

## Technical Amendment Request for STCs

California is proposing that the following technical amendments that were submitted during the technical correction process but not included in the final approved STCs in October 2011 be made to the STCs.

### 1. Amendments to STC 35.a.v:

#### **Proposed Amendments**

v. **Transition Period.** - From the period of the effective date identified in the Demonstration approval letter through October 1, 2011 counties currently participating in the HCCI through the prior period “Medi-Cal Hospital/Uninsured Care Demonstration” and in accordance with paragraph 56 may claim FFP ~~subject to the SNCP limits~~ for qualifying expenditures for enrollees with family incomes from 0-200 percent FPL as the counties implement the new MCE coverage requirements consistent with Attachments G and J of the STCs for the prior Demonstration until September 30, 2011. Effective October 1, 2011 Attachments F, G and J of the STCs will need to be revised for the continuation of claiming to reflect Demonstration activity after the Transition period.

By January 1, 2011, the State will submit to CMS a plan identifying:

- A. Which counties intend to offer MCE;
- B. The upper income levels and benefit packages that the county will cover for both MCE and HCCI coverage during DY 6;
- C. The counties’ plans for implementing the new MCE coverage requirements, including the counties’ plans to meet any requirements not enumerated in the Demonstration waiver and expenditure authorities so that MCE requirements are fully achieved by July 1, 2011.

By July 1, 2011, the State will demonstrate to CMS that counties meet the new MCE coverage requirements and that the expenditures related to this coverage can be claimed as FFP under the MCE EG (hypothetical). For those counties meeting this timeframe, FFP claimed from the effective date identified in the Demonstration approval letter will be treated as MCE expenditures for enrollees with family incomes from 0 to 133 percent FPL. For enrollees with family incomes above 133 up to 200 percent FPL, FFP claimed from the effective date identified in the Demonstration approval letter will be subject to the SNCP limits.

For counties that do not elect to participate in the MCE category, FFP will be claimed against the HCCI in the SNCP, subject to the SNCP limits, for all member months or costs from the effective date identified in the Demonstration approval letter.

For DY 7-10, the State must inform CMS of any county that intends to participate in the MCE program 90 days prior to the county enrolling people in that program under the Medicaid Coverage Expansion and must demonstrate that the county meets the new MCE coverage requirements 45 days prior to the county beginning enrollment in the program. All FFP will be treated as MCE for enrollees qualifying for the MCE category from the period that enrollment begins in the MCE.

### ***Explanation of Amendments***

California requests that the phrase “subject to the SNCP limits” be deleted from the first sentence of the first paragraph of this STC because it suggests erroneously that the retroactive claiming during the transition period would be funded from only the SNCP for enrollees in the HCCI with family incomes from 0-200 percent FPL. The provisions in the second paragraph of this STC allow enrollees in the HCCI with family incomes from 0-133 percent FPL to be claimed as MCEs and reimbursed by federal funding outside of budget neutrality. The deletion of this phrase will ensure that the two paragraphs in this STC will be interpreted in concert and will reflect the mutual intent of CMS and DHCS to enable the expenditures of the MCE population to be reimbursed from federal funding outside of budget neutrality. This change will also help to avoid potential federal audit findings and disallowances caused by the lack of clarity and consistency of the related provisions in STC 35 (a)(v). We have added additional language to the third paragraph in response to CMS’ concerns that simple deletion of the “subject to the SNCP limits” statement would cause ambiguity regarding whether expenditures for those with incomes above 133 percent FPL were subject to the SNCP limit. The additional language clarifies that HCCI expenditures for those above 133 percent FPL are subject to the SNCP limits.

## 2. Amendment to STC 39:

### ***Proposed Amendment***

39. **Permissible non-Federal Share Funding Mechanisms for SNCP.** The State must have permissible sources for the non-Federal share of payments from the Safety Net Care Pool, which may include CPEs or permissible IGTs from government-operated entities. Sources of non-Federal funding shall not include provider taxes or donations impermissible under section 1903(w), impermissible intergovernmental transfers from SNCP providers, or Federal funds received from other Federal programs (unless expressly authorized by Federal statute to be used for matching purposes). For this purpose, for designated public hospitals and other units of government that are also direct service providers, Federal funds do not include patient care or other revenue received from programs such as Medicare or Medicaid to the extent that the program revenue is not obligated to the State as the source of funding.

