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April 18, 2022

Deputy Administrator and Director Daniel Tsai
Department of Health and Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Acceptance of Managed Care Risk Mitigation COVID-19 Public Health Emergency (PHE)
Section 1115 Demonstration Amendment Expenditure Authority

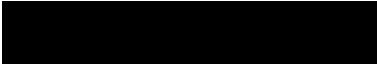
Dear Deputy Administrator and Director Tsai,

Illinois is pleased to accept the Centers for Medicare & Medicaid Services' (CMS) approval of the Managed Care Risk Mitigation COVID-19 Public Health Emergency (PHE) section 1115 demonstration as an amendment under the "Illinois Continuity of Care and Administrative Simplification" section 1115(a) demonstration (Project Number 11-W-00341/5). With this letter, Illinois formally accepts the expenditure authority, as described in CMS' amendment approval letter dated February 4, 2022.

As noted in the CMS approval letter, this 1115 demonstration amendment is expected to help the state furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 PHE. It will allow the state and CMS to test how providing this authority results in either increased or decreased payments to plans, given the significant fluctuations in utilization that may occur during a pandemic, assess whether and how payments under the retroactive risk mitigation arrangements are sufficient to cover costs under the managed care contract, and ascertain how the implementation of risk mitigation after the start of the rating period compares to not allowing retroactive risk sharing during a PHE.

Thank you to you and your team for your time and support throughout this process. We appreciate your commitment to supporting states in making appropriate, equitable payments during the PHE to help maintain beneficiary access to care.

Sincerely,


Theresa Eagleson
Director