

**Former Foster Care Youth
South Dakota 1115 Waiver Proposal**

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I. Program Description

1. Provide a summary of the proposed Demonstration program, and how it will further the objectives of title XIX and/or title XXI of the Social Security Act (the Act).

The purpose of this demonstration is to provide coverage to South Dakota residents who are former foster care youth under age 26 who were in foster care under the responsibility of another state when they turned 18 and were enrolled in Medicaid at that time or at some point while in such foster care. The expected impact of the demonstration is that the South Dakota will maintain coverage of these former foster care youth.

2. Include the rationale for the Demonstration.

The individuals that South Dakota seeks to cover under this demonstration are currently an optional coverage eligibility group in South Dakota's Medicaid State Plan.

The goal of this demonstration is to continue coverage for former foster care youth that will no longer be eligible for coverage through state plan authority.

The objective of the demonstration is to maintain Medicaid coverage for these South Dakotans who currently qualify for Medicaid coverage through state plan authority.

3. Describe the hypotheses that will be tested/evaluated during the Demonstration's approval period and the plan by which the state will use to test them.

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

Objectives	Indicators
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 South Dakota Medicaid through the waiver.

4. Describe where the Demonstration will operate, i.e., statewide, or in specific regions; within the state.

The demonstration will operate statewide.

5. Include the proposed timeframe for the Demonstration.

South Dakota seeks to implement this demonstration for a five-year period.

6. Describe whether the Demonstration will affect and/or modify other components of the state's current Medicaid and CHIP programs outside of eligibility, benefits, cost sharing or delivery systems.

The demonstration will not affect or modify components of the state's current Medicaid and CHIP programs outside of eligibility.

II. Demonstration Eligibility

1. Include a chart identifying any populations whose eligibility will be affected by the Demonstration.

Eligibility Group Name	Social Security Act and CFR Citations	Income level
Out of State Former Foster Care Youth	Section 1115 Demonstration	182% FPL

2. Describe the standards and methodologies that the state will use to determine eligibility for any populations whose eligibility is changed under the Demonstration, to the extent those standards or methodologies differ from the state plan.

An applicant must meet the following requirements to be eligible for coverage under this demonstration:

- Be a citizen of the United States, or have a non-citizen status that qualifies for federally funded Medicaid;
- Be a South Dakota resident;
- Are under the age of 26;
- Are not otherwise mandatorily eligible for coverage under the state plan, except that eligibility under this group takes precedence over eligibility under the Adult Group;
- Were in foster care under the responsibility of another state and were enrolled in Medicaid under another state's state plan or 1115 demonstration when they turned 18 or at the time of aging out of the state's foster care program; and
- Have an income less than 182% of the Federal Poverty Level.

Modified Adjusted Gross Income (MAGI) methodology will be utilized to determine household composition and income as defined in 42 CFR 435.603.

3. Specify any enrollment limits that apply for expansion populations under the Demonstration.

South Dakota will not apply enrollment limits for eligible population under this demonstration.

4. Provide the projected number of individuals who would be eligible for the Demonstration, and indicate if the projections are based on current state programs (i.e., Medicaid state plan, or populations covered using other waiver authority such as 1915(c)). If applicable, please specify the size of the populations currently served in those programs.

South Dakota currently covers this eligibility group in the state plan. South Dakota has had a total of 8 former foster care youth who aged out of Medicaid in a different state that have enrolled in South Dakota Medicaid since the creation of this eligibility group. As of July 7, 2017 there are only 3 individuals in this eligibility group enrolled in Medicaid. As such South Dakota projects 3 individual would be eligible for this demonstration.

5. To the extent that long term services and supports are furnished (either in institutions or the community), describe how the Demonstration will address post-eligibility treatment of income, if applicable. In addition, indicate whether the Demonstration will utilize spousal impoverishment rules under section 1924 or will utilize regular post-eligibility rules under 42 CFR 435.726 (SSI State and section 1634) or under 42 CFR 435.735 (209b State).

This is not applicable to the demonstration.

6. Describe any changes in eligibility procedures that state will use for populations under the Demonstration, including any eligibility simplifications that require 1115 authority (such as continuous eligibility or express lane eligibility for adults or express lane eligibility for children after 2013).

This is not applicable to the demonstration.

7. If applicable, describe any eligibility changes that the state is seeking to undertake for the purposes of transitioning Medicaid or CHIP eligibility standards to the methodologies or CHIP eligibility standards to the methodologies or standards applicable in 2014 (such as financial methodologies for determining eligibility based on modified adjusted gross income), or in light of other changes in 2014.

This is not applicable to the demonstration.

III. Demonstration Benefits and Cost Sharing Requirements

1. Indicate whether the benefits provided under the Demonstration differ from those provided under the Medicaid and/or CHIP state plan:

Yes No (if no, please skip questions 3-7)

2. Indicate whether the cost sharing requirements under the Demonstration differ from those provided under the Medicaid and/or CHIP state plan:

Yes No (if no, please skip questions 8-11)

IV. Delivery System and Payment Rates for Services

1. Indicated whether the delivery system used to provide benefits to Demonstration participants will differ from the Medicaid and/or CHIP state plan:

Yes
 No (if no, please skip questions 2-7 and the applicable payment rate questions)

8. If fee-for-service payment will be made for any services, specify any deviation from state plan provider payment rates. If the services are not otherwise covered under the state plan, please specify the rate methodology.

