STATE OF MICHIGAN
EXECUTIVE OFFICE
LANSING

RICK SNYDER
GOVERNOR

BRIAN CALLEY
LT. GOVERNOR

February 13, 2016

Ms. Victoria Wachino, Director
Center for Medicaid and Chip Services
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Mail Stop: S2-01-16
Baltimore, Maryland 21244-1850

Dear Ms Wachino:

The State of Michigan hereby submits a demonstration application, pursuant to Section 1115 of the Social Security Act, to address issues related to lead exposure in the impacted areas of Flint, Michigan.

The waiver request has three aims: (1) to expand Medicaid and Children's Health Insurance Program eligibility for select individuals (i.e. children up to age 21 and pregnant women) in the impacted area; (2) to coordinate comprehensive benefits and resources through the provision of Targeted Case Management services; and (3) to provide a mechanism for expanded lead abatement activities in the impacted area. Approval of this demonstration will expand access to health care, case management and other supportive services and is necessary to minimize and further prevent any long-term adverse health effects associated with lead exposure.

We appreciate the assistance both you and your colleagues at the Centers for Medicare & Medicaid Services have already provided, and look forward to working together to achieve our mutual goal of improving the health and well-being of Michigan's citizens.

Sincerely,

Rick Snyder
Governor

cc: Eliot Fishman, CMS
Megan LaPore, CMS
Paul Boben, CMS
Andrea Casart, CMS
Tonya Moore, CMS
Angela Garner, CMS
Ruth Hughes, CMS
Leslie Campbell, CMS

Enclosure

A Medicaid Waiver Request to Assist in Addressing Health Impacts from Potential Lead Exposure in Flint, Michigan, Pursuant to Section 1115 of the Social Security Act

February 13, 2016

State of Michigan

Rick Snyder, Governor

Nick Lyon, Director
Michigan Department of Health and Human Services
201 Townsend Street
Lansing, MI 48913

I. Overview

The State of Michigan, through its Department of Health and Human Services (MDHHS), hereby submits the following request for a waiver pursuant to Section 1115 of the Social Security Act. The purpose of this waiver request is to address potential lead exposure in the impacted areas of Flint, Michigan as further described herein.

This request has three aims: (1) to expand Medicaid and Children's Health Insurance Program (CHIP) eligibility for select individuals in the impacted area; (2), to coordinate comprehensive benefits and resources for these individuals through the provision of Targeted Case Management services; and (3) to provide a mechanism for expanded lead abatement activities in the impacted area. Although measures have been taken to address the public health issues brought about by this emergency, obtaining proper health care, case management and other assistance is necessary to minimize and further prevent any long-term adverse health effects associated with lead exposure.

II. Section 1115 Waiver Request

A. Expansion of Medicaid and CHIP Eligibility for Impacted Individuals

MDHHS proposes to suspend or alter existing eligibility requirements to provide Medicaid eligibility for select individuals who are served by the Flint water system or were served by the Flint water system. The requirements to be modified and the target population are described below.

1. Eligible Individuals: Eligible individuals include residents of Michigan who meet one of the following criteria:

    - Those individuals up to age 21 who are served by the Flint water system or were served by the Flint water system between April 2014 and the date on which the Flint water system is deemed safe by the appropriate authorities. This would include any children born to the pregnant women described below.
    - Those individuals who are served by the Flint water system and are pregnant between the date of approval of this waiver request and the date on which the Flint water system is deemed safe by the appropriate authorities.

2. Income and Asset Standards: An income standard of 400 percent FPL would be applied, using MAGI-based methodologies. No asset test would be applied. Individuals up to age 21 and pregnant women with household income above 400 percent FPL could buy in to unsubsidized coverage under the program.

3. Annual Renewals: MDHHS will use an electronic passive renewal process to redetermine the eligibility of those found eligible under this waiver. The renewals will occur at least once in each twelve month eligibility period. Income and residency will be verified. Those who are found ineligible through the electronic process will be given an opportunity to provide paper verification. In addition, any individual who has already been determined eligible for a Medicaid category and is served by or has been served by the Flint water system during the above mentioned period will maintain their current eligibility according to the rules described

above. However, these individuals may be reevaluated using the modified standards if they lose their eligibility at any time before the Flint water system is deemed safe by the appropriate authorities.

4. Duration of Eligibility**:** Those determined eligible based on the above criteria will retain full Medicaid eligibility according the following schedule:

   - Pregnant Women: The duration of the pregnancy and during the two calendar months post-delivery.
   - All others: Until the age of 21.

5. Benefits

   Eligible beneficiaries described above will receive the full array of State Plan benefits. This includes the provision of Early and Periodic Screening, Diagnostic and Treatment Services (EPSDT) for children up to age 21, Non-Emergency Medical Transportation (NEMT) and Maternal Infant Health Program services.

