

**CENTERS FOR MEDICARE & MEDICAID SERVICES SPECIAL TERMS AND
CONDITIONS (STCs)**

NUMBER: 11-W-00204/2

TITLE: Puerto Rico Hurricane Katrina Relief Program

AWARDEE: Puerto Rico Department of Health

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I. PREFACE

The following are Special Terms and Conditions (STCs) for the Puerto Rico Hurricane Katrina Relief program, a Medicaid section 1115 demonstration. The STCs have been arranged into the following subject areas: General Program Requirements, General Reporting Requirements, Legislation, Eligibility and Enrollment, Benefits, Cost Sharing, Program Design and General Financial Requirements Under Title XIX.

Amendment requests, correspondence, documents, reports, and other materials that are submitted for review or approval shall be directed to the Centers for Medicare & Medicaid Services' (CMS) Central Office Project Officer and the Associate Regional Administrator at the addresses shown on the award letter.

The State agrees it will comply with all applicable Federal statutes relating to nondiscrimination. These include, but are not limited to the Americans with Disabilities Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.

II. GENERAL PROGRAM REQUIREMENTS

1. Definitions. For purposes of the STCs, the following definitions apply.

- a. **“Income”:** Income limits are expressed in terms of gross income, excluding sources of income that cannot be counted pursuant to other statutes.
- b. **Emergency Area:** Refers to a geographic area or region in which a National Disaster has been declared. In the case of Hurricane Katrina this refers to the States of Louisiana, Mississippi, Alabama and Florida. The affected counties/parishes below have been declared by FEMA as designated counties requiring Individual Assistance as a result of Hurricane Katrina. Evacuees from these counties are eligible under this waiver pursuant to the Individual Assistance Program designation pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Section 408: Federal Assistance to Individuals and Households¹.

Louisiana:

Acadia, Ascension, Assumption, Calcasieu, Cameron, East Baton Rouge, East Feliciana, Iberia, Iberville, Jefferson, Jefferson Davis, Lafayette, Lafourche, Livingston, Orleans, Pointe Coupee, Plaquemines, St. Bernard, St. Charles, St. Helena, St. James, St. John, St. Mary, St. Martin, St. Tammany, Tangipahoa, Terrebonne, Vermilion, Washington, West Baton Rouge, and West Feliciana parishes.

¹ As of October 3, 2005, no Florida counties have Individual Assistance Designation pursuant to Section 408. Other affected National Disaster States/areas could be added at a later date.

Mississippi:

Adams, Amite, Attala, Claiborne, Choctaw, Clarke, Copiah, Covington, Forrest, Franklin, George, Greene, Hancock, Harrison, Hinds, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lamar, Lauderdale, Lawrence, Leake, Lincoln, Lowndes, Madison, Marion, Neshoba, Newton, Noxubee, Oktibbeha, Pearl River, Perry, Pike, Rankin, Scott, Simpson, Smith, Stone, Walthall, Warren, Wayne, Wilkinson, Winston, and Yazoo Counties.

Alabama:

Baldwin, Choctaw, Clarke, Greene, Hale, Mobile, Pickens, Sumter, Tuscaloosa, and Washington Counties

Florida:

As of October 3, 2005, no Florida counties have Individual Assistance Designation pursuant to Section 408.

Other affected National Disaster States/areas could be added at a later date.

- c. **Evacuee:** Refers to an individual who is a resident of the emergency area affected by a National Disaster as declared by the President of the United States pursuant to the National Emergencies Act or by the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and has been displaced from his or her home by the emergency, and is not a non-qualified alien and meets the definition of eligible population.
- d. **Evacuee Status:** Refers to a temporary eligibility status not to exceed 5 months, during which evacuees will be able to access Medicaid services.
- e. **Evacuee Status Eligibility Determination:** Applications in Puerto Rico for eligibility for evacuee status will be accepted from August 24, 2005, through January 31, 2006, and may be retroactive to August 24, 2005. Any eligibility time period prior to September 1, 2005, will not count against an evacuee's eligibility period. Evacuee status will be limited to parents, pregnant women, children under age 19, individuals with disabilities, low-income Medicare recipients, and low-income individuals in need of long-term care with incomes up to and including the levels listed on the attached eligibility simplification chart. Evacuee status can be established by self-attestation of displacement, income, and immigration status, but evacuees must be required to cooperate in demonstrating evacuee and eligibility status. Puerto Rico may apply or waive the Puerto Rico resource test criteria applicable to the applicant's eligibility category.
- f. **Home State:** Refers to the State in which the National Disaster has been declared and from which the individuals have been displaced.
- g. **Host State:** Refers to the State in which evacuees are temporarily residing. The Host State could become the evacuees' permanent place of residence.

