

July 31, 2023

Julie Marquardt
Assistant Commissioner and Minnesota Medicaid Director
Minnesota Department of Human Services
540 Cedar Street
St. Paul, Minnesota 55164-0983

Dear Assistant Commissioner Marquardt:

In response to the section 1115(a) demonstration opportunity announced to states on March 22, 2020, in State Medicaid Director Letter (SMDL) #20-002,¹ on May 10, 2023, Minnesota submitted a request for an amendment to the Minnesota Prepaid Medical Assistant Project Plus (PMAP+) section 1115(a) demonstration (Project Number 11-W-00039/5 and 21-W-00072/5) to have CMS provide federal financial participation for legally responsible individuals providing personal care services to state plan populations who are eligible to receive 1905(a) personal care assistance services and individuals in the Children's Health Insurance Program (CHIP) who are eligible to receive section 2110(a)(14) personal care assistance services. This approval will allow the state to extend these flexibilities beyond the end of the COVID-19 Public Health Emergency (PHE), to allow sufficient time for Personal Care Assistance Agencies to assist families with identifying caregivers.² CMS determined that the state's application is complete, consistent with the exemptions and flexibilities outlined in 42 CFR 431.416(e)(2) and 431.416(g).³ CMS expects that states will offer, in good faith and in a prudent manner, a post-submission public notice process, including tribal consultation as applicable, to the extent circumstances permit. This letter serves as a time-limited approval of the state's request, which is being approved as an amendment under the PMAP+ demonstration. The expenditure authority under the Medicaid program is hereby authorized from May 10, 2023, to November 11, 2023, for the duration of the period of six months after the end of the PHE, to

¹ See SMDL #20-002, "COVID-19 Public Health Emergency Section 1115(a) Opportunity for States," available at <https://www.medicare.gov/sites/default/files/Federal-Policy-Guidance/Downloads/smd20002-1115template.docx>.

² <https://aspr.hhs.gov/legal/PHE/Pages/COVID19-9Feb2023.aspx>
<https://www.hhs.gov/about/news/2023/02/09/letter-us-governors-hhs-secretary-xavier-becerra-renewing-covid-19-public-health-emergency.html>

³ Pursuant to 42 CFR 431.416(g), CMS has determined that the existence of unforeseen circumstances resulting from the COVID-19 PHE warrants an exception to the normal state and federal public notice procedures to expedite a decision on a proposed COVID-19 section 1115 demonstration or amendment. States applying for a COVID-19 section 1115 demonstration or amendment are not required to conduct a public notice and input process. CMS is also exercising its discretionary authority to expedite its normal review and approval processes to render timely decisions on state applications for COVID-19 section 1115 demonstrations or amendments. CMS will post all section 1115 demonstrations approved under this COVID-19 demonstration opportunity on the Medicaid.gov website.

align with the current timeframe of the state’s Appendix K. CHIP expenditure authority is hereby authorized from March 1, 2020, to November 11, 2023, for the duration of and up until six months after the end of the PHE. We note that the Secretary-declared COVID-19 public health emergency period expired at the end of the day on May 11, 2023.⁴

Effective March 1, 2020, through 1135 authority approval, Minnesota has allowed Personal Assistance Agencies (PAA) delivering Medicaid state plan PCS to temporarily employ spouses of adult participants and parents of minor children receiving PCS. Additionally, Minnesota has provided this flexibility to CHIP beneficiaries since March 1, 2020, who were in a separate CHIP and therefore not covered under the 1135 authority. This approval will allow the state to extend this flexibility beyond the end of the PHE to allow sufficient time for PAAs to assist families with identifying caregivers for their spouse or child.

CMS has determined that the COVID-19 PHE amendment to the PMAP+ demonstration – including the Medicaid and CHIP expenditure authority detailed below and in Attachment E – is necessary to assist the state in delivering the most effective care to its beneficiaries in light of the COVID-19 PHE. The demonstration amendment is likely to assist in promoting the objectives of the Medicaid and CHIP statutes because it 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 who may be affected by COVID-19.

In addition, in light of the unprecedented emergency circumstances associated with the COVID-19 pandemic and in consequence of the time-limited nature of this demonstration amendment – CMS did not require the state to submit budget neutrality calculations for this COVID-19 PHE amendment to the PMAP+ demonstration. In general, CMS has determined that the costs to the federal government are likely to have been otherwise incurred and allowable. Minnesota will still be required to track demonstration expenditures and will be expected to evaluate the connection between those expenditures and the state’s response to the PHE, as well as the cost-effectiveness of those expenditures. Due to the highly limited scope of the changes under the amendment, CMS is incorporating this amendment as Attachment E to the PMAP+ Special Terms and Conditions (STC).

Requests CMS is Approving at this Time

CMS is approving the Medicaid expenditure authority for state plan populations, as described below, from May 10, 2023, to November 11, 2023.

- 1. Use of Legally Responsible Individuals to Render Personal Care Assistance (PCA) Services.** To allow temporary payment for 1905(a) personal care assistance services rendered by legally responsible individuals (which could be inclusive of legally responsible family caregivers) provided that the state meets all existing requirements as described under the Medicaid state plan, including Electronic Visit Verification (EVV) requirements.

⁴ See <https://www.hhs.gov/coronavirus/covid-19-public-health-emergency/index.html>.

CMS is approving the CHIP expenditure authority, as described below, retroactively starting March 1, 2020, to November 11, 2023.

- 1. Use of Legally Responsible Individuals to Render Personal Care Assistance (PCA) Services.** To allow temporary payment for section 2110 (a)(14) personal care assistance services rendered by legally responsible individuals (which could be inclusive of legally responsible family caregivers) provided that the state meets all existing requirements as described under the CHIP state plan.

Monitoring and Evaluation Requirements

Given the unique circumstances and time-limited nature of this demonstration amendment, CMS expects Minnesota to undertake data collection and analyses that are meaningful; CMS believes that these will not be unduly burdensome for the state, while also being consistent with the applicable provisions of 42 CFR 431.424 and 431.428. It is still important to gather evidence regarding the operation and effectiveness of this amendment, but recognizing the challenges associated with the COVID-19 PHE and the distinctly brief approval period for this demonstration amendment, CMS has simplified the monitoring and evaluation requirements for this amendment. The state's streamlined monitoring and evaluation activities for this amendment, including an outline of an Evaluation Design, will be encapsulated in a Final Report. The draft Final Report will be due to CMS no later than 12 months after the expiration of this demonstration approval period. CMS's section 1115 demonstration evaluation guidance "Preparing the Evaluation Report"⁵ provides pertinent instructions that would be helpful in preparing the consolidated Final Report. The state should customize the content of the Final Report to align with the specific scope of the demonstration amendment.

To address the requirements in 42 CFR 431.424(c), the Final Report will include a section clearly outlining the state's underlying Evaluation Design for the evaluation of the expenditure authority approved in this amendment. The Final Report should include a background description of the scope and objectives of the amendments and outline the evaluation questions. The Final Report should also narrate how the state would leverage the simplified expectations for data collection and analyses for this amendment, to support contextualizing and addressing the evaluation questions. Briefly, the Final Report should provide a discussion of the findings that will support understanding the successes, challenges, and lessons learned in implementing the amendments to help inform best practices for similar situations in the future. Additionally, the state should provide summary data on demonstration expenditures under the amendments and describe briefly how these outlays were effective at achieving the objectives of the demonstration amendments. Lastly, the Final Report should outline any challenges and limitations encountered in the planning and conduct of the monitoring and evaluation activities. The state is required to post the CMS-approved Final Report to the state's Medicaid agency website within 30 days of CMS approval.

Other Information

⁵ Available at <https://www.medicaid.gov/medicaid/downloads/preparing-the-evaluation-report.pdf>.

Approval of this demonstration amendment is subject to the limitations specified in the approved expenditure authority and the enclosed Attachment E. The state may deviate from its Medicaid and CHIP state plan requirements only to the extent specified in the approved expenditure authority and the enclosed STCs for the demonstration. This approval is conditioned upon continued compliance with the previously approved STCs, which set forth in detail the nature, character, and extent of anticipated federal involvement in the project.

The award is subject to CMS receiving written acceptance of this award within 15 days of the date of this approval letter. Your project officer is April Wiley. April is available to answer any questions concerning implementation of the state's section 1115(a) demonstration amendment and her contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-25-26
7500 Security Boulevard
Baltimore, Maryland 21244-1850
Email: April.Wiley@cms.hhs.gov

We appreciate your state's commitment to addressing the significant challenges posed by the COVID-19 pandemic, and we look forward to our continued partnership on the PMAP+ section 1115(a) demonstration. If you have any questions regarding this approval, please contact Ms. Mehreen H. Rashid, Acting Director, State Demonstrations Group, Center for Medicaid and CHIP Services, at (443) 257-5069.

Sincerely,



Daniel Tsai
Deputy Administrator and Director

Enclosure

cc: Sandra Porter, State Monitoring Lead, Medicaid and CHIP Operations Group

Attachment E

Time-limited Expenditure Authority and Associated Requirements for the COVID-19 Public Health Emergency (PHE) Demonstration Amendment

Expenditure Authority

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 shall, for state plan populations, for the period from May 10, 2023, to November 11, 2023, unless otherwise specified, be eligible for federal financial participation under the state's title XIX plan.

- 1. Use of Legally Responsible Individuals to Render Personal Care Assistance (PCA) Services.** To allow temporary payment for 1905(a) personal care assistance services rendered by legally responsible individuals (which could be inclusive of legally responsible family caregivers) provided that the state meets all existing requirements as described under the Medicaid state plan, including Electronic Visit Verification requirements.

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, for individuals in the Children's Health Insurance Program, for the period from March 1, 2020, to November 11, 2023, unless otherwise specified, be eligible for federal financial participation under the state's title XXI plan.

- 1. Use of Legally Responsible Individuals to Render Personal Care Assistance (PCA) Services.** To allow temporary payment for section 2110(a)(14) personal care assistance services rendered by legally responsible individuals (which could be inclusive of legally responsible family caregivers) provided that the state meets all existing requirements as described under the CHIP state plan.

Monitoring and Evaluation Requirements

- 1. Evaluation Design.** The state must submit an Evaluation Design that is encapsulated in a Final Report to CMS no later than 12 months after the expiration of this demonstration approval period. In developing the Evaluation Design, the state can focus on qualitative methods and descriptive data to address evaluation questions that will support understanding the successes, challenges, and lessons learned in implementing the demonstration amendment. The state must also describe its plans to collect and report data on the size of the populations served under this demonstration amendment, and a summary of service utilization.
- 2. Final Report.** The state is required to submit to CMS for review and approval a Final Report, which will consolidate the monitoring and evaluation reporting requirements for this demonstration amendment. The Final Report is due no later than 12 months after the end of the expenditure authority. In addition to capturing data on the number of

individuals served and utilization of services under this amendment, the Final Report must undertake qualitative and descriptive assessment on the demonstration implementation, lessons learned, and best practices for similar situations. The state is required to track expenditures associated with this demonstration, as applicable, and may include but not be limited to, administrative costs and program expenditures. CMS's section 1115 demonstration evaluation guidance, "Preparing the Evaluation Report"⁶ provides pertinent instructions that would be helpful in preparing the consolidated Final Report. The state should customize the content of the Final Report to align with the specific scope of the demonstration amendment. Once approved, the state is required to post its consolidated Evaluation Design and Final Report to the state's website within 30 days of CMS approval.

⁶ Available at <https://www.medicaid.gov/medicaid/downloads/preparing-the-evaluation-report.pdf>.