

**Former Foster Care Youth
Missouri 1115 Waiver Proposal**

Submitted to:

Centers for Medicare & Medicaid Services
Children and Adults Health Programs Group
75000 Security Boulevard
Baltimore, MD 21244

Submitted by:

Missouri Department of Social Services

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Section I. Program Description

Background

The purpose of this demonstration is to provide coverage to Missouri residents who are former foster care youth under age 26, were in foster care under the responsibility of another state for at least six months as of the date they turned age 18, and were enrolled in Medicaid while they were in foster care. The expected impact of the demonstration is that Missouri will maintain coverage for this population of former foster care youth, increase and strengthen overall coverage of former foster care youth in Missouri, and improve health outcomes for these youth.

In 2018, Congress passed the Substance Abuse-Disorder Prevention That Promotes Opioid Recovery and Treatment for Patients and Communities Act (P.L. 115-271). Section 1002 of the Act authorizes federal financial participation for Medicaid benefits expended for the population of former foster children that will be covered under this demonstration, starting January 1, 2023. Therefore, Missouri will not have state plan authority to cover this population until that date. Since 2016, CMS has required an 1115 waiver in order for states to receive federal financial participation to cover this population.

During the 2019 Legislative Session, the Missouri General Assembly enacted Senate Bill 514, extending MO HealthNet (Medicaid) coverage to former foster youth under age 26, who were in foster care in other states for at least six months, but who are now Missouri residents. As a result of this legislation, Missouri is submitting this proposal for an 1115 Demonstration program to secure federal funding for this population between now and January 1, 2023.

Objectives and Goals

The goal of this demonstration is to continue Medicaid coverage for former foster care youth who will no longer be eligible for coverage through state plan authority upon turning age 18, since they were not in foster care in the state of Missouri. The objective of the demonstration is to increase and strengthen overall coverage of former foster care youth and improve health outcomes for these youth.

The following hypothesis will be tested/evaluated during the demonstration:

Objective	Indicator
1) Maintain access to Medicaid coverage for former foster youth that meet the eligibility criteria	a) Annual count of former foster care youth enrolled in MO HealthNet through the waiver

Missouri will implement this demonstration for this population for five years until federal financial participation is available beginning January 1, 2023, and until all of the remaining persons covered under this waiver have turned age 26. This population will be covered until age 26. The demonstration will operate statewide.

The demonstration will not affect or modify components of the state’s current Medicaid programs. This will not be a CHIP program and will have no effect on the state’s CHIP programs.

Section II. Demonstration Eligibility

Eligibility Group

To be eligible for coverage under this demonstration, a person must:

- Be a citizen of the United States, or have a non-citizen status that qualifies for federally-funded Medicaid;
- Be a Missouri resident;
- Be under the age of 26;
- Not be eligible for Medicaid coverage under another mandatory coverage group;
- Have been covered by Medicaid while the person was in foster care;
- Have been receiving foster care for at least six months in another state; and
- Have been receiving foster care in the other state when the person turned age 18.

Eligibility Group Name	Social Security Act and CFR Citations	Income Level
Former foster care youth who were in Medicaid and in foster care in another state for at least six months.	Section 1115 Demonstration (42 USC 1315(a)(2))	None

Missouri will not apply enrollment limits for the eligible population under this Demonstration. Missouri estimates that 25 former foster care youths from other states would be eligible for this program per year. In State Fiscal Year 2018, there were 25 children placed in foster care in Missouri who had been under the responsibility of another state for at least six months.

Section III. Demonstration Benefits and Cost Sharing Requirements

Benefits provided under this Demonstration will not differ from those provided under the Medicaid state plan. Also, the cost sharing requirements under this Demonstration will not differ from those provided under the Medicaid state plan.

Section IV. Delivery System and Payment Rates for Services

This population will be covered under managed care. Participants are mandatorily enrolled in managed care but may opt out for certain reasons. Some MO HealthNet services are paid on a fee-for-service basis and are carved out of the managed care coverage, particularly prescription drugs and some behavioral health care services. The delivery system used to provide benefits to Demonstration participants will not differ from the Medicaid state plan.

