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DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
JFK Federal Building, Government Center  
Room 2275  
Boston, Massachusetts 02203



**Division of Medicaid and Children's Health Operations / Boston Regional Office**

January 7, 2015

Roderick Bremby, Commissioner  
Department of Social Services  
55 Farmington Avenue  
Hartford, CT 06105

Dear Mr. Bremby:

We are pleased to enclose a copy of approved Connecticut State Plan Amendment (SPA) No. 14-014, submitted to my office on March 3, 2014. This SPA transmitted a proposed amendment to Connecticut's approved Title XIX State Plan Attachment in order to determine the appropriate Federal Medical Assistance Payment (FMAP) rates, including the increased FMAP rates, available under the provisions of the Affordable Care Act applicable for the medical assistance expenditures under the Medicaid program associated with enrollees in the new adult group adopted by the state and described in 42 CFR 435.119

This SPA has been approved effective January 1, 2014, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

- Supplement 18 to Attachment 2.6A, page 1-6

If you have any questions regarding this matter you may contact Marie DiMartino (617) 565-9157 or by e-mail at [Marie.DiMartino@cms.hhs.gov](mailto:Marie.DiMartino@cms.hhs.gov)

Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

cc: Kate McEvoy, Director of Medical Administration - Health Services and Supports

1. TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER 14-014	2. STATE: CT
	3. PROGRAM IDENTIFICATION - TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 01/01/2014	

5. TYPE OF STATE PLAN MATERIAL (Check One):

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 1902 (a) (10) (A) (i) (VIII) of the Social Security Act 42 CFR 433 subpart E	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$ 770,284,714 b. FFY 2015 \$ 1,226,908,712
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement IS to Attachment 2.6-A, page 4 - 6; Attachments A and E	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable)

10. SUBJECT OF AMENDMENT: Methodology for Identification of Applicable FMAP Rates.

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: <u>/S/</u>	16. RETURN TO:  State of Connecticut Department of Social Services 25 Sigourney Street Hartford, CT 06106-5033  Attention: Marc Shok
13. TYPED NAME: Raymond Singleton	
14. TITLE: Deputy Commissioner	
15. DATE SUBMITTED: February 26, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: February 26, 2014	18. DATE APPROVED: January 7, 2015
PLAN APPROVED -- ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 1, 2014	20. SIGNATURE OF REGIONAL OFFICIAL: <u>/S/</u>
21. TYPED NAME: Richard R. McGreal	22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Operation
23. REMARKS:	

State Plan Under Title XIX of the Social Security Act

State: Connecticut

METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FMAP RATES

The State will determine the appropriate FMAP rate for expenditures for individuals enrolled in the adult group described in 42 CFR 435.119 and receiving benefits in accordance with 42 CFR Part 440 Subpart C. The adult group FMAP methodology consists of two parts: an individual-based determination related to enrolled individuals, and as applicable, appropriate population-based adjustments.

Part 1 – Adult Group Individual Income-Based Determinations

For individuals eligible in the adult group, the state will make an individual income-based determination for purposes of the adult group FMAP methodology by comparing individual income to the relevant converted income eligibility standards in effect on December 1, 2009, and included in the MAGI Conversion Plan (Part 2) approved by CMS on 03/04/2014. In general, and subject to any adjustments described in this SPA, under the adult group FMAP methodology, the expenditures of individuals with incomes below the relevant converted income standards for the applicable subgroup are considered as those for which the newly eligible FMAP is not available. The relevant MAGI-converted standards for each population group in the new adult group are described in Table 1.

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Table 1: Adult Group Eligibility Standards and FMAP Methodology Features

Covered Populations Within New Adult Group		Applicable Population Adjustment			
Population Group	Relevant Population Group Income Standard	Resource Proxy	Enrollment Cap	Special Circumstances	Other Adjustments
For each population group, indicate the lower of: <ul style="list-style-type: none"> <li>The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or</li> <li>133% FPL.</li> </ul> If a population group was not covered as of 12/1/09, enter "Not covered".		Enter "Y" (Yes), "N" (No), or "NA" in the appropriate column to indicate if the population adjustment will apply to each population group. Provide additional information in corresponding attachments.			
A	B	C	D	E	F
Parents/Caretaker Relatives	Attachment A, Column C, Line 1 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	No	N/A	No	No
Disabled Persons, non-institutionalized	Attachment A, Column C, Line 2 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	Yes	N/A	No	No
Disabled Persons, institutionalized	Attachment A, Column C, Line 3 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	Yes	N/A	No	No
Children Age 19 or 20	Attachment A, Column C, Line 4 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	Yes	N/A	No	No
Childless Adults	Not covered. Attachment A, Column C, Line 5 of the CMS approved MAGI Conversion Plan, including any subsequent CMS approved modifications to the MAGI Conversion Plan.	N/A	N/A	N/A	N/A

Part 2 – Population-based Adjustments to the Newly Eligible Population  
Based on Resource Test, Enrollment Cap or Special Circumstances

A. Optional Resource Criteria Proxy Adjustment (42 CFR 433.206(d))

1. The state:

- Applies a resource proxy adjustment to a population group(s) that was subject to a resource test that was applicable on December 1, 2009.
- Does NOT apply a resource proxy adjustment (Skip items 2 through 3 and go to Section B).

Table 1 indicates the group or groups for which the state applies a resource proxy adjustment to the expenditures applicable for individuals eligible and enrolled under 42 CFR 435.119. A resource proxy adjustment is only permitted for a population group(s) that was subject to a resource test that was applicable on December 1, 2009.

The effective date(s) for application of the resource proxy adjustment is specified and described in Attachment B.

2. Data source used for resource proxy adjustments:

The state:

- Applies existing state data from periods before January 1, 2014.
- Applies data obtained through a post-eligibility statistically valid sample of individuals.

Data used in resource proxy adjustments is described in Attachment B.

3. Resource Proxy Methodology: Attachment B describes the sampling approach or other methodology used for calculating the adjustment.

B. Enrollment Cap Adjustment (42 CFR 433.205(e))

- 1.  An enrollment cap adjustment is applied by the state (complete items 2 through 4).
- An enrollment cap adjustment is not applied by the state (skip items 2 through 4 and go to Section C).

2. Attachment C describes any enrollment caps authorized in section 1115 demonstrations as of December 1, 2009 that are applicable to populations that the state covers in the eligibility group described at 42 CFR 435.119 and received full benefits, benchmark benefits, or benchmark equivalent benefits as determined by CMS. The enrollment cap or caps are as specified in the applicable section 1115 demonstration special terms and conditions as confirmed by CMS, or in alternative authorized cap or caps as confirmed by CMS. Attach CMS correspondence confirming the applicable enrollment cap(s).
  
3. The state applies a combined enrollment cap adjustment for purposes of claiming FMAP in the adult group:
  - Yes. The combined enrollment cap adjustment is described in Attachment C
  
  - No.
  
4. Enrollment Cap Methodology: Attachment C describes the methodology for calculating the enrollment cap adjustment, including the use of combined enrollment caps, if applicable.

C. Special Circumstances (42 CFR 433.206(g)) and Other Adjustments to the Adult Group FMAP Methodology

1. The state:
  - Applies a special circumstances adjustment(s).
  
  - Does not apply a special circumstances adjustment.
  
2. The state:
  - Applies additional adjustment(s) to the adult group FMAP methodology (complete item 3).
  
  - Does not apply any additional adjustment(s) to the adult group FMAP methodology (skip item 3 and go to Part 3).
  
3. Attachment D describes the special circumstances and other proxy adjustment(s) that are applied, including the population groups to which the adjustments apply and the methodology for calculating the adjustments.

### Part 3 – One-Time Transitions of Previously Covered Populations into the New Adult Group

#### A. Transitioning Previous Section 1115 and State Plan Populations to the New Adult Group

- Individuals previously eligible for Medicaid coverage through a section 1115 demonstration program or a mandatory or optional state plan eligibility category will be transitioned to the new adult group described in 42 CFR 435.119 in accordance with a CMS-approved transition plan and/or a section 1902(e)(14)(A) waiver. For purposes of claiming federal funding at the appropriate FMAP for the populations transitioned to new adult group, the adult group FMAP methodology is applied pursuant to and as described in Attachment E, and where applicable, is subject to any special circumstances or other adjustments described in Attachment D.
- The state does not have any relevant populations requiring such transitions.

### Part 4 - Applicability of Special FMAP Rates

#### A. Expansion State Designation

The state:

- Does NOT meet the definition of expansion state in 42 CFR 433.204(b). (Skip section B and go to Part 5)
- Meets the definition of expansion state as defined in 42 CFR 433.204(b), determined in accordance with the CMS letter confirming expansion state status, dated \_\_\_\_\_.

#### B. Qualification for Temporary 2.2 Percentage Point Increase in FMAP.

The state:

- Does NOT qualify for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7).
- Qualifies for temporary 2.2 percentage point increase in FMAP under 42 CFR 433.10(c)(7), determined in accordance with the CMS letter confirming eligibility for the temporary FMAP increase, dated \_\_\_\_\_. The state will not claim any federal funding for individuals determined eligible under 42 CFR 435.119 at the FMAP rate described in 42 CFR 433.10(c)(6).



**Part 5 - State Attestations**

The State attests to the following:

- A. The application of the adult group FMAP methodology will not affect the timing or approval of any individual's eligibility for Medicaid.
- B. The application of the adult group FMAP methodology will not be biased in such a manner as to inappropriately establish the numbers of, or medical assistance expenditures for, individuals determined to be newly or not newly eligible.

**ATTACHMENTS**

Not all of the attachments indicated below will apply to all states; some attachments may describe methodologies for multiple population groups within the new adult group. Indicate those of the following attachments which are included with this SPA:

- Attachment A – Conversion Plan Standards Referenced in Table 1
- Attachment B – Resource Criteria Proxy Methodology
- Attachment C – Enrollment Cap Methodology
- Attachment D – Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology
- Attachment E – Transition Methodologies

PRA Disclosure Statement

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 0938-1148. The time required to complete this information collection is estimated to average 4 hours 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 comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

Most Recent Updated Summary Information for Part 2 of Modified Adjusted Gross Income (MAGI) Conversion Plan

CONNECTICUT

2/7/2014

	Population Group	Net standard as of 12/31/09	Converted standard for FMAP claiming	Same as converted eligibility standard? (yes, no, or n/a)	Source of information in Column C (New SIPP conversion or Part 1 of approved state MAGI conversion plan)	Date source for Conversion (SIPP or state data)			
	A	B	C	D	E	F			
<b>Conversions for FMAP-Claiming Purposes</b>									
1	Parents/Caretaker Relatives % FPL	.185%	.198%	yes	Part 1 of approved state MAGI conversion plan	SIPP			
2	Noninstitutionalized Disabled Persons Dollar standards - Region A Single Couple	\$610.61 \$777.92	\$889 \$1,195	n/a	new SIPP conversion	SIPP			
	Dollar standards - Regions B and C Single Couple	\$506.22 \$672.10	\$784 \$1,089						
3	Institutionalized Disabled Persons SSI FBR%	300%	300%	n/a	ABD conversion template	n/a			
4	Children Age 19-20 Dollar standards by family size - Region A 1 2 3 4 5 6 7 8 9 10 add-on	\$402 \$513 \$626 \$741 \$855 \$925 \$1,040 \$1,343 \$1,728 \$1,341 N/A	\$496 \$640 \$795 \$933 \$1,059 \$1,382 \$1,329 \$1,465 \$1,582 \$1,728 N/A	yes	Part 1 of approved state MAGI conversion plan	SIPP			
	Dollar standards by family size - Region B 1 2 3 4 5 6 7 8 9 10 add-on	\$333 \$443 \$549 \$629 \$731 \$827 \$933 \$1,031 \$1,116 \$1,220 N/A	\$416 \$557 \$686 \$812 \$933 \$1,058 \$1,193 \$1,321 \$1,435 \$1,568 N/A	yes					
	Dollar standards by family size - Region C 1 2 3 4 5 6 7 8 9 10 add-on	\$333 \$443 \$536 \$622 \$708 \$805 \$904 \$1,001 \$1,086 \$1,209 N/A	\$417 \$557 \$679 \$794 \$909 \$1,035 \$1,164 \$1,290 \$1,404 \$1,556 N/A	yes					
	5	Childless Adults	n/a	n/a			n/a	n/a	n/a

n/a: Not applicable.

\*The numbers in this summary chart will be updated automatically in the case of modification in the CMS approved MAGI Conversion Plan.

## Resource Criteria Proxy Methodology

Connecticut's December 2009 Medicaid State Plan included resource limits in the eligibility groups that provided coverage for disabled persons (non-institutionalized), disabled persons (institutionalized) and children age 19 or 20. The State will apply a resource proxy that accounts for denials due to excess resources for these population groups.

Connecticut pulled data for the total number of applications granted in these groups for the months of May and June 2010. The State also pulled the data for the number of applications that were denied in these groups for having excess resources for the months of May, 2010 and June 2010.

Based on this data, we took the average of the number of denials for excess resources in May and June 2010 for the non-institutionalized (ABD) disabled, institutionalized (LTC) disabled and 19-20 year olds and divided each number by the total number applications granted in each category, plus the number of denials, to calculate the resource proxy for each cohort (see below).

Resource Proxy for the Disabled, Non-Institutionalized

Table I		A	B	C
		May 2010	June 2010	Average
1	Applications Granted	1,852	1,772	1,812
2	Applications Denied – Excess Resources	125	99	112
Resource Proxy $C2/(C1 + C2)$				5.8212058%

Resource Proxy for the Disabled, Institutionalized

Table II		A	B	C
		May 2010	June 2010	Average
1	Applications Granted	652	610	631
2	Applications Denied - Excess Resources	12	18	15
Resource Proxy $C2/(C1 + C2)$				2.3219814%

Resource Proxy for the 19-20 year Olds

Table III		A	B	C
		May 2010	June 2010	Average
1	Applications Granted	660	630	645
2	Applications Denied – Excess Resources	40	26	33
Resource Proxy $C2/(C1 + C2)$				4.8672566%

## Special Circumstances Adjustment and Other Adjustments to the Adult Group FMAP Methodology

### Background

In June 2010, CMS approved Connecticut's State Plan Amendment to provide coverage to low-income childless adults as an ACA early option group effective April 2010. Our eligibility rules for the ACA early option group closely align with the rules used in our predecessor state-administered general assistance (SAGA) medical program.

Income eligibility for the SAGA medical program was based on the Medicaid Medically Needy Income Limits (MNILs). For most of Connecticut, the MNIL is equivalent to approximately 54% of the Federal Poverty Level (FPL). The MNIL in Connecticut's Region A is approximately equivalent to 66% of the FPL. In addition, there was a \$1,000 resource test in the SAGA medical program.

As part of the transition of the SAGA medical program to the ACA early option group, Connecticut replaced the use of the MNILs with equivalent limits expressed as percentages of the FPL. We also eliminated the resource test.

Connecticut's ACA early option group provided assistance to individuals and couples with incomes less than 54% of the Federal Poverty Level (FPL). Individuals and couples residing in Region A (as described in our state plan) are afforded an additional 12% disregard. Our ACA early option group also allows an earned income deduction of \$150 per month.

### Work Extensions and Spenddowns

Connecticut's ACA early option group also included a Work Extension category, which provided a 3-month coverage extension for those who lose eligibility due to increased earnings, and a Spenddown category, which provided individuals with the ability to reduce income by incurred medical expenses. Consistent with Connecticut's other spenddown categories, spenddowns in the ACA early option group were based on 6-month budget periods.

Connecticut extended eligibility periods that began in 2013 into 2014 for these categories. For example, a low-income adult who lost eligibility in December 2013 due to increased earnings would be afforded a 3-month work extension that would provide coverage through February 2014. Similarly, a low-income adult qualifying through a spenddown in December 2013 would receive coverage until May 31, 2014, the last date of the 6-month spenddown budget period.

The eligibility periods in the above examples begin in December 2013, the last month of Connecticut's ACA early option group, and illustrate that the Work Extension category should not exist after February 2014; the Spenddown category should not exist after the May 2014. Nonetheless, a decreasingly-small number of individuals continued to receive assistance in these categories. For the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2014, Connecticut will account for these categories using a population-based special circumstances adjustment (described below). For the 3<sup>rd</sup> quarter of 2014 and beyond, Connecticut intends to modify its MMIS to claim for the increasing small number of individuals in these categories at our regular FMAP rate.

### Special Circumstances Adjustment – Spenddowns and Work Extensions

Connecticut will assume that individuals in both the Work Extension and Spenddown categories will qualify for our regular FMAP and proposes the use of population-based claiming percentage reductions. For the period from January 2014 to June 2014, Connecticut will reduce its 100% FMAP claim for newly-eligible funding for the Adult group based on eligibility data for each quarter that identifies the percentage of the population with either a spenddown or a work extension (see below). The weighted average reduction of the two quarters in questions is 1.72%. Connecticut will utilize the quarter-specific reduction percentage as applicable, using a percentage of 3.09% for the quarter

ending March 31, 2014 adjustment and 0.62% for the quarter ending June 30, 2014 adjustment.

**Average Percent of Total Eligibles Enrolled in Spenddowns and Work Extensions**

SFY 2014	Category	Jan-14	Feb-14	Mar-14	April-14	May-14	June-14
G02	Medicaid LIA	87,907	86,893	85,011	82,832	79,962	76,121
X02	HUSKY D/Low Income Medicaid	18,164	24,970	39,703	52,582	67,305	78,985
G03	Medicaid LIA Work Extension	411	288	258	251	375	265
G05	MLIA Pilot Program	0	0	0	0	0	0
G07	Medicaid LIA	34	33	31	29	29	27
G99	MLIA Spend down	4,221	3,396	2,369	1,266	354	243
N01	MLIA Facility	266	266	287	283	289	297
N99	MLIA Facility	16	12	14	10	10	12
MLIA/MCLIP (HUSKY D) Total		111,019	115,858	127,673	137,253	148,324	155,950
ACA Early Option Group (Total Above but w/o X02)		92,855	90,888	87,970	84,671	81,019	76,965
		<u>Quarter Ending 3/31/14</u>			<u>Quarter Ending 6/30/14</u>		
Average Monthly Enrollment - Total MLIA/MCLIP (HUSKY D)		118,183			147,176		
Average Monthly Enrollment - ACA Early Option Group (HUSKY D w/o X02)		90,571			80,885		
Spend down and Extension Monthly Average		3,648			918		
Reduction to Total MLIA/MCLIP (HUSKY D) Claims for Spend Down and Work Extension		3.09%			0.62%		
Reduction to ACA Early Option Group Claims for Spend Down and Work Extension		4.03%			1.14%		
Weighted Average - Total MLIA/MCLIP (HUSKY D) January-June, 2014					1.72%		
Weighted Average - ACA Early Option Group January-June, 2014					2.66%		

Source: Active Medical Assistance Coverage Groups Eligibility Report - DMF 80261

Transition of the ACA Early Option Group to the ACA Adult Group and Increased FMAP

Connecticut requested, and CMS approved, a waiver under section 1902(e)(14)(A) of the Social Security Act to provide coverage under the ACA Adult group to individuals enrolled in the ACA early option group as of December 31, 2013, without regard to application of MAGI-based income standards and methodologies until their renewal. CMS also approved a separate waiver to postpone MAGI-based renewals for these individuals by up to 12 months. Connecticut therefore expects to complete MAGI-based renewals for individuals in the ACA early option group by the end of 2015.

