

**CENTERS FOR MEDICARE & MEDICAID SERVICES  
EXPENDITURE AUTHORITY**

**NUMBER:** 11-W-00030/1

**TITLE:** MassHealth Medicaid Section 1115 Demonstration

**AWARDEE:** Massachusetts Executive Office of Health and  
Human Services

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by Massachusetts for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period of this demonstration extension (July 1, 2017 through September 30, 2022), unless otherwise specified, be regarded as expenditures under the State's title XIX plan. All previously approved expenditure authorities for this demonstration are superseded by those set forth below for the state's expenditures relating to dates of service during this demonstration extension.

The following expenditure authorities may only be implemented consistent with the approved Special Terms and Conditions (STCs) and shall enable the Commonwealth of Massachusetts (State/Commonwealth) to operate its MassHealth section 1115 Medicaid demonstration.

**I. Demonstration Population Expenditures**

- 1. CommonHealth Adults.** Expenditures for health care-related costs for:
  - i. Adults aged 19 through 64 who are totally and permanently disabled and not eligible for comprehensive coverage under the Massachusetts state plan.
  - ii. Adults aged 65 and over who are not eligible for comprehensive coverage under the Massachusetts state plan, with disabilities that would meet the federal definition of "permanent and total disability" if these adults were under the age of 65.
- 2. CommonHealth Children.** Expenditures for health care-related costs for children from birth through age 18 who are totally and permanently disabled with incomes greater than 150 percent of the Federal poverty level (FPL) and who are not eligible for comprehensive coverage under the Massachusetts state plan.
- 3. Family Assistance [e-Family Assistance and e-HIV/FA].** Expenditures for health care-related costs for the following individuals:
  - a. Individuals who would be eligible for the New Adult Group (MassHealth CarePlus but for the income limit, are HIV-positive, are not institutionalized, with incomes above 133 through 200 percent of the FPL and are not otherwise eligible under the Massachusetts Medicaid state plan.

These expenditures include expenditures for health care services furnished during the 90-day period between the time an individual submits an application and the time that the individual provides to the Commonwealth proof of his or her HIV-positive health status.

- b. Non-disabled children with incomes above 150 through 300 percent of the FPL who are not otherwise eligible under the Massachusetts Medicaid state plan due to family income.
4. **Breast and Cervical Cancer Demonstration Program [BCCDP].** Expenditures for health care-related costs for uninsured individuals under the age of 65 with breast or cervical cancer, who are not otherwise eligible under the Massachusetts state plan and have income above 133 percent but no higher than 250 percent of the FPL.
5. **MassHealth Small Business Employee Premium Assistance.** Expenditure authority to make premium assistance payments for certain individuals whose MAGI income is between 133 and 300 percent of the FPL, who work for employers with 50 or fewer employees who have access to qualifying Employer Sponsored Insurance (ESI), and who are ineligible for other subsidized coverage through MassHealth or the Health Connector.
6. **TANF and EAEDC Recipients.** Expenditures for health care related costs for individuals receiving Temporary Assistance for Needy Families and Emergency Aid to Elders, Disabled and Children. Individuals in this eligibility group are eligible for MassHealth based on receipt of TANF and/or EAEDC benefits, not based on an income determination.
7. **End of Month Coverage.** End of Month Coverage for Members Determined Eligible for Subsidized Qualified Health Plan (QHP) Coverage through the Massachusetts Health Connector but not enrolled in a QHP. Expenditures for individuals who would otherwise lose MassHealth coverage because they are eligible for coverage in a QHP during the period.
8. **Provisional Coverage Beneficiaries.** Expenditures for MassHealth Coverage for individuals who self-attest to any eligibility factor, except disability, immigration and citizenship; provided that expenditures for MassHealth Coverage for individuals who self-attest to income not otherwise verified through data hubs are limited to the following populations:
  - a. Pregnant women with attested modified adjusted gross income (MAGI) at or below 200% of the federal poverty level (FPL);
  - b. Adults 21 through 64 years of age who are HIV positive and have attested MAGI income at or below 200% FPL;
  - c. Individuals with breast and cervical cancer who are under 65 years of age and have attested MAGI income at or below 250% FPL; and
  - d. Children under age 21

