

**CENTERS FOR MEDICARE & MEDICAID SERVICES
EXPENDITURE AUTHORITY**

NUMBER: 11-W-00099/3

TITLE: HealthChoice Medicaid Section 1115 Demonstration

AWARDEE: Maryland Department of Health and Mental Hygiene

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by Maryland for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act shall, for the period of this Demonstration extension, be regarded as expenditures under the State's title XIX plan.

The following expenditure authority shall enable Maryland to operate its section 1115 Medicaid HealthChoice Demonstration.

- 1. Demonstration Population 13 [Primary Adult Care (PAC)].** Expenditures on behalf of childless and non-custodial adults ages 19 and above, not otherwise eligible for Medicaid, Medicare or the Children's Health Insurance Program (CHIP), with incomes at or below 116 percent of the Federal poverty level (FPL).
- 2. Demonstration Population 14 [Family Planning].** Expenditures for family planning and family planning related services for women, of childbearing age, who are not otherwise eligible for Medicaid, the PAC program, or Medicare, and are:
 - a. Women losing Medicaid pregnancy coverage at the conclusion of 60 days postpartum (e.g. SOBRA women) and who have income at or below 200 percent of the FPL at the time of annual redetermination; or
 - b. Beginning, January 1, 2012, all women of childbearing age, who have income at or below 200 percent of the FPL.
- 3. Demonstration Population 15 [Increasing Community Services].** Expenditures for home and community-based services provided to individuals over the age of 18 who were determined Medicaid eligible while residing in a nursing facility based on an income eligibility level of 300 percent of the Social Security Income Federal Benefit Rate (SSI FBR) after consideration of incurred medical expenses, meet the State plan resource limits, and are transitioning imminently, or have transitioned, to a non-institutional community placement, subject to the following conditions:
 - a. Individuals must have resided in a nursing facility for at least six months, and been eligible for Medicaid for at least 30 consecutive days immediately prior to being enrolled in this program; and

- b. Individuals are not otherwise eligible for a waiver program operated under the authority of section 1915(c) of the Act.
- c. The cost to Medicaid for the individual in the community must be less than the cost to Medicaid if the individual were to remain in the institution based on individual cost neutrality.

Allowable expenditures shall be limited to those consistent with statutory post eligibility and spousal impoverishment rules.

- 4. Medicaid Eligibility Quality Control.** Expenditures that would have been disallowed as erroneous excess payments under section 1903(u) of the Act.
- 5. Demonstration Benefits.** Expenditures for benefits specified in the STCs provided to enrollees participating in the Rare and Expensive Case Management program which are not available to individuals under the Medicaid State plan. This includes the services provided to REM enrollees who remain in the REM program after becoming eligible for Medicare in order to allow them to continue to receive private duty nursing and shift home health aide services until age 65.
- 6. Demonstration Operations.** Expenditures for capitation payments made to managed care organizations (MCOs) under a contract that does not require the MCO to:
 - a. Provide an enrollee with the disenrollment rights required by sections 1903(m)(2)(A)(vi) and 1932(a)(4) of the Act, when the enrollee is automatically re-enrolled into the enrollee's prior MCO after an eligibility lapse of no more than 120 days.
 - b. Enforce the requirement that an enrollee's verbal appeal be confirmed in writing as specified in sections 1903(m)(2)(A)(xi) and 1932(b)(4) of the Act and in regulations at 42 CFR 438.402(b)(3)(ii) and 42 CFR 438.406(b)(1).
 - c. Send a written notice of action for a denial of payment [as specified in 42 CFR 438.400(b)(3)] when the beneficiary has no liability, as required by sections 1903(m)(2)(A)(xi) and 1932(b)(4) of the Act and in regulations at 438.404(c)(2).

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply to Demonstration Populations 13 and 14.

Title XIX Requirements Not Applicable to Demonstration Populations 13 and 14 and 15:

Amount, Duration, and Scope

Section 1902(a)(10)(B)

To enable the State to provide a limited benefit package to demonstration participants in the limited benefit family planning, PAC and ICS program.

**Prospective Payment System for
Federally Qualified Health Centers
and Rural Health Clinics**

Section 1902(a)(15)

To enable the State to establish reimbursement levels to these clinics for a limited benefit package provided to PAC program participants, which is different from reimbursement levels established by the prospective payment system.

To enable the State to establish reimbursement levels to these clinics that would compensate them solely for family planning and family planning-related services rendered only to women enrolled in Demonstration Population 14.

Retroactive Eligibility

Section 1902(a)(34)

To exempt the State from extending eligibility prior to the date of application for Demonstration Populations 13 and 14.

**Early and Periodic Screening,
Diagnostic, and Treatment (EPSDT)**

Section 1902(a)(43)

To exempt the State from furnishing or arranging for EPSDT services for Demonstration Population 13 who are ages 19 or 20, and for Demonstration Population 14.

Title XIX Requirements Not Applicable to Demonstration Population 13 only:

Cost Sharing and Denial of Service

**Section 1902(a)(14) as it would
otherwise enforce 1916(e)**

To enable the State to allow pharmacy providers to deny service to enrollees for failure to pay the required cost sharing for pharmacy services.

Reasonable Promptness

Section 1902(a)(3) and 1902(a)(8)

To enable the State to implement an enrollment cap for the PAC Demonstration Population.

Title XIX Requirements Not Applicable to Demonstration Population 14 only:

Methods of Administration: Transportation

**Section 1902(a)(4) insofar
as it incorporates 42 CFR 431.53**

To the extent necessary to enable the State to not assure transportation to and from providers.

Eligibility Procedures**Section 1902(a)(17)**

To the extent necessary to allow the State to not include parental income when determining a minor's (individual under the age of 18) eligibility.