

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-25-26  
Baltimore, Maryland 21244-1850



---

## State Demonstrations Group

May 30, 2024

Julie Marquardt  
Assistant Commissioner and Minnesota Medicaid Director  
Minnesota Department of Human Services  
540 Cedar Street  
St. Paul, MN 55164-0983

Dear Assistant Commissioner Marquardt:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "Minnesota Substance Use Disorder System Reform" (Project Numbers 11-W-00320/5), in order to allow the state and CMS to continue negotiations on the state's extension application submitted on February 23, 2024. This demonstration will now expire June 30, 2025.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STC) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs and expenditure authorities will continue to apply during the temporary extension period of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of Demonstration Year 5) will continue to apply as described in the STCs, until June 30, 2025 or until the demonstration is extended, whichever is sooner.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration's evaluation. The state may include the temporary extension period within its summative evaluation for the demonstration approval period beginning July 1, 2019. In this case, the Summative Evaluation Report is due 18 months after the end of this temporary extension period. Alternatively, if CMS approves an extension beyond June 30, 2025, the state may include the temporary extension period in the Evaluation Design and activities of the next full demonstration approval period.

Your CMS project officer for this demonstration is Alex Desatoff. Alex is available to answer any questions concerning your section 1115 demonstration and can be reached at [alexi.desatoff@cms.hhs.gov](mailto:alexi.desatoff@cms.hhs.gov). If you have questions regarding this communication, please contact me at (410) 786-9686.

Sincerely,

Jacey Cooper  
Director

cc: Sandra Porter, State Monitoring Lead, Medicaid and CHIP Operations Group