- h. **Temporary Eligibility Period:** A period of eligibility for up to 5 months is provided for all eligible groups who are evacuees. If they wish to be determined eligible for regular Medicaid, at the end of the temporary eligibility period individuals must reapply for eligibility under a permanent eligibility category. Neither the Host State nor the Home State is obligated to redetermine eligibility before the termination of the temporary period, but either State may elect to redetermine whether the individual is eligible under a permanent eligibility category under its State plan. No applications for evacuee status may be accepted after January 31, 2006.
 - i. **Host State Assurances:** Host States assure that they will, to the greatest extent possible: (1) verify circumstances of eligibility, (2) verify residency and citizenship of the evacuees, and (3) prevent fraud and abuse. Host and Home States may be subject to audit by other Federal agencies including the Office of the Inspector General. The purpose of the audit will be to assure only evacuee expenses are claimed by the State under the terms of the waiver and to detect provider or client fraud and abuse. Any provider or client fraud and abuse will require recovery efforts on the part of the State; however, the States will not be held liable for such fraud and abuse. Additionally, there is a reciprocal obligation for Home/Host States in obtaining necessary information to determine eligibility for this waiver program.
 - j. **Duration of the Demonstration Program:** The duration of the program will be from August 24, 2005, through June 30, 2006.
 - k. **Eligible Populations:** The demonstration population will consist of evacuees who are parents, pregnant women, children under age 19, individuals with disabilities, low-income Medicare recipients, and low-income individuals in need of long-term care with incomes up to and including the levels listed on the simplified eligibility chart. A new category of “evacuee” will be created to capture the displaced individuals for reporting purposes. States must report enrollment in these eligibility categories monthly.
 - l. **Benefits:** The benefits for evacuees will be those of the State plan title XIX program in Puerto Rico. The cost of services provided to evacuees deemed eligible are not counted against any other section 1115, section 1915(b) or (c) waiver the State may have, including Home and Community-Based Services waiver slots.
 - m. **Effective Date:** The demonstration project will be effective upon approval by the Secretary with respect to evacuees. Eligibility and payments under such a demonstration may be retroactive to August 24, 2005.
- 2. **Adequacy of Infrastructure.** The State shall ensure the availability of adequate resources for implementation and monitoring of the demonstration, including enrollment; maintaining eligibility systems; compliance with cost sharing; and reporting on financial and other issues.
 - 3. **Notice to Applicants:** Puerto Rico shall provide notice to evacuees that this is a limited benefit for 5 months from the date of application. Applicants should be given notice that at

the end of the temporary eligibility period individuals must reapply for eligibility under a permanent eligibility category.

4. **Fair Hearings and Appeals:** No fair hearings and/or appeals are provided as part of this demonstration program.
5. **Cooperation with Federal Evaluators.** Should CMS undertake an evaluation of the demonstration, the State must fully cooperate with Federal evaluators and their contractors' efforts to conduct an independent Federally funded evaluation of the demonstration program.
6. **CMS Right to Terminate or Suspend.** CMS may suspend or terminate this project in whole or in part at any time before the date of expiration, if and whenever it determines that the State has materially failed to comply with the terms of the project. CMS will promptly notify the State in writing of the determination and the reasons for the suspension or termination, together with the effective date. The State waives none of its rights under 42 CFR Part 430—Grants to States for Medical Assistance Programs, to challenge CMS' finding that the State materially failed to comply. CMS reserves the right to deny pending demonstration requests, or withdraw demonstrations, at any time if it determines that granting or continuing the demonstrations would no longer be in the public interest. If the project is terminated or any relevant demonstrations withdrawn, CMS will be liable only for normal close-out costs.
7. **State Right to Terminate or Suspend.** The State may suspend or terminate this demonstration in whole or in part at any time before the date of expiration. The State must promptly notify CMS in writing of the reasons for the suspension or termination, together with the effective date. If the project is terminated or any relevant demonstrations suspended by the State, CMS will be liable only for normal close-out costs.

