

COMMONWEALTH OF MASSACHUSETTS  
EXECUTIVE OFFICE OF HEALTH AND HUMAN  
SERVICES  
OFFICE OF MEDICAID

# MassHealth Section 1115 Amendment Request

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**January 21, 2025**

MassHealth Section 1115 Demonstration Amendment Request

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## MassHealth Section 1115 Demonstration Request

### Introduction

The Massachusetts 1115 demonstration, currently approved through December 31, 2027, has long supported the Commonwealth's commitment to universal health care coverage and, particularly during the prior and current demonstration periods, has provided federal waiver and expenditure authority to test innovations in payment and care delivery.

Since the initial implementation of the demonstration in 1997, working in partnership with the federal government, the Commonwealth has made significant progress toward the goal of ensuring health care coverage for all our residents. Over 99 percent of the Commonwealth's children and youth and more than 98 percent of all its residents have health insurance, the highest in the country.<sup>1</sup> MassHealth, the Massachusetts Medicaid and Children's Health Insurance Programs, currently covers approximately 2.06 million individuals, or nearly 30 percent of the Commonwealth's residents.

The 1115 demonstration was recently extended through December 31, 2027, and the Commonwealth is proposing this amendment to further the overall goals of the demonstration.

MassHealth's amendment request includes:

1. Exempt CommonHealth Members from Estate Recovery.

### Detailed Amendment Requests

#### 1. Exempt CommonHealth Members from Estate Recovery.

##### Background

The Massachusetts Legislature via Chapter 197 of the Massachusetts Acts of 2024 (H.5033), amended the estate recovery requirements in Mass. General Laws chapter 118E, Section 31 to prohibit estate recovery from individuals who received medical assistance under the CommonHealth program. Massachusetts is seeking 1115 waiver authority to implement this new policy related to MassHealth's estate recovery efforts and remain in compliance with recent changes to Massachusetts General Laws.

The new estate recovery requirement is as follows:

1. Waive all estate recovery requirements for all CommonHealth members as defined in MassHealth's 1115 Demonstration STC 5.6.

##### Request

EOHHS seeks authority to waive estate recovery requirements of Social Security Act 1902(a)(18) for its CommonHealth Demonstration program.

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<sup>1</sup>[2023-MHIS-Report.pdf](#)

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*Note, certain requirements of Titles XIX and XXI will not apply to this waiver authority, including:*

1. **Estate recovery requirements:** to enable the Commonwealth to not require adjustment or recovery of medical assistance from the estates of individuals who received medical assistance through the MassHealth CommonHealth Demonstration program.

### Summary of waiver and expenditure authorities requested

The table below lists the waivers and expenditure authorities the Commonwealth is seeking to support the policies described above.

Policy	Waiver/Expenditure Authority	Statutory and Regulatory Citation
Waive all estate recovery requirements for all CommonHealth members as defined in MassHealth's 1115 Demonstration STC 5.6	Section 1115 Amendment waiving Social Security Act section 1902(a)(18) to the extent it requires estate recovery for CommonHealth members under Social Security Act section 1917.	The requirements of Section 1902(a)(18) would not apply.  Section 21 of Chapter 197 of the Massachusetts Acts of 2024 (H.5033) amending Mass. General Laws chapter 118E, Section 31

### Budget Neutrality

#### *Budget neutrality prior to amendment*

The Commonwealth's projected budget neutrality cushion as of the quarterly report for the quarter ending June 30, 2024, \$36.9 billion total, of which \$8.7 billion is attributable to the DY 27-DY 30 waiver period.<sup>2,3</sup> This estimate incorporates projected expenditures and member months through DY 30 as reported through the quarter ending June 30, 2024.

<sup>2</sup> The budget neutrality cushion as of the quarterly report for the quarter ending September 30, 2020 includes member month and actual expenditure data as reported in the CMS-64 report for the corresponding time period. Safety Net Care Pool spending included in the calculation reflects figures as reported in the budget neutrality agreement approved by CMS on November 4, 2016.

<sup>3</sup> Note, CMS introduced a savings phase-out methodology to the Budget Neutrality calculation so that the Commonwealth may only carry forward 25% of selected population-based savings each year between SFY18-22.

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This budget neutrality calculation reflects significant realized and anticipated savings.

### *Effect of amendment*

As reflected in the accompanying budget neutrality workbook, this amendment results in \$1.3 million in costs to the MassHealth program. The effect of this amendment would decrease the Commonwealth's budget neutrality cushion by approximately \$1.3 million for the 2022-2027 waiver period. Overall, after integrating the proposed amendment, the Commonwealth and the federal government would continue to realize savings on the demonstration.

The attached budget neutrality workbook contains a data analysis which identifies the specific "with waiver" impact of the proposed amendment on the current budget neutrality agreement. This analysis includes current total computable "with waiver" and "without waiver" status on both a summary and detailed level through the current extension approval period using the most recent actual expenditures, as well as summary and detailed projections of the change in the "with waiver" expenditure total as a result of the proposed amendment, by eligibility group.

