

CONNECTICUT DEPARTMENT OF SOCIAL SERVICES

Full Public Notice – Notice of Proposed Covered Connecticut (Covered CT) Program Demonstration Waiver Application Pursuant to Section 1115 of the Social Security Act

Updated February 3, 2022

The State of Connecticut Department of Social Services (DSS) proposes to submit the Covered CT Program Demonstration Waiver Application pursuant to section 1115 of the Social Security Act (Act) to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS). **Note:** For more information, see below and DSS website at this link, which also includes a copy of the proposed demonstration: <https://portal.ct.gov/DSS/Health-And-Home-Care/Covered-Connecticut-Demonstration-Program>. **Public comment and public hearing information are at the bottom of this notice.**

Demonstration Overview

Pursuant to section 17b-8 of the Connecticut General Statutes, as amended, and 42 C.F.R. § 431.408, DSS provides notice that it intends to submit to CMS the Covered CT Demonstration Waiver pursuant to section 1115 of the Act (Demonstration). The Demonstration is intended to be effective on or after July 1, 2022, upon CMS approval. Once approved, the Demonstration will enable federal financial participation (FFP) for the state's expenditures under Covered CT, which would not be allowed under federal law absent this waiver.

Covered CT was established by state legislation in sections 15 through 19, inclusive, of Public Act 21-2 of the June 2021 special session. The intent of this Demonstration is to help close the health insurance affordability gap in a cost-effective manner for low-income individuals who earn too much to qualify for Medicaid but not enough to afford coverage through the state's health insurance marketplace, Access Health CT. Pursuant to the 2021 state legislation, Covered CT is administered by the state Office of Health Strategy (OHS) in consultation with DSS, Access Health CT, and the Connecticut Insurance Department. Also pursuant to that state legislation, DSS intends to submit this Demonstration to CMS to seek authority under federal law for the state to receive FFP for Covered CT. For reference, the CMS section 1115 demonstration waiver web page is at this link: <https://www.medicaid.gov/medicaid/section-1115-demonstrations/index.html>.

(A) Demonstration Purpose, Goals and Objectives

Program Description, Including Affected Individuals

This Demonstration will provide eligible individuals with free Qualified Health Plan (QHP) coverage available through Access Health CT. The State will directly reimburse the plan for the monthly premium and the cost-sharing amounts that the enrollee would normally have to pay with the plan, such as out-of-pocket costs for deductibles, copays, and coinsurance. Enrollees will also receive free dental care and non-emergency medical transportation (NEMT) services, comparable to the benefits under Connecticut Medicaid and provided through the Medicaid delivery and payment system, also known as HUSKY Health. No cost-sharing requirements will apply to benefits provided under the Demonstration.

This Demonstration will be available to parents and needy caretaker relatives, and their tax dependents under age 26, and non-pregnant childless adults ages 19 to 64 who have income that is above the Medicaid limit but does not exceed 175% of the federal poverty level (FPL) and enroll in a silver-level QHP available through Access Health CT using federal premium subsidies and cost-sharing reductions.

Goals and Objectives

The Demonstration includes the following goals and objectives:

1. improve the affordability of health insurance coverage,
2. promote health insurance coverage,
3. ensure stable coverage,
4. reduce the statewide uninsured rate,
5. improve oral health, and
6. enable access to medical appointments.

(B) Delivery System, Eligibility, Benefits, and Cost-Sharing

This Demonstration will not affect or modify the State's current Medicaid program or Children's Health Insurance Program (CHIP). It will not change Medicaid or CHIP State Plan benefits, cost-sharing requirements, delivery system, or payment rates.

Delivery System

The Demonstration will use the existing applicable delivery system. Specifically, the QHP benefits provided by the Demonstration will use the existing delivery system for QHPs available through Access Health CT. The dental and NEMT benefits provided by the Demonstration will use the existing delivery system for the Medicaid program.

Eligibility

Two groups of individuals are eligible for the Demonstration, each of which is as follows:

1. **Parents and Needy Caretaker Relatives**, and their tax dependents under 26 years of age, (Parents and Caretaker Relatives) who:
 - i) are ineligible for Medicaid because their income exceeds the Medicaid income limits but does not exceed 175% FPL, and
 - ii) enroll in a silver-level QHP available through Access Health CT using federal premium subsidies and cost-sharing reductions.
2. **Childless Adults** who:
 - i) are ages 19 to 64,
 - ii) are not pregnant,
 - iii) are ineligible for Medicaid because their income exceeds the Medicaid income limits but does not exceed 175% FPL, and
 - iv) enroll in a silver-level QHP available through Access Health CT using federal premium subsidies and cost-sharing reductions.

