

Talking Points  
Delaware Waiver - A Better Chance

WP-Delaware

"Today, Delaware once again steps onto the national stage with a bold new plan that will give true meaning to the phrase: ending welfare as we know it"

Governor Carper

**On May 8, 1995, Delaware becomes the 28th state to receive a welfare reform waiver from the Clinton Administration, allowing the state to test innovative welfare reform strategies.** Continuing our commitment to state flexibility and real welfare reform, the Clinton Administration supports Delaware's efforts to offer "a better chance" for welfare recipients to move from dependence to independence.

**Delaware's welfare reform demonstration project builds on President Clinton's vision for welfare reform: promoting work and responsibility, without punishing children.** Like President Clinton's Work and Responsibility Act of 1994, Delaware's "A Better Chance" program is focused on work with both incentives and requirements for recipients to transition from welfare to economic self-sufficiency.

**The "A Better Chance" project focuses on moving people from dependence to independence from the very first day an individual enters the welfare office.** Similar to the personal employability plan provision in the Work and Responsibility Act of 1994, welfare recipients in the "A Better Chance" demonstration will enter into a self-sufficiency contract requiring parents to take action to establish paternity, take advantage of the educational and job training opportunities provided, take a job when one is offered, and be responsible for children staying in school and getting immunized. Sanctions will be imposed against those who do not make a good faith effort to comply with their contract of mutual responsibility.

**Delaware's waiver demonstration embodies President Clinton's ideal that welfare should be a transitional support system, rather than a way of life, by providing opportunity, but demanding responsibility in return.** With the approval of this waiver, Delaware becomes the 15th state to test time limited benefits. Delaware is placing a two-year time limit on cash benefits for able-bodied adults.

**Delaware is making work pay.** By increasing resource limits and the automobile asset limit, Delaware has created an economic support system that provides incentives to encourage families to work and not stay on welfare. In order to ensure that families can get off and stay off of welfare, Delaware received approval to extend child care and medical benefits to families after they leave the welfare rolls. The state has also eliminated the 100 hour rule for recipients in the AFDC Unemployed Parents (AFDC-UP) program, encouraging two parent families to work and stay together.

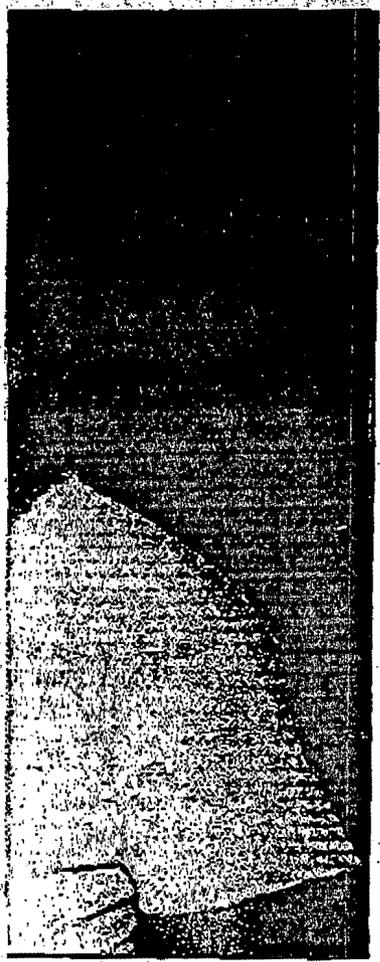
**Like President Clinton, Delaware recognizes that the Earned Income Tax Credit (EITC) helps to reward work over welfare and prevent welfare dependency in the first place.** In order to make sure that Delawareans receive the benefit of the Clinton's Administration's expansion of the EITC, the state will forward funding of the EITC payment for those who cannot obtain it directly from their employer.

**Delaware, adhering to the Clinton Administration's call for stronger child support enforcement in welfare reform, is seeking to ensure that children receive financial and emotional support from both parents.** The Delaware waiver demonstration project provides JOBS services to non-custodial parents, providing the education and training they may need to obtain a job and enable them to meet their child support obligations. In addition, strong sanctions will be imposed for families who do not cooperate with child support enforcement efforts, including paternity establishment.

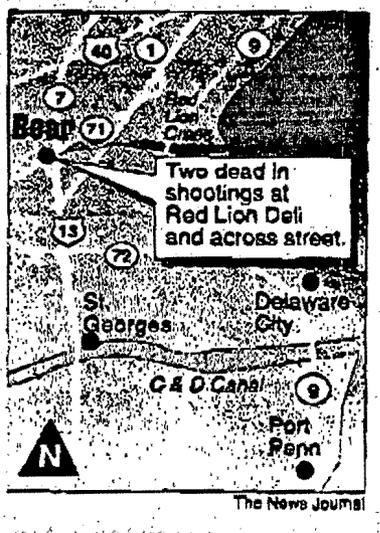
**Delaware's "A Better Chance" program includes important prevention and parental responsibility components.** Similar to provisions of President Clinton's welfare reform plan, Delaware is sending a clear message to teen parents that having children is an immense responsibility rather than an easy route to independence. Missouri is committed to promoting parental responsibility and ending long-term welfare dependency by requiring minor mothers to live at home or with a responsible adult, providing incentives for minor parents to stay in school, and limiting benefits for families who have another child while on AFDC.

News Journal  
Tuesday  
June 20, 1995

# Bear



The News Journal/BOB HENNING  
wmi" Levan said her sister had been



The News Journal

# ide gays

wants to conduct a First Amendment activity ... free from interference by government."  
Gretchen Van Ness, a lawyer

# Delaware reforms welfare

WR-  
Delaware

## New system to phase in over 3 years

By NANCY KESLER  
Dover Bureau chief

DOVER — Gov. Carper, marking a major departure from long-standing public policy, signed legislation Monday aimed at moving some 8,200 welfare recipients into the work force, freeing them from what he called the welfare "trap."  
"It would be hard to improve

■ Child care costs to rise . . . . . AS

upon the welfare system we have developed if we wanted to encourage people to stay on welfare," he told a news conference at Delaware Technical and Community College near Dover.

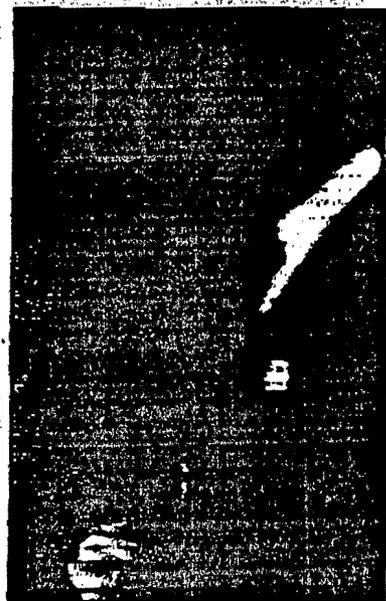
The initiative requires able-bodied recipients to ready themselves for the job market, or risk losing benefits. The reforms are the product of two years of discussion among focus groups and task forces and come as Congress and state governments across the nation are debating or implementing similar reforms.

Dubbed "A Better Chance," the initiative will be phased in over three years. It targets employable adults receiving Aid to Families with Dependent Children.

Beginning Oct. 1, the first 2,000 recipients will sign a contract with the state promising to prepare for work, take parenting classes and ultimately get a job. In return, the state will help train them and allow them to keep some benefits after they get a job.

The cost: \$12 million next fiscal year, \$18 million by the third year — added to the current AFDC spending totals about \$68 million.

The Carper plan enjoys bipartisan support, but critics fear there aren't enough jobs or child care facilities to absorb the new job seekers or their children.



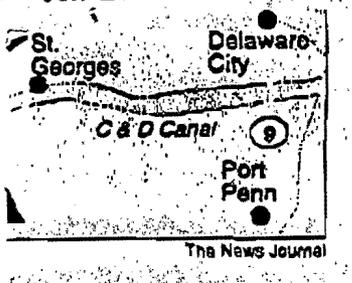
Special to The News Journal/ROALPH FRENCH  
Former welfare recipient Hazel Palmer listens as Gov. Carper explains 'A Better Chance.'

But Hazel Palmer, a welfare recipient who found work through a state program, was encouraged. "It will work if they work with the plan," she said. "Don't be afraid to take the first big step."

Other aspects of the reforms include not giving additional grants to women on welfare who become pregnant after Oct. 1 and not giving welfare grants to teen-agers who have children, which would cut in after 1999.

The bills signed Monday were S.B. 102, sponsored by Sen. Patricia M. Blevins, D-Elsmere, and H.B. 251, sponsored by Rep. Jane P. Maroney, R-Talleyville. The Senate bill removes legal barriers to implementing the program, while the House bill provide subsidies to employers who hire welfare recipients.

Looming in the distance are congressional reforms. Carper said he still holds out hope of modifying GOP welfare plans, which he contends don't provide adequate job assistance.



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# de gays

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retched Van Ness, a lawyer with the Gay and Lesbian Advocates and Defenders, which represented the gay marchers, said "be excluded (from the parade) is a painful thing."

outer noted that the gay marchers had defended their case under a Massachusetts public accommodations law, and left open the possibility that excluded groups could in the future assert their own First Amendment rights.

That the ruling was unanimous and that no justices wrote concurring statements reveals how much the decision flows from past court rulings and how easy it was for the justices to reach it.

# Recipients wonder how plan will work

Even those who want to find work worry about how they'll fare under 'A Better Chance.'

By MIKE BILLINGTON  
Staff reporter

Mia Hargraves stopped doing her laundry long enough to wipe the soap from her hands and stand in her doorway, searching for a faint breeze Monday.

She is worried. "I don't know what's going to happen to the insurance for my kids," she said. "I'm not against welfare reform. I'd like a job in day care or just about anything, but I have to make sure that my three children have insurance."

Gov. Carper signed his "Better Chance" welfare reform proposal into law Monday. It aims to move most of the state's 8,200 employable adults receiving Aid to Families with Dependent Children into the work force by giving them incentives to work and a time limit to find a job.

Hargraves has lived in public housing for a year, in a small apartment off New Castle Avenue

in Wilmington. She has been on AFDC for the past four years.

"No one from the state has told me anything," she said. "I would like to know what's happening."

Hargraves is not alone in wondering exactly what will happen once welfare reform goes into effect. Many welfare recipients have similar questions.

"It is pretty scary for me and a lot of people," said Janet Valle, 22, a Wilmington mother of three. She heard about welfare reform for the first time when she called Community Legal Aid to inquire about food stamps.

Valle's husband is a school bus driver who is laid off during the summer. She qualifies for AFDC because he qualifies for unemployment compensation.

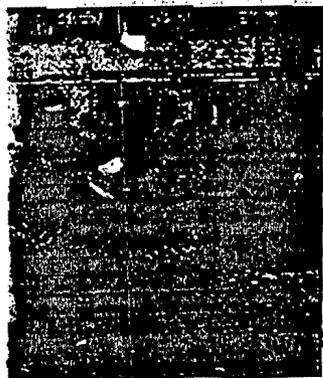
"Will I have to put my kids in day care and go to training for a job, just because he's laid off in the summer? Will we be able to get AFDC next summer when he's laid off again?" she asked.

Valle also worried is about what will happen to her mother's AFDC grant. Her mother does not read English well and relies on Valle's 13-year-old sister to translate letters from the state.

"What if my sister doesn't understand it and can't explain it to

See WELFARE — back page

# Hospital siege ends in Russia



AP/SERGEI KARPUKIN

freed Russian hostages leave a scarred hospital Monday after their captors left for Chechnya along with more than 100 human shields. Stories, A2.

**HEAD**

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state payments to reased between 5 percent, based on 16 in fall 1993. The due this fall, and uses from that sur- next summer. That ore money will be child.

# Welfare: Recipients worried

FROM PAGE A1

"Really, we need some answers," she said.

Determined to get them, she is organizing a meeting in her neighborhood.

"We're getting people together to talk about it, being as how the state has not let us know anything," she said.

Janeen Harris, 28, is a full-time student at Delaware Technical & Community College in Wilmington. The mother of five children, she is studying criminal justice and would like to become a lawyer. She is also organizing meetings to discuss welfare reform.

"I live in the Kennedy and Evans Transitional Housing Program and I'm a member of two resident councils, and we plan to have a meeting on welfare reform," she said.

Harris has been on AFDC for about eight years. In April, she met with her case worker to be recertified. She was given a survey to fill out, but was not told how welfare reform will affect her or her children.

"I've been told the state held public forums and focus groups, but I was never informed of them," she said.

She and other recipients said the state should set up tables staffed by social workers who know and understand the new program so they can ask as many questions as they need to. She also thinks the state should mail an explanation to everyone on welfare. "In Spanish as well as English," Valle said.



The News Journal/CHUCK MCGOWEN

Joyce Sudler of East Wilmington works but makes so little she still receives welfare benefits. She wonders how she'll fare under Delaware's new system.

Joyce Sudler, 37, lives a few doors down from Hargraves. She works at the Brandywine Best Western in Wilmington but still receives \$338 a month for her six children and another \$201 a month to help pay the cost of caring for a niece.

"I would like to be off welfare altogether. I think welfare should help you get up on your own feet the same way low-income housing is supposed to help you," she said.

As a result, she said, people who receive public assistance should be willing to get a job.

At the same time, she wonders what will happen to people like her who already have jobs and still are eligible for AFDC.

"For people who can't work, who are disabled, and have chil-

dron, they should be able to get [welfare]. They should get some type of training, to help them get jobs ... that are going to help move on to a higher position, and help in the long run."

"A Better Chance" only promises to help with child care and cash assistance for a short time after recipients start working.

Meanwhile, private social services agencies are getting calls from mothers inquiring about adoption and foster care.

"We are getting those calls, and I'm concerned about the effect this will have on the child welfare system when women — out of desperation — feel they have to give up their babies," said Lydia Durbin of Family & Children's Services in Wilmington.

# Save



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## The IBM Aptiva 535 at a glance

### The 635 system

- Intel® M86™ DX2/66MHz micro-processor
- 8MB RAM (up to 128MB)
- 540MB IDE hard drive
- 8KB internal cache
- 3.5" 144MB floppy drive
- 101-key IBM Keyboard and IBM Mouse
- Internal 14.4 Kbps data/fax modem
- Two serial, one parallel port
- Four slots, four bays
- Voice recognition capability
- Exclusive Rapid Assume energy-saving, Energy Star-compliant™ technology with "Wake up on ring" feature
- Upgradable to Pentium™ technology

### For multimedia

- Double-speed CD-ROM drive
- Ari® 16 Wavetable audio card
- Two 30-watt digital speakers

Adventure™, MCS MusicPack™, Music Mentor™, Recording Session™, IBM Photo Display, IBM Aptiva PC Multimedia Exploration, Monologue for Windows™, Sound Blaster Utilities™

• The Disney Preview™ of 11 Disney software titles, including Animation Studio and Avidoln Print Kit (worth \$299 for only \$79 when you call for the unlocking code)

• IBM PC DOS 6.3, Microsoft® Windows 3.11, PFS: WindowWorks™, Quicken Special Edition, Reuters® Money™ Network, FaxWorks™, The PRODIGY Service with IBM Club™, Journalist™, America Online™, IBM Connection™, IBM Online Housecall (online diagnostics)

For support

# Carper signs welfare reform

By E. Martin Hulse  
Staff writer

**DOVER** — With her son sick and his health not improving, it wasn't a great time for the mother of five to spend long hours at the day-care center.

Hazel L. Palmer got out of the child-care profession in 1983 and began to care for then-6-year-old Terry, who later died from brain deterioration, she said.

That's when Ms. Palmer went on welfare, she said Monday after Gov. Thomas R. Carper signed the first welfare reform bill. The law makes the welfare program a temporary situation and provides job education and placement.

