

## **Table of Contents**

**State Name:** Delaware

**State Plan Amendment (SPA) #:** 14-001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
150 S. Independence Mall West  
Suite 216, The Public Ledger Building  
Philadelphia, Pennsylvania 19106-3499



**Region III/Division of Medicaid and Children's Health Operations**

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SWIFT# 040920144033

**JUN 06 2014**

Stephen Groff, Director  
Division of Medicaid & Medical Assistance  
Department of Health & Social Services  
1901 N. DuPont Highway  
New Castle, Delaware 19720-0906

Dear Mr. Groff:

We have reviewed the proposed Delaware's Federal Medical Assistance Payment (FMAP) State Plan Amendment (SPA), DE 14-001 submitted to the Philadelphia Regional Office on January 17, 2014. This SPA describes the methodology used by the State for determining the appropriate 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.

Based on the information provided, the Medicaid 14-001 is approved with an effective date of January 1, 2014. Enclosed are the approved Form CMS-179 and the Medicaid State Plan pages.

If you have any additional questions or need further assistance, please contact Michael Cleary at 215-861-4282.

Sincerely,

  
  
Francis McCullough  
Associate Regional Administrator

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
SPA #14-001

2. STATE  
DELAWARE

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
January 1, 2014

5. TYPE OF 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:  
42 CFR 433.206

7. FEDERAL BUDGET IMPACT:  
a. FFY 2014 \$ -0-  
b. FFY 2015 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

SUPPLEMENT 18 TO ATTACHMENT 2.6-A

NEW

10. SUBJECT OF AMENDMENT: METHODOLOGY FOR IDENTIFICATION OF APPLICABLE FEDERAL MEDICAL ASSISTANCE PERCENTAGE  
(FMAP) CLAIMING STATE PLAN AMENDMENT

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
- NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
Governor's comments under separate  
correspondence

12. SIGNATURE OF STATE AGENCY OFFICIAL:  
//Stephen M. Groff - signature//

16. RETURN TO:

13. TYPED NAME:  
Stephen M. Groff, Director, Division of Medicaid and Medical  
Assistance

Stephen M. Groff  
Director  
Division of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, Delaware 19720-0906

14. TITLE: Designee for Rita M. Landgraf, Secretary, Delaware  
Health and Social Services

15. DATE SUBMITTED:  
January 17, 2014

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

JANUARY 17, 2014

18. DATE APPROVED:

JUN 06 2014

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

JANUARY 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

FRANCES McCullough

22. TITLE:

Associate Regional Administrator / DMCHO

23. REMARKS:

## State Plan Under Title XIX of the Social Security Act

State: Delaware

### 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 01/28/2014. 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.

**Table 1: Adult Group Eligibility Standards and FMAP Methodology Features**

| Population Group                               | Covered Populations Within New Adult Group   | Applicable Population Adjustment          |                |                |                       |                   |
|--|--|---|----------------|----------------|-----------------------|-------------------|
|  |  | Relevant Population Group Income Standard | Resource Proxy | Enrollment Cap | Special Circumstances | Other Adjustments |
| <b>A</b>                                       | <b>B</b>   |   | C              | D              | E                     | F                 |
| <b>Parents/Caretaker Relatives</b>             | Attachment A, Column C, Line 1 of Part 2 of the CMS approved Conversion Plan, including subsequent CMS approved modifications to the MAGI Conversion Plan. | N/A                                       | N/A            | N/A            | N/A                   | N/A               |
| <b>Disabled Persons, non-institutionalized</b> | N/A  | N/A                                       | N/A            | N/A            | N/A                   | N/A               |
| <b>Disabled Persons, institutionalized</b>     | Attachment A, Column C, Line 3 of Part 2 of the CMS approved Conversion Plan, including subsequent CMS approved modifications to the MAGI Conversion Plan. | N/A                                       | N/A            | N/A            | N/A                   | N/A               |
| <b>Children Age 19 or 20</b>                   | N/A  | N/A                                       | N/A            | N/A            | N/A                   | N/A               |
| <b>Childless Adults</b>                        | Attachment A, Column C, Line 5 of Part 2 of the CMS approved Conversion Plan, including subsequent CMS approved modifications to the MAGI Conversion Plan. | N/A                                       | N/A            | N/A            | N/A                   | N/A               |

For each population group, indicate the lower of:  
 • The reference in the MAGI Conversion Plan (Part 2) to the relevant income standard and the appropriate cross-reference, or  
 • 133% FPL.  
 If a population group was not covered as of 12/1/09, enter "Not covered".