- 9. Presumptively Eligible Beneficiaries.** Expenditures for individuals determined presumptively eligible for HIV-Family Assistance or the Breast and Cervical Cancer Treatment Program under the demonstration by qualified hospitals that elect to do so.
- 10. Out-of-state Former Foster Care Youth.** Expenditures to extend eligibility for full Medicaid State Plan benefits (MassHealth Standard) to former foster care youth who are under age 26, were in foster care under the responsibility of a state other than Massachusetts or a Tribe in such a state when they turned 18 or a higher age at which the state's or Tribe's foster care assistance ends, and were enrolled in Medicaid under that state's Medicaid state plan or 1115 demonstration at any time during the foster care period in which they aged out.
- 11. Recipients of State Veteran Annuities.** Expenditures to extend eligibility for the populations of individuals specified below:
- a. Recipients of State Veteran Annuities. Except as described in 11(b), expenditures to extend eligibility for MassHealth Standard, MassHealth CarePlus, MassHealth Family Assistance and MassHealth Limited benefits for individuals who would be eligible for such benefits but for the receipt of a state veteran annuity or the inclusion of such annuity in the household income, provided that individuals described above are not otherwise eligible to receive comparable coverage on the state exchange.
  - b. Expenditures to extend eligibility for MassHealth Standard and MassHealth CommonHealth benefits for disabled individuals who would be eligible for such benefits but for the receipt of a state veteran annuity or the inclusion of such annuity in the household income.
  - c. Expenditures to extend eligibility for individuals who would be eligible to enroll in PACE but for the receipt of a state veteran annuity or but for the inclusion of such annuity in the household income.

## **II. Service Related Expenditures**

- 12. Premium Assistance.** Expenditures for premium assistance payments to enable individuals enrolled in CommonHealth (Adults and Children) and Family Assistance to enroll in private health insurance to the extent the Commonwealth determines that insurance to be cost effective consistent with STC 49.
- 13. Pediatric Asthma Pilot Program.** Expenditures related to a pilot program focused on pediatric asthma. The authority for this pilot program to receive FFP is subject to CMS approval of the protocols and amendments to such protocols.
- 14. Diversionary Behavioral Health Services.** Expenditures for benefits specified in Table C to the extent not available under the Medicaid state plan.
- 15. Expanded Substance Use Treatment Services.** Expenditures for benefits specified

in Table D of Section V to the extent not available under the Medicaid state plan.

- 16. Residential and Inpatient Treatment for Individuals with Serious Mental Illness (SMI) or Serious Emotional Disturbance (SED).** Expenditures for otherwise covered Medicaid services, including inpatient psychiatric hospital services, furnished to otherwise eligible individuals who are primarily receiving treatment for a serious mental illness (SMI) or serious emotional disturbance (SED) who are short-term residents in facilities that meet the definition of an institution for mental diseases (IMD).
  - 17. Full Medicaid Benefits for Presumptively Eligible Pregnant Women.** Expenditures to provide full MassHealth Standard plan benefits to presumptively eligible pregnant women (including Hospital Presumptive Eligibility) with incomes at or below 200 percent of the FPL.
  - 18. Medicare Cost Sharing Assistance.** Expenditures for monthly Medicare Part A and Part B premiums and for deductibles and coinsurance under Part A and Part B for MassHealth Standard members with incomes at or below the 133% of the FPL and for monthly Medicare Part B premiums, including through the Qualifying Individual program, for MassHealth Standard members with incomes at or below 165 percent of the FPL, who are also eligible for Medicare (without applying an asset test). Expenditures to cover the costs of monthly Medicare Part B premiums for CommonHealth members who are also eligible for Medicare with gross income between 133 and 135 percent FPL (without applying an asset test).
  - 19. Continuous Eligibility Period for Individuals enrolled in Student Health Insurance Plans.** Expenditures for health care costs, including insurance premiums and cost sharing for individuals who are enrolled while Medicaid eligible in cost-effective student health insurance as determined by the state for periods in which such individuals are no longer Medicaid eligible during a continuous eligibility period.
- III. Delivery System-Related Expenditures**
- 20. PCCM Entities and Pilot ACOs:** Expenditures for shared savings payments to participating ACOs and Pilot ACOs that include risk-based (upside and downside) payments to these ACOs, and that may allow or require ACOs to distribute some portion of shared savings to or collect shared losses from select direct service providers, that are outside of the ranges for Integrated Care Models (ICMs) provisions and/or are not otherwise authorized under 42 CFR §438.
    - a. **Safety Net Care Pool (SNCP).** Expenditures for the following categories of expenditures, subject to overall SNCP limits and category-specific limits set forth in the STCs.
  - 21. Incentive-Based Pools.** As described in Attachment E and effective July 1, 2017, expenditures for Delivery System Reform Payments (DSRIP) and continued expenditures for Public Hospital Transformation and Incentive Initiatives.

