



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF HUMAN SERVICES

APR 24 2017

Mr. Timothy Hill, Acting Director
Children and Adults Health Programs Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services (CMS)
7500 Security Boulevard
Baltimore, Maryland 21244

Dear Mr. Hill:

Enclosed please find the Commonwealth of Pennsylvania, Department of Human Services' (Department) application to implement a Section 1115 Demonstration Program, Medicaid Coverage for Former Foster Care Youth from a Different State. The Department currently provides Medical Assistance (MA) coverage for this population under its Medicaid State Plan. The Department will switch from providing coverage under its Medicaid State Plan to providing coverage under Section 1115 authority effective the date the Section 1115 Demonstration is approved.

The Department has followed transparency requirements and has used various communication tools to convey the change to its State Plan and intent to continue to provide MA coverage for former foster care youth under Section 1115 Demonstration authority. A notice was published in the *Pennsylvania Bulletin* to announce the Department's intent and provided all individuals with an opportunity to comment. Links to the public notice and the 1115 Demonstration application were posted to the Department's website. Presentations were conducted for the Medical Assistance Advisory Committee and the Income Maintenance Advisory Committee. A public hearing was conducted with both telephonic and web conference capabilities to provide Pennsylvania residents the opportunity to learn about and comment on the Demonstration program. The Department will continue to solicit input from various stakeholders, MA recipients and their families, and advocacy groups concerning the submission of this 1115 Demonstration application to the Centers for Medicare and Medicaid Services.

I would like to thank you in advance for your consideration of this 1115 Demonstration Program, Medicaid Coverage for Former Foster Care Youth from a Different State. If you have any questions or need additional information, please contact Ms. Catherine Buhrig at (717) 787-4081 or via email at cbuhrig@pa.gov.

Sincerely,

Theodore Dallas
Secretary

Application for 1115 Demonstration Program
Medicaid Coverage for
Former Foster Care Youth from a Different State

Submitted to:
Mr. Timothy Hill
Centers for Medicare & Medicaid Services (CMS)
Children and Adults Health Programs Group
7500 Security Boulevard
Baltimore, Maryland 21244

Submitted by:
Pennsylvania Department of Human Services

Section 1115 Demonstration

“Medicaid Coverage for Former Foster Care Youth from a Different State”

Section I – Program Description

The Affordable Care Act (ACA) created a new mandatory Medicaid eligibility group at section 1902(a)(10)(A)(i)(IX) for former foster care youth who were in foster care and receiving Medicaid at age 18 or older. Under this new group, former foster care individuals can obtain coverage until age 26 from the state responsible for their foster care and are not subject to income or resource limits. On January 22, 2013, in accordance with the ACA, the Centers for Medicare and Medicaid Services (CMS) issued a notice of proposed rulemaking that provided guidance on Medicaid eligibility under 42 CFR § 435.250, which allowed states the option to cover individuals who are now residents of their state but were in foster care and enrolled in Medicaid at age 18 or older in a different state. On January 1, 2014, Pennsylvania began providing Medicaid coverage to former foster care youth from a different state as part of its Medicaid State Plan. On November 21, 2016, CMS published a final rule that changed the eligibility provision for this population. The provision no longer provides states with the option to cover youth who were not the responsibility of their own state while in care. Due to this change, Pennsylvania would like to continue to provide Medicaid coverage to these individuals under Section 1115 Demonstration authority.

The purpose of this Demonstration is to provide coverage on a state-wide basis to former foster care youth who currently reside in Pennsylvania and were in foster care and enrolled in Medicaid at age 18 or older in a different state. As such, Pennsylvania will cover former foster care individuals from a different state who have income at or below 133 percent Federal Poverty Level (FPL) under a mandatory coverage group or under the new adult group and will submit an eligibility State Plan Amendment (SPA) to cover individuals above 133 percent FPL. Pennsylvania is requesting waivers of sections 1902(a)(8) and 1902(a)(10) to limit the state plan group to these individuals. Pennsylvania proposes to test and evaluate how including former foster care youth individuals who “aged out” in a different state increases and strengthens overall coverage for former foster care youth and improves health outcomes for these youth. Pennsylvania expects that these hypotheses will be proven correct and that the Demonstration will result in an increase and strengthening of overall coverage of former foster care youth as well as an improvement in their health outcomes.

