

**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 (date of the approval letter through June 30, 2014), 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 All previously approved expenditure authorities for this demonstration are superseded by those set forth below for the state's expenditures relating to dates of service during this demonstration extension.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 adults aged 19 through 64 who are totally and permanently disabled and not eligible for Standard coverage, but who are:
 - a. Employed; or
 - b. Not employed and meet a one-time only deductible.
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 Standard coverage.
3. **Family Assistance [e-Family Assistance and e-HIV/FA].** Effective through December 31, 2013, expenditures for health care-related costs for the following individuals with incomes at or below 200 percent of the FPL:
 - a. Individuals who are HIV-positive, if they are age 64 or younger, are not institutionalized, and are not otherwise eligible under the Massachusetts Medicaid state plan. These expenditures include the 60-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 who are not otherwise eligible under the Massachusetts Medicaid state plan due to family income.
- 4. **Family Assistance [e-Family Assistance and e-HIV/FA].** Effective January 1, 2014, expenditures for health care-related costs for the following individuals with incomes above 133 through 200 percent of the FPL:
 - a. Individuals who are HIV-positive, if they are age 64 or younger, are not institutionalized, and are not otherwise eligible under the Massachusetts Medicaid state plan. These expenditures include 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 who are not otherwise eligible under the Massachusetts Medicaid state plan due to family income.
- 5. **Breast and Cervical Cancer Treatment Program [BCCTP].** Effective through December 31, 2013, 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 at or below 250 percent of the FPL, h. Effective January 1, 2014, 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 through 250 percent of the FPL
- 6. **MassHealth Small Business Employee Premium Assistance.** Effective January 1, 2014, expenditure authority to make premium assistance payments available to 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 ESI, and where the member is ineligible for other subsidized coverage through MassHealth or the Health Connector.
- 7. **Coverage for Non-Disabled Children with Incomes up to 300 Percent of the FPL.** Effective January 1, 2014, expenditure authority to make premium assistance payments available for children ages 1 through 18, whose household income is above 200 and below 300 percent of the FPL and who are insured at the time of application for benefits.
- 8. **Insurance Partnership [IRP].** Effective through December 31, 2013, expenditures for the cost of employer-sponsored insurance (ESI) for persons under the age of 65 as follows:
 - a. Employee Subsidy. Expenditures for a portion of the employee cost for an ESI plan which meets the basic benefit levels and where the employer contributes at least 50 percent of the cost of health insurance benefits, for individuals (including employees, sole proprietors, and self-employed persons) whose gross family

income is no more than 300 percent of the FPL. This authority expires December 31, 2013.

- b. **Employer Subsidy.** Expenditures for a portion of employer costs of qualified new employer-provided health insurance (insurance not offered prior to January 1, 1999) except that such expenditures are not authorized for sole proprietors and self-employed individuals. This authority expires December 31, 2013.
9. **Basic.** Effective through December 31, 2013, expenditures, for health care-related costs for long-term unemployed childless adults ages 19 through 64 with income at or below 100 percent of the FPL who are receiving Emergency Aid to Elders, Disabled, and Children, or services from the Department of Mental Health. This authority expires December 31, 2013.
10. **Essential.** Effective through December 31, 2013, expenditures for health care-related costs for long-term unemployed childless adults ages 19 through 64 with income at or below 100 percent of the FPL who are not eligible for Basic coverage. This authority expires December 31, 2013.
11. **Medical Security Plan.** Effective through December 31, 2013, expenditures for health care-related costs for individuals with incomes at or below 400 percent of the FPL receiving unemployment benefits from the Division of Unemployment Assistance. This authority expires December 31, 2013.
12. **Commonwealth Care.** Effective through December 31, 2013, expenditures for premium assistance for the purchase of commercial health insurance products for uninsured individuals with income at or below 300 percent of the FPL who are not otherwise eligible under the Massachusetts State plan or any other eligibility category. This authority expires December 31, 2013.

II. Service-Related Expenditures

- a. **Premium Assistance.** Expenditures for premium assistance payments to enable individuals enrolled in the CommonHealth (Adults and Children), Family Assistance, Basic and Essential Populations to enroll in private health insurance to the extent the Commonwealth determines that insurance to be cost effective.
- b. **Pediatric Asthma Pilot Program.** Pediatric Asthma Pilot Program. Expenditures related to a pilot program, as outlined in STC 39, focused on pediatric asthma that will provide a payment such as a per member/per month (PMPM) payment to participating providers for asthma-related services, equipment, and supports for management of pediatric asthma for demonstration eligible children, ages 2 through 18 at the time of enrollment in the pilot, who have high-risk asthma. The pilot may include multiple phases, and may include non-traditional services, supplies, and community supports for environmental home mitigation associated

with pediatric asthma. The authority for this pilot program to receive FFP is not effective until CMS approval of the protocols and amendments to such protocols as outlined in STC 39(g) and (h).

