

**CENTERS FOR MEDICARE & MEDICAID SERVICES  
EXPENDITURE AUTHORITY**

**NUMBER:** 11-W-00234/2

**TITLE:** Federal-State Health Reform Partnership Medicaid Section 1115 Demonstration

**AWARDEE:** New York State Department of Health

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by New York for the items identified below, which are not otherwise included as expenditures under section 1903 shall, for the period of this Demonstration, be regarded as expenditures under the State's title XIX plan.

The following expenditure authorities shall enable New York to implement the approved Special Terms and Conditions (STCs) for the Federal-State Health Reform Partnership Medicaid Section 1115 Demonstration.

1. **Dual-Eligible Appeals.** Expenditures for capitation payments provided to MCOs which restrict enrollees' right to pursue a Medicaid grievance, as designated under section 1903(m)(2)(A)(xi) and section 1932(b)(4). MCOs participating in the Partnership Plan will be permitted to restrict a Medicare/Medicaid dual eligible who has voluntarily enrolled in an MCO from pursuing a Medicaid grievance procedure with an MCO, to the extent that the individual has already pursued a Medicare appeal for the same issue.
2. **IMD Services.** Expenditures for otherwise covered services provided to Demonstration eligibles age 21 through 64 enrolled in MCOs who reside in an Institution for Mental Disease (IMD). This authority is limited to the first 30 days of an inpatient episode, with an aggregate annual limit of 60 days. This authority limits Federal financial participation (FFP) for these expenditures to the following percentages:

<b>Demonstration Year</b>	<b>Demonstration Period</b>	<b>Allowable Portion of Expenditures</b>
1	October 1, 2006 – September 30, 2007	100%
2	October 1, 2007 – September 30, 2008	50%
3	October 1, 2008 – September 30, 2009	0%

For Demonstration years 4 and 5, no FFP will be available for these services.

3. **Medicaid Eligibility Quality Control.** Expenditures that would have been disallowed under section 1903(u) of the Act based on Medicaid Eligibility Quality Control findings.
4. **Facilitated Enrollment Services.** Expenditures for enrollment assistance services provided by organizations that do not meet the requirements of section 1903(b)(4) of the

Act, as interpreted by section 438.810(b)(1) and (2). Inasmuch as these services may be rendered by MCOs and therefore included in the MCOs' capitation payments, no expenditures other than these payments may be submitted for FFP.

5. **Designated State Health Programs Funding.** Expenditures for designated state health programs which provide health care services to low-income or uninsured New Yorkers in an amount not to exceed the lesser of:
- \$3 billion total computable;
  - The State's total expenditures on health care reform activities; or
  - Medicaid program savings generated by the Medicaid program savings measures specified in Section X of the STCs.