III. GENERAL REPORTING REQUIREMENTS

1. **Enrollment Reports.** Each month, Puerto Rico will provide CMS with an enrollment report showing enrollment from individual Home States in Puerto Rico's program, showing end of month point in time enrollment. The State will also provide CMS with unduplicated ever-enrolled data at the end of the demonstration period. This enrollment data will be provided as specified by CMS.
2. **Final Report.** No later than December 31, 2006, Puerto Rico will be required to submit a final report to CMS to describe the impact of this program, including but not limited to, the impact on evacuees, the Host States, etc. CMS will provide guidance on the submission of the final report. CMS' comments shall be taken into consideration by the State for incorporation into the final report.
3. **Expenditure Reports.** Puerto Rico will submit claims directly to CMS. The Host State will report expenditures related to this demonstration on the Form CMS-64 in accordance with instructions provided by CMS (see attachment A for specific requirements). States will be required to track separately all expenditures associated with this demonstration, including but

not limited to, administrative costs and program expenditures in accordance with instructions provided by CMS for this population.

IV. LEGISLATION

- 1. Changes in the Enforcement of Laws, Regulations, and Policy Statements.** All requirements of the Medicaid programs expressed in laws, regulations, and policy statements, not expressly waived or identified as not applicable in the award letter of which these STCs are a part, will apply to the demonstration.
- 2. Changes in Medicaid Law.** The State must, within the time frame specified in law, come into compliance with any changes in Federal law affecting the Medicaid programs that occur after the demonstration award date.
- 3. Passage of Federal Legislation.** In accepting this waiver, Puerto Rico is not precluded from amending their waiver to conform with legislative changes. Should legislation pass extending the temporary eligibility period for evacuees, CMS will automatically extend the temporary eligibility period without requiring Puerto Rico to submit an amendment.

V. ELIGIBILITY AND ENROLLMENT

- 1. Screening for Medicaid.** Applicants for the demonstration will be screened for Medicaid eligibility and enrolled in the program for which they are eligible.
- 2. Host State Assurances:** Puerto Rico assures they will, to the greatest extent possible: (1) verify circumstances of eligibility, (2) verify residency and citizenship of the evacuees, and (3) prevent fraud and abuse. Host and Home States may be subject to audit by other Federal agencies including the Office of the Inspector General. The purpose of the audit will be to assure only evacuee expenses are claimed by the State under the terms of the waiver and to detect provider or client fraud and abuse. Any provider or client fraud and abuse will require recovery efforts on the part of the State; however, the States will not be held liable for such fraud and abuse. Additionally, there is a reciprocal obligation for Home/Host States in obtaining necessary information to determine eligibility for this waiver program.

VI. BENEFITS

The minimum benefits for evacuees will be those of the State plan title XIX program in Puerto Rico. Evacuees who qualify for SCHIP will receive the same benefit package as provided under the Puerto Rico Medicaid State plan. The cost of services provided to evacuees for this initiative deemed eligible are not counted against any other section 1115, section 1915(b) or (c) waiver the State may have, including Home and Community-Based Services (HCBS) waiver slots. The Host State may add services to this population, including HCBS waiver services that are not otherwise covered by its own State plan or HCBS waivers.

VII. COST SHARING

Evacuees, enrolled in the title XIX program, will not be subject to cost sharing.

VIII. PROGRAM DESIGN

1. Concurrent Operation

The State's title XIX State plan, as approved, will continue to operate concurrently with this section 1115 demonstration.

ATTACHMENT A

GENERAL FINANCIAL REQUIREMENTS UNDER TITLE XIX

1. The State will provide quarterly expenditure reports using the Form CMS-64 to report total expenditures for services provided under the Medicaid program, including those provided through the demonstration under section 1115 authority. This project is approved for expenditures applicable to services rendered during the demonstration period. The CMS will provide Federal financial participation for allowable demonstration expenditures only.
2. In order to track expenditures under this demonstration, Puerto Rico will report the demonstration expenditures through the MBES/CBES as required by CMS. All expenditures will be reported on separate Forms CMS-64.9 WAIVER and/or 64.9P WAIVER, identified by the demonstration project number assigned by CMS (including the project number extension, which indicates the demonstration year in which services were rendered or for which capitation payments were made).
 - a. Administrative costs directly attributable to the demonstration are separately reported and tracked on separate Forms CMS-64.10 WAIVER and/or 64.10P WAIVER.
 - b. All claims for demonstration expenditures must be made within 2 years after the calendar quarter in which the State made the expenditures. Furthermore, all claims for services during the demonstration period must be made within 2 years after the conclusion or termination of the demonstration.
3. The standard Medicaid funding process will be used during the demonstration. The estimate of aggregate matchable demonstration expenditures (total computable/Federal share) must be separately reported by quarter for each Federal fiscal year on the Form CMS-37.12 for both the Medical Assistance Program (MAP) and Administrative Costs (ADM). CMS will make Federal funds available based upon the State's aggregate estimate, as approved by CMS. Within 30 days after the end of each quarter, the State must submit the Form CMS-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended.