the other public and private health insurance programs. Coordination activities must be distinguished from other administrative activities common among different programs.

§ 457.626 Prevention of duplicate payments.

(a) General rule. No payment shall be made to a State for expenditures for child health assistance under its State child health plan to the extent that:

(1) A non-governmental health insurer would have been obligated to pay for those services but for a provision of its insurance contract that has the effect of limiting or excluding those obligations based on the actual or potential eligibility of the individual for child health assistance under the State child health insurance plan.

(2) Payment has been made or can reasonably be expected to be made promptly under any other Federally operated or financed health insurance or benefits program, other than a program operated or financed by the Indian Health Service.

(3) Services are for an unborn child and are payable under Medicaid as a service to an eligible pregnant woman under that program.

(b) Definitions. As used in paragraph (a) of this section—

Non-governmental health insurer includes any health insurance issuer, group health plan, or health maintenance organization, as those terms are defined in 45 CFR 144.103, which is not part of, or wholly owned by, a governmental entity.

Prompt payment can reasonably be expected when payment is required by applicable statute, or under an approved State plan.

Programs operated or financed by the Indian Health Service means health programs operated by the Indian Health Service or Indian tribe or tribal organization pursuant to a contract, grant, cooperative agreement or compact with the Indian Health Service under the authority of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450, et seq.), or by an urban Indian organization in accordance with a grant or contract with the Indian Health Service under the authority of title V of the Indian Health Care Improvement Act (25 U.S.C. 1601, et seq.).

§ 457.628 Other applicable Federal regulations.

Other regulations applicable to CHIP programs include the following:

(a) HHS regulations in §433.50 through §433.74 of this chapter (sources of non-Federal share and Health Care-Related Taxes and Provider-Related Donations) and §447.207 of this chapter (Retention of payments) apply to States' CHIP programs in the same manner as they apply to States' Medicaid programs.

(b) HHS Regulations in 45 CFR subtitle A:

Part 16—Procedures of the Departmental Appeals Board.

Part 74—Administration of Grants (except as specifically excepted).


Part 84—Nondiscrimination on the Basis of Handicap in Programs and activities Receiving Federal Financial Assistance.

Part 95—General Administration—grant programs (public assistance and medical assistance).

§ 457.630 Grants procedures.

(a) General provisions. Once CMS has approved a State child health plan, CMS makes quarterly grant awards to the State to cover the Federal share of expenditures for child health assistance, other child health assistance, special health initiatives, outreach and administration.

(1) For fiscal year 1998, a State must submit a budget request in an appropriate format for the 4 quarters of the fiscal year. CMS bases the grant awards for the 4 quarters of fiscal year 1998 based on the State's budget requests for those quarters.
(2) For fiscal years after 1998, a State must submit a budget request in an appropriate format for the first 3 quarters of the fiscal year. CMS bases the grant awards for the first 3 quarters of the fiscal year on the State's budget requests for those quarters.

(3) For fiscal years after 1998, a State must also submit a budget request for the fourth quarter of the fiscal year. The amount of this quarter's grant award is based on the difference between a State's final allotment for the fiscal year, and the total of the grants for the first 3 quarters that were already issued in order to ensure that the total of all grant awards for the fiscal year are equal to the State's final allotment for that fiscal year.

(4) The amount of the quarterly grant is determined on the basis of information submitted by the State (in quarterly estimate and quarterly expenditure reports) and other pertinent information. This information must be submitted by the State through the Medicaid Budget and Expenditure System (MBES) for the Medicaid program, and through the Child Health Budget and Expenditure System (CBES) for the title XXI program.

(b) Quarterly estimates. The Children's Health Insurance Program agency must submit Form CMS-21B (State Children's Health Insurance Program Budget Report for State Children's Health Insurance Program State expenditures) to the CMS central office (with a copy to the CMS regional office) 45 days before the beginning of each quarter.

(c) Expenditure reports. (1) The State must submit Form CMS-64 (Quarterly Medicaid Statement of Expenditures for the Medical Assistance Program) and Form CMS-21 (Quarterly Children's Health Insurance Program Statement of Expenditures for title XXI), to central office (with a copy to the regional office) not later than 30 days after the end of the quarter.

(2) This report is the State's accounting of actual recorded expenditures. This disposition of Federal funds may not be reported on the basis of estimates.

