

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, MD 21244-1850



State Demonstrations Group

June 18, 2025

Meghan E. Groen
Senior Deputy Director
Behavioral and Physical Health and Aging Services Administration
Michigan Department of Health and Human Services
400 South Pine Street 7th Floor
Lansing, MI 48933-2250

Dear Director Groen:

This letter is to inform you that the Centers for Medicare & Medicaid Services (CMS) has approved a temporary extension of the state's section 1115 demonstration, entitled "Michigan 1115 Behavioral Health Demonstration" (Project Number 11-W-00305/5), in order to allow the state and CMS to continue negotiations on the state's extension application submitted on April 11, 2024. This demonstration will now expire on March 31, 2026.

CMS's approval is conditioned upon the state's continued compliance with the special terms and conditions (STCs) defining the nature, character, and extent of anticipated federal involvement in the project. The current STCs and expenditure authorities will continue to apply during the temporary extension period of this demonstration. The state's current budget neutrality agreement and per member per month amounts (as of Demonstration Year 5) will continue to apply as described in the STCs, until March 31, 2026, or until the demonstration is extended, whichever is sooner.

For this temporary extension period, the state must continue to monitor its demonstration as stipulated in the current STCs. In addition, the state is required to include the temporary extension period in its demonstration evaluation. The state may choose to include the temporary extension period within its summative evaluation for the demonstration approval period beginning April 5, 2019. In this case, the Summative Evaluation Report is due 18 months after the end of this temporary extension period. Alternatively, if CMS approves an extension beyond March 31, 2026, the state may choose to include this temporary extension period in the Evaluation Design and activities of the next full demonstration approval period.

Your CMS project officer for this demonstration is Rabia Khan. Rabia is available to answer any questions concerning your section 1115 demonstration and can be reached at Rabia.Khan1@cms.hhs.gov. If you have questions regarding this communication, please contact me at Karen.Llanos@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Karen LLanos.

Karen LLanos
Acting Director

cc: Keri Toback, State Monitoring Lead, Medicaid and CHIP Operations Group