DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Administrator
Washington, DC 20201

June 18, 2008

Mr. Gary Alexander
Director
Department of Human Services
State of Rhode Island and Providence Plantations
600 New London Avenue
Cranston, RI 02920

Dear Mr. Alexander:

We are pleased to inform you that your request to extend Rhode Island's section 1115 demonstration, entitled RIte Care (11-W-00004/1) which is scheduled to expire on July 31, 2008, has been approved in accordance with section 1115(a) of the Social Security Act.

The new extension period begins October 1, 2008, and runs through September 30, 2011, upon which date, unless reauthorized, all waiver and expenditure authorities granted to operate this demonstration will expire.

You will note that the new extension period begins October 1, 2008. In order to align demonstration years (DYs) with Federal fiscal years, the Centers for Medicare & Medicaid Services (CMS) is extending the demonstration's current approval period under the authority of section 1115(a) from August 1, 2008, through September 30, 2008. To effectuate this change, you will find enclosed as Enclosure I an amended version of the existing RIte Care waiver and expenditure authorities, as well as Special Terms and Conditions (STCs). These documents reflect the expiration date of September 30, 2008, as well as remove obsolete references to a liquid asset test for pregnant women which has never been implemented.

Our approval of this demonstration project is subject to the limitations specified in the waiver and expenditure authorities attached as Enclosure II. The State may deviate from Medicaid State plan requirements to the extent those requirements have been specifically waived or, with respect to expenditure authorities, listed as inapplicable to expenditures for the expansion populations.

The approval is also conditioned upon continued compliance with the enclosed STCs, defining the nature, character, and extent of anticipated Federal involvement in the project. The award is subject to our receiving your written acknowledgement of the award and acceptance of both sets of STCs, waiver and expenditure authorities within 30 days of the date of this letter.

A number of changes to the demonstration have been incorporated into the STCs for the extension period. STCs related to benefits, eligibility, cost sharing, budget neutrality, as well as quarterly and annual demonstration reporting have been streamlined and updated. Additionally, the waiver and expenditure authorities have been streamlined and clarified.

During CMS' review of the State's extension request, it was identified that the State's title XXI-eligible children covered under the demonstration are not a part of the Rhode Island Medicaid State plan. CMS is requiring the State to submit a Medicaid State plan amendment, no later than January 30, 2009, to add optional targeted low-income children aged 8 through 18 with family incomes up to 250 percent of the Federal poverty level to the Medicaid State plan.

Additionally, the State is required to submit the following documentation to CMS by August 1, 2008:

1. Primary care referral materials distributed to extended family planning recipients;
2. Process for eligibility redeterminations for extended family planning program;
3. Methodology for monitoring family planning annual determinations; and
4. Base-year fertility rates for the extended family planning program.

Finally, a draft evaluation design must be submitted to CMS by September 1, 2008.

Your project officer for this demonstration is Ms. Camille Dobson. She is available to answer any questions concerning your section 1115 demonstration renewal. Ms. Dobson's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and State Operations
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-7062
Facsimile: (410) 786-5882
E-mail: Camille.Dobson@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Dobson and to Mr. Richard McGreal, Associate Regional Administrator in our Boston Regional Office. Mr. McGreal's contact information is as follows:

Centers for Medicare & Medicaid Services
JFK Federal Building
Room 2325
Boston, MA 02203

If you have additional questions, please contact Ms. Kathleen Farrell, Acting Director, Family and Children's Health Programs, Center for Medicaid and State Operations, at (410) 786-1236.

Congratulations on the approval of your Medicaid section 1115 demonstration extension. We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Kerry Weems
Acting Administrator

Enclosures

cc: Richard McGreal, ARA, Region I