In the event that the use of CPEs or permissible IGTs by the State and government-operated entities is insufficient to fully utilize the SNCP allowance, the State may propose alternate legitimate funding mechanisms. However, CMS must review and approve any such alternate funding prior to its use as the non-Federal share of a payment under Title XIX.

### ***Explanation of Amendment***

The intent of this change is to ensure consistency in the interpretation of the provisions regarding non-federal fund sources for the use of CPEs and IGTs. If this sentence is not included in STC 39 and the construct remains only in STC 33, then it appears that patient care and other revenues are allowed only as the source of non-federal funding for CPEs only, which is not correct. The suggested amendment language as been revised, as of

January 9, 2012, to address concerns raised by CMS. This language is consistent with language agreed upon in the boilerplate language utilized for IGT agreements in managed care.

3. Amendments to STC 48a

***Proposed Amendments***

- a. **Demonstration Low Income Health Program** – Eligible individuals who meet county residency requirements of a participating county, are a U.S. citizens, nationals or otherwise have satisfactory immigration status: are not eligible for Medicaid or CHIP; are not pregnant, and are within the following populations:
- i. **Medicaid Coverage Expansion (MCE) Population** - Adults between 19 and 64 years of age who have family incomes at or below 133 percent of the FPL (or less as applicable based on participating county income eligibility standards).
1. **New MCE Recipients** - Adults between 19 and 64 years of age who have family incomes at or below 133 percent of the FPL (~~or less based on participating county standards~~) and who have been determined to be eligible for enrollment into a participating county program after the Demonstration approval date, including individuals determined eligible for enrollment during the Transition Period pursuant to paragraph 35.a.v; and
  2. **Existing MCE Recipients** - Includes certain adults who have family income at or below 133 percent FPL, and who were enrolled in the “Medi-Cal Hospital/Uninsured Care Waiver,” HCCI in their county of residence on the effective date identified in the CMS Demonstration approval letter;
- ii. **Health Care Coverage Initiative (HCCI) Population** – Adults between 19 and 64 years of age who have family incomes above 133 percent through 200 percent FPL (or less based as applicable on participating county income eligibility standards).
1. **New HCCI Recipients** - Adults between 19 and 64 years of age who have family incomes above 133 through 200 percent of the FPL (~~or less based on participating county standards~~) and who have been determined to be eligible for enrollment into a participating county program after the Demonstration approval date, including individuals determined eligible for enrollment during the Transition Period pursuant to paragraph 35.a.v.
  2. **Existing HCCI Recipients** - Includes certain adults who have family income above 133 through 200 percent of the FPL, who were enrolled in the “Medi-Cal Hospital/Uninsured Care Waiver,” in their county of residence on the effective date identified in the CMS Demonstration approval letter.

***Explanation of Amendments***

The proposed amendments to this STC clarify issues related to the program enrollees during the transition period and correct gaps in the STCS regarding allowable coverage for these enrollees.

The two subparagraphs in this STC that refer to the MCE population and the HCCI population were modified to clarify that the current LIHP income eligibility standards may

not apply for existing recipients and enrollees in the program during the transition period. This change ensures that these enrollees are included in the definitions for the MCE and HCCI populations and their expenditures are claimed appropriately. The definition for new MCE and new HCCI Recipients needs to be revised to include the individuals determined eligible for the program under the STCs during the transition period. These changes cover the gap in the STC regarding those enrollees in the program during the transition period and ensure allowable coverage for these enrollees.

#### 4. Amendments to STC 58a

##### ***Proposed Amendments***

**58. Eligibility and Enrollment Processes** - For both the MCE and HCCI programs, eligible individuals may not be otherwise eligible for Medicaid or CHIP, must be non-pregnant, and must meet, income eligibility standards that are determined on a county-by-county basis, with variation in the income eligibility standards between counties within ranges established under this Demonstration. No asset test will be imposed upon LIHP enrollees. An individual determined eligible in one participating county who moves to another participating county will be disenrolled by the county in which the individual is no longer a resident, and may apply in the county to which the individual becomes a resident.

##### **a. Definitions –**

i. **MCE Applicants** – are non-pregnant individuals between 19 and 64 years of age who are not enrolled in Medicaid or CHIP and who appear to have family incomes at or below 133 percent of the FPL (or less as applicable based on participating county eligibility standards) who have completed an application in a participating county and who have not had an eligibility determination.