Streamlined Application of the FMAP methodology

Connecticut's approved 1902(e)(14)(A) waiver also grants authority to use a streamlined application of the FMAP methodology when determining the availability of increased FMAP for individuals in the ACA early option group. Connecticut will reduce its 100% FMAP claim for newly-eligible funding for the Adult group based on eligibility data that identifies the percentages of potentially not-newly eligible populations as follows:

• *Reduction Percentage for 19-20 Year Olds*

For children in the 19-20 year old cohort, we will assume that the percentage of these children would have remained the same for our AFDC-based HUSKY A category in December 2013 as in June 2010, but for the implementation of the ACA early option category in June 2010 (1.2545%). Applying that percentage to the larger December 2013 caseload yields an estimated 5,287 individuals that would not be newly-eligible. We reduced that number by the 2,416 cases that received assistance in the Ribicoff category as of December 31, 2013. The difference between these two numbers (2,871) is our estimate of the number of 19-20 year olds who would not be newly eligible. This represents 3.0811270% of the ACA early option group caseload for the month as of December 31, 2013 (see Table I below). We apply this reduction to the 100% FMAP claim for the ACA early option group to account for the proportion of 19-20 year olds who are not newly eligible.

**Table I. Calculation of the Reduction Percentage for 19-20 Year Olds**

	June 2010	December 2013
A.	A.1.	A.2.
A. Total HUSKY A Caseload	383,906	421,488
B.	B.1.	B.2.
B. 19-20 Year Olds (Ribicoff Children – number and percentage)	4,816 (1.2545%)	2,416
C.	C.1.	C.2.
C. Estimated Ribicoff Children Population Had Connecticut Not Offered Coverage under the ACA Early Option Group		B.1. x A.2 = 5,287
D.	D.1.	D.2.
19-20 Year Olds in the Ribicoff Children Group in December 2013		2,416
E.	E.1.	E.2.
Number of 19-20 Year Olds Receiving Assistance in the ACA Early Option Group (not newly-eligible)		C.2.-D.1= 2,871
F.	F.1.	F.2.
ACA Early Option Group Recipients as of December 31, 2013		93,195
G. Percentage of the ACA Early Option Group Not Newly Eligible (19-20 year olds)		E.1/F.1.= 3.0811270%

- *Reduction Percentage for the Non-Institutionalized Disabled*

We queried our eligibility system as of December 2013 and determined that 314 disabled, non-institutionalized individuals received assistance in the ACA early option group. As the income limits for the ACA early option group (54% or 66% of FPL, depending on the region within the state) were below the corresponding Threshold Income limits, none of these individuals would qualify as newly-eligible.

This represents 0.337% of the December 2013 ACA early option group caseload (93,195), and would result in an additional reduction in the 100% FMAP claim for the ACA early option group. See Table II.

**Table II. Calculation of the Reduction Percentage for Non-Institutionalized Disabled Adults**

Not Newly Eligible	314
ACA Early Option Group Recipients – Dec. 31, 2013	93,195
Reduction Percentage – Non-Institutionalized Disabled	0.337%

- *Reduction Percentage for the Institutionalized Disabled*

We queried our eligibility system as of December 2013 and determined that 79 disabled, institutionalized individuals received assistance in the ACA early option group. None of these individuals would qualify as newly-eligible since Connecticut's December 2009 state plan provided coverage to institutionalized, disabled individuals with income up to 300% of the SSI federal benefit rate.

This represents 0.0848% of the December 2013 ACA early option group caseload (93,195), and would result in an additional reduction in the 100% FMAP claim for the ACA early option group. See Table III.