An estimated 25 former foster care youth who were in foster care under the responsibility of a different state, and enrolled in Medicaid while in foster care, will receive benefits via managed care. This is based on the fact that there were 25 children placed in foster care in Missouri who had been under the responsibility of another state for at least six months.

The methodology for setting actuarially sound capitation rates will be consistent with the current populations covered in managed care. In compliance with the CMS requirements under 42 CFR §438.4, and in accordance with applicable law and regulations, including Actuarial Standards of Practice (ASOP), Mercer will utilize recent managed care base data and apply adjustments including but not limited to:

- Base data adjustments
- Efficiency adjustments
- Program changes
- Trend factors to forecast expenditures and utilization to the contract period
- Non-medical expense load

The rates paid to the health plans for the Former Foster Care population under the demonstration will be consistent with the rates and reimbursement structure for Category of Aid 4 Foster Care.

Section V. Implementation of Demonstration

The demonstration will be implemented effective October 1, 2020, or immediately upon approval by CMS. The eligibility group covered by the demonstration is currently covered under state law, using state funds, and there will be no deviations from the coverage being provided under state law.

Pursuant to state law (RSMo. 208.151.1(26)(b)), individuals will be screened for any other coverage group which the individual may be eligible for prior to assessing eligibility under the demonstration. If approved, they will be enrolled in the same way that Missouri enrolls former foster youth who were under Missouri foster care. Participants will be notified of eligibility decisions in accordance with 42 CFR § 435.917.

Missouri will amend its current contracts with the managed care organizations that it already has under contract to provide services to former Missouri foster children to provide the benefits of this demonstration to the out-of-state population.

Section VI. Demonstration Financing and Budget Neutrality

The state proposes to finance the non-federal share of expenditures under the demonstration using state general funds.

Per the November 21, 2016 *CMCS Informational Bulletin*, CMS will allow costs of this demonstration be treated as “pass-through” for budget neutrality.

Missouri found that a per member per month (PMPM) rate for foster care services is \$604.11. This is derived from the PMPM cost based on the capitation rate for existing independent foster care population plus their associated pharmacy expenditures. The projected eligible participant per month total is 25. The member months were calculated by multiplying participant per month total by 12. To assume inflation of cost over the demonstration years (DY), the U.S. Bureau of Labor Statistics Consumer Price Index for medical inflation of 2.4% was used for future DY, which is reflected in the FY increases.

FY21: \$181,233

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FY22: \$185,583
FY23: \$190,037

Section VII. List of Proposed Waivers and Expenditure Authorities

Missouri requests section 1115(a)(2) expenditure authority to provide full Medicaid state plan benefits for former foster care youth who are under age 26, were in foster care under the responsibility of a state or tribe from any state on the date of attaining 18 years of age, and were enrolled in Medicaid on that date and for at least six months while in foster care. These are the same benefits that Missouri currently provides to former Missouri foster youth.

Section VIII. Public Notice

1. Start and end dates of the state's public comment period.
2. Certification that the state provided public notice of the application, along with a link to the state's web site and a notice in the state's Administrative Record of newspaper of widest circulation 30 days prior to submitting the application to CMS.
3. Certification that the state convened at least 2 public hearings, of which one hearing included teleconferencing and/or web capability, 20 days prior to submitting the application to CMS, including dates and a brief description of the hearings conducted.
4. Certification that the state used an electronic mailing list or similar mechanism to notify the public.
5. Comments received by the state during the 30-day public notice period.
6. Certification that the state conducted tribal consultation in accordance with the state's approved Medicaid state plan, or at least 60 days prior to submitting this Demonstration application if the Demonstration has or would have a direct effect of Indians, tribes, on Indian health programs, or on urban Indian health organizations, including dates and method of consultation.

Demonstration Administration

Contact information for the State's point of contact for the demonstration is as follows:

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