

**Health Care Financing Administration
Special Terms and Conditions**

Awardee: Oregon Health Division
Title: Oregon Family Planning Expansion Project

Financial Issues

1. a. **ALL** requirements of the Medicaid program expressed in law not expressly waived or identified **as** not applicable in the award letter of which these terms and conditions are part, will apply to Oregon's Family Planning Expansion Project (OFPEP). To the extent the enforcement of such laws, regulations, and policy statements would have affected State spending without the demonstration in ways not explicitly anticipated in **this** agreement, HCFA will incorporate such effects into a modified budget limit for the OFPEP **1115** program. The modified budget limit would be effective upon enforcement of the law, regulation, or policy statement. HCFA will have two years after the determination of the demonstration award date to **notify** the State that it intends to take action. If the law, regulation, or policy statement cannot be linked **specifically** with program components that are or are not affected by the OFPEP **1115** demonstration (e.g., all disallowances involving provider taxes or donations), the effect of enforcement on the State's budget limit will be proportional to the size of the OFPEP **1115** demonstration in comparison to the State's entire Medicaid program (as measured in aggregate medical assistance payments).

- b. The State will, within the time specified in law, come into compliance with any changes in Federal law affecting the Medicaid programs that occur **after** the award date of the demonstration. To the extent that a change in Federal law, which does not exempt State section **1115** demonstrations, would affect State Medicaid spending without the demonstration, HCFA will incorporate such changes into a modified budget limit for the OFPEP **1115** demonstration. The modified budget limit will be effective upon implementation of the change in Federal law, as specified in law. If the new law **cannot** be linked specifically with program components that are or are not affected by the OFPEP **1115** demonstration (e.g., laws affecting sources of Medicaid funding), the State will submit its methodology to HCFA for complying with the change in law. If the methodology is consistent with Federal law and in accordance with Federal projections of

the budgetary effects of the new law in Oregon, HCFA would approve the methodology. Should HCFA and the State, working in good faith to ensure State flexibility, fail to develop within 90 days a methodology to revise the without demonstration baseline that is consistent with Federal law and in accordance with Federal budgetary projections, a reduction in Federal payments **will** be made according to the method applied in non-demonstration States.

- c. The State may submit to HCFA a request for an amendment to the OFPEP demonstration to request exemption from changes in law occurring after the award date of the demonstration. The cost to the Federal government of such **an** amendment must be offset to ensure that total projected expenditures under a modified OFPEP **1115** demonstration program do not exceed projected expenditures without the OFPEP **1115** demonstration (assuming full compliance with the change in law).
 - d. Budget Neutrality Monitoring Procedures (See Attachment A).
2. The following financial reporting procedures must be adhered to:
- a. To track expenditures under **this** demonstration, Oregon will report net expenditures in the same manner as is done under the current Medicaid program. The State will provide quarterly expenditure reports using the form HCFA-64 to separately report expenditures for those receiving services under the Medicaid program and those participating in the demonstration. HCFA will provide Federal Financial Participation (FFP) only for allowable demonstration expenditures that do not exceed the predefined limits as specified in Attachment A. Demonstration participants include **all** individuals who obtain one or more family planning services through the demonstration.
 - b. Oregon will report demonstration expenditures through the Medicaid Budget Expenditure System (MBES), following routine HCFA-64 reporting instructions outlined in Section 2500 of the State Medicaid Manual. In **this** regard, demonstration expenditures **will** be differentiated from other Medicaid expenditures by identifying on forms HCFA-64.9 and/or **64.9p**, the demonstration project number assigned by HCFA (including the project number extension, which indicate the demonstration year in which services were rendered). For monitoring purposes, cost settlements must be reported as line 7 or 10B adjustments as appropriate.
 - c. The Federal share for demonstration expenditures matched at the State's

regular match rate should be reported using column (B) of HCFA Form 64.9 and in column (D) for services eligible for the family planning match rate of 90 percent.

- d. All claims for Oregon's Family Planning Services provided during the demonstration period (including any cost settlements) must be made within two years after the calendar quarter in which the State made the expenditures. During the period following the conclusion or termination of the demonstration, the State must continue to separately identify demonstration expenditures using the procedures outlined above.
 - e. The State **will** provide to HCFA, on a quarterly basis, the number of eligible member/months for demonstration women whose income is below 170% FPL. **This** information should be provided to HCFA **with** the quarterly reports.
 - f. Administrative costs will not be included in budget neutrality, however, the State must separately track and report administrative costs attributable to the demonstration on the HCFA-64, form 64.10.
3. The standard Medicaid funding process will be used during the demonstration. The State must estimate matchable Oregon Medicaid demonstration expenditures on the quarterly form HCFA-37. The State must provide supplemental schedules that clearly distinguish between demonstration expenditure estimates (by major component) and non-demonstration Medicaid expenditure estimates. HCFA will make Federal funds available each quarter based upon the State's estimates, as approved by HCFA. Within 30 days after the end of each quarter, the State must submit the form HCFA-64 quarterly Medicaid expenditure report, showing Medicaid expenditures made in the quarter just ended. HCFA will reconcile expenditures reported on the Form HCFA-64 with Federal funding previously made available to the State for that quarter, and include the reconciling adjustment in a separate grant award to the State.
 4. HCFA **will** provide FFP at the regular Federal matching rate for administrative costs associated **with** Oregon's Family Planning Services Demonstration **in** accordance with the approved State plan.
 5. The State will certify State/local monies used as matching funds for demonstration purposes and will further certify that such funds will not be used as matching funds for any other Federal grant or contract, except as permitted by Federal law.
 6. FFP at the 90 percent match will only be available for services allowable at the

enhanced rate. The State may only claim the regular match for some other family planning services (e.g., colposcopy and colposcopy with biopsy).

