

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

June 9, 2022

Amanda Cassel Kraft
Acting Assistant Secretary
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor, Room 1109
Boston, MA 02018

Dear Ms. Cassel Kraft:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "MassHealth" (Project Number 11-W-00030/1), in order to allow the state and CMS to continue negotiations over the state's December 22, 2021 demonstration application. This demonstration will now expire September 30, 2022.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs, waivers, and prorated expenditure authorities will continue to apply during the temporary extension of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of DY 25) will continue to apply as described in the STCs, until September 30, 2022, or until the demonstration is extended, whichever is sooner. The state will not earn budget neutrality savings during this three-month temporary extension period.

For the temporary extension period, the state should continue to monitor its demonstration as stipulated in the current STCs. In addition, the state will be expected to include the temporary extension period in its demonstration evaluation. The state may include this temporary extension period within its evaluation for the current approval period, July 1, 2017 through June 30, 2022. Alternatively, if CMS approves an extension beyond September 30, 2022, the state may include this temporary extension period in the evaluation design and activities of the next full demonstration approval period. The state will submit to CMS a summative evaluation report in accordance with the approved evaluation design. The summative evaluation report will cover the full period of performance from July 1, 2017 through June 30, 2022 (and the temporary extension period if the state chooses). In the event that the state does not obtain an extension beyond September 30, 2022, the state should include the temporary extension period in its summative evaluation.

CMS strongly supports the goals set forth in the state's extension proposal which include:

1. Continuing the path of restructuring and reaffirming accountable, value-based care;
2. Investing in primary care, behavioral health, and pediatric care to expand access and move the delivery system away from siloed, fee-for-service health care;
3. Advancing health equity, with a focus on addressing health-related social needs and specific disparities;
4. Supporting the Commonwealth’s safety net and continued linkages to accountable care; and
5. Maintaining near-universal health coverage including updates to eligibility policies to support coverage access and equity.

CMS and Massachusetts are jointly committed to finalizing the state’s demonstration extension by September 30, 2022, including approval of waiver, expenditure, and STC authorities necessary to achieve our shared goals. CMS is also committed to ensuring the state has the authorities it needs to conduct an orderly close-out and transitions of programs, including the Delivery System Reform Incentive Payment (DSRIP) program, from the current demonstration to the new demonstration.

Your CMS project officer for this demonstration is Ms. Rabia Khan. She is available to answer any questions concerning your section 1115 demonstration. Ms. Khan can be reached at Rabia.Khan1@cms.hhs.gov. If you have questions regarding this communication, please contact me at (410) 786-9686.

Sincerely,

Judith Cash
Director

Enclosure

cc: Marie DiMartino, State Monitoring Lead, Medicaid and CHIP Operations Group