

COVID-19 Section 1115(a) Demonstration Application Template

The State of Vermont, Agency of Human Services proposes emergency relief as an affected state, through the use of section 1115(a) demonstration authority as outlined in the Social Security Act (the Act), to address the multi-faceted effects of the novel coronavirus (COVID-19) on the state’s Medicaid program.

The State of Vermont has chosen the following unwinding period timeline:

Options	Unwinding timeline options	End date of the demonstration
Option A	State begins 12-month unwinding period two months prior to the end of the PHE	13 months after the month in which the PHE ends
Option B	State begins 12-month unwinding period one month prior to the end of the PHE	14 months after the month in which the PHE ends
Option C	State begins 12-month unwinding period the month after the PHE ends	15 months after the month in which the PHE ends

I. DEMONSTRATION GOAL AND OBJECTIVES

Effective retroactively to the last day of the COVID-19 public health emergency (PHE) the State of Vermont seeks section 1115(a) demonstration authority to operate its Medicaid program without regard to the specific statutory or regulatory provisions (or related policy guidance) described below, in order to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 PHE. Specifically, this demonstration action tests whether, in the context of the current COVID-19 PHE and the related unwinding period, an exemption from the statutory prohibition in 1902(ee)(1)(B)(ii)(II) of the Social Security Act promotes the objectives of Medicaid. CMS will investigate how eliminating this statutory requirement and extending the reasonable opportunity period (ROP) during the unwinding period ensures equitable application of the verification policies and processes for individuals who have attested to U.S. citizenship and individuals who have attested to satisfactory immigration status. States can utilize the good faith extension permitted under existing regulatory authority at 42 C.F.R. § 435.956(b)(2)(ii)(B) to extend the ROP for individuals who have attested to satisfactory of immigration status to align with and manage their redetermination workload and other outstanding verifications during the unwinding period.

To achieve the same goal of assisting states in aligning and managing their redetermination workload, states will need expenditure authority for the state to continue verification of individuals who have attested to citizenship, for 15 months beginning with the first month of a state’s unwinding period. These 15 months include a state’s 12-month unwinding period, plus three additional months for the state to complete its verification process for an individual whose case comes up for processing in month 12 of the unwinding period. For any given beneficiary, the authority to extend the ROP will terminate 3 months after the state initiates a renewal (or

other eligibility action) for the beneficiary. At the end of the verification process for a specific beneficiary, if the state is either unable to verify an individual’s status or determines the individual is not a U.S. citizen, the state must take action to terminate eligibility within 30 days in accordance with section 1902(ee)(1)(B)(ii)(III) of the Social Security Act and 42 C.F.R. § 435.956(b)(3) and 42 C.F.R. 431 subpart E (relating to notice and fair hearing rights).

To that end, the expenditure authority during the unwinding period is expected to help maintain beneficiary access to care, and state alignment and management of the redetermination workload. This exemption allows the state to maintain coverage for individuals declaring to be U.S. citizens if the agency needs more time to verify the individual’s status through available electronic data sources, if the agency determines that the individual is making a good faith effort to obtain any necessary documentation, or to assist the individual in obtaining documents needed to verify their status.

This authority is effective from the date the state begins its unwinding period and lasts for up to 15 months.

II. DEMONSTRATION DELIVERY SYSTEM PROJECT FEATURES

A. Delivery System:

Check to Apply	Delivery System Description
X	The health care delivery system for the provision of services under this demonstration will be implemented in the same manner as under the state’s current state plan.
	Other as described here: <i>[state to insert description]</i>

III. ENROLLMENT AND EXPENDITURE PROJECTIONS

A. Enrollment and Enrollment Impact. The demonstration provides expenditure authority for the state to continue to provide eligibility to individuals who have attested to U.S. citizenship, and whose benefits have been maintained during a reasonable opportunity period (ROP) in order to comply with the continuous enrollment condition under section 6008(b)(3) of the Families First Coronavirus Response Act. The state

projects that the demonstration will continue to provide coverage for approximately 900 individuals for the CY22 period of the demonstration and 900 individuals for the CY23 period of the demonstration.

- B. **Expenditure Projection.** The state projects that the total aggregate expenditures associated with Vermont’s Global Commitment to Health section 1115 demonstration will be \$1.73 billion for the CY22 period and \$1.84 billion for the CY23 period. Vermont’s entire Medicaid population is contained within the Global Commitment 1115 demonstration – expenditures for the individuals affected by this specific 1115 demonstration (in III.A. above) cannot be isolated from the larger demonstration of 177,000 individuals.