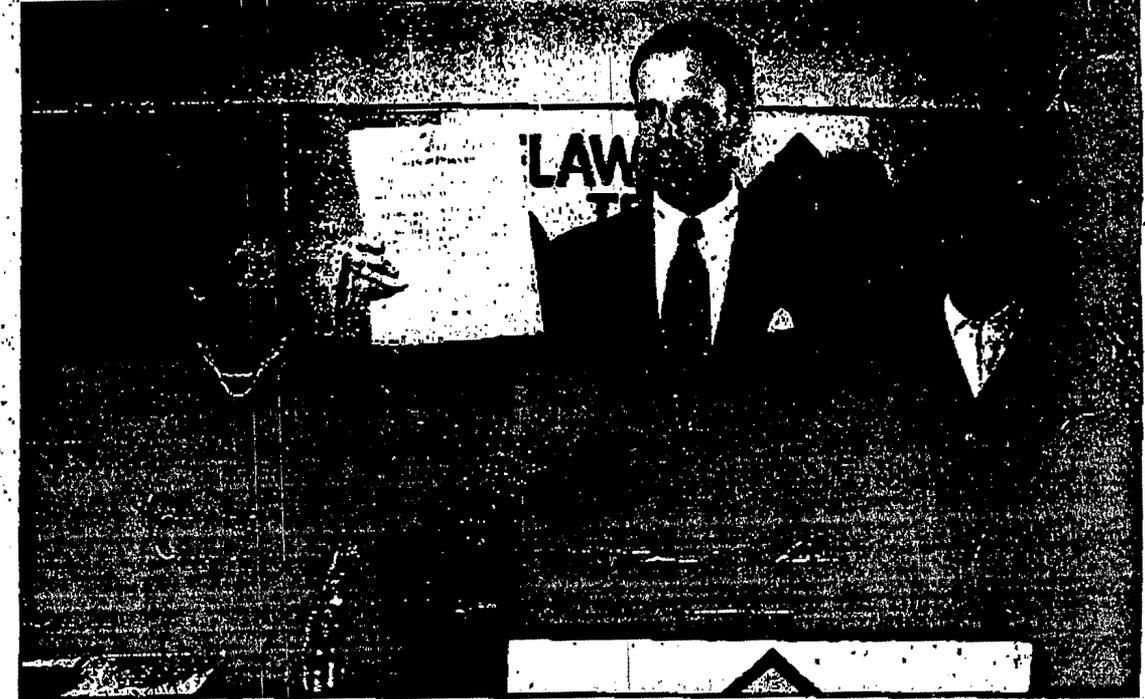
"After he died, I just couldn't stay home anymore," Ms. Palmer said.

Senate Bill 102, introduced April 12, unanimously passed the Senate on May 16 and was OK'd 40-0 in the House on June 6 with one person absent.

"We began to improve the welfare reform program to help them to find that job and continue working," Gov. Carper said.

The legislation goes into effect Oct. 1 and:

- Offers child care, health-care and/or a portion of a welfare grant for recipients who go to work;
- Requires job training in exchange for welfare benefits, accepting an available private-sector job;
- Has mandatory time limits for families with employable adults so welfare does not become a way of life;
- Requires both parents to take responsibility for their



Staff photos/Lealie Barbaro

Above: Gov. Thomas R. Carper holds a copy of the welfare reform bill he signed Monday at Delaware Technical & Community College Terry Campus. Flanking the governor are Carmen R. Nazzario, left, secretary of Department of Health and Social Services, and Sen. Patricia M. Blevins, D-Elsmere. Left: Hazel L. Palmer got off welfare with help from the state's welfare initiative; she now works as an administrative technician at the Terry Campus.

children by cooperating with paternity establishment and child support collection;

• Imposes a family cap which discourages families from having additional children while on welfare; and

• Encourages two-parent families and discourages teen pregnancy.

Gov. Carper began his welfare reform crusade and took it to Washington with a waiver that sought to suspend federal regulations that prohibited

time limits for benefits, contracts that require recipients to pursue education or job training in return for benefits or placing sanctions on people who don't live up to those requirements.

"My goal was to get off welfare and stay off," Ms. Palmer said. "I was determined and motivated to become a successful parent."

In 1986, she enrolled at Delaware Technical & Community College's Terry Campus with

the state's welfare reform initiative, a movement to get people off welfare.

Soon after that, Ms. Palmer was at DelTech, and for about a year has been working in the Continuing Education Department as an administrative technician.

"Get the motivation and get the determination you need and don't be afraid to take the first step," Ms. Palmer said.

"I am living proof that the program works."

Delaware State News  
Tuesday, June 20, 1995

THE WHITE HOUSE  
WASHINGTON

June 19, 1995

The Honorable Tom Carper  
Governor of Delaware  
Dover, Delaware 19901

Dear Tom:

Congratulations on the enactment of comprehensive welfare reform legislation. This new law will put Delaware on the road to ending welfare as we know it.

My Administration was proud to give Delaware a waiver from federal rules and regulations so that you could pursue these sweeping reforms. Many elements of your new law were part of the welfare reform plan I put forward last year, including work incentives and requirements, tougher child support enforcement, making minor mothers live at home, and a campaign against teen pregnancy. These measures will help move people from welfare to work and keep people from needing welfare in the first place.

I applaud your efforts and appreciate all that you are doing to reform welfare in Delaware. I look forward to working together to ensure that Congress passes a bipartisan welfare reform bill that reinforces the reforms you have begun.

Sincerely,

*Bill Clinton*

THE WHITE HOUSE

WASHINGTON

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Dover, Delaware 19901

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Sincerely,

*Bill Clinton*

P. 2/2

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Wednesday, June 7, 1995 Section B

# Local

## BUSINESS

# Welfare reform bill OK'd

## Governor expected to promptly sign Del. off-the-dole measure

By ROBERT MOORE  
Dover Bureau reporter

DOVER — A wide-ranging plan to change the way welfare is delivered to thousands of Delawareans was approved by legislators Monday and sent to Gov. Carper to be signed into law.

The state House passed S.B. 202, a bill that forces welfare recipients to find work or get off public dole, 40-0.

The legislation, part of reform legislation pushed by Gov. Carper, is expected to be signed in the next weeks, said Carper spokesman **Sherril Woodruff**.

"I think this is a great day," said Health and Social Services Secretary Carmen Nazario. "This makes it possible to provide the jobs to get people off of welfare. It makes welfare temporary."

