

ATTACHMENT

8

Zimmerman, Marie L (DHS)

From: Costello, Anne Marie (CMS/CMCS) <AnneMarie.Costello@cms.hhs.gov>
Sent: Thursday, December 21, 2017 4:43 PM
To: Zimmerman, Marie L (DHS)
Cc: Neale, Brian (CMS/CMCS); Hill, Timothy B. (CMS/CMCS); Barry, Meg (CMS/CMCS); Berg, Ann M (DHS); Truffer, Christopher J. (CMS/OACT)
Subject: BHP Quarter 1 Payment

Marie

In follow up to today's call, here is a description of the calculation of the amount of the federal Basic Health Program (BHP) payment to the State of Minnesota for the months of January, February and March 2018 (the BHP payment) using the current BHP payment methodology for the 2018 BHP program year as defined in CMS-2396-FN, 81 FR 10091 (Feb. 29, 2016), and with updated values for the factors described in the Centers for Medicare & Medicaid Services (CMS) Informational Bulletin "Basic Health Program; Federal Funding Methodology for Program Year 2018," published on May 17, 2017. <https://www.medicaid.gov/federal-policy-guidance/downloads/cib051717.pdf>

Using the methodology defined in CMS-2396-FN, we calculated the total amount of the BHP payment to be **\$129,753,904**. We calculated this amount as two components. The premium tax credit (PTC) component is **\$97,670,055** and the cost sharing reduction subsidy (CSR) component is **\$32,083,849**.

CMS will deliver only the PTC component of the BHP payment. On October 12, 2017, the Department of Health & Human Services (HHS), based on an October 11, 2017 Department of Justice opinion, directed that federal cost sharing reduction payments be stopped until there is a valid appropriation to support the payments. Memorandum from Eric Hargan, HHS Acting Secretary, to Seema Verma, CMS Administrator, dated October 12, 2017, available at: <https://www.hhs.gov/sites/default/files/csr-payment-memo.pdf>. As a result, CMS does not have appropriated funds to make pass-through payments under section 1331 of the Patient Protection and Affordable Care Act for the CSR component of the BHP payment. Therefore, CMS will only pay an amount equal to the PTC component of the BHP payment determined pursuant to the current funding methodology for program year 2018, which is **\$97,670,055**.

The detailed rate tables are also available. Please let us know if you would like us to forward those tables.

Please let me know if you have questions on the calculations.

Thanks
Anne Marie

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81 FR 10091 (Feb. 29, 2016).

² <https://www.medicaid.gov/federal-policy-guidance/downloads/cib051717.pdf>

³ Memorandum from Eric Hargan, HHS Acting Secretary, to Seema Verma, CMS Administrator, dated October 12, 2017, available at: <https://www.hhs.gov/sites/default/files/csr-payment-memo.pdf>.