6. Delivery System

   The State will utilize its existing delivery systems to provide Medicaid benefits to eligible individuals. Individuals will be enrolled in the Medicaid Health Plans, consistent with the State's approved §1915(b) waiver. Populations that are considered voluntary or exempt from enrollment into a Medicaid Health Plan (e.g., Native Americans, beneficiaries who have other Health Maintenance Organization or Preferred Provider Organization coverage, etc.), will remain a voluntary or exempt population from managed care under this demonstration.

   Behavioral health services and related specialty supports will also be provided to eligible individuals through the State's existing Prepaid Inpatient Health Plan system in accordance with the Medicaid State Plan and any relevant waiver authorities. The services provided under this demonstration will be coordinated with existing case management services as appropriate.

7. Cost-Sharing

   Michigan does not impose any cost sharing for individuals under 21 or pregnant women under the state plan. Cost-sharing for eligible individuals described above will be consistent with the Medicaid State Plan. Children under age 19 covered under MIChild (the state's title XXI-funded Medicaid expansion program, with income between 160 – 212% of the FPL) are charged a premium under the state plan. However, individuals subject to this waiver will be exempt from all premiums. Children who are currently eligible for the MIChild program and are served by or have been served by the Flint water system as described in Section II A will also be exempt from premiums for the duration of their eligibility.

B. Targeted Case Management

In addition to the benefits described above, the State plans to offer Targeted Case Management (TCM) Services to all children and pregnant women served by the Flint water system who have

been determined eligible for Medicaid. For the purposes of this demonstration, TCM services are defined as services furnished to assist these individuals within the target population in gaining access to needed medical, social, educational, and other services. The State will provide face-to-face TCM services in a manner consistent with 42CFR 441.18 and 42 CFR 440.169 through a Designated Provider Organization (DPO), as defined below.

1. Target Population

   For the purposes of this demonstration, the target group includes all children who are newly eligible pursuant to Section II A, as well as all Medicaid eligible children (up to 21) served by the Flint water system.

2. Delivery System

   As noted above, the State will provide TCM services through DPOs. For the purposes of this demonstration, a DPO is any provider who has been approved by the State (in coordination with community leaders and stakeholders in the impacted area) and meets the following qualifications:

   - Is currently enrolled as a Michigan Medicaid Provider;
   - Can demonstrate the capacity to provide all core elements of TCM, including comprehensive assessment and care plan management, as well as linking, coordination and long-term monitoring of services;
   - Has a sufficient number of staff to meet the service needs of the target population and the administrative capacity to ensure the provision of quality services in accordance with State and Federal requirements;
   - Has experience in the coordination and linkage of community services; and
   - Has the willingness and capabilities to coordinate with the individual's Medicaid Health Plan, as applicable.

3. DPO Staff Qualifications

   The DPO will provide TCM services primarily through the use of a case manager. The case manager must meet one of the following criteria:

   - Licensure as a Registered Nurse by the Michigan Department of Licensing and Regulatory Affairs and at least one year of experience providing community health, pediatric or maternal of infant health nursing services; or
   - Licensure as a Social Worker by the Michigan Department of Licensing and Regulatory Affairs and at least one year of experience providing social work services to families.

   With active participation by the beneficiary, case managers will be required to provide comprehensive TCM services consistent with 42 CFR 440.169, which includes but is not limited to: performance of a comprehensive history, assessment, and reassessment of the individual; the development and ongoing management of an individualized plan of care, including identification of goals and actions; the provision of ongoing communication with

the individual's primary care physician and health plan (as applicable); coordination of health care and related community support services, including physical and behavioral health-related services (i.e. Medicaid health plans and community mental health services programs), nutritional support and age appropriate referrals to Early On, Great Start Readiness Programs and Head Start; and referral to and assistance in obtaining additional social supports, including financial, housing and transportation assistance, and lead assessment and abatement resources.

C. Lead Abatement

The State also seeks enhancement and expansion of its current lead abatement program through the use of a designated state health program model. As part of this expansion, the State would provide abatement services to homes in the impacted area. Abatement services are defined as the removal of lead hazards, including:

- The permanent enclosure or encapsulation of lead based paint,
- The replacement of surfaces or fixtures, the removal or covering of soil lead hazards, and
- All preparation, cleanup, disposal, and post-abatement clearance testing activities associated with such measures.

Individuals performing abatement services must be properly certified by the state. MDHHS also requests funding to train individuals in lead abatement.

III. Goals and Objectives

Through the provision of direct health care services as part of expanded eligibility, and the inclusion of TCM services, along with the provision of lead abatement activities, the State expects to do the following:

- Identify and address any physical or behavioral health issues associated with actual or potential exposure to lead hazards.
- Mitigate lead hazards in the impacted area through the provision of expanded lead abatement activities, which will result in a reduction in the number of individuals experiencing potential lead exposure.

