



Center for Medicaid and State Operations

SHO # 05-001

September 16, 2005

Dear State Medicaid Directors and State Children's Health Insurance Program Directors:

As we work to recover from one of the worst natural disasters in the history of the United States, our hearts, thoughts, and prayers go out to those suffering and those who are assisting in rescue efforts. With the massive displacement of thousands of residents in the affected areas of Louisiana, Mississippi, Alabama, and Florida to other States, the Centers for Medicare & Medicaid Services (CMS) thanks you for your tireless work on behalf of all people affected, and we are working to ensure that you can provide Medicaid and State Children's Health Insurance Program (SCHIP) health care services for evacuees.

In an effort to ensure the continuity of health care services for the victims of Hurricane Katrina, CMS has developed a new section 1115 demonstration initiative. Under this program, States may apply to be part of a unique cooperative demonstration that allows coverage of evacuees from the affected geographic areas of Louisiana, Mississippi, Alabama, and Florida¹ in which a Natural Disaster has been declared.

Under this demonstration, effective retroactively to August 24, 2005, evacuees who have been displaced from his or her home as a result of Hurricane Katrina will be provided the opportunity to enroll to receive services under the Medicaid or SCHIP programs in whatever State they now reside. States may provide a period of temporary eligibility for up to 5 months. Evacuees will apply through a simplified application within the Host State through January 31, 2006. Applicants may provide self-declaration of information needed for an eligibility determination if the individual is unable to produce necessary verification. There is no obligation on the Host State to redetermine eligibility for evacuees at the end of this period. The evacuee must apply, and States are encouraged to assist individuals in applying for assistance in the State in which they are currently residing. This demonstration allows for self-attestation for items such as displacement, income, residency, resources, and immigration status if the evacuee is unable to provide documentation.

¹ Pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act, Section 408: Federal Assistance to Individuals and Households. As of September 15, 2005, no Florida counties have Individual Assistance Designation pursuant Section 408. Other affected National Disaster States/areas could be added at a later date.

This demonstration initiative permits Host States to offer Medicaid and SCHIP benefits 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 within certain income parameters using a simplified eligibility chart or the eligibility levels from the affected States. As an evacuee, an individual is required to attest that he/she is displaced from certain geographic regions and to cooperate in demonstrating evacuee status. This initiative will not impact any other demonstration the State may have under title XIX or title XXI. Benefits for evacuees will be those of the State Plan for the Host State's title XIX and title XXI programs.

States will not be required to meet budget neutrality tests under these unique demonstration programs. The Department agrees that individuals participating in the demonstration are presumed to be otherwise eligible for Medicaid in their respective Home State and costs to the Federal Government would have otherwise been incurred and allowable. Therefore, States participating in the demonstration program will not be required to provide or demonstrate budget neutrality through "without waiver" and "with waiver" expenditure data. Additionally, States have the option to exempt evacuees from cost sharing.

Attached is a template that States may use to request a section 1115 demonstration program to provide coverage to individuals who have been displaced due to Hurricane Katrina. In completing the template, States should provide contact information in order that CMS can contact key State officials to discuss demonstration proposals. The electronic version of the template will be available on the CMS Web site at <http://www.cms.hhs.gov>.

Any questions related to this initiative or the template should be addressed to Ms. Jean Sheil, Director of the Family and Children's Health Programs Group at (410) 786-5647. Applications should be addressed to:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Family and Children's Health Programs
7500 Security Boulevard
Mail Stop S2-01-16
Baltimore, MD 21244-1850

We appreciate the recovery efforts made by all the States in the aftermath of Hurricane Katrina. Toward that end, CMS will work expeditiously with States to ensure that America's most vulnerable populations continue to receive the care they need.

Sincerely,

/s/

Dennis G. Smith
Director

Enclosures

cc:

CMS Regional Administrators

CMS Associate Regional Administrators
for Medicaid and State Operations

Martha Roherty
Director, Health Policy Unit
American Public Human Services Association

Joy Wilson
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National Conference of State Legislatures

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