



*for return to GP*

6325 Security Boulevard  
Baltimore, MD 21207

*cc: [unclear]*  
**REC'D MAY 06 1991**

Sara Rosenbaum  
Director, Health Division  
Children's Defense Fund  
122 C Street, N.W.  
Washington, D.C., 20001

Dear Ms. Rosenbaum:

This is in response to your memorandum indicating your concerns about implementing the EPSDT services mandated under OBRA '89.

In response to the comment regarding the guidance we have given States and the actions we have taken to resolve issues and develop policy, our activities in these areas include:

In April, 1990 we published implementing instructions in the State Medicaid Manual, Part 5. The Manual contains the changes made by the new legislation and provides guidance for implementing these changes.

Our regional offices have received written policy instructions to assist them in clarifying policy for the States. These instructions include policy clarifications regarding pre-existing conditions and EPSDT claims reimbursement issues.

The Medicaid Bureau has met with medical and dental organizations involved in child care to obtain their input for the development of regulations.

The Public Health Service has provided guidance in several areas related to the screening process. We also have ongoing dialogue with PHS on most MCH issues.

The Bureau sponsored an MCH technical advisory group meeting earlier this month and discussed several of the issues mentioned in your memorandum, including how the EPSDT reforms will affect States that are currently contracting with **capitated** providers. Although we have not established final policy, a State would be required to insure that all individuals in a managed care setting receive all benefits available under the program. This would include all appropriate EPSDT services.

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In response to your comment about inconsistent responses to state inquiries, we have provided the regions with clarifying policy in many areas. This includes issuing policy clarification that requires a State to provide any medically necessary services to an individual who is eligible for EPSDT services and whose **need** for such services is identified during an EPSDT screen whether or not the condition existed prior to the screen.

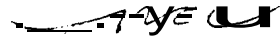
Another issue raised is whether providers who do not furnish all EPSDT screening services can be excluded as screening providers. [ Our proposed policy, based on the statute, is that the State cannot limit providers to those who perform all EPSDT services. However, States have the flexibility to determine who is a qualified provider under the State Plan and cannot prohibit a qualified provider from providing one or more EPSDT services.

In addition, we will be focusing Regional Office review, *on* the EPSDT program. And we are working with the Region to emphasize technical assistance in this area.

We are in the process of developing a proposed regulation and all interested parties will have the opportunity to comment on the proposed regulation.

We appreciate your comments and will consider your comments during the regulation development process.

Sincerely,



Christine Nye  
Director  
Medicaid Bureau