As part of this demonstration, the State will test the following hypotheses:

- Providing expanded eligibility under this waiver will allow for enrollees to have access to services to identify and address physical or behavioral health issues associated with lead exposure.
- Providing Targeted Case Management services will allow for enrollees to receive assistance in gaining access to needed medical, social, educational, and other service.
- Providing enhancement and expansion of the lead hazard removal program will reduce the potential for ongoing or re-exposure to lead hazards.

To test these hypotheses, the State will utilize the following evaluation measures:

- Utilization of services for waiver enrollees including but not limited to access to primary/preventive services, lead screening, well-child visits, behavioral health services.
- Utilization of TCM services including but not limited to the number of waiver enrollees served, types of referrals provided.
- Number of homes in the designated area in which lead hazard removal has occurred.

IV. Enrollment and Financial Information

The State anticipates approximately 15,000 individuals will be eligible for the group described in Section II A. In addition, approximately 30,000 individuals in the impacted area are currently enrolled in Medicaid.

V. Cost-Effectiveness and Budget Neutrality

The Medicaid Eligibility Group (MEG) and associated amounts listed in the table below in conjunction with the amount calculated in paragraph (B) constitute the budget neutrality limit for the target population.

MEG	DY 1 – PMPM	DY 2 – PMPM	DY 3 – PMPM	DY 4 – PMPM	DY 5 – PMPM
Target Population	$446.83	$449.35	$469.07	$484.60	$500.93

A. The PMPM amounts detailed in the table above represent estimated total computable costs for the full array of State Plan benefits and Targeted Case Management Services for the target population. If the state's experience of the take up rate and other factors that affect the costs of this population indicates that the PMPM limit above may underestimate the actual costs of State Plan benefits and Targeted Case Management Services for the target population, the state may submit a PMPM adjustment for CMS review and approval without submitting a formal waiver amendment.

B. In addition to the PMPM amounts above, the budget neutrality amounts will be increased to include the total computable costs of lead abatement services for the target population in the impacted area. These costs will be incurred in a manner which utilizes existing state administrative infrastructure and lead abatement programs. The non-federal share of these costs will be limited to resources appropriated by the state for the express purpose of lead abatement in the impacted area. Amounts associated with this paragraph will be reported to CMS on an annual basis for inclusion in the overall budget neutrality limit for the target population.

C. The State requests Title XXI funding be made available for the population made eligible by this waiver and all lead abatement activities described herein.

VI. Waivers and Expenditure Authorities

MDHHS seeks waiver of the following requirements of the Social Security Act:

- Eligibility §1902(e)(14) – To the extent necessary to eliminate the income and asset test and modify redetermination requirements for eligible individuals as described herein.
- Comparability §1902(a)(17) or § 1902(a)(10)(B) - To the extent necessary to provide the benefits described in this demonstration request to those individuals who meet the criteria described herein.
- Cost-Sharing §1902(a)(14) insofar as it incorporates Sections 1916 and 1916A, and § 2103(e) - To the extent necessary to waive premiums in the State's MIChild program for those individuals impacted by this demonstration.
- Freedom of Choice §1902(a)(23) - To the extent necessary to allow the State to limit those entities providing Targeted Case Management services under this demonstration.
- Statewideness §1902(a)(1) - To the extent necessary to allow the State to carry out the demonstration as described herein.
- Amount, Duration, and Scope of Services -Section 1902(a)(10)(b) - To the extent necessary to allow the State to provide a benefit package to the demonstration population that differs from the State Plan benefit package.

VII. Public Notice and Tribal Consultation Process

Given that this request is intended to address an emergency, as declared by the President on January 16, 2016, the State seeks an exemption from the public notice process pursuant to 42 CFR 431.416(g). However, the State does intend to seek input from the public as well as various stakeholders as part of the waiver development and implementation process, and has already issued some information through a press release as the State developed this proposal.

Given the expedient nature of this emergency request, the State also requests modification of the tribal consultation process. The State is submitting a letter to the Tribal Chairs and Health Directors in concert with the submission of this request, which will notify them of this proposal. MDHHS expects to schedule a conference call with the Tribal Chairs and Health Directors to discuss the waiver application, seek consultation and answer any questions.

VIII. Implementation Timeline

The State anticipates a phased approach to implementation upon approval of the demonstration.

The State also plans to engage in targeted outreach efforts to reach the individuals described in Section IIA as well as those in the impacted area who are currently eligible. This may include, but is not limited to, increasing the availability of application materials and related support services in the impacted area and providing State eligibility specialists in schools, health care facilities and other community locations to assist with the application process. The State also expects to pursue a streamlined application process for individuals who may be eligible under this demonstration.

IX. Expedited Renewal

Given the possible long-term risks from potential lead exposure, the State requests that upon expiration of the waiver, an expedited renewal process will be granted.