

**DEPARTMENT OF HEALTH AND SOCIAL SERVICES**  
**DIVISION OF MEDICAID AND MEDICAL ASSISTANCE**  
Statutory Authority: 31 Delaware Code, Section 512 (31 Del.C. §512)

**FINAL**

**ORDER**

**Delaware Healthy Children Program State Plan – Health Services Initiative: Vision to Learn**

**NATURE OF THE PROCEEDINGS:**

Delaware Health and Social Services ("Department") / Division of Medicaid and Medical Assistance initiated proceedings to amend the Title XXI Delaware Healthy Children Program State Plan regarding health service initiatives, specifically, *to increase access for low-income children to needed vision services and glasses*. The Department's proceedings to amend its regulations were initiated pursuant to 29 Delaware Code Section 10114 and its authority as prescribed by 31 Delaware Code Section 512.

The Department published its notice of proposed regulation changes pursuant to 29 Delaware Code Section 10115 in the February 2017 Delaware *Register of Regulations*, requiring written materials and suggestions from the public concerning the proposed regulations to be produced by March 3, 2017 at which time the Department would receive information, factual evidence and public comment to the said proposed changes to the regulations.

**SUMMARY OF PROPOSAL**

The purpose of this notice is to advise the public that Delaware Health and Social Services (DHSS)/Division of Medicaid and Medical Assistance (DMMA) is proposing to amend the Title XXI Delaware Healthy Children Program State Plan regarding health service initiatives, specifically, *to increase access for low-income children to needed vision services and glasses*.

**Statutory Authority**

- 42 CFR §457.140; *State Plans for Child Health Insurance Programs and Outreach, Budgets*
- 42 CFR §457.618(2); *State Plans for Child Health Insurance Programs and Outreach, Non-primary Expenditures*
- 42 CFR §457.622(2)(i); *State Plans for Child Health Insurance Programs and Outreach, Rate of FFP for State Expenditures*
- Section 2105(a)(1)(D)(ii) of the Social Security Act; *Payments to states for expenditures for health service initiatives*

**Background**

Under Title XXI of the Social Security Act, a State is eligible for Federal matching funds on certain expenditures only to the extent that those expenditures do not exceed 10% of the State's total computable expenditures on health benefits through the state's Child Health Insurance Program (CHIP). As specified in Section 2105(a)(1)(D)(ii), these capped expenditures must be used for child health assistance under the plan and be targeted toward low-income children in the form of providing health benefits coverage that meets the requirements of section 2103 of the Act. These capped expenditures include those related to health services initiatives under the plan for improving the health of children (including targeted low-income children and other low-income children); outreach activities under the plan, as provided in section 2102(c)(1) of the Act; translation or interpretation services in connection with the enrollment of, retention of, and use of services under this Title XXI of the Act by, individuals for whom English is not their primary language (as found necessary by the Secretary for the proper and efficient administration of the State plan); and for other reasonable costs incurred by the State to administer the plan.

For the purposes of Title XXI, health services initiatives (either new or ongoing) include activities designed to: protect the public health, protect the health of individuals, improve or promote a State's capacity to deliver public health services, and/or strengthen the human and material resources necessary to accomplish public health goals. These activities must be for the purposes of improving the health of children (including targeted low income children and other low income children.)

Access to vision exams and glasses is critical for students' educational achievements and health outcomes; 80% of all learning during a child's first 12 years is visual. It comes as no surprise that students with vision problems tend to have lower academic performance, as measured by test scores and grades, and that students' performance in school impacts future employment earnings, health behaviors, and life expectancy. As such, Delaware seeks to use the health services initiative (HIS) option to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative.

## Summary of Proposal

### Purpose

Delaware intends to contract with a non-profit Medicaid participating provider to offer these services on-site at certain Delaware schools. Delaware is currently engaged with Vision to Learn (VTL), which has been serving Delaware children since 2014 and is a certified Medicaid participating provider. VTL is a non-profit, philanthropically-funded entity that provides free eye exams and glasses to students at schools in low-income communities.

