

Components of a State Plan Amendment

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American Council for an Energy-Efficient Economy



The American Council for an Energy-Efficient Economy is a nonprofit 501(c)(3) founded in 1980. We act as a catalyst to advance energy efficiency policies, programs, technologies, investments, & behaviors.

Our research explores economic impacts, financing options, behavior changes, program design, and utility planning, as well as US national, state, & local policy.

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Important Acronyms

- CHIP = Children's Health Insurance Program
- HSI = health services initiative
- SPA = State Plan Amendment
- CMS = Centers for Medicare & Medicaid Services

Agenda

- Guest speaker
 - Liz Osius, Manatt Health
- Q&A
- Checklist progress poll
- Plans for next webinars

Liz Osius Presentation

CHIP Health Services Initiative: Constructing the State Plan Amendment

Presentation to the American Council for an Energy-Efficient Economy
May 4, 2022

Liz Osius
Manatt Health

manatt

Agenda

- **Background**
- **CHIP HSI State Plan Amendment Overview**
- **State Plan Amendment Process**
- **Q&A**

About Manatt

Manatt Health, the consulting subsidiary of Manatt, Phelps & Phillips, LLP combines legal excellence, public policy acumen, sophisticated strategy insight and deep analytic capabilities to provide uniquely valuable professional services to the full range of health industry players. We are passionate professionals inspired to make the world a better place.

At a Glance

450

Attorneys & Professionals Firmwide

160+

Attorneys & Professionals in Health Care

10

Offices Nationwide



Reminder: Overview of CHIP Health Services Initiatives

Under CHIP, state Medicaid/CHIP agencies may implement “health services initiatives (HSIs)” – public health initiatives that seek to improve the health of “targeted low-income children and other low-income children.”



- **Population.** CHIP regulations allow for the provision of HSI services regardless of a child’s insurance or immigration status, as long as the services are targeted towards low-income children.
- **Services.** States have considerable flexibility in tailoring an HSI to meet the needs of their population. HSIs fund a range of services, including school-based services, lead abatement, home-based asthma services, and immunizations, among others.
- **Funding.** HSIs are funded with a combination of state and federal funding. States may use the administrative portion of their CHIP allotments (which may not exceed 10% of the total amount of CHIP expenditures) to fund an HSI.
 - The federal CHIP matching rate applies to HSIs.



Process. The state Medicaid/CHIP agency must submit a CHIP “State Plan Amendment” to the Centers for Medicare & Medicaid Services (CMS) that describes the HSI program and estimates the State’s annual cost. CMS must approve the SPA.

What is a “State Plan Amendment”?

CHIP SPA

- A CHIP State Plan is an **agreement between a state and the Federal government** describing how that state administers its CHIP program.
- The State Plan follows a federally developed template and describes individuals who are covered by CHIP, what services are provided, how providers will be reimbursed, and related administrative activities. It is organized into sections that reflect federal rules.
- **When a State intends to change its program policies or operations, the state Medicaid/CHIP agency submits a state plan amendment (SPA) to CMS.**
- **CMS must review and approve the SPA.**

CHIP HSI SPA Overview

Where is the HSI in the State Plan?

HSI in the SPA

1 In Section 2 of the CHIP State Plan template, states may describe an HSI:

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

2 In Section 9 of the CHIP State Plan template, states must submit a budget, including a line-item for the cost of the HSI

9.10. Provide a 1-year projected budget that satisfies requirements under Section 2107(d) of the Social Security Act and 42 CFR § 457.140.

STATE:	FFY Budget
Federal Fiscal Year	
State's enhanced FMAP rate	
Benefit Costs	
Insurance payments	
Managed care	
per member/per month rate	
Fee for Service	
Total Benefit Costs	
(Offsetting beneficiary cost sharing payments)	
Net Benefit Costs	
Cost of Proposed SPA Changes – Benefit	
Administration Costs	
Personnel	
General administration	
Contractors/Brokers	
Claims Processing	
Outreach/marketing costs	
Health Services Initiatives	XXX
Other	
Total Administration Costs	
10% Administrative Cap	
Cost of Proposed SPA Changes	
Federal Share	
State Share	
Total Costs of Approved CHIP Plan	

NOTE: Include the costs associated with the current SPA.

