



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of
Health and Social Services

DIVISION OF HEALTH CARE SERVICES
Director's Office

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July 21, 2015

Dear Tribal Health Leader,

On behalf of the Department of Health and Social Services (DHSS), in keeping with DHSS' responsibility to conduct tribal consultation, I am writing to inform you of a proposed future Medicaid State Plan Amendment (SPA). **Medicaid expansion related SPAs:** The Department of Health and Social Services is preparing a SPA to implement Medicaid expansion for the "Adult Group" in light of the Governor's request to the Legislative Budget and Audit Committee on July 16, 2015 to expand Medicaid effective September 1, 2015. The Affordable Care Act provides a new section, in 1902(a) of the Social Security Act, under which states will provide Medicaid coverage to non-pregnant individuals age 19 or older, but under age 65, who are not otherwise eligible for Medicaid, are not Medicare eligible, and who have a household income, based on the new Modified Adjusted Gross Income (MAGI)-based methodologies, at or below 133 percent Federal Poverty Level (FPL).

In order to gain Centers for Medicare and Medicaid Services (CMS) approval to cover this group, the state must submit three SPAs, and file all three in conjunction with each other: one to establish this eligibility group consistent with Federal requirements, one to access appropriate Federal matching funds, and one to establish the services offered to the new group under the requirements of the Essential Health Benefits as defined by the state benchmark plan. These SPAs are the vehicle for getting approval on Medicaid expansion from the CMS. The state is working closely with CMS to get technical assistance on these SPAs. The state intends to qualify the current state plan in its entirety as the benefit package for the new adult group. Because the benefit package offered to the expansion group will mirror the state plan it is not anticipated that these SPAs will impact payment rates, payment methodologies, covered services, or provider qualification or requirements. It is anticipated that eligibility determinations will be expanded to include the new adult group upon CMS approval.

- **SPA template for the Adult Group:** The state may cover individuals age 19 through 64 with income at or below 133 percent FPL by filing this SPA with CMS. This SPA template describes the new Medicaid eligibility group called the "Adult Group." Although this is a mandatory eligibility group, a state must voluntarily elect this group in order to cover it. This eligibility group uses MAGI-based income methodologies to calculate countable income. These individuals do not have to meet categorical requirements common to other Medicaid eligibility groups, such as blindness, disability, or caring for a dependent child in order to qualify.
- **SPA template for FMAP Claiming:** States that wish to claim newly eligible and/or expansion state federal match for enrollees in the new "Adult Group" must submit the federal match SPA. In this SPA, the State must describe its methodology for determining which expenditures may be claimed at the higher FMAP rate. For individuals enrolled in the adult group, there are three potentially applicable FMAP rates (in addition to the 100% matching rate for Indian Health Medicaid beneficiaries): (1) the newly eligible enhanced FMAP (as applicable with respect to the expenditures for individuals who are newly eligible in all states); (2) the expansion state FMAP, which does not

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apply to Alaska because it does not meet the federal definition of an expansion state; or (3) the state's regular FMAP rate (as applicable with respect to the expenditures for any individuals who appear to meet an existing Medicaid category based on the income information provided in the application). For purposes of determining the availability of the newly eligible FMAP for the expenditures of individuals in the adult group, such individuals must meet the definition of a newly eligible individual at 42 CFR 433.204(a)(1).

- **SPA template for Alternative Benefit Plan:** Individuals in the newly eligible Adult Group must receive benefits through an approved Alternative Benefit Plan (ABP). This rule includes provisions related to Essential Health Benefits (EHB). Effective January 1, 2014, ABPs must cover Essential Health Benefits. Using the state benchmark plan as the mechanism for aligning the Medicaid state plan with EHBs, the resulting ABP for the new Adult Group must demonstrate an actuarial equivalent in the aggregate within each EHB category. EHB categories include: Ambulatory patient services, Emergency services, Hospitalization, Maternity and Newborn care, Mental Health and Substance Abuse services, Prescription Drugs, Rehabilitative and habilitative services and devices, Laboratory services, Preventive and wellness services and chronic disease management, and Pediatric service including oral and vision care. As noted above, Alaska intends to use its existing Medicaid coverage as its ABP.

Please provide any written comments or questions regarding this State Plan Amendment within 30 days of the date of this letter to Gennifer Moreau, Alaska Department of Health and Social Services, 4501 Business Park Blvd, Bldg L, Anchorage, Alaska 99503 or gennifer.moreau@alaska.gov. Please also feel free to call at (907) 334- 2653, or if you would like to arrange a meeting to discuss this upcoming State Plan Amendment please make a request in writing within 15 days of receipt of this letter.

Sincerely,



Gennifer Moreau
Medicaid State Plan Coordinator
Cc: Jon Sherwood, Deputy Commissioner Health and Social Services
Margaret Brodie, Director Health Care Services
Naomi Harris, Medicaid Policy Manager
Renee Gayhart, Tribal Programs Manager