### Summary of Proposed Changes

If implemented as proposed, this state plan amendment will accomplish the following, effective January 1, 2017:

Provide a provision in Delaware Healthy Children Program State Plan regarding health service initiatives, specifically, to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative. Delaware intends to contract with a community-based, non-profit, Medicaid participating provider to offer these services on-site at Title I Delaware schools in which at least 51% of the student body receives free or reduced price meals.

### Public Notice

In accordance with the *federal* public notice requirements established at Section 1902(a)(13)(A) of the Social Security Act and 42 CFR 447.205 and the *state* public notice requirements of Title 29, Chapter 101 of the Delaware Code, Delaware Health and Social Services (DHSS)/Division of Medicaid and Medical Assistance (DMMA) gives public notice and provides an open comment period for thirty (30) days to allow all stakeholders an opportunity to provide input regarding this State Plan Amendment. Comments must be received by 4:30 p.m. on March 3, 2017.

### Centers for Medicare and Medicaid Services Review and Approval

The provisions of this state plan amendment (SPA) relating to coverage and payment methodology for services are subject to approval by the Centers for Medicare and Medicaid Services (CMS). The draft SPA page(s) may undergo further revisions before and after submittal to CMS based upon public comment and/or CMS feedback. The final version may be subject to significant change.

### Provider Manuals Update

Also, upon CMS approval, the applicable Delaware Medical Assistance Program (DMAP) Provider Policy Specific Manuals will be updated. Manual updates, revised pages or additions to the provider manual are issued, as required, for new policy, policy clarification, and/or revisions to the DMAP program. Provider billing guidelines or instructions to incorporate any new requirement may also be issued. A newsletter system is utilized to distribute new or revised manual material and to provide any other pertinent information regarding manual updates. DMAP provider manuals and official notices are available on the DMAP website: <http://www.dmap.state.de.us/home/index.html>

## Fiscal Impact

The following fiscal impact for this health service initiative, with effective date of January 1, 2017, was projected using the following assumptions:

- It is estimated that approximately 600 children will receive vision exams and refraction, with 408 children being provided glasses in FY 2017.
- The rate of client growth will increase an average of 6.4% each fiscal year, resulting in an estimated 851 children receiving vision exams and refraction, with 579 children being provided glasses in FY 2018.
- The current enhanced Federal Matching Assistance Percentage (FMAP) for CHIP is 90.94%.

The following fiscal impact is projected:

	Federal Fiscal Year 2017 (1)	Federal Fiscal Year 2018
General (State) funds	\$ 6,719	\$ 9,530
Federal funds	\$ 67,441	\$ 95,660

(1) Federal FY 2017 represents 9 months; January 2017 through September 2017

## Summary of Comments Received with Agency Response and Explanation of Changes

The State Council for Persons with Disabilities (SCPD) and the Governor's Advisory Council for Exceptional Citizens (GACEC) offered the following summarized observations:

Delaware implements the federal Child Health Insurance Program (CHIP) through the State Delaware Healthy Children Program (DHCP). The DHCP provides health care services to children under age 19 whose families have countable

income below 200% of the Federal Poverty Level (FPL). DMMA plans to contract with a non-profit Medicaid provider and use Health Service Initiative Funds to offer free eye exams and glasses on site at Title I Delaware schools in which at least 51% of the student body receives free or reduced price meals.

Councils endorse the proposed regulation since vision services would benefit low-income children, and the proposal leverages significant federal funds.

**Agency Response:** DMMA appreciates the Councils' endorsement.

No changes were made as a result of these comments.

DMMA is appreciative of these comments from the Councils. DMMA is pleased to provide the opportunity to receive public comments and greatly appreciates the thoughtful input given.

#### **FINDINGS OF FACT:**

The Department finds that the proposed changes as set forth in the February 2017 *Register of Regulations* should be adopted.

