

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

DIVISION OF MEDICAID AND MEDICAL ASSISTANCE

Statutory Authority: 31 Delaware Code, Ch. 5, §512 (31 **Del.C.**, Ch. 5, §512)

FINAL

ORDER

Diamond State Health Plan 1115 Demonstration Waiver

NATURE OF THE PROCEEDINGS:

Delaware Health and Social Services ("Department") / Division of Medicaid and Medical Assistance (DMMA) initiated proceedings to renew the Diamond State Health Plan 1115 Demonstration Waiver. The Department's proceedings to amend its regulations were initiated pursuant to 29 **Delaware Code** Section 10114 and its authority as prescribed by 31 **Delaware Code** Section 512.

The Department published its notice of proposed regulation changes pursuant to 29 **Delaware Code** Section 10115 in the September 2009 *Delaware Register of Regulations*, requiring written materials and suggestions from the public concerning the proposed regulations to be produced by September 30, 2009 at which time the Department would receive information, factual evidence and public comment to the said proposed changes to the regulations.

SUMMARY OF PROPOSAL

The proposed provides notice to the public that the Division of Medicaid and Medical Assistance (DMMA) intends to submit an application to the Centers for Medicare and Medicaid Services (CMS) to renew Delaware's Section 115 demonstration waiver, entitled "Diamond State Health Plan" for an additional three years.

Statutory Authority

- 42 U.S.C. §1315, *Demonstration projects*
- Social Security Act §1115, *Demonstration projects*

Background

Under a waiver of Section 1115(a) of the Social Security Act, the Diamond State Health Plan (DSHP) implemented a mandatory Medicaid managed care demonstration program statewide on January 1, 1996. Using savings achieved under managed care, Delaware expanded Medicaid health coverage to additional low-income adults in the State with incomes less than 100% of the Federal Poverty Level (FPL).

Goals of the DSHP are to improve and expand access to healthcare to more adults and children throughout the State, create and maintain a managed care delivery system emphasizing primary care, and to strive to control the growth of healthcare expenditures for the Medicaid population.

The current demonstration project #11-W-0063/4 is scheduled to expire on December 31, 2009. In order to continue the significant progress towards achieving the DSHP's goals, Delaware is preparing a request to extend the DSHP for an additional three years from **January 1, 2010 through December 31, 2012**.

Summary of Proposal

The Division of Medicaid and Medical Assistance (DMMA) plans to request federal approval for a three-year extension of its 1115 Demonstration Waiver Project, entitled "Diamond State Health Plan". As such, DMMA is announcing a thirty-day comment period on this request for extension. The application to renew documents how the State has met its goals of improving access to services, expanding coverage to additional populations and substantially improving quality of care for eligible individuals enrolled in the Diamond Sate Health Plan (DSHP). The State intends to submit the waiver renewal with no changes to the DSHP during the renewal period.

The provisions of this waiver are subject to approval by the Centers for Medicare and Medicaid Services (CMS).

Fiscal Impact Statement

This waiver renewal maintains cost neutrality for each year in the three-year renewal period covering January 1, 2010 through December 31, 2012. A function of this waiver is to assure that coverage of the expanded population will be budget neutral. In other words, the cost of covering this population, as well as the Medicaid eligible population, will be no more than if the DHSS had continued covering only its Medicaid population under the traditional fee-for-service program.

SUMMARY OF COMMENTS RECEIVED WITH AGENCY RESPONSE

The State Council for Persons with Disabilities (SCPD) offered the following endorsement.

SCPD endorses the proposal since this is essentially a "housekeeping" measure, and other states are actually "cutting back" on Medicaid programs not constrained by federal stimulus funds.

Agency Response: DMMA thanks the Council for their endorsement.

FINDINGS OF FACT:

The Department finds that the proposed changes as set forth in the September 2009 *Register of Regulations* should be adopted.

THEREFORE, IT IS ORDERED, that the proposed regulation to renew the Diamond State Health Plan 1115 Demonstration Waiver through December 31, 2012 is adopted and shall be final effective November 10, 2009.

Rita M. Landgraf, Secretary, DHSS

13 DE Reg. 652 (11/01/09) (Final)