The Source of State Share Funds:

Only line that you would help the State to populate

Describing the HSI

- **Demonstrate the need for the initiative**
 - Describe any evidence that low-income children need and can benefit from the service
 - Connect the dots between the HSI service/program and children's health outcomes
- **Describe the initiative**
 - Who is eligible? How is the initiative targeted to low-income children? Approximately how many people will be served?
 - Where in the State will the program take place (if not statewide)?
 - What key players are involved? What are they each responsible for?
 - What services are being offered? Who will deliver them? How does it work on-the-ground?
 - What other sources of funding (if applicable) support this initiative?
 - Include metrics that the state Medicaid/CHIP agency can submit to CMS to demonstrate the effectiveness of the program

Developing the HSI Budget

Budget information for the SPA is limited; however, the state Medicaid/CHIP agency will likely want more detail about the program costs than is necessary for the SPA.

Budget Info for the SPA

- **Annual cost**
 - One line-item in a chart representing the overarching CHIP budget
- **Source of state share**
 - Will need to determine this in consultation with the state Medicaid/CHIP agency

Budget Info for the State Medicaid/CHIP Agency

- The State Medicaid/CHIP agency will likely want more detail about the program costs than is necessary to provide in the SPA.
- A budget for the state Medicaid/CHIP agency should include estimates of:
 - **Number of children** served annually through HSI funding
 - **Costs per child** (broken out in detail to the extent possible)
 - **Annual costs**, broken out between federal and state share
 - Any **differences in estimated first-year costs and longer-term costs** (if applicable)

Note: The State is not beholden to the budget included in the State Plan. It is recognized as an estimate.

Timeline Rules

- **Indicate a proposed “effective date” in the SPA**
 - This will go in the footer of the document, along with an “Approval Date” (which CMS will fill in when they approve the program)
 - The “Effective Date” of a CHIP SPA can be retroactive back to the first day of the fiscal year in which the State submitted the SPA
- **The State Plan remains in effect until and unless the State submits an additional SPA.**
 - You do not need to convey and end-date or a specific timeline for the initiative in the SPA

Example Effective Date

- **Hawaii’s HSI:**
 - Submitted to CMS on June 30, 2021 with an effective date of July 1, 2020
 - Approved by CMS on September 16, 2021

More on the approval timeline in upcoming slides

State Plan Amendment Process

Developing the SPA: Example Roles & Responsibilities



Partner Organizations

- Develop relationship with Medicaid/CHIP agency
- Explain/advocate for HSI proposal
- Gain buy-in and commitment to move forward
- Support state Medicaid/CHIP agency's HSI process by:
 - Developing description of HSI for the SPA
 - Developing annual budget
 - Project managing (e.g., develop workplan, facilitate regular meetings to discuss all key issues)

State Medicaid/CHIP Agency

- Works with partner organizations to understand parameters of proposed HSI
- Considers state budget/priorities/timelines in determining whether to move forward
- When ready, submits the SPA to CMS
- Receives and responds to CMS questions about the SPA
- Maintains responsibility for operating the program in accordance with federal and state regulations, including submitting claims for HSI services for federal reimbursement.

CMS

- Reviews the SPA
- Submits questions to state Medicaid/CHIP agency, as needed
- Requests call(s) with state Medicaid/CHIP agency, as needed
- Approves the SPA

90-Day Clock



- Once CMS receives the state Medicaid/CHIP agency's request, it starts a **90-day review period**
 - If CMS does not respond (either disapproving the request or requesting additional information), the SPA is considered approved
- If CMS **requests additional information (RAI), the 90-day review period is paused**
 - The review period resumes once the State responds to CMS' request
 - CMS can ask questions "informally" without stopping the clock
- CMS may request additional information as many time as necessary to review the SPA



Questions?

Thank You!