THEREFORE, IT IS ORDERED, that the proposed regulation to amend the Title XXI Delaware Healthy Children Program State Plan regarding health service initiatives, specifically, *to increase access for low-income children to needed vision services and glasses*, is adopted and shall be final effective April 11, 2017.

Kara Odom Walker, MD, MPH, MSHS,  
Secretary, DHSS  
3/17/17

#### **DMMA FINAL ORDER 17-014a AMENDMENT**

#### **DELAWARE'S HEALTHY CHILDREN'S PLAN**

#### ***Section 1. General Description and Purpose of the State Child Health Plans and State Child Health Plan Requirements (Section 2101)***

**1.1 The State will use funds provided under Title XXI primarily for (Check appropriate box) (42 CFR 457.70):**

- 1.1.1  Obtaining coverage that meets the requirements for a separate child health program (Section 2103); or
- 1.1.2.  Providing expanded benefits under the State's Medicaid plan (Title XIX); or
- 1.1.3.  A Combination of both of the above.
- 1.2  Please 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  Please 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)
- 1.4 Please provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this plan or plan amendment (42 CFR 457.65):  
Effective date (date State incurs costs):

Initial Plan Submission effective October 1, 1998

SPA #1 effective July 1, 1999

SPA #2, as amended, effective October 1, 2001 (to convert infants with incomes between 185% - 200% FPL to a Medicaid expansion)

SPA #3 withdrawn June 12, 2003

SPA #4 effective January 1, 2007

SPA #5 effective April 1, 2009

SPA #6 effective July 1, 2010 (CHIPRA Section 214)

SPA #7 effective July 1, 2014

SPA #8 effective January 1, 2017

Page 3

Implementation date (date services begin):

SPA #2 – August 1, 2001

SPA #3 – Withdrawn – June 12, 2003

SPA #4 – October 1, 2006

SPA #5 – April 1, 2009

SPA #6 – July 1, 2010 (CHIPRA Section 214)

SPA #7 effective – July 1, 2014

SPA #8 – January 1, 2017

**Summary of Approved CHIP MAGI SPAs:**

Transmittal Number	SPA Group	PDF Number	Description	Superseded Plan Section(s)
DE-13-0012 Effective/Implementation Date: January 1, 2014	MAGI Eligibility & Methods	CS7	Eligibility – Targeted Low Income Children	Supersedes the current sections Geographic Area 4.1.1; Age 4.1.2; and Income 4.1.3
		CS15	MAGI-Based Income Methodologies	Incorporate within a separate subsection under section 4.3
DE-13-0013 Effective/Implementation Date: January 1, 2014	XXI Medicaid Expansion	CS3	Eligibility for Medicaid Expansion Program	Supersedes the current Medicaid expansion section 4.0
DE-13-0016 Effective/Implementation Date: January 1, 2014	Establish 2101(f) Group	CS14	Children Ineligible for Medicaid as a Result of the Elimination of Income Disregards	Incorporate within a separate subsection under section 4.1

**DMMA FINAL ORDER 17-014b  
AMENDMENT**

**DELAWARE'S HEALTHY CHILDREN'S PLAN**

**Section 3. Methods of Delivery and Utilization Controls (Section 2102)(a)(4))**

- 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.

- 3.1.** Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and 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) (42CFR 457.490(a))

