

## Minnesota PMAP+ Section 1115 Demonstration

### Update on Renewal Process

**Background:** The PMAP+ Demonstration provides health care services through a prepaid, capitated managed care delivery model that operates statewide for both MinnesotaCare Program eligibles and Medicaid State plan groups. The Demonstration populations include pregnant women, infants and children, and parents/caretakers with income up to 275 percent of the (FPL). The Demonstration requires all participants to pay a monthly premium in order to access healthcare services. The current Demonstration expires June 30, 2011.

**Discussion:** On March 10<sup>th</sup>, the State submitted a revised renewal proposal in order to include a request to expand coverage to childless adults from 75 up to and including 133 percent of the FPL.<sup>1</sup> This population currently is enrolled in the State-only funded MinnesotaCare program. While the benefits and cost-sharing arrangements are equal to those in the Demonstration, the State currently imposes a 6-month waiting period on all non-State residents, allows applicants to self-declare citizenship, and maintains eligibility for beneficiaries that become incarcerated during their period of eligibility.

In order for CMS to approve the State's request, the State would need to change the aforementioned programmatic elements. Any changes would require a change in State law, and thus, the involvement of the State legislature. The State indicated that while it would be difficult to make such changes given the composition of the State legislature, it was willing to make an attempt. The State also indicated that it would need approximately 6 months to make the necessary legislative and systems changes. In addition, the State recently asked CMS on May 11<sup>th</sup> to consider increasing the upper FPL limit for the childless adult population to 250 percent of the FPL.

**Next Steps:** In order to assist the State in its discussions with the State legislature regarding the necessary program changes, CMS has committed to sending an agreement in principle to the State outlining the following:

1. Grant expenditure authority to enable the State to cover childless adults with income from 75 up to and including 133 percent of the FPL; and
2. Require the State to submit a payment protocol outlining the legislative and system changes it has made in order for the State to claim Federal financial participation (FFP). CMS must approve this protocol before the State can claim FFP.

Regarding the State's request to expand coverage to childless adults from 133 up to and including 250 percent of the FPL, CMS will need to work with the State to accomplish one of the following options:

1. Calculate "savings" for the children and pregnant women participating in the Demonstration from the initial approval date of the Demonstration (1995); or
2. Divert a portion of the State's DSH allotment.

DSDW initially proposed a third option

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However, OGC opined

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<sup>1</sup> CMS approved the State's early option State plan amendment on February 17, 2011, which expanded coverage to childless adults up to 75 percent of the FPL