The foster care youth demonstration will not involve any deviation from state plan provider payment rates.

- 9. If payment is being made through managed care entities on a capitated basis, specify the methodology for setting capitation rates, and any deviations from the payment and contracting requirements under 42 CFR Part 438.**

No payments will be made through managed care entities on a capitated basis as part of this demonstration.

- 10. If quality-based supplemental payments are being made to any providers or class of providers, please describe the methodologies, including the quality markers that will be measured and the data that will be collected.**

Quality-based supplemental payments are not being made to any providers or class of providers as part of this demonstration.

V. Implementation of Demonstration

- 1. Describe the implementation schedule. If implementation is a phase-in-approach, please specify the phases, including starting and completion dates by major component/milestone.**

The demonstration will be implemented immediately upon approval by CMS. The eligibility group is currently covered under state plan authority and there will be no deviations from coverage provided under the state plan. As such, the demonstration will be implemented immediately on the effective date and will not require a phase-in approach.

- 2. Describe how potential Demonstration participants will be notified/enrolled into the Demonstration.**

Individuals will be screened for any other coverage group which the individual may be eligible for prior to assessing eligibility under the demonstration. Applicants will be notified of eligibility decisions in accordance with 42 CFR § 435.917.

- 3. If applicable, describe how the state will contract with managed care organizations to provide Demonstration benefits, including whether the state needs to conduct procurement action.**

This is not applicable. South Dakota uses Primary Care Case Management (PCCM). The eligibility group covered under this demonstration is excluded from participation in PCCM.

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. The appendix contains 5 years or historical data as well as projections on per member month enrollment.

The out of state former foster care youth group began as an eligibility group in FFY 2014. In order to provide the required 5 years of historical data FFY13 was estimated using the same number of eligible member months as FFY14. Total expenditures for FFY13 were based on the average per member per month costs for the other 4 years multiplied by 12. To provide full years of data for FFY14 and FFY17 the average total expenditures and average eligible member months for those years were multiplied by 12.

VII. List of Proposed Waivers and Expenditure Authorities

1. Provide a list of proposed waivers and expenditure authorities.

South Dakota is requesting section 1115(a)(2) expenditure authority to cover former foster care youth.

2. Describe why the state is requesting the waiver or expenditure and how it will be used.

South Dakota is requesting expenditures for full Medicaid state plan benefits for former foster care youth who are under age 26, were in foster care under the responsibility of another state on the date of attaining 18 years of age or such higher age as the state has elected, were enrolled in Medicaid on that date/at any time while in foster care, and meet the eligibility criteria stated in this proposal.

VIII. Demonstration Administration

The state's point of contact for the demonstration application is the following:

Sarah Aker, Deputy Division Director
Division of Medical Services
South Dakota Department of Social Services
607-773-3495
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Appendix: Budget Neutrality

	A	B	C	D	E	F	G
1	5 YEARS OF HISTORIC DATA						
2							
3	SPECIFY TIME PERIOD AND ELIGIBILITY GROUP DEPICTED: FFY13 to FFY17						
4							
5	Out of State Former Foster Care Youth	FFY13	FFY14	FFY15	FFY16	FFY17	5-YEARS
6	TOTAL EXPENDITURES	\$ 1,604	\$ -	\$ 4,390	\$ 7,145	\$ 1,785	\$ 14,924
7	ELIGIBLE MEMBER MONTHS	12	12	23	27	28	
8	PMPM COST	\$ 133.66	\$ -	\$ 190.87	\$ 264.64	\$ 63.74	
9	TREND RATES						5-YEAR
10			ANNUAL CHANGE				AVERAGE
11	TOTAL EXPENDITURE		-100.00%	#DIV/0!	62.76%	-75.02%	2.71%
12	ELIGIBLE MEMBER MONTHS		0.00%	91.67%	17.39%	3.70%	23.59%
13	PMPM COST		-100.00%	#DIV/0!	38.65%	-75.92%	-16.90%

	A	B	C	D	E	F	G	H	I	J	K
1	DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS										
2											
3											
4	ELIGIBILITY	TREND	MONTHS	BASE YEAR	TREND	DEMONSTRATION YEARS (DY)					TOTAL
5	GROUP	RATE 1	OF AGING	2017	RATE 2	2018	2019	2020	2021	2022	WOW
6											
7	Out of State Former Foster Care Youth										
8	Pop Type:	Medicaid									
9	Eligible Member Months	23.6%		28	23.6%	35	43	53	65	81	
10	PMPM Cost	-16.9%	0	\$ 63.74	-16.9%	\$ 52.97	\$ 44.02	\$ 36.58	\$ 30.40	\$ 25.26	
11	Total Expenditure					\$ 1,833	\$ 1,883	\$ 1,934	\$ 1,986	\$ 2,039	\$ 9,675
12											

DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS								
			DEMONSTRATION YEARS (DY)					TOTAL WW
ELIGIBILITY GROUP	2017	DEMO TREND RATE	2018	2019	2020	2021	2022	
Out of State Former Foster Care Youth								
Pop Type:	Medicaid							
Eligible Member Months	28	23.6%	35	43	53	65	81	
PMPM Cost Total	\$ 63.74	-16.9%	\$ 52.97	\$ 44.02	\$ 36.58	\$ 30.40	\$ 25.26	
Expenditure			\$ 1,833	\$ 1,883	\$ 1,934	\$ 1,986	\$ 2,039	\$ 9,675