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State/Territory Name: Massachusetts

State Plan Amendment (SPA) #: MA-CHIP SPA#15

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Final Approved State Plan

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



MAR 11 2015

Robin Callahan
Deputy Medicaid Director
Massachusetts Executive Office of Health and Human Services
Office of Medicaid
1 Ashburton Place, 11th Floor
Boston, MA 02108

Dear Ms. Callahan:

I am writing to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved your title XXI Children's Health Insurance Program (CHIP) state plan amendment (SPA) number 15, submitted on June 27, 2014, with subsequent clarifying information submitted on November 10, 2014 and February 26, 2015. This SPA permits Massachusetts to expand the benefit package offered to unborn children in the separate CHIP from the state's section 1115 Basic Benefit Level to the MassHealth Standard benefit. The effective date of this SPA is January 1, 2014.

Your title XXI project officer is Mr. Martin Burian. He is available to answer questions concerning this amendment. Mr. Burian's contact information is as follows:

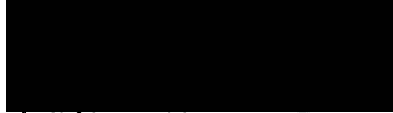
Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop S2-01-16
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Telephone: (410) 786-3246
Facsimile: (410) 786-5882
E-mail: Martin.Burian@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Mr. Burian and to Mr. Richard McGreal, Associate Regional Administrator in our Boston Regional Office. Mr. McGreal's address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
JFK Federal Building
15 New Sudbury St, Room 2325
Boston, MA 02203-0003

If you have additional questions, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Center for Medicaid and CHIP Services at (410) 786 5647. We look forward to continuing to work with you and your staff.

Sincerely,



Vikki Wachino
Acting Director

cc:
Richard McGreal, ARA, CMS Region I

State Plan under title XXI of the Social Security Act
Children’s Health Insurance Program
Commonwealth of Massachusetts

Preamble

(Required under 4901 of the Balanced Budget Act of 1997 (New section 2101(b))

State/Territory: Massachusetts
(Name of State/Territory)

As a condition for receipt of Federal funds under Title XXI of the Social Security Act, (42 CFR, 457.40(b))

(Signature of Governor, or designee, of State/Territory, Date Signed)

submits the following State Child Health Plan for the State Children’s Health Insurance Program and hereby agrees to administer the program in accordance with the provisions of the approved State Child Health Plan, the requirements of Title XXI and XIX of the Act (as appropriate) and all applicable Federal regulations and other official issuances of the Department.

The following state officials are responsible for program administration and financial oversight (42 CFR 457.40(c)):

Name: Daniel Tsai	Position/Title: Assistant Secretary and Director of MassHealth
Name: Mohamed Sesay	Position/Title: Acting MassHealth Chief Financial Officer
Name: Robin Callahan	Position/Title: Director, Member Policy and Program Development and CHIP Director

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-0707. The time required to complete this information collection is estimated to average 160 hours (or minutes) per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, P.O. Box 26684, Baltimore, Maryland 21207 and to the Office of the Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

**State Plan under title XXI of the Social Security Act
Children's Health Insurance Program
Commonwealth of Massachusetts**

Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

- 1.4** Provide the effective (date costs begin to be incurred) and implementation (date services begin to be provided) dates for this SPA (42 CFR 457.65). A SPA may only have one effective date, but provisions within the SPA may have different implementation dates that must be after the effective date.

Effective date: October 1, 1997
Implementation date: August 24, 1998

SPA #1 (Benchmark change)
Effective date: January 1, 2002
Implementation date: January 1, 2002

SPA #2 (Compliance)
Effective date: August 24, 2001
Implementation date: August 24, 2001

SPA #3 (Cost sharing)
Effective date: March 1, 2003
Implementation date: March 1, 2003

SPA # 4 (Healthy Start)
Effective date: November 1, 2002
Implementation date: November 1, 2002

SPA #5 (Family Assistance Expansion)
Effective date: July 1, 2006
Implementation date: July 1, 2006

SPA #6 (CHIPRA Legally Residing Immigrants)
Effective date: August 29, 2009
Implementation date: August 29, 2009

SPA #6 (CHIPRA Dental Requirement)
Effective date: August 29, 2009
Implementation date: October 1, 2009

SPA #6 (RWJ Grant and State Share)
Effective date: August 29, 2009
Implementation date: March 12, 2010

SPA #7 (Health Services Initiative)
Submission Date: June 28, 2010
Effective date: July 1, 2009