### **Evaluation**

The currently approved demonstration seeks to advance five goals

- Goal 1: Continue the path of restructuring and reaffirm accountable, value-based care
- Goal 2: Make reforms and investments in primary care, behavioral health, and pediatric care
- Goal 3: Continue to improve access to and quality and equity of care, with a focus on initiatives addressing health-related social needs and specific disparities
- Goal 4: Support the Commonwealth's safety net, including ongoing, predictable funding for safety net providers, with a continued linkage to accountable care; and
- Goal 5: Maintain near-universal coverage including updates to eligibility policies to support coverage and equity.

The Evaluation Design Document (EDD) for the current waiver period was approved by CMS in January of 2024 and updates to the EDD to reflect the April 19, 2024 amendment are pending with CMS.

The requested estate recovery changes seek to advance Goal 5: Maintain near-universal coverage including updates to eligibility policies to support coverage and equity. Some MassHealth-eligible individuals may avoid seeking MassHealth coverage out of concerns regarding estate recovery efforts. Limiting estate

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recovery efforts may lead otherwise concerned eligible individuals to apply for MassHealth coverage.

### Public Process

The public process for submitting this amendment conforms with the requirements of STC 15, including State Notice Procedures in 59 Fed. Reg. 49249 (September 27, 1994), the tribal consultation requirements pursuant to section 1902(a)(73) of the Act as amended by section 5006(e) of the American Recovery and Reinvestment Act of 2009, and the tribal consultation requirements as outlined in the Commonwealth's approved State Plan. In addition, the Commonwealth has implemented certain of the transparency and public notice requirements outlined in 42 CFR § 431.408, although the regulations are not specifically applicable to demonstration amendments. The Commonwealth is committed to engaging stakeholders and providing meaningful opportunities for input as policies are developed and implemented.

#### Public Notice

The Commonwealth released the amendment for public comment starting on January 21, 2025. The public notice, the Amendment Request, which included the Budget Neutrality Impact section, and a Summary of the Amendment (including the instructions for submitting comments) were posted on the MassHealth website ( [1115 MassHealth Demonstration \("Waiver"\) | Mass.gov](#)) and the public notice with a link to the MassHealth website was published in the Boston Globe, Worcester Telegram & Gazette and the Springfield Republican.

#### Tribal Consultation

MassHealth provided a summary of the Amendment through an email to all Tribal leaders or their designees and additional Tribal health contacts on January 21, 2025. The summary included links to the documents and instructions for providing comment.

#### Public Meeting

The Commonwealth will host an in-person public listening session with a virtual option to seek input regarding the Demonstration amendment. The session will include a presentation on the proposed changes and an opportunity for public testimony. The listening session will be held on Monday, February 3, 2025 from 11:00-12:00 at One Ashburton Place, Boston, 10th floor, Room 10139 and will also be available at this link and phone numbers:

Join from PC, Mac, Linux, iOS or Android:

[https://umassmed.zoom.us/j/91395138441?pwd=Gqa3aDdF53fQNNMWKQE256bDdgz6SS.](https://umassmed.zoom.us/j/91395138441?pwd=Gqa3aDdF53fQNNMWKQE256bDdgz6SS.1)

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Password: 859483

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Or iPhone one-tap (US Toll): +13126266799,91395138441# or  
+16468769923,91395138441#

Or Telephone:

Dial:

+1 312 626 6799 (US Toll)

+1 646 876 9923 (US Toll)

+1 646 931 3860 (US Toll)

+1 301 715 8592 (US Toll)

+1 305 224 1968 (US Toll)

+1 309 205 3325 (US Toll)

+1 689 278 1000 (US Toll)

+1 719 359 4580 (US Toll)

+1 253 205 0468 (US Toll)

+1 253 215 8782 (US Toll)

+1 346 248 7799 (US Toll)

+1 360 209 5623 (US Toll)

+1 386 347 5053 (US Toll)

+1 507 473 4847 (US Toll)

+1 564 217 2000 (US Toll)

+1 669 444 9171 (US Toll)

+1 669 900 6833 (US Toll)

Meeting ID: 913 9513 8441

Password: 859483

International numbers available: <https://umassmed.zoom.us/j/adbxH8dAsq>

Reasonable Accommodation: If you require an ADA accommodation, please contact  
[1115WaiverComments@mass.gov](mailto:1115WaiverComments@mass.gov)

### **Conclusion**

The proposed flexibilities described in the demonstration amendment request support the Commonwealth's commitment to maintaining near-universal healthcare coverage among the population of Massachusetts. The proposed Estate Recovery changes will allow MassHealth to comply with new requirements instituted by the Massachusetts State Legislature and ensure an alignment with broader state government priorities.

The Commonwealth appreciates this opportunity to amend our 1115 demonstration and to continue to work with CMS to improve health care outcomes and coverage access for the people of the Commonwealth.

### **State Contact**

Mike Levine

Assistant Secretary for MassHealth and Medicaid Director

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Executive Office of Health and Human Services  
One Ashburton Place  
Boston, MA 02108  
617-573-1770