



**Center for Medicaid and CHIP Services**

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July 13, 2012

Michael Hales  
Deputy Director  
Division of Medicaid and Health Financing  
Department of Health  
P.O. Box 143101  
Salt Lake City, UT 84114-3101

Dear Mr. Hales:

Your title XXI Children's Health Insurance Program (CHIP) State plan amendment (SPA) number 10, submitted on January 20, 2012, has been approved. This SPA makes the following changes to the CHIP State plan:

- Comes into compliance with Affordable Care Act's requirement that hospice services are available to clients without them forgoing any other service including curative treatment;
- Increases copayments for urgent care visits from \$35 to \$40;
- Increases copayments for specialists from \$35 to \$40;
- Increases copayments for emergency room use from \$200 to \$250;
- Decreases copayments for emergency room use in non-participating hospitals from \$400 to \$250;
- Adjusts the dental benefit package to be consistent with the State's new dental benchmark, Delta Dental, the dental HMO with the largest insured commercial enrollment;
- Eliminates the waiting period for orthodontic care for all CHIP enrollees; and
- Prohibits the dental plan from increasing the total amount owed if an enrollee loses CHIP eligibility before treatment is completed.

The effective date for Utah's CHIP SPA number 10 is July 1, 2011. As you are now aware, Section 2106(b)(3)(B) of the Social Security Act and 42 CFR 457.65(b) and (c), requires any plan amendment that eliminates or restricts eligibility or benefits, which includes increases in copayments, to not be in effect longer than 60 days prior to the submittal date of the amendment. Thank you for submitting a corrective action plan to reimburse families for the difference between the approved copayments and the increased copayments charged from July 1, 2011 through November 19, 2011.

As previously expressed in our May 2, 2011 approval letter for Utah's CHIP SPA numbers 8 and 9, we are concerned that the State's high levels of cost sharing may pose potential barriers on

enrollment and provision of assistance that are not effective and efficient. 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.” We are pleased that the State and CMS have been able to work together in the development of a monitoring design that assesses the effects of this cost sharing. We understand that the survey is currently being fielded, and look forward to an update on the survey’s findings regarding the impact of Utah’s cost sharing provisions on enrollment, retention, and utilizations patterns of CHIP children.

We discussed with your staff the possibility that Utah automate the tracking of families’ out of pocket expenses to more easily determine whether the 5 percent cost-sharing limit has been reached. In light of Utah’s increased copayment amounts, which will likely increase the number of families reaching the 5 percent cost-sharing limit, we are pleased that the State has included this functionality in the planning for a new eligibility and enrollment system.

Your title XXI project officer is Ms. Amy Lutzky. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Lutzky’s contact information is as follows:

Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, MD 21244-1850  
Telephone: (410) 786-0721  
Facsimile: (410) 786-5943  
E-mail: [Amy.lutzky@cms.hhs.gov](mailto:Amy.lutzky@cms.hhs.gov)

Official communications regarding program matters should be sent simultaneously to Ms. Lutzky and to Mr. Richard Allen, Associate Regional Administrator in our Denver Regional Office. Mr. Allen’s address is:

Centers for Medicare & Medicaid Services  
Division of Medicaid and Children’s Health Operations  
Colorado State Bank Building  
1600 Broadway, Suite 700  
Denver, CO 80202-4367

If you have additional questions, please contact Ms. Victoria Wachino, Director, Children and Adults Health Programs Group at (410) 786-5647. We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Cindy Mann

Director

cc: Richard Allen, ARA, CMS Region VIII