

State Demonstrations Group

September 17, 2026

Ryan Schwarz
Assistant Secretary for MassHealth
Office of Medicaid
Executive Office of Health and Human Services
One Ashburton Place, 10th Floor
Boston, MA 02018

Dear Assistant Secretary Schwarz:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of the Temporary Assistance for Needy Families (TANF) and Emergency Aid to the Elderly, Disabled, and Children (EAEDC) Phase-Out Plan for Massachusetts' section 1115(a) demonstration, "MassHealth Medicaid and Children's Health Insurance Program (CHIP) Section 1115 Demonstration" (Project Numbers 11-W-00030/1 and 21-W-00071/1). We have determined that the plan to phase out the authority by December 31, 2027, is consistent with the requirements outlined in the special terms and conditions (STCs) and are therefore approving it. A copy of the approved phase-out plan is enclosed.

Program Integrity

States are responsible for following all applicable federal law and regulations when they claim and use federal Medicaid funds and must fully comply with all applicable Medicaid statutes and regulations under a section 1115 demonstration, except where specific provisions have been expressly waived or identified as not applicable for that demonstration. This obligation includes all requirements in title XIX of the Act and implementing regulations governing provider screening and enrollment activities, pre- and post-payment review claiming, payment methodologies and rate-setting, utilization controls, and program integrity including processes to identify, investigate, and refer suspected fraud, and methods to receive complaints and identify questionable practices. States must maintain effective systems and safeguards to prevent, detect, and address any fraud, waste, or abuse (FWA) in the delivery of and payment for Medicaid services, including referrals to law enforcement when appropriate.

States should have heightened monitoring and oversight mechanisms in place featuring robust internal controls to identify and remediate all vulnerabilities (including, but not limited to, FWA and beneficiary access issues) inherent in service areas approved as part of a demonstration. At any time, CMS may request that the state provide a plan detailing the state's systems and safeguards to prevent, detect, and address any FWA relative to this demonstration. Failure to meet program integrity obligations under federal statutes and regulations or under the terms and conditions of this demonstration approval may result in compliance actions or other enforcement measures that could include requirements to develop and implement corrective action plans, withholdings, deferrals, disallowances, and termination of demonstration authority.

We look forward to our continued partnership on the MassHealth section 1115(a) demonstration. If you have any questions, please contact your project officer, Rabia Khan, at Rabia.Khan1@cms.hhs.gov.

Sincerely,

ANGELA D. 
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Angela D. Garner
Director
Division of System Reform Demonstrations

Enclosure

cc: John Dedrick, State Monitoring Lead, Medicaid and CHIP Operations Group