1. **DSRIP and Related Initiatives.** Expenditures for incentive payments and state infrastructure payments for the DSRIP program specified in Section VIII of the STCs, and for flexible services provided to ACO enrolled beneficiaries, to the extent not otherwise available under the Medicaid state plan, under other state or federal programs, or under this demonstration.
  2. **Public Hospital Transformation and Incentive Initiatives (PHTII).** Expenditures for incentive payments that support Cambridge Health Alliance's transformation work through its Public Hospital Transformation and Incentive Initiatives program.
- 22. Disproportionate Share Hospital-like (DSH-like) Pool.** As described in Attachment E, limited to the extent set forth under the SNCP limits, expenditures for payments to providers, including: acute hospitals and health systems, non- acute hospitals, and other providers of medical services to support uncompensated care for Medicaid eligible individuals , and low-income uninsured individuals, in accordance with the Massachusetts' Uncompensated Cost Limit Protocol approved December 17, 2013, and expenditures for payments for otherwise covered services furnished to individuals who are inpatients in an Institution for Mental Disease (IMD).
- 23. Uncompensated Care Pool.** As described in Attachment E, expenditures for supplemental payments to hospitals to reflect uncompensated charity care costs beyond the expenditure limits of the DSH Pool. Specifically, expenditures for additional Health Safety Net payments to hospitals that reflect care provided to certain low-income, uninsured patients; and Department of Public Health (DPH) and Department of Mental Health (DMH) hospital expenditures for care provided to uninsured patients.
- 24. Designated State Health Programs (DSHP).** Expenditures for designated programs that provide health services that are otherwise state-funded, for health services as specified below and in Attachment E of the STCs.
- a. Health Connector Subsidies. Expenditures for the payments made through its state-funded program to:
    - i. Provide premium subsidies for individuals with incomes at or below 300 percent of the FPL who purchase health insurance through the Massachusetts Health Insurance Connector Authority (Health Connector). Subsidies will be provided on behalf of individuals who: (A) are not Medicaid eligible; and (B) whose income, as determined by the state, is at or below 300 percent of the FPL.
    - ii. Provide cost-sharing subsidies for individuals who purchase health insurance through the Health Connector. Subsidies will be provided on behalf of individuals who: (A) are not Medicaid eligible; and (B) whose income, as determined by the Health Connector, is at or below 300 percent of the FPL.

- b. Health Connector Gap Coverage. Expenditures for individuals who are determined eligible QHP coverage, for up to 100 days while they select, pay and enroll into a health plan.

#### **IV. Streamlined Redeterminations**

- 25. Streamlined Redeterminations for Adult Populations.** Expenditures for parents, caretaker relatives, and childless adults who would not be eligible under either the state plan or other full-benefit demonstration populations, but for Streamlined Redeterminations.

- 26. Streamlined Redeterminations for Children's Population.** Expenditures for children who would not be eligible under the Title XIX state plan, Title XXI state child health plan or other full-benefit demonstration populations, but for Streamlined Redeterminations.

All requirements of the Medicaid program expressed in law, regulation, and policy statements that are explicitly waived under the Waiver List herein shall similarly not apply to any other expenditures made by the state pursuant to its Expenditure Authority hereunder. In addition, none of the Medicaid program requirements as listed and described below shall apply to such other expenditures. All other requirements of the Medicaid program expressed in law, regulation, and policy statements shall apply to such other expenditures.

#### **The Following Title XIX Requirements Do Not Apply to These Expenditure Authorities.**

- 27. Premiums and Cost Sharing Section 1902(a)(14) insofar as it incorporates Section 1916 and 1916A**

To enable Massachusetts to impose premiums and cost-sharing in excess of statutory limits on individuals enrolled in the CommonHealth and Breast and Cervical Cancer Treatment programs.

- 28. Financial Responsibility/Deeming** **Section 1902(a)(17)**

Effective no sooner than July 1, 2019, to enable Massachusetts to treat the state veteran annuity as non-countable income in making any calculations related to the post-eligibility treatment of income (PETI) rules.

- 29. Comparability/Amount, Duration, and Scope** **Section 1902(a)(10)(B)**

Effective no sooner than July 1, 2019, to enable Massachusetts to treat the state veteran annuity as non-countable income in making any calculations related to the post-eligibility treatment of income (PETI) rules and for any cost sharing calculations.

#### **In Addition to the Above, the Following Title XIX Requirements Do Not Apply to Expenditures for Family Assistance Coverage:**

**30. Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT)**  
**Section 1902(a)(43)**

EPSDT does not apply to individuals eligible for the family assistance program.

**31. Assurance of Transportation**  
**Section 1902(a)(4)**  
**insofar as it incorporates 42 CFR 431.53**

To enable Massachusetts to provide benefit packages to individuals enrolled in the Family Assistance demonstration programs that do not include transportation.

**32. Reasonable Promptness**  
**Section 1902(a)(8)**  
To enable Massachusetts to cap enrollment and maintain waiting lists for the Family Assistance demonstration programs.

**33. Mandatory Services**  
**Section 1902(a)(10)(A)**  
**insofar as it incorporates Section 1905(a)**  
To exempt the state from providing all mandatory services to individuals enrolled in the Family Assistance demonstration programs.

**The Following Title XIX Requirements Do Not Apply to Expenditures for Medicare Cost Sharing Assistance:**

**34. Resource Limits**  
**Section 1902(a)(10)(E)**  
To enable Massachusetts to disregard assets in determining eligibility for Medicare cost sharing assistance.

**No Title XIX Requirements are Applicable to Expenditures for the Safety Net Care Pool.**

**The Following Title XIX Requirements are not Applicable to Expenditures for the CommonHealth program.**

**Income Disregards  
under Section  
1902(r)(2)(A)**

To enable Massachusetts to not apply financial eligibility determination methodologies required under section 1902(r)(2)(A) for CommonHealth adults eligible under expenditure authority 1.