

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

NUMBER: 11-W-00245/5
TITLE: Healthy Michigan Section 1115 Demonstration
AWARDEE: Michigan Department of Health and Human Services

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

The following expenditure authorities are provided to the State of Michigan in order to operate the Healthy Michigan section 1115 demonstration.

1. Expenditures for Healthy Behaviors Program incentives that offset beneficiary cost sharing liability.
2. Expenditures for part or all of the cost of private insurance premiums, and for payments to reduce cost sharing, for individuals enrolled in a qualified health plan through the Marketplace Option, to the extent that such expenditures do not meet cost effectiveness requirements or include amounts for benefits that are not otherwise covered under the approved state plan (but are incidental to coverage of state plan benefits).

Title XIX Requirements Not Applicable to Expenditure Authorities 1 and 2:

- | | |
|------------------------------|---|
| 1. Cost Effectiveness | Section 1902(a)(4)
42 CFR 435.1015(a)(4) |
|------------------------------|---|

To the extent necessary to permit the state to offer premium assistance and cost sharing reduction payments that are determined to be cost effective using state developed tests of cost effectiveness that differ from otherwise permissible tests for cost effectiveness.