## 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 433.206(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 10/23/2013.

#### 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.

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TN – 14-001

Approval Date – JUN 06 2014 Effective Date – 01/01/2014

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

DELAWARE

12/09/2013

|   | Population Group                               | Net standard as of 12/1/09 | 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) | Data source for Conversion (SIPP or state data) |
|---|--|----------------------------|--------------------------------------|---|--|---|
|   | A  | B                          | C                                    | D   | E  | F   |
| <b>Conversions for FMAP Claiming Purposes</b> |  |                            |                                      |   |  |   |
| 1   | Parents/Caretaker Relatives<br>FPL %           | 100%                       | 107%                                 | yes   | Part 1 of approved state MAGI conversion plan  | SIPP  |
| 2   | Noninstitutionalized Disabled Persons          | n/a                        | n/a                                  | n/a   | n/a  | n/a   |
| 3   | Institutionalized Disabled Persons<br>SSI FBR% | 250%                       | 250%                                 | n/a   | ABD conversion template  | n/a   |
| 4   | Children Age 19-20                             | n/a                        | n/a                                  | n/a   | n/a  | n/a   |
| 5   | Childless Adults<br>FPL %                      | 100%                       | 108%                                 | yes   | Part 1 of approved state MAGI conversion plan  | SIPP  |

n/a: Not applicable.

\*The contents of this table will be updated automatically in case of modifications to the CMS approved MAGI Conversion Plan



**DELAWARE HEALTH  
AND SOCIAL SERVICES**

DIVISION OF  
MEDICAID & MEDICAL ASSISTANCE

TELEPHONE: (302) 255-9500

December 17, 2013

Mr. Eliot Fishman  
Director  
Children and Adults Health Programs Group  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, MS: S2-01-16  
Woodlawn, MD 21244

Dear Mr. Fishman:

In response to CMS guidance regarding the need to request waiver authority to support the administrative transition of our current 1115 waiver beneficiaries into the State Plan Adult Group at 133% FPL, Delaware requests a waiver under Section 1902(e)(14)(A) to:

1. waive the requirement to apply an income test to non-pregnant adults ages 19-64 not on Medicare and who are enrolled in our section 1115 demonstration as of December 31, 2013 until the beneficiary's first regularly-scheduled renewal in 2014 or a change in circumstances whichever is earlier
2. facilitate streamlined application of the FMAP methodology when determining the availability of increased match for current demonstration beneficiaries administratively transferred to the state plan adult group.

This waiver authority is needed because we will not obtain the information needed to make a formal determination of MAGI-based income under 42 CFR 435.603 prior to enrollment of the beneficiaries under the state plan. The current beneficiaries are subject to an income test at 100% FPL, so we are confident they will have household income at or below 133% FPL.

At the time of the first regularly scheduled renewal or at the time the agency is made aware of a change in circumstances, the agency will gather the information needed to complete a formal MAGI-based eligibility determination. The agency will ensure that no beneficiary will lose eligibility prior to the first regularly scheduled renewal because of the application of MAGI methodologies. In the event of a change in circumstances prior to renewal, the agency will first apply non-MAGI rules. When the beneficiary is found eligible under non-MAGI rules, eligibility will continue until renewal. When the beneficiary is found ineligible under non-MAGI rules, the agency will gather the information needed to complete a formal MAGI-based eligibility determination.

P.O. Box 906 • NEW CASTLE • DELAWARE • 19720

Page 2 – Mr. Eliot Fishman

We estimate that this waiver request will cover 38,665 individuals who will be administratively transferred to the new adult group.

For additional information or questions regarding this request, please contact Dave Michalik at [dave.michalik@state.de.us](mailto:dave.michalik@state.de.us) or by phone at (302) 255-9577. If Mr. Michalik is unavailable please contact Jill Williams at [jill.williams@state.de.us](mailto:jill.williams@state.de.us) or by phone at (302) 255-9609.

Sincerely,

A black rectangular redaction box covering the signature of Stephen M. Groff.

Stephen M. Groff

Director

Delaware Division of Medicaid & Medical Assistance