- c. **Intensive Early Intervention Services for Children with Autism Spectrum Disorder.** Expenditures related to evidence-based intensive early intervention habilitative services to MassHealth-eligible children, ages 0 to three years with a confirmed diagnosis of an autism spectrum disorder (ASD) who have an Individual Family Services Plan (IFSP) that identifies medically necessary Applied Behavioral Analysis-based (ABA) services, and who are not otherwise enrolled through the State's currently approved section 1915(c) home and community-based services (HCBS) waiver, entitled "Children's Autism Spectrum Disorder Waiver," CMS base control number 40207, and because the child has not been determined to meet institutional level of care (LOC) requirements. The authority for this program to receive FFP is not effective until CMS approval of the protocol as outlined in STC 40(h).
 - d. **Diversionsary Behavioral Health Services.** Expenditures for benefits specified in Table C of Section V, STC 38 to the extent not available under the Medicaid state plan.
 - e. **Full Medicaid Benefits for Presumptively Eligible Pregnant Women.** Effective January 1, 2014, expenditures to provide full MassHealth Standard plan benefits to presumptively eligible pregnant women with incomes at or below 200 percent of the FPL.
 - f. **End of Month Coverage for Members Transitioning to Subsidized Qualified Health Plan (QHP) Coverage through the Massachusetts Health Connector.** Effective January 1, 2014, expenditures for individuals who would otherwise lose MassHealth eligibility pending coverage in a QHP, as specified in STC 24A.
 - g. **Provisional Eligibility for Individuals Pending Verification of Eligibility Factors.** Expenditures for individuals who self-attest to any eligibility factor, except disability as specified in STC 21A.
- III. Medicaid Eligibility Quality Control.** Expenditures that would have been disallowed under section 1903(u) of the Act based on Medicaid Eligibility Quality Control findings.
- IV. 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.
- a. Commonwealth Care. Effective through December 31, 2013, expenditures for premium assistance under the Commonwealth Care health insurance program for coverage through December 31, 2013, for individuals ages 21 and over without dependent children with income above 133 percent of the FPL through 300

percent of the FPL. This expenditure authority expires December 31, 2013.

- b. Designated State Health Programs (DSHP). Expenditures for designated programs that provide health services, that are otherwise state-funded, for health services with dates of service through June 30, 2014, as specified in Attachment E of the Special Terms and Conditions.
 - c. **Health Connector Subsidies**. Effective January 1, 2014, the state may claim as allowable expenditures under the demonstration, the payments made through its state-funded program to provide subsidies for individuals with incomes above 133 percent of the FPL through 300 percent of the FPL who purchase health insurance through the Marketplace. Subsidies will be provided on behalf of individuals who: (1) are not Medicaid eligible; (2) are eligible for the advance premium tax credit (APTC); and (3) whose income is above 133 percent of the FPL through 300 percent of the FPL.
 - d. Providers. As described in Attachment E, and limited to the extent permitted under the SNCP limits under STC 49 and STC 50, 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 FFS, Medicaid managed care, Commonwealth Care, and low-income uninsured individuals, and expenditures for payments for otherwise covered services furnished to individuals who are inpatients in an Institution for Mental Disease (IMD).
 - e. Infrastructure and Capacity-building. Expenditures limited to five percent of the aggregate SNCP cap over the period from the date of the approval letter through June 30, 2014, for capacity-building and infrastructure for the improvement or continuation of health care services that benefit the uninsured, underinsured, MassHealth, demonstration, and SNCP populations. Infrastructure and capacity-building funding may also support the improvement of health care services that benefit the demonstration populations as outlined in STCs 39 and 41(c). Activities funded under this expenditure authority are not eligible for Delivery System Transformation Initiative (DSTI) incentive payments.
 - f. Delivery System Transformation Initiatives. Expenditures pursuant to STCs 49(e) and 52 for incentive payments to providers for the development and implementation of a program that supports hospital's efforts to enhance access to health care, the quality of care, and the health of the patients and families they serve and that will transform the current payment and delivery system models.
- V. Express Lane Eligibility for Parents/Caretaker Relatives Population.** Expenditures for parents and caretaker relatives who would not be eligible under either the state plan or other full-benefit demonstration populations, but for Express Lane Eligibility determinations. This authority is not effective until approval of a Medicaid Express Lane Eligibility state plan amendment applicable to children.

VI. Extended Express Lane Eligibility 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 Express Lane Eligibility determinations, for the period after September 30, 2013. This authority is not effective until approval of a Medicaid Express Lane Eligibility state plan amendment applicable to children.

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.

1. 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 programs under demonstration expenditure authority as outlined in Attachment B of the STCs.

2. Out-of-State Services **Section 1902(a)(16)**

To exempt the state from making payments for otherwise covered services rendered to individuals enrolled in these demonstration programs when such benefits are rendered out-of-state.

In Addition to the Above, the Following Title XIX Requirements Do Not Apply to Expenditures for Family Assistance, IRP, Basic, and Essential Coverage. Expenditure authorities for IRP, Basic, and Essential Coverage programs expire December 31, 2013.

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

To exempt Massachusetts from furnishing or arranging for EPSDT services for individuals enrolled in these demonstration programs. This authority expires December 31, 2013.

4. 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 these demonstration programs that do not include transportation. This authority expires December

31, 2013.

In Addition to the Above, the Following Title XIX Requirements Do Not Apply to Expenditures for Family Assistance, IRP, Basic, and Essential (non-hypothetical¹ Essential population) Coverage. Expenditure authorities for IRP, Basic, and Essential Coverage programs expire December 31, 2013.

5. Reasonable Promptness

Section 1902(a)(8)

To enable Massachusetts to cap enrollment and maintain waiting lists for these demonstration programs. This authority expires December 31, 2013.

6. 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 these demonstration programs as outlined in Table B of STC 37. This authority expires December 31, 2013.

No Title XIX Requirements are Applicable to Expenditures for the Medical Security Plan, Commonwealth Care, and the Safety Net Care Pool except the Following. Expenditure authority for the Medical Security Plan, and Commonwealth Care programs expire December 31, 2013.

7. Actuarial Soundness

42 C.F.R. 438.6(c)

To enable Massachusetts to require Commonwealth Care providers to be subject to actuarially sound rates. This authority expires December 31, 2013.

¹ See section IV, Eligibility and Enrollment, for an eligibility chart describing hypothetical populations.