A companion bill — H.B. 261 by Rep. Jane P. Maroney, R-Talleyville — was also sent to the Senate. It is meant to recruit private employers to the reform effort.

Earlier this year, the Carper administration received federal permission to move 8,200 welfare recipients into the pipeline for private-sector jobs over the next three years.

"This delivers on the promise

we made — to change welfare in Delaware," Woodruff said.

Under the plan, 2,000 people will be pulled into the program this fall, and another 2,000 in the coming year. It calls for welfare recipients over age 19 to sign a contract outlining steps they will take to find work and become self-sufficient.

For its part, the state provides child care, job training and transportation assistance, Nazario said. After two years, thought to be enough time to find work, the benefits end.

While the bills sailed through, some lawmakers were concerned

the measures would be too strict on welfare recipients who find work but later lose their jobs.

"We're talking about very young women; typically, and young families who, through no fault of their own, suddenly [find] themselves without a job and without public assistance. They are left without a safety net," said Rep. Phillip D. Cloutier, R-Heartbrooke.

Rep. Al O. Plant Sr., D-Wilmington Central, was skeptical about how serious efforts to find jobs for recipients would be. "You know the employment record in Delaware is terrible," he said.

"I will be monitoring that those people who want to work will be treated fairly," Plant said.

The program is estimated to cost \$12 million in the first year — the cost of providing child care, transportation and other expenses — and rise to \$18 million in the third year.

All public sector payouts will dry up after four years, officials said. The measures would also require that teen-age mothers live at home or with a responsible adult, attend school, participate in parenting and family planning classes and immunize their children in order to receive benefits.

WILM SENATE OFF  
JUN 07 1995

**DELAWARE HEALTH  
AND SOCIAL SERVICES****OFFICE OF THE SECRETARY**

O file

April 27, 1995

**Dr. Lu Zawistowich  
Director, Office of State Health Reform Demonstrations  
6325 Security Boulevard, Room 2306  
Oak Meadows Building  
Baltimore, MD 21207**

**Dear Dr. Zawistowich:**

Let me that this opportunity to respond to the draft terms and conditions for Delaware's 1115 managed care waiver, which were faxed to us on April 17. Although this draft does not yet include Attachment A, which relates to budget neutrality, I believe that we have reached a satisfactory agreement with HCFA and OMB, although we will withhold specific comments until after we see Attachment A.

I have reviewed the terms and conditions with my Medicaid staff. A detailed, technical response on each point is attached; however, I also want to sum up in this document my general disappointment with the tone and implications of the draft terms and conditions.

The terms and conditions outlined here seem to reflect the traditional attitude of Federal agencies in their relationships with the States -- an attitude of distrust that leads to micro management and that makes program administration more, rather than less, burdensome and costly.

Some examples, which are discussed more fully in the attached document, include the following:

- the need for HCFA to approve "any" modification to the program which is truly extreme micro management;
- the requirement of 50 case reviews for each MCO;
- requirements for not only review but approval by HCFA of certain documents before we can proceed without submitting itself to the same stringent deadlines it gives the States. Whereas the States are always given specific deadlines, your language in these terms and conditions says you will make "every effort to respond" in 30 days. What happens if you don't? What happens if, on day 29, you come up with changes? If you must give advance approval, why don't you at least say that HCFA MUST respond in 30 days; if it does not, the State can move ahead.

**Dr. Lu Zawistowich**

**Page Two**

**April 27, 1995**

Even if you did that, I believe the terms would still be counter to what President Clinton said he wanted to accomplish, which is to give the States more flexibility, recognizing that they know best how to manage their programs. The degree of micro management in the draft terms and conditions is contrary to what we believe are the President's intentions. I do not believe that what the President had in mind was that once HCFA approves a waiver, every little change has to be submitted for approval. I do not believe that the President wanted to see the Federal government continue to be the agent for delay and foot dragging.

These terms and conditions would make it impossible for us to start our program on time, especially when added to the delays already experienced in getting budget neutrality agreements. This is particularly distressing to me and to Governor Carper. We both believe that the Federal government has an important role to play in the delivery of human service programs. The Governor strongly supports the President's views on State flexibility within appropriate Federal parameters, and it is extremely disheartening to continue to see evidence of the approach that has led to such frustration on the part of the states.

HCFA does have the right to see and review materials, but not necessarily to approve every management decision made at the State level. Your terms and conditions should set out broad parameters for the program; we should then be allowed to manage our program in order to meet them. HCFA has the option to sanction us if we fail to meet the basic requirements of the waiver, but please let us, not HCFA, run Delaware's program. That's our job.

I know that you will carefully consider the specific comments in the attached documents, and I hope that you will then reconsider some of the terms and conditions in order that we can have what the President has often called for - a truly equal partnership between Federal and State government.

Thank you for your consideration.

Sincerely,

  
Carmen R. Nazario  
Secretary

CRN/rhw

cc: Secretary Donna Shalala  
Governor Thomas R. Carper  
Elaine Archangelo

**RESPONSE TO  
HEALTH CARE FINANCING ADMINISTRATION  
SPECIAL TERMS AND CONDITIONS (STC)  
DIAMOND STATE HEALTH PLAN**

**HCFA Approval**

We understand the need for HCFA to approve some items, but in many areas, HCFA approval is nothing more than micro management. A WAIVER is supposed to make administration of the Medicaid Program simpler, not more burdensome! We will delineate, using the HCFA STC document, those areas where we feel a review is acceptable, but approval is not acceptable.

