

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
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Baltimore, Maryland 21244-1850



State Demonstrations Group

December 31, 2024

Mike Levine
Assistant Secretary
Executive Office of Health and Human Services
One Ashburton Place, 11th Floor, Room 1109
Boston, MA 02018

Dear Assistant Secretary Levine:

We appreciate the ongoing collaboration on the MassHealth Medicaid and Children's Health Insurance Plan (CHIP) Section 1115 Demonstration (Project Numbers 11-W-00030/1 and 21-W-00071/1) to maintain Medicare Part B coverage for CommonHealth enrollees following recent notices and determinations. This letter summarizes recent activities and affirms our joint commitment to ensuring CommonHealth enrollees can access Medicare Savings Program premium assistance through the Medicaid state plan.

Currently, Massachusetts has 1115 expenditure authority effective through June 30, 2026, that allows the Commonwealth to pay monthly Medicare Part B premiums for CommonHealth members whose incomes are at or below 135 percent of the federal poverty level (FPL) (without an asset test). During the public health emergency unwinding, the Commonwealth determined that there were approximately 9,000 CommonHealth members who no longer met the Medicare Part B premium assistance standards under the MassHealth demonstration.

This past May, CMS approved Massachusetts state plan amendment (SPA) MA-24-0011, which disregards all countable resources for the Medicare Savings Programs (MSP) eligibility groups, and which effectively renders the MSP standards (given the existing income MSP-related income disregards under the state plan) significantly more generous than the standards under the MassHealth section 1115 authority for Medicare Part B premium assistance for CommonHealth members. As a result, most individuals who had been receiving Medicare Part B assistance through the MassHealth demonstration became eligible for such assistance through the state plan MSP groups. However, the Commonwealth believed that individuals had to choose either coverage under the MSP group or under CommonHealth without Medicare premium coverage. As a result, there are beneficiaries who selected demonstration coverage instead of MSP, whose Part B premium was terminated; and there are beneficiaries who selected MSP coverage who gave up their CommonHealth benefits.

CMS subsequently advised Massachusetts that CommonHealth enrollees who are eligible for state plan MSP groups will not have their CommonHealth eligibility affected by their enrollment in an MSP group. Although there was a short gap in coverage, after CMS informed the Commonwealth that dual coverage was possible, the Commonwealth reinstated MSP coverage to individuals who had lost coverage. Additionally, CMS will work with the Commonwealth to ensure any members who received recent notices and elected to maintain Part B premium assistance through MSP will be reinstated with their CommonHealth coverage, if they were removed. When Massachusetts retroactively enrolls individuals into MSP, the Commonwealth should claim federal financial participation (FFP) from the effective date of enrollment in the MSP under the state plan. The Commonwealth should claim Medicare Part B premium expenditures on the CMS-64 base form along with state plan services and CommonHealth service claims under the MassHealth demonstration on the CMS-64 Waiver forms. Please note that normal Medicaid timely filing claiming limits apply. Section 1132(a) of the Social Security Act, and implementing regulations at 45 CFR 95.7 provide a two-year timely filing limit on expenditures claimed by states unless an exception under 45 CFR 95.19 applies that is not attributable to neglect or administrative inadequacy.

Because the Commonwealth's eligibility systems currently cannot assess these individuals' eligibility for MSP groups using non-MAGI methodologies, it is CMS's understanding that the Commonwealth intends to seek a waiver under section 1902(e)(14)(A) to allow it to enroll these individuals into MSP groups based on the individual's current income information available to the Commonwealth. If approved, this waiver would provide temporary authority for these individuals' enrollment in MSP groups until the Commonwealth can ensure it can determine individuals' eligibility using non-MAGI methodologies, rather than the methodology described in the MassHealth 1115 demonstration. Any waiver authority provided under section 1902(e)(14)(A) would be time-limited, of a duration to be agreed upon by CMS and the Commonwealth.

Your CMS project officer for this demonstration is Rabia Khan. Rabia is available to answer any questions concerning your section 1115 demonstration and can be reached at Rabia.Khan1@cms.hhs.gov. If you have questions regarding this communication, please contact me at (410) 786-9686.

Sincerely,

Jacey Cooper
Director, State Demonstrations Group

cc: Ambrosia Watts, State Monitoring Lead, Medicaid and CHIP Operations Group