

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244-1850



Children and Adults Health Programs Group

January 17, 2025

Zhao Zhang
Deputy Medicaid Director
Executive Office of Health and Human Services
One Ashburton Place
Boston, MA 02108

Dear Deputy Director Zhang:

This letter is in response to Massachusetts's request, dated December 26, 2024, for a waiver under section 1902(e)(14)(A) of the Social Security Act (the Act) that will protect beneficiaries while the state addresses challenges in updating its Medicaid eligibility systems as it implements recent changes to the CommonHealth section 1115 demonstration. Section 1902(e)(14)(A) allows for waivers "as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries." Such waivers are time-limited and are meant to promote enrollment and retention of eligible individuals by easing the administrative burden states may experience in light of systems limitations and challenges.

Massachusetts has requested that CMS provide authority under section 1902(e)(14)(A) of the Act to temporarily permit the state to complete eligibility determinations for its Medicare Savings Programs (MSP) groups (defined at 42 CFR §§ 435.123-126) for its CommonHealth section 1115 Demonstration population using CommonHealth's MAGI-like income methodologies. CommonHealth Demonstration enrollees have previously been receiving Medicare Part B premium assistance as part of the CommonHealth demonstration. As a result of eligibility redeterminations following the public health emergency, Massachusetts found that a number of CommonHealth enrollees no longer met the eligibility standards for Medicare Part B premium assistance under the demonstration, although they remain eligible for other CommonHealth services. However, Massachusetts's MSP income eligibility standards were effectively expanded in May 2024 under state plan amendment MA-24-0011. As a result, most CommonHealth enrollees who no longer qualify for Medicare Part B premium coverage under CommonHealth are likely to meet MSP income eligibility standards under state plan authority. The state does not impose an asset test for MSP groups, so no determination of asset eligibility is necessary.

In accordance with section 1902(a)(17), 1902(r)(2) and 1902(e)(14)(D) of the Social Security Act (Act), states determine eligibility for the MSP groups using the financial methodologies of the supplemental security income (SSI) program. Massachusetts has expressed the need for waiver authority under section 1902(e)(14)(A) of the Act because the state currently cannot conduct eligibility determinations using supplemental security income (SSI) methodologies for the CommonHealth population. The

complexity and bifurcated nature of MassHealth's eligibility systems would necessitate extensive work to develop and build the infrastructure necessary to determine CommonHealth enrollees' MSP eligibility using SSI-based income methodologies, including application of optional less-restrictive methodologies approved under Massachusetts' state plan.

Under section 1902(e)(14)(A) of the Act, your request to temporarily complete Medicare Savings Programs (MSP) eligibility determinations for the CommonHealth 1115 Demonstration population using the CommonHealth MAGI-like income methodologies is approved, as described and subject to the conditions below.

Use of MAGI-like income methodologies for certain non-MAGI individuals

The authority provided in accordance with this letter will enable Massachusetts to utilize MAGI-like income methodologies to determine eligibility for certain individuals for the MSP groups described at 42 CFR § 435.123 (qualified Medicare beneficiaries), § 435.124 (specified low-income Medicare beneficiaries), and § 435.125 (qualifying individuals). Under this authority, the state will determine MSP eligibility under a MAGI-like income methodology for eligible individuals in the CommonHealth population. Because Massachusetts does not impose an asset test for MSP eligibility, no application of resource standards is necessary.

In implementing this option, Massachusetts provides the following assurances:

- The state will only use this authority in determining MSP group eligibility for individuals in the CommonHealth demonstration population.
- The state will place eligible individuals into the appropriate eligibility groups described at 42 CFR § 435.123 (qualified Medicare beneficiaries), § 435.124 (specified low-income Medicare beneficiaries), and § 435.125 (qualifying individuals), based on the amount of income they are determined to have using MAGI-like methodologies.
- The state will not terminate any individuals from MSP group eligibility under this strategy; any beneficiaries determined over-income on the basis of a MAGI-like methodological determination will receive a determination of eligibility using SSI-based methodologies and the less-restrictive methodologies authorized under Massachusetts' state plan.

The authority provided in this letter is effective January 1, 2025, and will remain effective for eligibility determinations and renewals conducted until December 31, 2025. During this period we expect the state, in consultation with CMS, will come into compliance with federal requirements with respect to the impacted population, as discussed in your December 26, 2024 letter. CMS stands by to assist Massachusetts in exploring potential strategies.

The authority provided in this letter is subject to CMS receiving your written acknowledgement of this approval and acceptance of this new authority and the terms described herein within 30 days of the date of this letter.

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We look forward to our continuing work together. If you have questions regarding this award, please contact Marc Steinberg, Acting Director, Division of Medicaid Eligibility Policy, at marc.steinberg@cms.hhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone". The signature is fluid and cursive, with a large initial "S" and "d".

Sarah deLone, Director,
Children and Adults Health Programs Group