

# **Exhibit H**



DEC 30 2013

*Administrator*  
Washington, DC 20201

Brett Davis  
Medicaid Director  
Wisconsin Department of Health Services  
1 West Wilson Street  
Madison, WI 53703

Dear Mr. Davis:

This letter is to inform you that Wisconsin's request for a new section 1115 demonstration, entitled "BadgerCare Reform" (Project No. 11-W-00293/5), has been approved by the Centers for Medicare & Medicaid Services (CMS) in accordance with section 1115(a) of the Social Security Act (the Act). In alignment with our correspondence sent to the state on December 20, 2013, the accompanying special terms and conditions (STCs), waivers, and expenditure authorities are effective January 1, 2014 through December 31, 2018. The demonstration will receive federal financial participation at the state's regular federal medical assistance percentage (FMAP).

This demonstration provides authority for the state to provide full state plan benefits to non-pregnant, non-disabled childless adults with effective incomes of up to 100 percent of the Federal Poverty Level (FPL) and the demonstration allows the state to require premiums to parent and caretaker adults who qualify for Medicaid through Transitional Medical Assistance (TMA) only and with incomes above 100 percent of the FPL. The sliding scale premiums under the demonstration will align with Marketplace premium levels. The demonstration permits the state to charge premiums to TMA Adults with incomes above 133 percent of the FPL from the date of TMA enrollment, and to TMA Adults with incomes from 100-133 percent of the FPL after the first 6 calendar months of TMA coverage. TMA adults who fail to pay premiums after a 30-day grace period may lose eligibility and ability to re-enroll in TMA for a period of 3 months, after which time they may re-enroll for TMA coverage, whether or not they have repaid the premiums. Individuals above 100 percent of the FPL who have completed their time-limited TMA will be reviewed first for Medicaid eligibility under other eligibility categories and, if not eligible, will be assessed for Marketplace eligibility. If appropriate, their account will be transferred to the Marketplace consistent with applicable regulations. We look forward to continuing to work with the state on its transition plan to facilitate a seamless transfer of coverage for those who will be eligible for Marketplace coverage.

The CMS' approval of the BadgerCare Reform demonstration is conditioned upon continued compliance with the enclosed set of Special Terms and Conditions (STCs) defining the nature, character, and extent of anticipated Federal involvement in the projects. The award is subject to

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our receiving your written acknowledgement of the award and acceptance of both sets of STCs within 30 days of the date of this letter.

A copy of the BadgerCare Plus STCs, and waiver and expenditure authorities is enclosed. Your project officer is Leila Ashkeboussi. Leila is available to answer any questions concerning your section 1115 demonstration, and may be reached by phone at (202) 205-4730 or by email at [Leila.Ashkeboussi@cms.hhs.gov](mailto:Leila.Ashkeboussi@cms.hhs.gov). Communications regarding program matters and official correspondence concerning the demonstration should be submitted at the following address:

Division of State Demonstrations & Waivers  
Center for Medicaid & CHIP Services  
Mailstop: S2-01-16  
7500 Security Blvd.  
Baltimore, Maryland 21244-1850

Official communications regarding program matters should be submitted simultaneously to Ms. Ashkeboussi and to Ms. Verlon Johnson, Associate Regional Administrator for the Division of Medicaid & Children's Health in the Chicago Regional Office. Ms. Johnson's contact information is as follows:

Ms. Verlon Johnson  
Associate Regional Administrator  
Division of Medicaid and Children Health Operations  
233 North Michigan Avenue, Suite 600  
Chicago, IL 60601

If you have additional questions, please contact Mr. Eliot Fishman, Director, Children and Adults Health Programs Group, Center for Medicaid & CHIP Services at 410-786-5647.

We look forward to continuing to work with you and your staff.

Sincerely,



Marilyn Tavenner

Enclosures

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cc: Verlon Johnson, Associate Regional Administrator, Region V

**CENTERS FOR MEDICARE & MEDICAID SERVICES  
WAIVER LIST**

**NUMBER:** 11-W-00293/5  
**TITLE:** Wisconsin BadgerCare Reform  
**AWARDEE:** Wisconsin Department of Health Services

**Title XIX Waiver Authority**

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly waived in this list, shall apply to the affected populations, as described for the Demonstration project from January 1, 2014 through December 31, 2018.

Under the authority of section 1115(a)(1) of the Social Security Act (the Act), the following waivers of the State plan requirements contained in section 1902 of the Act are granted in order to enable Wisconsin to implement the Wisconsin BadgerCare Reform Medicaid section 1115 Demonstration.

**1. Provision of Medical Assistance** **Section 1902 (a)(8)**  
**Eligibility** **Section 1902(a)(10)**

To the extent needed to enable the state to enforce premium payment requirements under the Demonstration by not providing medical assistance for a period of 3 months for adults that qualify for Medicaid only under section 1925, or sections 1902(e)(1) and 1931(c)(1), of the Act whose eligibility has been terminated as a result of not paying the required monthly premium.

**2. Premiums** **Section 1902(a)(14) insofar as it**  
**incorporates section 1916**  
**Section 1902(a)(52)**

To the extent needed to permit the state to impose monthly premiums based on household income on individuals that qualify for Medicaid under TMA only. This waiver allows the state to apply premiums to TMA Adults with income above 133 percent of the FPL starting from the date of enrollment, and to TMA Adults with income from 100-133 percent of the FPL starting after the first 6 calendar months of TMA coverage.

**CENTERS FOR MEDICARE & MEDICAID SERVICES  
EXPENDITURE AUTHORITY**

**NUMBER:** 11-W-00293/5

**TITLE:** Wisconsin BadgerCare Reform Section 1115 Demonstration

**AWARDEE:** Wisconsin Department of Health Services

Under the authority of section 1115(a)(2) of the Social Security Act (the Act), expenditures made by the State for the items identified below, which are not otherwise included as expenditures under section 1903 of the Act, incurred during the period of this Demonstration, shall be regarded as expenditures under the State's title XIX plan.

The following expenditure authority shall enable the State to operate its BadgerCare Reform section 1115 Medicaid demonstration beginning January 1, 2014 through December 31, 2018.

1. **Childless Adults Demonstration Population.** Expenditures for health care-related costs for childless, non-pregnant, uninsured adults ages 19 through 64 years who have family incomes up to 95 percent of the Federal Poverty Level (FPL) (effectively 100 percent of the FPL including the 5 percent disregard), who are not otherwise eligible under the Medicaid State plan, other than for family planning services or for the treatment of Tuberculosis, and who are not otherwise eligible for Medicare, Medical Assistance, or the State Children's Health Insurance Program (CHIP).

All requirements of the Medicaid program expressed in law, regulation, and policy statement, not expressly identified as not applicable in the list below, shall apply to the Childless Adults Demonstration Population beginning April 1, 2014, through December 31, 2018.

**Title XIX Requirements Not Applicable to the Demonstration Population:**

1. **Freedom of Choice**

**Section 1902(a)(23)(A)**

To the extent necessary to enable the State to require enrollment of eligible individuals in managed care organizations.