only if the service is--
  - a. prescribed by or furnished by a physician or other licensed or registered practitioner within the scope of practice as defined by State law,
  - b. performed under the general supervision or at the direction of a physician, or
  - c. furnished by a health care facility that is operated by a State or local government or is licensed under State law and operating within the scope of the license.
25. Premiums for private health care insurance coverage.
26. Medical transportation.
27. Enabling services (such as transportation, translation, and outreach services) only if designed to increase the accessibility of primary and preventive health care services for eligible low-income individuals.
28. Any other health care services or items specified by the Secretary and not excluded under this section.

**TARGETED LOW-INCOME CHILD DEFINED-** For purposes of this title--

1. **IN GENERAL-** Subject to paragraph (2), the term 'targeted low-income child' means a child--
  - a. who has been determined eligible by the State for child health assistance under the State plan;
  - b. (i) who is a low-income child, or  
(ii) is a child whose family income (as determined under the State child health plan) exceeds the Medicaid applicable income level (as defined in paragraph (4)), but does not exceed 50 percentage points above the Medicaid applicable income level; and
  - c. who is not found to be eligible for medical assistance under title XIX or covered under a group health plan or under health insurance coverage (as such terms are defined in Section 2791 of the Public Health Service Act).
2. **CHILDREN EXCLUDED-** Such term does not include--
  - a. a child who is a resident of a public institution or a patient in an institution for mental diseases; or
  - b. a child who is a member of a family that is eligible for health benefits coverage under a State health benefits plan on the basis of a family member's employment with a public agency in the State.
3. **SPECIAL RULE-** A child shall not be considered to be described in paragraph (1)(C) notwithstanding that the child is covered under a health insurance coverage program that has been in operation since before July 1, 1997, and that is offered by a State which receives no Federal funds for the program's operation.
4. **MEDICAID APPLICABLE INCOME LEVEL-** The term 'Medicaid applicable income level' means, with respect to a child, the effective income level (expressed as a percent of the poverty line) that has been specified under the State plan under title XIX (including under a waiver authorized by the Secretary or under Section 1902(r)(2)), as of June 1, 1997, for the child to be eligible for medical

assistance under Section 1902(1)(2) for the age of such child.

5. TARGETED LOW-INCOME PREGNANT WOMAN.—The term ‘targeted low-income pregnant woman’ means an individual— (A) during pregnancy and through the end of the month in which the 60-day period (beginning on the last day of her pregnancy) ends; (B) whose family income exceeds 185 percent (or, if higher, the percent applied under subsection (b)(1)(A)) of the poverty line applicable to a family of the size involved, but does not exceed the income eligibility level established under the State child health plan under this title for a targeted low-income child; and (C) who satisfies the requirements of paragraphs (1)(A), (1)(C), (2), and (3) of Section 2110(b) in the same manner as a child applying for child health assistance would have to satisfy such requirements.

ADDITIONAL DEFINITIONS- For purposes of this title:

1. CHILD- The term ‘child’ means an individual under 19 years of age.
2. CREDITABLE HEALTH COVERAGE- The term ‘creditable health coverage’ has the meaning given the term ‘creditable coverage’ under Section 2701(c) of the Public Health Service Act (42 U.S.C. 300gg(c)) and includes coverage that meets the requirements of section 2103 provided to a targeted low-income child under this title or under a waiver approved under section 2105(c)(2)(B) (relating to a direct service waiver).
3. GROUP HEALTH PLAN; HEALTH INSURANCE COVERAGE; ETC- The terms ‘group health plan’, ‘group health insurance coverage’, and ‘health insurance coverage’ have the meanings given such terms in Section 2191 of the Public Health Service Act.
4. LOW-INCOME CHILD - The term ‘low-income child’ means a child whose family income is at or below 200 percent of the poverty line for a family of the size involved.
5. POVERTY LINE DEFINED- The term ‘poverty line’ has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.
6. PREEXISTING CONDITION EXCLUSION- The term ‘preexisting condition exclusion’ has the meaning given such term in section 2701(b)(1)(A) of the Public Health Service Act (42 U.S.C. 300gg(b)(1)(A)).
7. STATE CHILD HEALTH PLAN; PLAN- Unless the context otherwise requires, the terms ‘State child health plan’ and ‘plan’ mean a State child health plan approved under Section 2106.
8. UNINSURED CHILD- The term ‘uninsured child’ means a child that does not have creditable health coverage.



**Division of Medical Services**

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MEMORANDUM

TO: Interested Persons and Providers

FROM: Janet Mann, Director, Division of Medical Services

DATE: October 2, 2020

SUBJ: Children's Health Insurance Program (CHIP) State Plan Amendment for Parity and Therapy Units

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As a part of the Arkansas Administrative Procedure Act process, attached for your review and comment are proposed rule revisions.

Public comments must be submitted in writing at the above address or at the following email address: [ORP@dhs.arkansas.gov](mailto:ORP@dhs.arkansas.gov) Please note that public comments submitted in response to this notice are considered public documents. A public comment, including the commenter's name and any personal information contained within the public comment, will be made publicly available and may be seen by various people.

If you have any comments, please submit those comments in writing, no later than November 3, 2020.