

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP and Survey & Certification

JUN 30 2011

Mr. David Godfrey
Medicaid Director
Minnesota Department of Human Services
P.O. Box 64998
St. Paul, Minnesota 55164

Dear Mr. Godfrey:

We are pleased to inform you that your request to extend Minnesota's section 1115 demonstration project, entitled Prepaid Medical Assistance Project Plus (PMAP+) (11-W-00039/5) has been approved by the Centers for Medicare & Medicaid Services (CMS) in accordance with section 1115(a) of the Social Security Act. The new extension period begins on July 1, 2011 and continues through December 31, 2013, upon which date all waiver and expenditure authorities granted to operate this demonstration will expire.

The following changes have been made to the Demonstration allowing the State to:

1. Increase the annual income limit for the parent/caretaker adult population from \$50,000 to \$57,500;
2. Provide continued eligibility to children in MinnesotaCare families at or below 275 percent of the Federal poverty level (FPL) whose parents did not comply with the redetermination process while the State uses other available methods to verify family income, similar to an *ex parte* redetermination;
3. Eliminate premiums for children at or below 200 percent of the FPL;
4. Automatically enroll children residing either in foster care or in a juvenile residential correctional facility on their 18th birthday into MinnesotaCare upon completion of an application regardless of income limits, insurance barriers, family enrollment requirements, and premium payments, and delay the first renewal period until the month of the child's 21st birthday;
5. Eliminate the MinnesotaCare farm depreciation income add-back;
6. Eliminate sponsor deeming for qualified noncitizen pregnant women and children;
7. Exempt recipients of State COBRA subsidies from the 4-month waiting period of uninsurance;
8. Exclude payments made to victims under the Catastrophic Survivor Compensation Fund from income when determining gross family income;
9. Permit the State to exclude capital or operating assets of a trade or business during the eligibility determination process, provided that the individual's bank accounts contain no personal income, or are not used to pay personal expenses; and
10. Eliminate the Minnesota Comprehensive Health Association (MCHA) exclusion that allowed certain children whose family incomes grew to above 275 percent of the FPL

to remain in MinnesotaCare if their MCHA premiums (for plans with deductibles of \$500) would exceed 10 percent of family income.

At this time, CMS cannot approve the State's request to expand eligibility to the MinnesotaCare Adults without Children population with incomes above 75 percent and at or below 250 percent FPL. CMS is eager to continue to work with the State on this request, which appears to further the objectives of Title XIX; however, it is critically important that Minnesota comply with Federal statutory and regulatory requirements in regards to this population. In particular, CMS cannot move forward on this request until the State removes the 6-month waiting period requirement imposed on non-State residents under State law. This change is necessary to comply with Federal law. The State is encouraged to continue to discuss this expansion with CMS, and to submit an amendment request once the State can address the necessary legislative and regulatory changes.

Our approval of this Demonstration project is subject to the limitations specified in the approved waiver and expenditure authorities and not applicables list. The State may deviate from the Medicaid State plan requirements only to the extent those requirements have been specifically listed as waived or not applicable to the expenditure authorities. All requirements of the Medicaid program as expressed in law, regulation, and policy statement not expressly waived or identified as not applicable, shall apply to the Minnesota PMAP+ demonstration.

The approval is also conditioned upon continued compliance with the enclosed STCs defining the nature, character, and extent of Federal involvement in this project. This award letter is subject to our receipt of your written acceptance of the award, including the expenditure authority and STCs, within 30 days of the date of this letter.

Your project officer is Ms. Jennifer Sheer. She is available to answer any questions concerning your section 1115 Demonstration. Ms. Sheer's contact information is as follows:

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7500 Security Boulevard
Mailstop S2-01-16
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Telephone: [REDACTED]
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E-mail: [REDACTED]

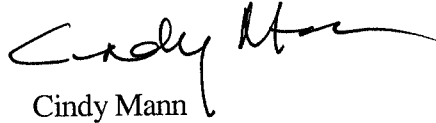
Official communications regarding program matters should be sent simultaneously to Ms. Sheer and to Ms. Verlon Johnson, Associate Regional Administrator for the Division of Medicaid and Children's Health in our Chicago Regional Office. Ms. Johnson's contact information is as follows:

Ms. Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children Health Operations Program
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519

If you have questions regarding this approval, please contact Victoria Wachino, Director, Children and Adults Health Program Group, Center for Medicaid, CHIP and Survey & Certification, at [REDACTED].

Congratulations on the approval your section 1115 Demonstration renewal.

Sincerely,



Cindy Mann
Director

Enclosures

cc: Victoria Wachino, CMCS
Verlon Johnson, Associate Regional Administrator, Region V
Jennifer Sheer, CMCS