Benefits

The Demonstration includes the following benefits:

1. **Premium and Cost-Sharing Subsidies** sufficient to provide free coverage under a silver-level QHP available through Access Health CT with federal premium subsidies and cost-sharing reductions. The State will directly reimburse plans for the monthly premium and the cost-sharing amounts that the enrollee would normally have to pay with the plan, such as out-of-pocket costs for deductibles, copays, and coinsurance. Benefits provided by a plan will be delivered by plan providers and paid at plan reimbursement rates.
2. **Dental Care** comparable to the benefits under Connecticut Medicaid, except where dental care is provided by a QHP to dependents under age 26. State law requires QHPs available through Access Health CT to cover dental care for dependents under age 26. For all others, the Demonstration dental care benefit will align in amount, duration, and scope with the comparable benefit available through HUSKY Health, be delivered through the HUSKY Health dental fee-for-service delivery system and be paid at State Plan payment rates.
3. **NEMT Services** comparable to the benefits under Connecticut Medicaid. The Demonstration NEMT benefit will align in amount, duration, and scope with the comparable benefit available

through HUSKY Health, be delivered through the HUSKY Health NEMT broker, and be paid according to the State Plan reimbursement methodology.

Cost-Sharing

Cost-sharing requirements do not apply to Demonstration benefits.

(C) Enrollment Projections and Expenditure Estimates

The Demonstration is projected to enroll approximately 39,000 individuals over the life of the waiver, including a total of 13,000 Parents and Caretaker Relatives and 26,000 Childless Adults. Across the five-year Demonstration period, the total Demonstration cost is projected to increase aggregate expenditures by approximately \$363,396,545. The draft waiver application provides additional detail regarding these projections, including key assumptions in the calculations. The following table shows projections by year:

Population	Demo Year 1	Demo Year 2	Demo Year 3	Demo Year 4	Demo Year 5
Parents and Caretaker Relatives	2,818	8,991	13,157	13,223	13,329
Childless Adults	15,903	24,302	25,568	25,696	25,824
Total Enrollment	18,721	33,293	38,725	38,919	39,113
Total Annual Aggregate Expenditures	\$36,002,730	\$67,226,557	\$82,103,196	\$86,637,622	\$91,426,440

Section 1115 of the Act requires the Demonstration to be budget neutral to the federal government. Covered CT is a budget-neutral alternative to expanding Medicaid eligibility through the Medicaid State Plan as authorized under federal law in section 1931(b) of the Social Security Act for parents and other caretaker relatives and section 1902(a)(10)(A)(ii)(XX) of the Social Security Act for childless adults with income above 133% of the FPL. Under such authority, both groups would be entitled to full Medicaid coverage.

Per member per month (PMPM) costs associated with the hypothetical expansion of Medicaid eligibility through State Plan authority comprise the Without Waiver (WOW) projections. PMPM costs associated with the Covered CT program, including eligible individuals' share of the cost of

QHP coverage available through Access Health CT, and dental care and NEMT services comparable to the benefit available through HUSKY Health and provided through the HUSKY Health delivery system comprise the With Waiver (WW) projections and those costs also reflect the projected increase in annual aggregate expenditures associated with this proposed Demonstration. The projection assumes that federal funding for enhanced QHP premium subsidies available through section 9661 of the American Rescue Plan Act (ARPA) of 2021, Public Law 117-2, will continue during the entire Demonstration period. Should those ARPA subsidies terminate on December 31, 2022, as currently authorized by federal law, or on any other date prior to the expiration of the Demonstration, the State would need to revisit the Demonstration financing and possibly seek to make programmatic changes, such as, but not in any particular order: increase State funding, reduce eligibility or benefits, cap enrollment, or terminate the Demonstration.

(D) Hypotheses and Evaluation

The table below presents an overview of the preliminary plan to evaluate the Demonstration. It is subject to change and will be further defined as the program is implemented. The sample measures are not final and do not represent an exhaustive list of measures that could be used to test each hypothesis.

Hypothesis	Sample Measures	Data Sources
1) Improve the affordability of health insurance coverage		
The availability of free health insurance coverage for Demonstration-eligible individuals will reduce the percentage of low-income people with high medical cost burden, and reduce race/ethnicity-based disparities	• Percent of people with a high medical cost burden, stratified by income	Census Bureau, Current Population Survey's Annual Social and Economic Supplements (CPS)
	• Percent of people with a high medical cost burden, stratified by income and race/ethnicity	
2) Promote health insurance coverage		
The availability of free health insurance coverage for Demonstration-eligible individuals will increase the number of people who enroll in QHP coverage available through Access Health CT	• Number of low-income people who enroll in QHP coverage available through Access Health CT	Data from the state eligibility and enrollment system shared by Medicaid, CHIP and Access Health CT
3) Ensure stable coverage		

