

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP and Survey & Certification

MAR 22 2012

Ms. Rita M. Landgraf
Secretary
Delaware Health and Social Services
1901 N. DuPont Highway
New Castle, DE 19720

Dear Ms. Landgraf:

We are pleased to inform you that Delaware's request to amend its section 1115 Medicaid Demonstration project, entitled "Diamond State Health Plan (DSHP)," (project No. 11-W-00036/3), submitted on August 23, 2011, has been approved. Approval of the amendment to this Demonstration, as modified by the Special Terms and Conditions (STCs), waivers and expenditure authorities, is under the authority of section 1115(a) of the Social Security Act (the Act) and is effective as of April 1, 2012, through December 31, 2013.

The approval of this amendment will allow the State to expand Medicaid managed care coverage under the Demonstration through the creation of the DSHP-Plus Program to provide long-term care services and supports. The Demonstration subsumes the State's existing section 1915(c) home and community-based waivers for the Elderly and Disabled and those with Acquired Immunodeficiency Syndrome and Human Immunodeficiency Virus (HIV/AIDS) Related Diseases. Additionally, DSHP-Plus will provide coverage through a managed care delivery system to individuals receiving care at nursing facilities (NF) other than intermediate care facilities for the mentally retarded, children in pediatric nursing facilities, individuals who receive benefits from both Medicaid and Medicare (dual eligibles); and workers with disabilities that qualify for Medicaid.

Delaware will rebalance its long-term care delivery system to provide services in the most appropriate setting by establishing tiered level of care requirements for nursing facility and home and community-based services (HCBS). Through the establishment of this new program, any individual meeting the requirements for medical and/or functional need is eligible to receive HCBS based on the individual's plan of care. The State will provide HCBS to eligible individuals and State plan services to disabled children who are at-risk of institutionalization to provide support prior to an individual needing assistance within a nursing facility. The Demonstration also expands HCBS to include cost-effective and medically necessary home modifications, assistance with in-home chore services, and home delivered meals.

We commend the State on taking steps to move toward establishing comprehensive and coordinated care for the most vulnerable Delawareans, while ensuring network adequacy and protections for beneficiaries built into the STCs.

CMS acknowledges the State's withdrawal of the following requests as it continues to pursue other avenues, including planning activities to:

- Implement any approved State plan amendment for health homes as created under section 2703 of the Affordable Care Act to eligible Demonstration enrollees;
- Utilize only one managed care organization (MCO) for a period of time up to 15 months in the unlikely event that one MCO should discontinue its participation in the Medicaid program; and
- Expand managed care benefits to include pharmacy, as pharmacy services are currently carved out from the Medicaid managed care benefit package and paid for on a fee-for-service basis.

Our approval of this amendment is subject to the limitations specified in the approved waiver, expenditure authorities and title XIX requirements not applicable. The State may deviate from the Medicaid State plan requirements only to the extent those requirements have been specifically waived or granted expenditure authority or specified as title XIX requirements not applicable.

The approval is also conditioned upon compliance with the enclosed STCs defining the nature, character, and extent of Federal involvement in this project. This award letter is subject to our receipt of your written acceptance of the award and acceptance of the STCs, waiver list, and expenditure authority within 30 days of the date of this letter.

Your project officer is Ms. Rebecca Burch Mack. She is available to answer any questions concerning this demonstration project. Ms. Burch Mack's contact information is as follows:

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E-mail: Rebecca.BurchMack@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Burch Mack and Mr. Francis McCullough, Associate Regional Administrator for the Division of Medicaid and Children's Health in our Philadelphia Regional Office. Mr. McCullough's address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health
The Public Ledger Building
Suite 216
150 South Independence Mall West

Philadelphia, PA 19106

We extend our congratulations to you on the approval of this amendment to the Demonstration. If you have any questions regarding this correspondence, please contact Ms. Victoria Wachino, Director, Children and Adults Health Programs Group, Centers for Medicaid and CHIP Services, (410) 786-5647.

Sincerely,



Cindy Manh
Director

Enclosures

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cc:

Francis McCullough, ARA, Region III

Melanie Benning, State Representative

Rebecca Burch Mack, Project Officer, CMCS