The Delaware Healthy Children Program (DHCP) is targeted to children under age 19 with income at or below 200% of the Federal Poverty Level (FPL). The service package will include all of those basic benefit services provided under the State's Medicaid Managed Care program as it was structured during 1998. Services will be provided by the same fully capitated managed care organizations (MCOs) participating with Medicaid. In addition, participants in the DHCP will receive pharmacy services comparable to the Medicaid population. They will also receive all medically necessary mental health and substance abuse treatment services (any treatment modality) which exceed the basic MCO benefit of 30 outpatient visits for mental health. The mental health/substance abuse services will be provided through the State's Department of Services for Children, Youth, and Families. For children actively case managed by the Department's Division of Child Mental Health Services (a JCAHO-certified public mental health managed care provider), a monthly encounter rate will be billed to the DHCP. Children receiving mental health or substance abuse services by the Department's Division of Family Services or the Division of Youth Rehabilitation Services will have their care paid on a fee-for-service basis. Beyond the 31 days of additional coverage of inpatient care, children will become eligible for Medicaid long-term care services. Thus the DHCP will provide very high quality mental health and substance abuse coverage - coverage which is better by far than most private sector coverage. Services will be provided statewide with no variations based on geography.

Children are eligible under Title XXI (DHCP) only after enrollment with a MCO. Delaware assures that it will spend no more than 10% of actual or estimated Federal expenditures for outreach, health service initiatives, and administrative costs in accordance with Section 2105(a)(2)) Section 2105(a)(1)(D)(ii) and 42 CFR 457.10. ~~[The plan does not currently include any initiative to provide]~~ services through any options other than through [In addition to the MCO capitated arrangements with the two "wrap-around" services listed above, the plan will use the a health services

initiative option to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative. Delaware intends to contract with a community-based, non-profit, Medicaid participating provider to offer these services on-site at Title I Delaware schools in which at least 51% of the student body receives free or reduced price meals.]

Dental Benefits will be provided on a fee-for-service basis.

Page 10

[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)

Pursuant to Section 2105(a)(1)(D)(ii) of the Social Security Act, Delaware will use administrative funds to offer health services initiatives under this plan with the goal of improving the health of children, defined as "individual(s) under the age of 19 including the period from conception to birth," per 42 CFR 457.10. Delaware assures that it will use no more than 10% of the total expenditures under this Plan, as specified in 42 CFR 457.618, to fund the State's health service initiatives.

#### Vision to Learn

Access to vision exams and glasses is critical for students' educational achievements and health outcomes, as 80% of all learning during a child's first 12 years is visual. It comes as no surprise that students with vision problems tend to have lower academic performance, as measured by test scores and grades, and that students' performance in school impacts future employment earnings, health behaviors, and life expectancy. As such, Delaware seeks to use the health services initiative option to improve the health of low-income children by increasing their access to needed vision services and glasses through a targeted, school-based initiative. Delaware intends to contract with a non-profit Medicaid participating provider to offer these services on-site at certain Delaware schools. (Delaware is currently engaged with Vision to Learn (VTL), which has been serving Delaware children since 2014 and is a certified Medicaid participating provider. VTL is a non-profit, philanthropically-funded entity that provides free eye exams and glasses to students at schools in low-income communities.)

The following describes how the CHIP HSI will be operationalized:

- The qualified provider will target Delaware's low-income children by identifying Title I schools in which at least 51% of the student body receives free or reduced price meals.
- These schools will provide the qualified provider with a list of children who have failed the school-supplied vision screening. The qualified provider will give these children parental consent forms to take home.
- For children who return with parental consent, the qualified provider will give one vision exam and, if needed, corrective lenses and frames (including replacements, as needed) on-site in a mobile eye clinic.
- The qualified provider will collect identifying information from all children it serves (for example, name and date of birth) and submit this information to the Delaware Division of Medicaid and Medical Assistance (DMMA). Based on this data, DMMA will identify children who are enrolled in Medicaid or CHIP and their managed care organization (MCO) and return this information to the qualified provider, who will then submit bills for Medicaid and CHIP enrollees directly to the MCOs. The MCOs will pay based on negotiated, standard fees.
- The qualified provider will submit information about services provided to DMMA for the children ages 18 or younger who DMMA has not identified as enrolled in Medicaid or CHIP. DMMA will remit payment for these services through CHIP HSI funding.
- DMMA will perform outreach by supplying the provider with brochures and information about the CHIP and Medicaid Programs to provide to children that are not currently enrolled in Medicaid or CHIP.]