The availability of free health insurance coverage for Demonstration-eligible individuals will increase the number of people who maintain healthcare coverage when their Medicaid coverage ends	<ul style="list-style-type: none"> Number of people who lose Medicaid coverage and enroll in the Demonstration without a break in coverage 	The state eligibility and enrollment system shared by Medicaid, CHIP and Access Health CT
4) Reduce the statewide uninsured rate		
The availability of free health insurance coverage for Demonstration-eligible individuals will reduce the rate of working-age adults without health insurance coverage, and reduce race/ethnicity-based disparities	<ul style="list-style-type: none"> Percentage of working-age adults without health insurance coverage, stratified by income 	Census Bureau, American Community Survey
5) Improve oral health		
Providing free dental care to Demonstration-eligible individuals will reduce emergency department utilization for dental conditions which can be prevented by timely and effective outpatient care	<ul style="list-style-type: none"> Number of emergency department visits for ambulatory care sensitive dental conditions per 100,000 member months for adults enrolled in the Demonstration 	Dental Quality Alliance (DQA) Adult Measures calculated using administrative claims-based data for the HUSKY Health dental program, Connecticut Dental Health Partnership
6) Enable access to medical appointments		
Providing free non-emergent medical transportation to Demonstration-eligible individuals will reduce transportation-related barriers to accessing healthcare	<ul style="list-style-type: none"> NEMT ride-days per Demonstration enrollee 	Administrative claims-based data from the NEMT broker for HUSKY Health

(E) Expenditure and Waiver Authorities

Pursuant to section 1115(a)(2) of the Social Security Act, the State requests that expenditures made by the state for Covered CT benefits for eligible individuals, each as detailed above, shall, for the

period of this Demonstration, be treated as expenditures for which FFP is available under section 1903 of the Social Security Act. DSS has not identified the need for any waivers of section 1902 of the Social Security Act.

Where the Proposed Demonstration Application is Posted

The proposed Demonstration application is posted on the DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Covered-Connecticut-Demonstration-Program>. The proposed Demonstration application may also be obtained upon request from DSS (see below), at any DSS field office, or the Town of Vernon Social Services Department.

Where and When to Submit Written Comments

To send comments about the Demonstration, please email: Public.Comment.DSS@ct.gov or write to: Department of Social Services, Medical Policy Unit, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105. In any correspondence, please reference “Covered CT 1115 Demonstration Waiver.” Please also send any other questions about the Demonstration to this email or mailing address, including requests for a copy of the proposed Demonstration application (and/or related materials).

Anyone may send DSS written comments about the Demonstration. Written comments must be received by DSS at the above email or mailing address no later than March 11, 2022 (which is more than 30 days after the date of the publication of the abbreviated public notice in the Connecticut Law Journal). Please be advised that written comments received may be posted to one or more state or federal websites.

Public Hearings

In addition to the opportunity for submitting written comments (see above), DSS will also seek input from the public on the Demonstration at the following public hearings, both of which will include opportunities for members of the public to provide comments:

1. **Public Hearing hosted by the Medical Assistance Program Oversight Council (MAPOC) on Thursday, February 10, 2022, from 9:30 a.m. to 12:00 p.m., link and call-in as follows:**

Join Zoom Meeting:

<https://zoom.us/j/98132837501?pwd=M3pJd2RuR0VJUENlaS9vUTcrMGovdz09>

Meeting ID: 981 3283 7501

Passcode: 228615

One tap mobile:

+13126266799,,98132837501#,,, *228615# US (Chicago)
+19292056099,,98132837501#,,, *228615# US (New York)

Dial by your location:

+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)

Meeting ID: 981 3283 7501

Passcode: 228615

Find your local number: <https://zoom.us/j/84197267498?pwd=U1dMNDVEcStXY2UyZFBY2JyZURpdz09>

2. **Public Hearing hosted by DSS, on Wednesday, February 16, 2022, from 9:00 to 11:00 a.m., link and call-in as follows:**

Join Zoom Meeting:

<https://us06web.zoom.us/j/84197267498?pwd=U1dMNDVEcStXY2UyZFBY2JyZURpdz09>

Meeting ID: 841 9726 7498

Passcode: 8L2ihU

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+13126266799,,84197267498#,,, *266666# US (Chicago)
+19292056099,,84197267498#,,, *266666# US (New York)

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+1 312 626 6799 US (Chicago)
+1 929 205 6099 US (New York)
+1 301 715 8592 US (Washington DC)
+1 346 248 7799 US (Houston)
+1 669 900 6833 US (San Jose)
+1 253 215 8782 US (Tacoma)

Meeting ID: 841 9726 7498

Passcode: 266666

Find your local number: <https://us06web.zoom.us/j/kdDU0mhNIs>

For the latest information on the public hearing date, time, and the link/call-in information for each public hearing, please go to the DSS website at this link: <https://portal.ct.gov/DSS/Health-And-Home-Care/Covered-Connecticut-Demonstration-Program> and **please check that website regularly for updates before logging on to the public hearing.**

As a result of restrictions and guidelines to protect public health due to the Coronavirus Disease 2019 (COVID-19) pandemic and ongoing state and federal public health emergency declarations, the public hearings referenced above are being convened only using electronic means, with opportunity for individuals to participate by electronic device, telephone, or both.