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Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

Implementation date: July 1, 2009

SPA #8 (Express Lane Renewal)
Effective date: January 23, 2012
Implementation date: January 23, 2012

SPA#9 (Health Services Initiative)
Submission date: June 26, 2012
Effective date: October 1, 2011
Implementation dates:
October 1, 2011 for the following provisions: Child At-Risk Hotline; Teen Pregnancy Prevention Program; Youth Violence Prevention Program; Youth Parents Support Program; and Safe and Successful Youth Program.
January 1, 2014 for the following provisions: Children's Medical Security Plan; Failure to Thrive Program; Pediatric Sexual Assault Nurse Examiner (SANE) Program; and Pediatric Palliative Care.

SPA #10 (in MMDL as TN-13-026) (CS24, CHIP Application)
Submission Date: December 30, 2013 through the MMDL
Effective date: October 1, 2013
Implementation date: October 1, 2013

SPA #11 (in MMDL as TN-14-003) (CS3, CHIP Medicaid Expansion) Pending
Submission Date: January 16, 2014 through the MMDL
Effective date: January 1, 2014
Implementation date: January 1, 2014

SPA #12 (in MMDL as TN-14-005) (CS14, CHIP 2101(f))
Submission date: February 11, 2014 through the MMDL
Effective date: January 1, 2014
Implementation date: January 1, 2014

SPA #13 (in MMDL as TN-14-013) (CS15, 17-21, CHIP MAGI eligibility and income)
Submission date: March 28, 2014 through the MMDL
Effective date: January 1, 2014
Implementation date: January 1, 2014

SPA #14 (in MMDL as TN-14-006) (CS7,9,13, CHIP non-financial eligibility)
Submission date: March 28, 2014 through the MMDL
Effective date: January 1, 2014
Implementation date: January 1, 2014

**State Plan under title XXI of the Social Security Act
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Section 1. General Description and Purpose of the Children's Health Insurance Plans and the Requirements

SPA #15 (Unborn child option benefits) (TN-14-014)

Submission date: June 27, 2014

Effective date: January 1, 2014

Implementation date: January 1, 2014

1.4- TC Tribal Consultation (Section 2107(e)(1)(C)) Describe the consultation process that occurred specifically for the development and submission of this State Plan Amendment, when it occurred and who was involved.

Verification of Tribal Consultation is attached.

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Section 2.General Background and Description of State Approach to Child Health

Coverage and Coordination (Section 2102 (a)(1)-(3)) and (Section 2105)(c)(7)(A)-(B))

- 2.2.1. The steps the state is currently taking to identify and enroll all uncovered children who are eligible to participate in public health insurance programs (i.e., Medicaid and state-only child health insurance):

MassHealth has also elected the Express Lane Renewal option to provide a simplified renewal process for eligible Medicaid Expansion CHIP children (133% to at or below 150% of the federal poverty level for children aged 1 to 5 years old; 114% to at or below 150% of the federal poverty level for children aged 6 to 17 years old; and 0% to at or below 150% of the federal poverty level for children aged 18 years old). This option is also provided for unborn-CHIP children from 0% to at or below 150% of the federal poverty level. Gross income is used for all income calculations. The Express Lane renewal process allows Medicaid Expansion CHIP and CHIP children who are also receiving Supplemental Nutrition Assistance Program (SNAP) benefits to have their eligibility renewed through an automatic process that will not require a paper renewal form. This process promotes retention of children in health benefits

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Section 3. Methods of Delivery and Utilization Controls (Section2102) (a) (4)

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state’s Medicaid plan, and continue on to Section 4.

3.1. Describe the methods of delivery of the child health assistance using Title XXI funds to targeted low-income children. Include a description of the choice of financing and the methods for assuring delivery of the insurance products and delivery of health care services covered by such products to the enrollees, including any variations. (Section 2102)(a)(4) (42CFR 457.490(a))

MassHealth uses Title XXI funds to deliver child health assistance through the following MassHealth coverage types: MassHealth Standard, MassHealth CommonHealth, MassHealth Family Assistance (including the Family Assistance Expansion for Children - FAEC), and MassHealth Prenatal. Coverage types are described below.

Methods of delivering insurance product and services

Fee-for-service

Members may receive certain services on a fee-for-service basis. Rates for these services are established either through contracts with MassHealth or regulations promulgated by the Massachusetts Executive Office of Health and Human Services. Any provider who meets program participation requirements set forth in the MassHealth regulations and provider agreements may participate in the MassHealth program.