(d) Additional required information. A State must provide CMS with the following information regarding the administration of the title XXI program:

1. Name and address of the State Agency/organization administering the program;
2. The employer identification number (EIN); and
3. A State official contact name and telephone number.

(e) Grant award—(1) Computation by CMS. Regional office staff analyzes the State's estimates and sends a recommendation to the central office. Central office staff considers the State's estimates, the regional office recommendations and any other relevant information, including any adjustments to be made under paragraph (e)(2) of this section, and computes the grant.

(2) Content of award. The grant award computation form shows the estimate of expenditures for the ensuing quarter, and the amounts by which that estimate is increased or decreased because of an increase or overestimate for prior quarters, or for any of the following reasons:

(i) Penalty reductions imposed by law.
(ii) Deferrals or disallowances.
(iii) Interest assessments.
(iv) Mandated adjustments such as those required by Section 1914 of the Act.

(3) Effect of award. The grant award authorizes the State to draw Federal funds as needed to pay the Federal share of disbursements.

(4) Draw procedure. The draw is through a commercial bank and the Federal Reserve system against a continuing letter of credit certified to the Secretary of the Treasury in favor of the State payee. (The letter of credit payment system was established in accordance with Treasury Department regulations—Circular No.1075.)

(f) General administrative requirements. With the following exceptions, the provisions of 45 CFR part 74, that establish uniform administrative requirements and cost principles, apply to all grants made to States under this subpart:

1. Subpart G—Matching and Cost Sharing; and

Subpart G—Strategic Planning, Reporting, and Evaluation

SOURCE: 66 FR 2683, Jan. 11, 2001, unless otherwise noted.

§ 457.700 Basis, scope, and applicability.

(a) Statutory basis. This subpart implements—
(1) Sections 2107(a), (b) and (d) of the Act, which set forth requirements for strategic planning, reports, and program budgets; and
(2) Section 2108 of the Act, which sets forth provisions regarding annual reports and evaluation.

(b) Scope. This subpart sets forth requirements for strategic planning, monitoring, reporting and evaluation under title XXI.

(c) Applicability. The requirements of this subpart apply to separate child health programs and Medicaid expansion programs.

§ 457.710 State plan requirements: Strategic objectives and performance goals.

(a) Plan description. A State plan must include a description of—
(1) The strategic objectives as described in paragraph (b) of this section;
(2) The performance goals as described in paragraph (c) of this section; and
(3) The performance measurements, as described in paragraph (d) of this section, that the State has established for providing child health assistance to targeted low-income children under the plan and otherwise for maximizing health benefits coverage for other low-income children and children generally in the State.

(b) Strategic objectives. The State plan must identify specific strategic objectives relating to increasing the extent of creditable health coverage among targeted low-income children and other low-income children.

(c) Performance goals. The State plan must specify one or more performance goals for each strategic objective identified.

(d) Performance measurements. The State plan must describe how performance under the plan is—
(1) Measured through objective, independently verifiable means; and
(2) Compared against performance goals.

(e) Core elements. The State's strategic objectives, performance goals and performance measures must include a common core of national performance goals and measures consistent with the data collection, standard methodology, and verification requirements, as developed by the Secretary.

§ 457.720 State plan requirement: State assurance regarding data collection, records, and reports.

A State plan must include an assurance that the State collects data, maintains records, and furnishes reports to the Secretary, at the times and in the standardized format the Secretary may require to enable the Secretary to monitor State program administration and compliance and to evaluate and compare the effectiveness of State plans under Title XXI of the Act. This includes collection of data and reporting as required under § 431.970 of this chapter.

[71 FR 51084, Aug. 28, 2006]

§ 457.740 State expenditures and statistical reports.

(a) Required quarterly reports. A State must submit reports to CMS that contain quarterly program expenditures and statistical data no later than 30 days after the end of each quarter of the Federal fiscal year. A State must collect required data beginning on the date of implementation of the approved State plan. Territories are exempt from the definition of “State’ for purposes of the required quarterly reporting under this section. The quarterly reports must include data on—
(1) Program expenditures;
(2) The number of children enrolled in the title XIX Medicaid program, the separate child health program, and the Medicaid expansion program, as applicable, as of the last day of each quarter of the Federal fiscal year; and