

## **Status of Negotiation of Medicaid Reform 1115 Demonstration Waiver**

The Agency has received a temporary extension to continue the Reform pilot through December 15, 2011.

CMS has agreed to fully fund the Low Income Pool for the three year extension period (\$3 billion) rather than reducing funding to \$500 million in the final year.

CMS has stated that they will require that \$50 million of the LIP funds be spent annually on new projects to enhance the quality of care and the health of low income populations.

CMS has stated that they will require the 15 hospitals receiving the largest portion of LIP funds to select and participate in 3 initiatives designed by the State and CMS and tied to Infrastructure Development, Innovation and Redesign or Population Focused Improvement.

## **Status of Statewide Medicaid Managed Care Implementation**

- The Agency has requested federal authority to implement key provisions
- The communication with federal CMS has begun to negotiate program approval
- The Agency has implemented a project management approach to implementation and has created a team structure.

### **Implementation of the LTC Managed Care Component of the SMMC Program:**

- The Agency submitted a combination 1915(b)/(c) waiver request for authority to implement the Long-term care portion of the SMMC program.
- The Agency has received and responded to one informal and one formal request for information regarding the 1915(b) portion of the waiver request. Details regarding those responses are available on the Agency's website and navigating to the Federal Submissions and Authorities page under the Long-term Care Managed Care tab on the SMMC webpage:

[October 6, 2011 Response to Informal Questions on the 1915\(b\) submission](#)

[November 22, 2011 Response to Formal Questions on the 1915\(b\) submission](#)

- The Agency has received a formal request for additional information regarding the 1915(c) portion of the waiver request. Responses will be submitted within the week.

### **Implementation of the Managed Medical Assistance Component of the SMMC Program:**

- For authority to implement the Managed Medical Assistance component of the SMMC program, the Agency submitted requests for amendment to the 1115 Medicaid Reform Demonstration waiver; an amendment of the Medicaid State Plan, and documentation regarding a potential amendment of the 1115 MEDS AD Waiver.

- Requests for amendment of the 1115 Medicaid Reform Demonstration are pending final negotiation of the request for extension of that waiver originally submitted on June 30, 2010.
- An amendment of the Medicaid State Plan to develop a program that will enable Medicaid recipients to participate in employer-sponsored insurance has been approved by CMS and will be implemented as part of the SMMC program.
- Discussions with CMS regarding the Medically Needy component of both the SMMC program and HB 7109 have begun. CMS has expressed concern that the proposed program may constitute a violation of the maintenance of eligibility (MOE) provisions on the Patient Protection and Affordable Care Act. Violation of MOE provisions would result in loss of all federal funding (FMAP) for the Medicaid program.

### **Implementation of the MediPass Component of HB 7109**

#### MediPass:

House Bill 7109 requires the Agency to contract with a single provider service network to function as a managing entity for the MediPass program in all counties with fewer than two prepaid managed care plans.

On September 16, 2011, the Agency released a request for information (RFI) to solicit information regarding possible programs that use proven cost-containment for health care delivery, prior authorization, case management, and utilization management services.