

**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 the Commonwealth for the items identified below, which are not otherwise included as expenditures under section 1903, shall be regarded as expenditures under the State's Title XIX plan for the period of this demonstration extension, beginning July 1, 2005 through June 30, 2008. These expenditure authorities enable the Commonwealth to implement the MassHealth Medicaid section 1115 Demonstration in accordance with the approved Special Terms and Conditions (STCs). These expenditures are subject to the provisions of Title XIX only to the extent described below.

The authorized expenditures are:

I. Demonstration Service Expenditures

1. Family Assistance.

- a. Expenditures to provide MassHealth coverage, subject to any enrollment cap, to persons who are HIV-positive provided they are under the age of 65, non-institutionalized, have income that is less than or equal to 200 percent of the Federal poverty level (FPL), and who would otherwise not be eligible for Medicaid. These expenditures include the 60-day period between the time a person submits an application and the time that individual provides to the State proof of his or her HIV-positive health status.
- b. Expenditures to provide MassHealth coverage to non-disabled children who have income that is less than or equal to 200 percent of the FPL, and who would otherwise not be eligible for Medicaid due to family income.

2. Breast and Cervical Cancer Treatment Program. Expenditures to provide MassHealth coverage to uninsured women with breast or cervical cancer, who are not otherwise eligible for Medicaid, who have income that is less than or equal to 250 percent of the FPL, and have been screened through the Centers for Disease Control and Prevention's National Breast and Cervical Cancer Early Detection Program administered by Massachusetts' Department of Public Health.

3. Insurance Partnership. The following IP expenditures:

- a. **Employee Subsidy.** Expenditures for a portion of the employee responsibility for

employer-based health insurance which meets certain minimum basic benefit levels set by the Commonwealth, provided that the employer contributes at least 50 percent of the cost of health insurance benefits, for individuals not otherwise eligible under the State plan or this demonstration whose gross income of the employee's family is no more than 200 percent FPL. Effective October 1, 2006, expenditures for the employee subsidy are authorized for employees with gross family income of no more than 300 percent FPL.

- b. **Employer Subsidy.** Expenditures for a portion of employer (or self-employed) costs of "new employer-provided health insurance" as defined in the STCs, Attachment D. Effective July 1, 2007, expenditures for the employer subsidy to sole proprietors and self-employed individuals will no longer be considered expenditures under the Demonstration.
4. **Basic.** Expenditures for medical coverage provided to long-term unemployed childless adults ages 19 through 64 with income at or below 100 percent FPL who are receiving Emergency Aid to Elders, Disabled and Children or services from the Department of Mental Health.
5. **Essential.** Expenditures for medical coverage provided to long-term unemployed childless adults ages 19 through 64 with income at or below 100 percent FPL who are not eligible under Basic.
6. **Medical Security Plan.** Expenditures to provide medical coverage for those receiving unemployment benefits from the Division of Unemployment Assistance with incomes at or below 400 percent FPL.
7. **CommonHealth.** Expenditures to provide medical coverage to working adult individuals with a disability and children with a disability with income above 133 percent of the FPL, who are not eligible for Standard.

II. Commonwealth Care Health Insurance Program. Expenditures to provide premium assistance for the purchase of private health insurance products for individuals with income at or below 300 percent of the FPL, who are not otherwise eligible under the State plan or this demonstration.

III. Demonstration Administration

1. **Medicaid Eligibility Quality Control.** Expenditures that would have been disallowed under section 1903(u) of the Act based on Medicaid Eligibility Quality Control findings.
2. **Automatic Re-enrollment.** Expenditures for costs incurred as a result of the automatic reenrollment of MassHealth enrollees who have regained MassHealth eligibility within 1 year, in the last health plan of enrollment, and who would not otherwise be eligible under section 1903(m)(2)(H) of the Act.
3. **Institutions for Mental Disease.** Expenditures, subject to the phase down schedule

below, for services to a MassHealth enrollee ages 21 through 64 residing in an Institution for Mental Disease for the first 30 days of an inpatient episode, subject to an aggregate annual limit of 60 days. The expenditures allowable under the demonstration will be phased down, and will be the percentage of aggregate expenditures for such services set forth below for the relevant time period:

Period	Allowable Portion of Expenditures
July 1, 2005-June 30, 2006	100%
July 1, 2006-June 30, 2007	50%
July 1, 2007-June 30, 2008	0%

Notwithstanding the phase down described above, FFP will be available for Safety Net Care Pool expenditures for IMD services.

IV. Safety Net Care Pool. Expenditures made by Massachusetts for costs related to providing health care services to uninsured individuals and unreimbursed Medicaid costs subject to the restrictions placed on the Safety Net Care Pool by the Special Terms and Conditions governing the Demonstration. In addition, expenditures made by Massachusetts for the designated State health programs in 27 b) of the Special Terms and Conditions.