Section II – Demonstration Eligibility

The population affected by this Demonstration is former foster care youth who were in foster care under the responsibility of another state and enrolled in Medicaid at age 18 or older. Individuals who meet these criteria and have income at or below 133 percent FPL will be covered under a mandatory coverage group or under the new adult group. Individuals with income above 133 percent FPL require Section 1115 Demonstration authority. Pennsylvania projects that on an annual basis there will be about 30 individuals who “aged out” of foster care in a different state and seek Medicaid coverage in Pennsylvania. Out of those 30, Pennsylvania estimates 20 will fall under a mandatory coverage or new adult group and 10 will be covered under the Section 1115 Demonstration program.

Eligibility Group	Social Security Act and CFR Citations	Income Level
Former foster care youth who were in foster care and receiving Medicaid under the responsibility of another state at age 18 or older	Section 1115 Demonstration	> 133%*

*Five percent of the 100 percent FPL is added to the 133 percent FPL to increase the income limit if it makes a difference in the eligibility determination.

Section III – Demonstration Benefits and Cost-Sharing Requirements

Benefits provided to the population included in this application will be the same benefits that are provided for the current Medicaid population under Pennsylvania’s Medicaid State plan.

- 1) Indicate whether the benefits provided under the Demonstration differ from those provided under the Medicaid and/or CHIP State plan:

Yes No

- 2) Indicate whether the cost sharing requirements under the Demonstration differ from those provided under the Medicaid and/or CHIP State plan:

Yes No

Section IV – Delivery System and Payment Rates for Services

The health care delivery system for Demonstration participants will be no different than the healthcare delivery system that is in place today for Pennsylvania's Medicaid population.

- 1) Indicate whether the delivery system used to provide benefits to Demonstration participants will differ from the Medicaid and/or CHIP State plan:

Yes

No

Currently, there are five former foster care youth who were in foster care under the responsibility of a different state, and enrolled in Medicaid while in foster care, that will receive benefits through the same managed care delivery system described in the state's approved 1915(b) waiver/Section 1115 Demonstration. Pennsylvania projects that the number of recipients under this 1115 Demonstration will increase to 10 during federal Fiscal Years (FFY) 2017 and 2018. This enrollment number amounts to a total expenditure of \$59,283 for FFY 2017 (of which \$30,696 is federal dollars) and \$60,411 for FFY 2018 (of which \$31,280 is federal dollars).

Section V – Implementation of Demonstration

Pennsylvania currently provides Medicaid for former foster care youth who were in foster care under the responsibility of a different state, and enrolled in Medicaid while in foster care at age 18 or older as part of its State Plan under S33. Since this is no longer an option under the law, Pennsylvania will continue to provide coverage for this population under Section 1115 Demonstration authority. While approval is pending, there will be no break in coverage for this population and Pennsylvania will switch to the 1115 Demonstration authority effective the date the 1115 Demonstration is approved.

Section VI – Demonstration Financing and Budget Neutrality

Pennsylvania is not requesting Section 1115 expenditure authority as the affected population is comprised of a Medicaid State Plan eligibility group described in section 1902(a)(10)(ii)(XX) of the Social Security Act (new adult group); therefore, no budget neutrality agreement is needed in conjunction with this Demonstration since expenditures will be reported under its State Plan.

Section VII – List of Proposed Waivers and Expenditure Authorities

Pennsylvania will not need to request any expenditure authority to provide Medicaid coverage under the new adult group. Pennsylvania will submit an eligibility SPA under S50 to cover the group for youth above 133 percent FPL and requests waivers of sections 1902(a)(8) and 1902(a)(10) to limit this State Plan group coverage to former foster care youth who were in Medicaid and foster care in a different state.

Section VIII – Public Notice

- 1) Pennsylvania provided an open comment period for public comments from March 4, 2017 through April 2, 2017.
- 2) Pennsylvania published a public notice in the *Pennsylvania Bulletin* on March 4, 2017. The citation to the notice is 47 Pa.B.1442 (March 4, 2017). The notice is available at the following web address:

<http://www.pabulletin.com/secure/data/vol47/47-9/391.html>

A draft of the public notice was posted online on February 23, 2017. The draft public notice was converted to a link to the official public notice in the *Pennsylvania Bulletin* on March 7, 2017. A draft of this 1115 Demonstration application was posted online on February 23, 2017. Both items used the following web address:

