



Minnesota Department of **Human Services**

March 10, 2011

Cindy Mann, Director
Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Mail Stop: S2-26-12
7500 Security Boulevard
Baltimore, MD 21244-1850

Re: Minnesota's Prepaid Medical Assistance Project Plus (PMAP+) §1115 Waiver
(Project No. 11-W00039/5)

Dear Ms. Mann:

This letter concerns the PMAP+ §1115 waiver renewal request submitted on June 28, 2010 and currently under CMS review. The waiver will expire on July 1, 2011. As discussed, Minnesota is submitting a number of changes to the renewal request in order to expedite review of the waiver renewal and to build on Minnesota's recent expansion of Medicaid for adults without children under the State Plan.

A revised copy of the waiver and expenditure authorities request and the draft special terms and conditions is enclosed with this letter. The enclosed waiver and expenditure authorities and the special terms and conditions (STCs) have been modified as described below:

- **Coverage of Adults without Children with Incomes Greater than 75% FPG up to 133% FPG.** Minnesota is requesting federal matching funds for expenditures made to provide health care to adults without children with incomes greater than 75% and up to 133% FPG in the MinnesotaCare program. Minnesota proposes that a new Medicaid Eligibility Group be added to the budget neutrality tracking to accommodate this group. Waivers are also requested to reflect current state law and practice for this group with respect to asset limits, incarceration, citizenship verification, and the effective date of coverage.
- **Modification of Demonstration Budget Neutrality Caps.** Minnesota is withdrawing its request to update the budget neutrality caps to reflect actual waiver expenditures for waiver year 2008-2009. Minnesota is continuing to request that reasonable trend rates be applied to existing budget neutrality caps
- **Managed Care Expenditures for Adults without Children and DSH.** Minnesota is removing the request for authority to apply certain managed care expenditures against the State's disproportionate share hospital allotment from the renewal package. Minnesota will include this request in a separate package of waiver amendments.

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- **MinnesotaCare Grace Month.** Minnesota is removing the request to provide a one-month grace period for MinnesotaCare enrollees who fail to pay their premium from the renewal package. Minnesota will include this request in a separate package of waiver amendments.
- **MinnesotaCare Rolling Month of Eligibility.** Minnesota is removing the request to provide an additional month of eligibility to MinnesotaCare enrollees who fail to submit renewal forms timely from the renewal package. Minnesota will include this request in a separate package of waiver amendments.
- **Transition to MinnesotaCare for children leaving MA.** Minnesota is removing the request to provide two months of extended Medical Assistance eligibility and up to a year of automatic MinnesotaCare eligibility to children under age 19 who become ineligible for Medical Assistance due to excess income from the renewal package. Minnesota will include this request in a separate package of waiver amendments.
- **Coverage for new members of an enrolled family.** The current waiver terms and conditions include a provision reflecting a 2005 change in state law which changed the terms of the family enrollment requirements. In the past, families could decide whether MinnesotaCare coverage for new members of an enrolled family would begin at renewal or on the first day of the month following the month in which the change was reported. In some situations, immediate enrollment of a new family member could adversely affect eligibility, i.e. if a change in income and MinnesotaCare premiums resulted from including a new spouse in the MinnesotaCare household. CMS approved an amendment to the waiver terms and conditions in 2007, but the new eligibility policy and procedures had not been implemented prior to July 1, 2008. In keeping with the maintenance of effort requirements under the ARRA and ACA, Minnesota has refrained from implementing this new policy. Based on CMS guidance on the maintenance of effort requirements issued February 25, 2011, it appears that Minnesota may now implement the updated policy and procedures relating to coverage for new members of an enrolled family, in keeping with state law and as part of the terms of the renewed PMAP+ waiver.

We look forward to working with CMS toward final approval of the PMAP+ waiver renewal. If you have questions regarding this correspondence, please contact Gretchen Ulbee, at [REDACTED] or Jan Kooistra, at [REDACTED]

Sincerely,



David Godfrey
Medicaid Director

Enclosure

cc: Keri Toback
Vicki Wachino
Jessica Schubel