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Section 4. Eligibility Standards and Methodology (Section2102) (b))

Check here if the state elects to use funds provided under Title XXI only to provide expanded eligibility under the state’s Medicaid plan, and continue on to Section 5.

4.1. The following standards may be used to determine eligibility of targeted low-income children for child health assistance under the plan. Please note whether any of the following standards are used and check all that apply. If applicable, describe the criteria that will be used to apply the standard. (Section 2102)(b)(1)(A)) (42CFR 457.305(a) and 457.320(a))

4.1.3. Income:

MassHealth Standard through the CHIP unborn child option is available to uninsured pregnant women with family incomes from zero percent of the FPL up to and including 200 percent of the FPL who are not otherwise eligible for MassHealth Standard.

4.1.8. Duration of eligibility:

A pregnant woman who has been determined eligible for MassHealth Standard, including under the unborn child option, shall continue to be eligible for the duration of her pregnancy and the two calendar months following the month in which her pregnancy ends, regardless of any subsequent changes in family group income. No other children will receive a durational guarantee of eligibility. They will be subject to a periodic review of eligibility.

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Section 4. Eligibility Standards and Methodology (Section 2102) (b)

4.1.9. Other standards (identify and describe):

(A) MassHealth Standard

Unborn Children

An unborn child is eligible if the gross income of the family group is less than or equal to 200% FPL and the unborn child's mother is otherwise ineligible for MassHealth Standard. The unborn child or children are counted as if born and living with the mother in determining family group size.

Express Lane Renewal Option

Certain children under the age of 19 eligible for Medicaid Expansion CHIP and CHIP will meet the criteria for Express Lane Renewal at the time of their annual renewal. The MassHealth agency will identify Medicaid Expansion CHIP children and unborn-CHIP children who have income at or below gross 150% of the federal poverty level (FPL) and are also eligible for SNAP as shown from a data match with the Massachusetts Department of Transitional Assistance. The Massachusetts Department of Transitional Assistance oversees SNAP and will be the designated Express Lane Agency. Children's Medicaid Expansion CHIP benefits and CHIP benefits will be renewed based on the child's eligibility for SNAP. This process will be used for renewals only. All members eligible for this process have completed an initial application and have been approved for either Medicaid Expansion CHIP or CHIP and for SNAP. These members will also have their SNAP eligibility recertified on an annual basis.

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Section 5. Outreach (Section 2102)(c)

Describe the procedures used by the state to accomplish:

Outreach to families of children likely to be eligible for child health assistance or other public or private health coverage to inform them of the availability of the programs, and to assist them in enrolling their children in such a program: **(Section 2102(c)(1)) (42CFR 457.90)**

MassHealth will accomplish outreach, providing information, and assisting with program enrollment, using these procedures:

3. MassHealth will initiate and coordinate activities with other state agencies to provide information about health coverage to uninsured children and facilitate program enrollment, where appropriate.

a) Enrolling eligible unborn child enrollees in MassHealth.

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Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)

- 6.1.4. **Secretary-Approved Coverage. (Section 2103(a)(4)) (42 CFR 457.450)**
- 6.1.4.1. Coverage the same as Medicaid State plan and applicable additional coverage described in the Services Related Expenditures and related Special Terms and Conditions in the Massachusetts 1115 demonstration project (no. 11-w-00030) for Medicaid expansion children who are in MassHealth Standard and unborn CHIP children who are in MassHealth Standard, except that unborn CHIP children are not eligible for Premium Assistance.
- 6.1.4.2. Comprehensive coverage for children under a Medicaid Section 1115 demonstration project for children in MassHealth Family Assistance and CommonHealth
- The Basic Benefit Level, as approved by the Secretary under the Massachusetts 1115 Demonstration Project, for premium assistance toward employer sponsored health insurance.
- 6.1.4.3. Coverage that either includes the full EPSDT benefit or that the state has extended to the entire Medicaid population
- 6.1.4.4. Coverage that includes benchmark coverage plus additional coverage
- 6.1.4.5. Coverage that is the same as defined by existing comprehensive state-based coverage
- 6.1.4.6. Coverage under a group health plan that is substantially equivalent to or greater than benchmark coverage through a benefit by benefit comparison (Please provide a sample of how the comparison will be done)
- 6.1.4.7. Other (Describe)

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Section 6. Coverage Requirements for Children's Health Insurance (Section 2103)

6.2 Covered services for Unborn Children

MassHealth provides coverage for "unborn children" in households with income up to 200% FPL whose mothers are not otherwise eligible for MassHealth Standard. Such unborn children are in MassHealth Standard and receive coverage that is the same as the Medicaid State Plan and the Massachusetts 1115 demonstration project for members in Standard. Benefits to unborn children are delivered through the same delivery and utilization control systems as those available to other Standard members under the 1115 waiver, except that unborn children are not eligible for Premium Assistance and are only eligible for direct coverage.