##### ii. **MCE Recipients**

A. **New MCE Recipients** - Are individuals between 19 and 64 years of age who have family incomes at or below 133 percent of the FPL (~~or less based on participating county income standards~~) are not enrolled in Medicaid or CHIP and who have been determined to be otherwise eligible (including individuals determined eligible for enrollment during the Transition Period pursuant to paragraph 35.a.v) and are U.S. citizens, nationals or pending documentation of citizenship consistent with 1902(a)(46)(B) of the Act; or have satisfactory immigration status consistent with 1137 of the Act; and

B. **Existing MCE Recipients** -. Includes certain individuals whose income is at or below 133 percent of the FPL, and who were enrolled in the “Medi-Cal Hospital/Uninsured Care Demonstration,” in their county of residence at the effective date identified in the CMS approval letter of the California Bridge to Reform Demonstration. These individuals are entitled to continued MCE eligibility even though they may not meet the current MCE income eligibility ~~requirements standards~~ imposed by the participating county program individual LIHP as it implements the California Bridge to Reform Demonstration.

iii. **HCCI Applicants** - are non-pregnant individuals between 19 and 64 years of age who appear to have family incomes above 133 through 200 percent of the FPL (or less as applicable based on participating county income standards), are not enrolled in Medicaid or CHIP, do not have third party coverage, who have

completed an application for HCCI in a participating county and who have not had an eligibility determination.

iv. **HCCI Recipients**

- A. **New HCCI Recipients** - Are individuals between 19 and 64 years of age who have family incomes above 133 through 200 percent of the FPL (~~or less based on participating county income standards~~), are not enrolled in Medicaid or CHIP, do not have third party coverage, and who have been determined to be otherwise eligible (~~including individuals determined eligible for enrollment during the Transition Period pursuant to paragraph 35.a.v~~) and are U.S. citizens, nationals or pending documentation of citizenship consistent with 1902(a)(46)(B) of the Act; or have satisfactory immigration status consistent with 1137 of the Act and
- B. **New HCCI Recipient Enrollment Limitation** – Within 60 days of Demonstration approval the State must provide to CMS for review and approval reasonable procedures and monitoring plans for assuring that MCE applicants are enrolled prior to HCCI applicants. No FFP will be available for county plans that enroll new HCCI applicants at the exclusion of MCE applicants.
- C. **Existing HCCI Recipients** - Includes certain individuals whose income is above 133 through 200 percent of the FPL, and who were enrolled in the “Medi-Cal Hospital/Uninsured Care Demonstration,” in their county of residence at the effective date identified in the CMS approval letter of the California Bridge to Reform Demonstration. These individuals are entitled to continued HCCI eligibility even though they may not meet the current HCCI income range-eligibility requirements standards imposed by the individual LHP as it implements the California Bridge to Reform Demonstration participating county program.

***Explanation of Amendments***

The proposed amendments to this STC are conforming changes to similar language proposed in STC 48 above. These changes ensure consistency and clarity regarding the eligibility of MCE and HCCI individuals, including those enrolled in the prior demonstration and during the transition period.

5. Amendment to Expenditure Authority:

- d. **New Health Care Coverage Initiative (HCCI) Recipient:** From ~~July 1, 2011~~ the effective date identified in the Demonstration approval letter through December 31, 2013, expenditures for adults between 19 and 64 years of age who have family incomes above 133 through 200 percent of the FPL, or as set by an HCCI participating county, based on available funding as described in the Safety Net Care Pool STCs.

***Explanation of Amendment***

This request is new due to the CMS edit changing “the effective date identified in the Demonstration approval letter” to “July 1, 2011”. The proposed amendment to this

Expenditure Authority is to ensure consistency in interpretation with the STCs 48 and 58 which states that new enrollees for both HCCI and MCE are those enrolled after the Demonstration effective date. Additionally, this is a conforming change to similar language in the Expenditure Authority for new and existing MCE; and existing HCCI. The CMS proposed edit would result in a gap in the expenditure authority for those HCCI enrollees enrolled after the effective date of November 2010 through June 30, 2011. This change ensures consistency and clarity regarding new HCCI individuals and expenditures for those enrolled during the transition period.