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Appendix

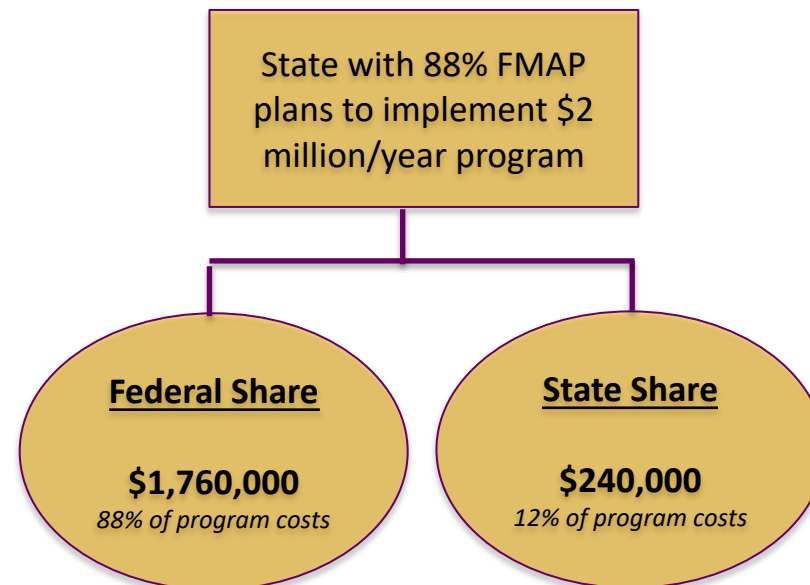
Key Resources

- **Kaiser State Health Facts** for helpful, basic information about states' CHIP programs: <https://www.kff.org/state-category/medicaid-chip/>
 - Program name and program type
 - Enhanced Federal Medical Assistance Percentage (FMAP)
- **CMS for "CHIP State Program Information"**: <https://www.medicare.gov/chip/state-program-information/index.html>
 - In the interface at the bottom of the screen, you can filter states' SPAs by "Health Service Initiative" to see existing, approved HSIs

Reminder: Federal Funding for CHIP Strengthens the Opportunity for States

Modest state investment can unlock federal funding for states.

Example of State and Federal Shared Funding for HSI



Reminder: Identifying Funding Available for an HSI

Under federal law, total non-coverage expenditures (including for an HSI) may not exceed 10% of the total amount that a state spends for CHIP health benefits under its CHIP allotment per quarter.

Annual CHIP Allotment: \$150 million

Total State Expenditures:

Coverage: \$100 million

Non-Coverage: ≤\$10 million →

Non-Coverage Expenditures

***CHIP Administrative Costs:
\$4 million***

***CHIP Allotment for HSI:
≤\$6 million***

CHIP allotment and expenditures may vary year-to-year but as long as non-coverage costs are within the 10% limit, the state will receive the CHIP FMAP for its approved HSI

Additional Resources

- Introduction to unlocking CHIP funds (webinar #1) [recording](#)
- Introduction to unlocking CHIP funds slides – see follow up email
- Mapping Stakeholders (webinar #2) slides – see follow up email
- CHIP State Plan template – see follow up email
- National Academy for State Health Policy (NASHP) [interactive HSI database](#)
- National Center for Healthy Housing [state fact sheets](#)

HSI Checklist Progress

We would like to get an understanding of where participants are in the HSI application process. We would also like to know where we can provide more direct assistance.

Please fill out [this poll](#) to indicate your progress and areas for assistance.

Calendar of Upcoming Webinars

Date	Webinar theme
June 8	Peer Exchange
July 20	Participants' Choice

Requests for Peer Exchange (June 8)

For our next webinar, we want to feature cohort participants who are in the process of accessing HSI funds. We would like these participants to talk about their work so far as well as opportunities and challenges they see.

Topic Suggestions for Final Webinar (July 20)

This initiative is meant to serve you, our program participants. We are planning to host our final webinar with topics suggested by participants.

Q & A



Links to this webinar's resources will be emailed out to you.

Feel free to send questions, comments, or feedback to
Jasmine at jmah@aceee.org.