V. Special Programs. Expenditures to provide diversionary services as defined in Attachment D of the Special Terms and Conditions governing the Demonstration to individuals:

- 1) enrolled in an MCO (for which the MCO will provide the services);
- 2) enrolled in the Primary Care Clinician plan (for which the services will be provided by the behavioral health contractor); or
- 3) children under the supervision of the Department of Social Services or the Department of Youth Services even if those children are not otherwise enrolled in MCO or PCC Plan (for which the services will be provided by the behavioral health contractor).

Title XIX Requirements Not Applicable to Demonstration Services (except the Medical Security Plan)

The provisions of Title XIX shall apply to populations or benefits authorized under the Expenditure Authority in the same manner as to populations under the State plan, except as specified below:

Statewideness

Section 1902(a)(1)

To enable Massachusetts to make expenditures for Demonstration Services only in certain geographical areas of the Commonwealth.

Reasonable Promptness

**Sections 1902(a)(3) and
1902(a)(8)**

To enable Massachusetts to cap enrollment and maintain waiting lists for Demonstration Service expenditures.

Assurance of Transportation

**Section 1902(a)(4) insofar as
it incorporates 42 CFR §
431.53**

To enable Massachusetts to provide benefits to Demonstration Service expenditures that do not include transportation.

Amount, Duration, and Scope of Services

Section 1902(a)(10)(B)

To enable Massachusetts to offer different services to different Demonstration Service expenditures.

Eligibility Procedures

**Section 1902(a)(10)(A) and
Section 1902(a)(10)(C)(I)-
(III)**

To enable Massachusetts to use streamlined eligibility procedures and include eligibility standards and requirements for Demonstration Service expenditures that differ from those required by law.

Cost Sharing

Section 1902(a)(14)

To enable Massachusetts to establish cost sharing requirements in a manner that differs from Title XIX cost sharing requirements.

Out-of-State Services

Section 1902(a)(16)

To enable Massachusetts to provide Demonstration Service expenditures with benefit packages that do not include out-of-state services.

Comparable Income Standards

Section 1902(a)(17)

To authorize Massachusetts to determine eligibility for Demonstration Service expenditures based on differing income standards for subgroups within those populations.

Freedom of Choice

Section 1902(a)(23)

To enable Massachusetts to restrict freedom-of-choice of provider for Demonstration Service expenditures.

Reimbursement**Section 1902(a)(32)**

To enable Massachusetts to provide the following:

- a) a direct subsidy or reimbursement, including through use of a voucher, to low-income employees, or to insurers for the benefit of low-income employees to help enable these employees to pay for their share of medical insurance costs when their employers provide health insurance.
- b) a direct subsidy or reimbursement, including through use of a voucher, to unemployed persons, or to insurers for the benefit of unemployed persons to help enable those who are not eligible for other programs to purchase health insurance;
- c) a direct subsidy or reimbursement, including through use of a voucher, to self-employed persons, or to insurers for the benefit of self-employed persons to help enable them to pay for the cost of health insurance; and
- d) reimbursement, through employer subsidies, to self-employed persons or to employers of individuals and families below a certain income level for a portion of the employers' cost of providing health insurance to such employees.

Retroactive Eligibility**Section 1902(a)(34)**

To enable Massachusetts to waive the requirement to provide medical assistance for up to 3 months prior to the date that an application for assistance is made.

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

To enable Massachusetts to provide Demonstration Service expenditures with service packages for individuals under 21 that differ from Title XIX EPSDT requirements.

No provisions of Title XIX (or regulations promulgated there under whether or not explicitly listed) shall be applicable to expenditures for the Medical Security Plan.

To enable Massachusetts to administer the Medical Security Plan in a way that differs from administration of the Medicaid program.

Title XIX Requirements Not Applicable to Commonwealth Care Health Insurance Program expenditures made from the Safety Net Care Pool

In addition to those provisions of Title XIX identified as not applicable to the Demonstration Service expenditures, the following provisions of Title XIX (and regulations promulgated there under whether or not explicitly listed) are not applicable:

Single State Agency

Section 1902(a)(5)

To enable Massachusetts to administer the Commonwealth Care Health Insurance Program (C-CHIP) through an agency other than the Single State Agency.

Provider Contracts

**Sections 1902(a)(4), 1902(a)(27),
1902(a)57, 1902(a)(58); 42 CFR §
431.107**

To enable Massachusetts to administer the Commonwealth Care Health Insurance Program in a manner that would not require a direct contractual relationship between the Commonwealth and providers in that program.

Fair Hearings

Section 1902(a)(3)

To enable Massachusetts to afford notice and the opportunity for a hearing to program participants under the Commonwealth's health care consumer protection provisions.

Managed Care Except for Actuarial Soundness Section 1902(a)(4) and Section 1932 shall not apply; except 42 USC 438.6(c)(2) (actuarial soundness) shall apply.

To enable Massachusetts to administer the Commonwealth Care Health Insurance Program in a manner that is consistent with the Commonwealth's health care consumer protection provisions, except that the requirement that managed care rates be actuarially sound shall apply.