We also wish to change the statement where HCFA will make every effort to respond in 30 days of submission receipt, to state HCFA must respond in 30 days on any item that needs approval. If HCFA does not, then approval is granted. HCFA has not met the President's promise in this waiver process and has put the State of Delaware in a difficult position. On July 29, 1994, we felt we had 15 months built into our design for implementation, but because of delays around budget neutrality, we are now several months behind schedule and the 30 days for approval will just delay implementation further. We also feel that HCFA could require changes, and add another 30 days to the process. This would be unacceptable.

**Specific Responses to HCFA STC Document**

Sections 1a, b and c are acceptable.

- 1d. Any modifications must be approved? The State sees no reason for having to submit all modifications for approval. Please define specific parameters for submitting major modifications.
2. Review—not approval—is more acceptable. We find it difficult to envision what HCFA would disapprove regarding this term. We also object to this having to be approved prior to implementation—marketing and enrollment.
3. We have the same issue with this document. It suggests if we plan to implement on 10/95, the document has to be submitted to HCFA by 7/1/95, but with all other approvals required on RFPs, etc., this will delay implementation by several months. We suggest that many items that appear to be required in the protocol document will be sections in the RFP, and should be referenced without having to create a separate document for each. We also believe that this item be reviewed by HCFA and not delay the implementation of the DSHP.

The State would like a copy of an approved protocol document that has been required under Section 1115 waiver approval given to another state. If no such document exists, the State would like clarification of why it is now being asked to provide such a

document when other states with similar 1115 waivers (or much more controversial waivers, i.e., Oregon) have not had to produce separate protocol documents.

Since the majority of the information required in the protocol document will be contained in the RFPs, why is this State being asked to produce a separate document in lieu of HCFA reviewing the RFPs themselves (the State would be willing to provide a crosswalk between HCFA's protocol questions and the relevant sections of the RFP) and providing supplemental information in response to questions not addressed in the RFPs.

Sections 4a and b are acceptable.

- 5a. We agree with the content of this term, but do not agree that HCFA approval be granted prior to implementation. We believe this will be an ongoing process that Delaware, MCOs and HCFA will want to continue to modify.

Sections 5b and c are acceptable.

- 5d. We believe HCFA has made this a micro managed piece. The State cannot be expected to forage abstracted data out of medical records, this is more than onerous. This is a perfect example of a section that should only require that the State determine how it will validate the completeness and accuracy of encounter data and set a standard that plans must meet in order to be considered acceptable. HCFA should review the State's Plan.
- 6a,b. The State will monitor eligibility in the same manner as it does now for the DSHP. The term adds another administrative burden.
7. The State will reference sections of the HBM RFP in the protocol.
8. Another example of where review is fine, approval of all capitation rates is not. Who in HCFA is going to have the time to do a separate actuarial analysis of the actuaries work for Delaware? This has the potential of becoming another budget neutrality issue, especially if someone in OMB challenges the work of our actuaries. Should HCFA be able to provide Delaware with examples of this requirement that the State can provide to its actuaries?
- 9a. Acceptable.
9. In 9b, we think HCFA means we must differentiate between "expenditures which were made under ordinary Medicaid not "would be made." We certainly have no capacity to provide information on something that did not happen. Again, the State would like to see an example of what HCFA believes it must approve as part of the protocol document. 9c becomes another administrative burden and 9d would be minimal.

10. **Acceptable.**
11. **The State has never duplicated costs by paying under administration and then charging them again under services. Does HCFA believe we would now begin to cheat and lie?**
12. **This term is not complete until we have Attachment A. Also 12a seems to contradict 9b, which says we do not need to separate out admin costs.**
13. **Acceptable.**
14. **Another example of overkill management. We believe this item will be unnecessary as plans will provide all family planning in and out of network.**
- 15a. **Essentially HCFA is not granting Delaware a waiver from paying FQHCs a cost-based reimbursement. Because Delaware has only 2 FQHCs that want to participate (our third FQHC in Kent/Sussex Counties serves only migrants) and both are in the same location (the City of Wilmington) there is no possibility of them becoming their own managed care plan. We are also very concerned that one of the FQHCs may not be able to meet the 24 hour/7 day a week requirement for PCP. Must we then pay them only an encounter rate when they see a Medicaid recipient?**

Since the State wants to utilize FQHC services, we believe 15b actually meets our own test for relief – if there could be any.

15c, again, is not acceptable. If an FQHC is willing to contract with an MCO, why are we getting in the middle of their reimbursement arrangements? In fact, we have successfully encouraged potential MCOs to negotiate with FQHCs and we believe that your requirement will hinder those negotiations. What you are asking amounts to a denial of our request to waive cost-related reimbursement. If we must pay cost – then there is no savings. The State should be able to have these payments excluded from budget neutrality.

16. **We would reiterate that if HCFA, at which level is not clear to the State, wants to approve RFPs then the State would be guaranteed the ability to proceed if HCFA delays beyond 30 days.**
17. **Same issue for this item as 16 unless HCFA just wants to review the RFP.**
18. **This item will be unnecessary since Nemours Child Plan will be fully integrated into MCOs.**
19. **Acceptable.**
20. **Acceptable.**