MassHealth uses a bundled payment methodology which pays for prenatal services, Labor and Delivery and one postpartum visit. The bundled payment is billed on the date of birth of the baby so the postpartum visit is prepaid. If MassHealth is unable to use a bundled payment for any reason, the services are paid fee-for-service.

CHIP level FFP is available for all services provided during the pregnancy and for the bundled payment. 50% FFP under MassHealth Limited is available for emergency services provided during the postpartum period and no FFP is available for non-bundled non-emergency services provided during the postpartum period.

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Section 8. Cost Sharing and Payment (Section 2103 (e))

8.2.2. Deductibles, Coinsurance or copayments:

Children under 19 years of age, including unborn children, are excluded from MassHealth copayment requirements.

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Section 9. Strategic Objectives and Performance Goals and Plan Administration

- 9.9.2** For an amendment relating to eligibility or benefits (including cost sharing and enrollment procedures), describe how and when prior public notice was provided as required in 42 CFR457.65(b) through (d).

The change to providing MassHealth Standard benefits to unborn children was included in a set of regulatory changes that went into effect on January 1, 2014. The regulatory change process includes a public notice process. We posted the proposed regulations and accepted comments on the proposed regulations two times during the fall of 2013 and held hearings on the proposed regulations on November 4, 2013 and December 2, 2013.

In addition, we sent transition notices to the impacted members in December 2013 that explained their upgraded benefits.

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Section 9. Strategic Objectives and Performance Goals and Plan Administration

9.10 Provide a 1-year projected budget.

The table below provides projected CHIP expenditures for FFY2014. The non-federal share of the funds is all state funds and the state funds are appropriated annually from the Commonwealth's General Fund.

CHIP Amendment #15	Standard Benefits for CHIP Unborn Children	Cost Projections of Approved CHIP Plan	Total
	FFY2014	FFY 2014	FFY 2014
State's enhanced FMAP rate	65.00%	65.00%	65.00%
Benefit Costs			
Insurance payments	\$114,785	8,116,025	8,230,810
Managed Care	\$3,711,185	\$262,404,387	\$266,115,571
per member/per month rate @ # of eligible	\$125	\$244	\$369
Fee for Service	\$3,983,190	\$281,636,869	\$285,620,058
Total Benefit Costs	\$7,809,159	\$552,157,280	\$559,966,439
(offsetting beneficiary cost sharing payments)		(\$5,350,859)	(\$5,350,859)
Net Benefit Costs	\$7,809,159	\$546,806,422	\$554,615,581
Administrative Costs			
Personnel	-	-	-
General Administration	-	\$10,753,835	\$10,753,835
Contractors/Brokers	\$	\$ -	\$ -
Claims Processing	\$	\$ -	\$ -
Outreach/marketing costs	\$	\$ -	\$ -
Other (H.S.I.)	\$	\$44,762,135	\$44,762,135

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Section 9. Strategic Objectives and Performance Goals and Plan Administration

Total Administrative Costs	\$ -	\$55,515,970	\$55,515,970
10% Administrative Cap	\$867,684	\$60,756,269	\$61,623,953
Federal Share	\$5,075,953	\$391,509,555	\$396,585,508
State Share	\$2,733,206	\$210,812,837	\$213,546,043
TOTAL COSTS OF APPROVED CHIP PLAN	\$7,809,159	\$602,322,392	\$610,131,551

As with all collections, MassHealth will reduce the expenditures by the amount collected for premiums by returning to CMS the FFP associated with the premiums for children in Family Assistance direct coverage.

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Section 12. Applicant and Enrollee Protections (Section 2101(a))

- 12.1 Please describe the review process for **eligibility and enrollment** matters that complies with 42 CFR 457.1120.

MassHealth's review process for eligibility and enrollment matters is consistent with standard Medicaid procedures.

Medicaid Expansion CHIP children and unborn-CHIP children eligible for MassHealth Standard are not subject to premiums and will not be charged premiums as a result of Express Lane Renewal. They will remain eligible in their current benefit category.