<http://www.dhs.pa.gov/citizens/healthcaremedicalassistance/>

- 3) Pennsylvania conducted three public hearings on the 1115 Demonstration application. These public hearings were held on:
 - a) January 24, 2017, in Room 416 Health & Welfare Building, Harrisburg, PA, from 1 pm to 4 pm during the Income Maintenance Advisory Committee (IMAC) meeting, which was open to the public.
 - b) January 26, 2017, at Temple University, Strawberry Square, Harrisburg, PA, from 10 am to 12 pm during the Medical Assistance Advisory Committee (MAAC) meeting, which was open to the public.
 - c) March 16, 2017, in Room 227 Willow Oak Building, DGS Annex Complex, 1006 Hemlock Drive, Harrisburg PA, from 1 pm to 2 pm. This was an official public hearing and had telephonic and web conference capabilities.
- 4) Pennsylvania certifies that it used an electronic mailing list to notify the public. Pennsylvania used the electronic mailing list that is used for the IMAC and MAAC.
- 5) As of close of our comment period, April 2, 2017, the following comments have been received that pertain to the 1115 Demonstration submission:

- a) Would it be helpful for us to provide comments supporting this change?
- b) If not eligible for another category, is there a different benefit package for this group than other categories?
- c) Is there any other benefit package being considered?
- d) Would there be consideration given for a more enhanced benefit package for this vulnerable group of individuals?
- e) Does the former foster care population exclude income or have higher income limits?
- f) The Department received many duplicate comments that can be summarized with the following:

We are in support of the Department of Human Services (DHS) proposed 1115 demonstration waiver and state plan amendment that would provide Medicaid coverage for young adults now living in our state who were in foster care in states outside of Pennsylvania. Youth exiting foster care across the country are more likely than their peers to suffer from health issues due to exposure to trauma, homelessness, and neglect. Medicaid for Former Foster Youth has positively impacted the lives of thousands of former foster youth by allowing them to have the crucial health care coverage they need so that they can focus on self-sufficiency and successfully transition into adulthood. Pennsylvania's stated intention to continue Medicaid coverage for this small but high-risk group of young people is a welcome continuation of an existing, successful policy. We recommend that DHS process these applicants as they would any in-state former foster youth: streamlining the application process, accepting self-declaration of income and allowing automatic administrative renewals. Further, former foster youth should be able to self-attest to the receipt of foster care on their 18th birthday in another state with post-enrollment verification, if needed. Where confirmation of foster care status is required post-enrollment, caseworkers should contact the State Independent Living coordinator in the placement state for verification. The burden of proving the receipt of foster care must not be on the youth and coverage should not be delayed as verification is sought. The goal should be to authorize Medicaid coverage as quickly and efficiently as possible so that health and receipt of care is not compromised.

- 6) After review of the comments and concerns, we determined that it was unnecessary to modify the 1115 Demonstration application. The comments we received and our responses centered on questions on the benefit package for former foster care youth which is remaining unchanged, and comments in support of the 1115 Demonstration application. We have prepared responses as follows (each point below matches the corresponding point for Section VIII, subsection 5):
 - a) Yes, thank you.
 - b) No. There is an adult benefit package for individuals age 21 up to 26 and a children's benefit package for those under age 21.

- c) There is not an enhanced benefit package being considered for the adults that fit in this demonstration population. The current adult and children's benefit packages provide comprehensive coverage.
- d) There is not an enhanced benefit package being considered for the adults that fit in this demonstration population. The current adult and children's benefit packages provide comprehensive coverage. The prevailing issue was to address the eligibility status of "out of state" individuals and the 1115 demonstration is an opportunity for them to continue to be eligible.
- e) There are no income or resource limits for the former foster care group.
- f) The Department appreciates such widespread support and agrees that it is crucial to continue to provide Medicaid coverage for this high-risk, albeit small, population. The Department currently provides a streamlined application and passive renewal for all former foster care youth. The Department authorizes Medicaid for former foster care youth from a different state that self-attest to being in foster care and receiving Medicaid at age 18 or older without delay and provides them with 90 days to provide verification. The Department's County Assistance Offices and County Children and Youth Agencies work together if individuals need assistance obtaining verification. It is the Department's goal to authorize Medicaid coverage as quickly and accurately as possible.

Section IX – Demonstration Administration

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