- 21a. **The micro management in this term is not only onerous, but borders on the ridiculous. The request for supplemental information is identical to the burden that was just lifted from states under the Immunization payment system for VFC.**
- 21b. **Who will be providing written approval? Will HCFA station someone in the State to provide the oversight for this requirement?**
- 21c. **The State would like HCFA to define "significant" because this term becomes problematic when the State does not believe a change is significant.**
- 21d. **Acceptable.**
- 21e. **Who in HCFA will approve individual subcontracts at the MCO level? It is not the role of an outside organization, be it the State or HCFA, to approve all internal subcontractor and/or provider requirements of an MCO. If an MCO is meeting the requirements under its contractual obligations, its internal strategies for provider networks, marketing (e.g., loss leader contracts) and other general contracting provisions should not be under the approval or review of the State or HCFA. These are private entities providing services under contract specifications.**
- 21f. **We believe that HCFA should not be in the business of approving marketing materials, the State will be doing this. Individual MCOs will not directly market to beneficiaries in Delaware. This condition should be deleted; it is another example of the Federal government exceeding its authority.**
22. **Acceptable.**
23. **The State wants a detailed definition of these audit requirements. This condition makes item 24 unnecessary.**
24. **Redundant, same as 23.**
- 25a. **We believe the State should be conducting surveys on an annual basis and HCFA has made some good suggestions. We believe that 24 months after implementation with a report due on the 27th month after implementation is more realistic for providing this "statistically valid sample." For the first year after implementation the State, HBM and MCOs will be conducting surveys, but it will probably not be statistically valid until we have the possibility of 24 months of data.**
- 25b. **Acceptable.**
26. **Delaware intends to monitor this closely. To whom should Delaware report this information?**

27. Seems to be a duplication of several previous terms and conditions; what does HCFA really want that it has not already required in the protocol, etc.?
28. Acceptable.
29. If April 1 of each year is the date this HCFA-416 is due, then the State has no problem with this item.
30. Acceptable.
- 31a. Acceptance.
- 31b. Again, we find item 27 is duplicated here, but would assume that we would fulfill this condition by doing what is required here.
32. Again, an annual report seems simply a compilation of the monthly and/or quarterly reports.
33. The State will not make a move without seeking HCFA's approval. We already said we will be putting pharmacy in year 3 of the waiver, do we need to get approval, again?
34. We would like a clarification of this term and condition. Hospitals will receive their payment through the MCOs. There should be no difference between a currently eligible and expanded eligible person. They are all Medicaid eligible under the waiver. The MCO will track the days of their beneficiaries who are hospitalized and can tell the hospitals who are Medicaid eligible. As we have explained several times before, there is presently no Medicaid DSH payments paid to hospitals by Delaware Medicaid, but we do understand that hospitals need to track Medicaid payments.
35. The State is continuing to operate its present MMIS system with the same Fiscal Agent.
36. Acceptable.
37. Does the State have the right to terminate if it determines it is no longer in the public interest to continue?
38. Acceptable.
39. The State wants the right to review and approve all reports prepared by the evaluator. The State wants these reports submitted to the State 90 days prior to due date and the State will make every effort to respond to the submission in writing with 45 days of receiving the document. The State's comments shall be included in the final report.
40. Acceptable.

41. We believe that the date of March 1 is too early given the fact that approval for the waiver will not be granted until after May 1, 1995.

The State finds Attachment B to be reasonable and would like some example of Attachment C since implementation of the Diamond State Health Plan is contingent upon HCFA approval of this additional document.

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STATE OF DELAWARE  
OFFICE OF THE GOVERNOR

# NEWS

WR-Delaware

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**FOR IMMEDIATE RELEASE**  
Wednesday, April 12, 1995

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## **CARPER UNVEILS BILL TO INITIATE SWEEPING CHANGES** **IN STATE'S WELFARE SYSTEM**

(Dover, Del.) -- Governor Thomas R. Carper today unveiled proposed legislation which will enable him to implement across-the-board changes in Delaware's welfare system, beginning with an emphasis on getting people off welfare rolls and into private-sector employment, requiring personal responsibility, ensuring that both parents are responsible for their children, as well as imposing time limits and a family cap policy. Passage of this legislation sets the stage for Washington's approval of Carper's welfare reform waiver request, which is currently under consideration by the U.S. Department of Health and Human Services. Carper's bill will enable him -- under Delaware law -- to implement "A Better Chance," the welfare reform plan he outlined in his waiver request to the Clinton Administration in January.

According to Carper, "We have struggled with a failing welfare system for far too long. This legislation, combined with Delaware's anticipated waiver request approval, will enable us to move thousands of Delawareans off welfare rolls and into private-sector employment. In addition to outlining stringent work requirements, the legislation addresses

the need to have both parents take responsibility for themselves, as well as for their children.

Changes in Delaware's laws will allow us to enforce individual contracts of mutual responsibility with clients, as well as provide the support services they need to enter the workforce and succeed. I believe the vast majority of Delawareans would like to see a fundamental shift in the way our welfare system is run and I look forward to seeing the legislation passed to make those much-needed changes possible."

Governor Carper last year launched a welfare reform plan known as "A Better Chance," emphasizing work and parental responsibility. Under Carper's plan, the State will provide temporary financial assistance and support services to help families make their way into the labor force. By strengthening job placement and training, child care and health care services for working families, the State will help make that transition into the workforce possible. The Department of Labor, the Delaware Economic Development Office, and the new Workforce Development Council will be engaged to find jobs for welfare recipients and to remove barriers to their employment.

The bill is expected to be introduced today as Senate Bill 102. Once approved, it will enable the state's Department of Health and Social Services (DHSS) to operate a program that:

- Makes private-sector work more attractive than public assistance by providing child care, medical care, and/or a portion of a welfare grant for recipients who go to work;
- Requires public assistance recipients to exercise personal responsibility in exchange for government assistance by requiring participation in job training, accepting a private-sector job if one is available, and requiring workfare if no private-sector job is available;
- Ensures that public assistance does not become a way of life by imposing mandatory time limits for families with employable adults;
- Requires both parents to take responsibility for their children by cooperating with paternity establishment and child support collection;

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- Imposes a family cap policy which discourages families from having additional children while receiving public assistance; and
- Encourages the formation and maintenance of two-parent families and discourages teen pregnancy.