In light of the unprecedented emergency circumstances associated with the COVID-19 pandemic and consistent with the President’s proclamation that the COVID-19 outbreak constitutes a national emergency consistent with section 1135 of the Act, and the time-limited nature of demonstrations that would be approved under this opportunity, the Department will not require the state to submit budget neutrality calculations for section 1115 demonstration projects designed to combat and respond to the spread of COVID-19. In general, CMS has determined that the costs to the Federal Government are likely to have otherwise been incurred and allowable. The state will still be required to monitor and descriptively evaluate the effectiveness of extending the ROP in order to align and manage redetermination workload as part of the state’s response to the public health emergency through this opportunity. Due to the COVID-19 public health emergency (PHE), this demonstration is deemed budget neutral.

IV. EXPENDITURE AUTHORITY

The only authority available under this section 1115 demonstration opportunity is the expenditure authority provided below. Note: Any requests for waiver or expenditure authorities in addition to those identified in this template will not be considered.

Expenditure Authority

Pursuant to section 1115(a)(2) of the Act, the state is requesting the following expenditure authority:

Permit **Vermont Agency of Human Services**, for up to 15 months beginning with the first day of the first month of a state’s unwinding period, to provide coverage beyond the 90-day ROP provided under section 1902(ee)(1)(B)(ii), for individuals who have attested to U.S. citizenship, but for whom that status has not been verified. This expenditure authority allows for coverage of beneficiaries who have been in an ROP beginning on March 18, 2020 or at any time thereafter during the PHE, and who have had their coverage maintained in order to comply with the continuous enrollment condition under section 6008(b)(3) of the Families First Coronavirus Response Act.

This expenditure authority exempts the state from compliance with the requirements under section 1902(ee)(1)(B)(ii)(II) of the Act and allows **the Vermont Agency of Human Services** to

maintain coverage for individuals declaring to be U.S. citizens if the agency needs more time to verify the individual's status through available electronic data sources, if the agency determines that the individual is making a good faith effort to obtain any necessary documentation, or to assist the individual in obtaining documents needed to verify their status. At the end of the verification process, if the individual is either unable to be verified or is determined to not be a U.S. citizen, the state must take action to terminate eligibility within 30 days in accordance with 1902(ee)(1)(B)(ii)(III) of the Social Security Act and 42 C.F.R. § 435.956(b)(3), and in accordance with part 42 C.F.R. 431 subpart E (relating to notice and fair hearing rights).

The authority ends no more than 15 months from the beginning with the first day of the first month of a state's unwinding period. These 15 months include a state's 12-month unwinding period, plus 90 additional days for the state to extend the ROP to complete the verification of citizenship for an individual whose case comes up for renewal in month 12 of the unwinding period. For any given beneficiary, the authority to extend the ROP will terminate 3 months after the state initiates a renewal (or other eligibility action) for the beneficiary.

V. PUBLIC NOTICE

Pursuant to 42 C.F.R. § 431.416(g), the state is exempt from conducting a state public notice and input process as set forth in 42 C.F.R. § 431.408 to expedite a decision on this section 1115 demonstration that addresses the COVID-19 public health emergency.

VI. EVALUATION REQUIREMENTS

- A. Evaluation Hypotheses and Design Parameters.** The demonstration amendment will test how the expenditure authority to provide coverage beyond the 90-day ROP for individuals who have attested to U.S. citizenship but for whom that status has not been verified will support reducing barriers to care. The parameters of the state’s Evaluation Design, which will be expected no later than 180 calendar days after the approval of the demonstration, will support an evaluation that will advance the state and CMS’s understanding of the successes and challenges in implementing the expenditure authority in the wake of the COVID-19 PHE to help inform best practices for similar situations in the future.
- B. Final Report.** The state is required to prepare and submit a Final Report, which will consolidate the monitoring and evaluation reporting requirements for this section 1115 expenditure authority. The draft Final Report will be due to CMS no later than 18 months after the expiration of the approval period of this authority. The Final Report will accommodate a qualitative assessment of the expenditure authority with applicable descriptive and contextual data to address evaluation questions that support understanding the successes, challenges, and lessons learned in implementing the authority. Per 42 C.F.R. § 431.428, the Final Report will also capture all *applicable* requirements stipulated for an annual report (e.g., incidence and results of any audits, investigations or lawsuits, or any state legislative developments that may impact the demonstration amendment).

CMS will provide technical assistance to help the state fulfill the monitoring and evaluation requirements, including developing the Evaluation Design and on the scope, structure, and content of the Final Report.

VII. STATE CONTACT AND SIGNATURE

State Policy Director Name: Ashley Berliner

Telephone Number: (802) 578-9305


E-mail Address: Ashley.berliner@vermont.gov

State Lead Contact for Demonstration Application: Danielle Fuoco

Telephone Number: (802) 585-4265

E-mail Address: Danielle.fuoco@vermont.gov

Authorizing Official (Typed): Ashley Berliner

Authorizing Official (Signature):  _____

Date: 1/4/2023 _____

PRA Disclosure Statement

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