**Table III. Calculation of the Reduction Percentage for Institutionalized Disabled Adults**

Not Newly Eligible	79
ACA Early Option Group Recipients – Dec. 31, 2013	93,195
Reduction Percentage - Institutionalized Disabled	0.0848%

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## Transition Methodologies

### Background

In June 2010, CMS approved Connecticut's State Plan Amendment to provide coverage to low-income childless adults as an ACA early option group effective April 2010. Our eligibility rules for the ACA early option group closely aligned with the rules used in our predecessor state-administered general assistance (SAGA) medical program.

Income eligibility for the SAGA medical program was based on the Medicaid Medically Needy Income Limits (MNILs). For most of Connecticut, the MNIL is equivalent to approximately 54% of the Federal Poverty Level (FPL). The MNIL in Connecticut's Region A is approximately equivalent to 66% of the FPL. In addition, there was a \$1,000 resource test in the SAGA medical program.

As part of the transition of the SAGA medical program to the ACA early option group, Connecticut replaced the use of the MNILs with equivalent limits expressed as percentages of the FPL. We also eliminated the resource test.

Connecticut's ACA early option group provided assistance to individuals and couples with incomes less than 54% of the Federal Poverty Level (FPL). Individuals and couples residing in Region A (as described in our state plan) are afforded an additional 12% disregard. Our ACA early option group also allowed an earned income deduction of \$150 per month.

### Transition of the Early Option Group to the ACA Adult Group

Connecticut began redetermining eligibility for the ACA early option group beginning in January 2014 using MAGI rules. Pursuant to Connecticut's 1902(e)(14)(A) waiver request, redeterminations for most individuals were postponed by up to 12 months. We therefore expect to complete MAGI-based renewals for individuals in the ACA early option group by the end of 2015.

With very few exceptions, individuals receiving assistance in the ACA early option group qualify as newly eligible under the ACA Adult group as they did not qualify under Connecticut's December 2009 state plan and have incomes below 133% of the FPL. The highest possible effective income limit used in the ACA early option group is the limit for individuals who live in Region A and who receive a \$150 per month deduction for employment expenses. The income limit for these individuals is equivalent to 81.66% of FPL (54% of FPL, plus an additional 12% FPL disregard for Region A, plus 15.66% of FPL, equal to the \$150 monthly employment expense deduction). This is well below 133% of FPL.

Connecticut requested, and CMS approved, a waiver under section 1902(e)(14)(A) of the Social Security Act to provide coverage under the ACA Adult group to individuals enrolled in the early option group as of December 31, 2013, without regard to application of MAGI-based income standards and methodologies until their renewal. Further, the waiver grants Connecticut authority to use a streamlined application of the FMAP methodology when determining the availability of increased FMAP for such individuals.

### Populations in the ACA Early Option Group Potentially Not Newly-Eligible Under the ACA Adult Group

Non-institutionalized disabled individuals not receiving Medicare, as well as 19 and 20-year old individuals, could receive assistance under Connecticut's ACA early option group. A small percentage of these individuals may not be newly-eligible under the ACA as they may have qualified under Connecticut's December 2009 state plan.

Institutionalized disabled individuals may also receive assistance under Connecticut's ACA early option group. These individuals are not newly-eligible as disabled institutionalized individuals with incomes up to 300% of the SSI Federal Benefit Rate could qualify for Medicaid under Connecticut's December 2009 state plan.



Parents and caretaker relatives were not included in the ACA early option group. Connecticut provided Medicaid coverage to parents and caretakers with household incomes up to 185% of FPL through 2013 (Connecticut's 2014 MAGI-based limit for this group is 196% of FPL). Because of this higher income limit, parents and caretakers would not receive coverage in the ACA early option group.

Attachment D describes Special Circumstances Adjustments that support a streamlined FMAP claiming methodology to account for individuals in the ACA early option group who may not be newly-eligible.