In general terms, the bill will allow DHSS to enact rules and regulations to implement "A Better Chance" while allowing the Department the flexibility necessary to transform Delaware's welfare system and to adapt to any new federal welfare reform legislation that might pass later this year. Specifically, the bill will also allow the Department to sanction welfare recipients who refuse to cooperate with the mutual responsibility requirements.

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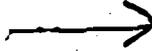
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FROM:

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State of Delaware

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STATE OF DELAWARE  
OFFICE OF THE GOVERNOR

# NEWS

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**FOR IMMEDIATE RELEASE**  
Thursday, April 6, 1995

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## CARPER HOSTS TEEN PREGNANCY PREVENTION SUMMIT

(Dover, Del.) -- More than one-third of babies born in Delaware this year will be born to a single mother. Roughly 12 percent of all babies born in the state will be born to a girl who has not yet reached her 16th birthday. More than half of those teenage mothers will have received inadequate prenatal care and the overwhelming majority will never marry the fathers of their children. National statistics indicate that if a young woman bears a child before her 17th birthday, does not complete high school, and does not marry the father of her baby, the likelihood that she and her baby will live in poverty is roughly 80 percent. If she waits to have a baby after her teen years, finishes high school, and gets married, the likelihood of her living in poverty drops tenfold -- to only about 8 percent. For every 1,000 Delaware teenagers, 55 will become pregnant in a given year.

With these chilling statistics as the backdrop for discussion, Governor Thomas R. Carper got an earful today from a sampling of Delaware teenagers. Carper convened a Teen Pregnancy Prevention Summit, which included more than 50 students from 27 high

-- more --

schools around the state. With the reduction of teen pregnancy near the top of his list of priorities as governor, Carper called the summit to get input from teens directly about how to prevent teenagers from becoming pregnant -- or making others pregnant -- and placing their futures at risk.

According to Carper, "For too long, we have wrung our hands and pointed the finger of blame at one another over this issue. The time has come for bold action. The rising incidence of teen pregnancy not only cuts short the hopes and dreams of thousands of teenagers each year -- it also serves as a significant drain on our society and our limited resources. Our goal is to prevent the formation of teen families in the first place -- by focusing on responsible behavior of both young men and young women. I can think of no better source of information than teens themselves if we are to craft workable solutions to the teen pregnancy problems that have pervaded our state and our nation."

Carper's summit included more than 50 male and female teenagers from 27 high schools statewide. They were accompanied by educators and counselors, who had separate information sessions while the Governor conducted a closed-door session with teens. Their discussion touched on everything ranging from the stigma of teen pregnancy to abstinence, from education to peer pressure, from prenatal care to welfare reform, and included issues relating to other outside influences, including the media, movies, music and television.

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**\*\* NOTE -- Additional teen pregnancy facts and background are included in the attached document for your information.**

### **ADOLESCENT PREGNANCY PREVENTION**

## BACKGROUND

In 1993, Governor Carper's Family Services Cabinet Council identified adolescent pregnancy prevention as one of the priority issues confronting the State of Delaware. In June of that year, the Governor created the Adolescent Pregnancy Prevention Task Force and designated Delaware Health and Social Services' Division of Public Health as the lead agency for organizing and coordinating the task Force's work. The Task Force consisted of 34 individuals, representing a diverse cross-section of public and private agencies, organizations, and individuals from throughout Delaware. The Task Force met over a six-month period and issued a final report in January of 1994. Their findings and recommendations form the basis for design and content of the proposed Alliance for Adolescent Pregnancy Prevention (AAPP), announced earlier this week.

## THE PROBLEM

In 1992, more than 1,300 babies born to Delaware women -- one of every eight babies -- was born to a mother who was age 19 or younger. A few other facts about births to adolescent mothers in Delaware:

- More than 86 percent of the teen mothers were unmarried;
- Less than 50 percent received adequate prenatal care;
- Nearly 11 percent of babies born to teens had low birthweights; and
- More than 65 percent of the births were paid by Medicaid.

## THE SOLUTIONS

Alleviating and preventing the problems associated with adolescent pregnancy requires efforts that are as sustained, coordinated, inclusive, diverse, and creative as the problems are long-standing, complex, and pervasive. Prevention efforts must include:

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- Informed, committed, widely representative leadership, with mandate from Governor to engage the full spectrum of potential participants;
- Statewide mobilization, coordination, communication, and consensus-building among a wide range of public and private agencies, organizations, and individuals including, but not limited to: adolescents and families, religious groups, media, community and neighborhood groups, legislators, child care providers, hospitals, business, labor, and all relevant public and private agencies;
- Development of comprehensive, incremental, long-term policies and plans, including specific goals and objectives and mechanisms for monitoring progress;
- Ongoing data collection, analysis, and information sharing;
- Provision of both general-audience and population-specific information and education at the State and local levels;
- Ongoing development of a coordinated network of programs and services for at-risk, pregnant, and parenting adolescents, including monitoring, evaluation, and information sharing;
- Ongoing resource development and technical assistance to local communities.

Governor Carper has convened this Teen Pregnancy Prevention Summit to elicit input from Delaware teens on effective prevention strategies.

### **THE MULTI-MEDIA CAMPAIGN**

Governor Carper has committed his Administration to develop and implement a comprehensive statewide media initiative with the overriding message of sexuality responsibility. The media campaign will be broad-based on the belief that preventing

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adolescent pregnancy is everyone's responsibility. The media campaign will target both adults and adolescents -- male and female. Delaware will work with neighboring states and shared media markets to ensure maximum media coverage and will involve broad community support for input, endorsement, and funding.