Administrative Issues

7. Outreach performed by the Medicaid agency or other entities under contract to the Medicaid agency will be claimed at the regular administrative match.
8. The awardee will develop and submit detailed plans to protect the confidentiality of all project-related information that identifies individuals. The plan must specify that such information is confidential and it may not be disclosed directly or indirectly except for purposes directly connected with the conduct of the project, and that written informed consent of the individual must be obtained for any disclosure. The plans shall be submitted within 60 days of award.
9. The awardee will submit narrative progress reports 30 days from the end of each quarter. The fourth quarterly report will summarize the preceding year's activity and serve as the annual report.
10. Oregon should submit a draft final report to the HCFA project officer for comments. The awardee should consider HCFA's comments for incorporation into the final report. The final report is due 90 days after the end of the project.
11. The final report of the project may not be released or published without permission from the HCFA project officer within the first four months following the receipt of the report by the HCFA project officer. The final report will contain a disclaimer that the opinions expressed are those of the awardee and do not necessarily reflect the opinions of HCFA.
12. Oregon will notify the HCFA project officer before formal presentation of any report or statistical or analytical material based on information obtained through this cooperative agreement. Formal presentation includes papers, articles, professional publications, speeches, and testimony. During this research, whenever the principal investigator determines that a significant new finding has been developed, he or she will immediately communicate it to the HCFA project officer before formal dissemination to the general public.
13. The awardee will assume responsibility for the accuracy and completeness of the information contained in all technical documents and reports submitted. The HCFA project officer will not direct the interpretation of the data in preparing these documents and reports.

14. HCFA may suspend or end any project in whole, or in part, anytime before the date of expiration, whenever it determines that the awardee has materially failed to comply with the terms of the project. HCFA will promptly notify the awardee in writing of the determination and the reasons for the suspension or termination, with the effective date. The budget neutrality test will be applied on the time period through termination without adjustment.
15. HCFA reserves the right to unilaterally terminate the demonstration and the accompanying federal matching authority if HCFA determines that continuing the demonstrations would no longer be in the public interest. If a family planning demonstration is terminated by HCFA, the State will be liable for cumulative costs under the demonstration that are in excess of the cumulative target expenditures specified in the Expenditure Review section of Attachment A for the demonstration year of withdrawal.
16. After waivers are granted, HCFA reserves the right to withdraw them if agreement cannot be reached on any item(s) cited in this document. The State **also** has the same right.
17. At any phase of the project, including at the project's conclusion, the awardee, if **so** requested by the project officer, must submit to HCFA analytic data file(s), with appropriate documentation, representing the data developed/used in end-product analyses generated under the award. The analytic file(s) may include primary data collected or generated under the award and/or data furnished by HCFA. The content, format, documentation, **and** schedule for production of the data file(s) will be agreed upon by the principal investigator and the HCFA project officer. The negotiated format(s) could include both file(s) that would be limited to HCFA internal use and file(s) that HCFA could make available to the general public.
18. At any phase of the project, including the project's conclusion, the awardee, if **so** requested by the project officer, must deliver any materials, systems, or other items developed, refined or enhanced during or under the award to HCFA. The awardee agrees that HCFA will have royalty-free, nonexclusive and irrevocable rights to reproduce, publish or otherwise use and authorize others to use the items for Federal Government purposes.
19. The awardee will cooperate fully with HCFA or the independent evaluator, selected by HCFA, to assess the impact of the Medicaid demonstrations. The awardee will submit the required data to the contractor or HCFA.

20. The State will submit a continuation application by August 1 of each year beginning in **1999**.
21. Failure to operate the demonstration as approved and according to Federal and State statutes and regulations will result in withdrawal of waivers. The Federal statutes and regulations with which the State must comply in the operation of the demonstration include civil rights statutes and regulations that prohibit discrimination on the basis of race, color, national origin, disability, sex, age, and religion, including Title VI of the Civil Rights Act of **1964**, section **504** of the Rehabilitation Act of **1973**, the Age Discrimination Act of **1975**, Title **II** of the Americans with Disabilities Act, and the nondiscrimination provisions of the Omnibus Budget Reconciliation Act of **1980**.
22. An evaluation design report must be submitted to HCFA for approval within **60** days of implementation. At minimum the evaluation design should include a detailed analysis plan that describes how the effects of the demonstration will be isolated from those other initiatives occurring in the State. The report should also include an integrated presentation and discussion of the specific hypotheses (including those that focus specifically on the target population for the demonstration) that are being tested; the outcome measures that will be used in evaluating the impact of the demonstration, particularly among the target population; and the data sources for assessing these outcomes.
23. A phase-out plan for the demonstration needs to be submitted for approval to HCFA within **60** days of award.
24. Within twelve months after implementation, the State shall submit to HCFA for approval a plan to expand the provider network to include non-title X providers. The immediate goal of the plan will be to expand the provider network to meet the needs of clients in those areas that are not currently served by the existing network. The ultimate goal of the plan will be for clients to have the freedom to choose from a wide variety of providers. The plan shall assure that any provider meeting State standards for the provision of family planning services under the Medicaid program, who wants to serve clients under **this** demonstration, is allowed to be a provider of services. The plan can stipulate that the providers must be capable of providing or making a referral for the provision of the comprehensive benefit package available under the demonstration. The plan shall not contain any requirements that only title X providers could meet. The plan should also describe the State's activities to educate and **train** the non-title X providers about the program.

25. A detailed beneficiary and Title X provider education and outreach plan needs to be submitted to HCFA for approval 60 **days** prior to implementation. At a **minimum**, the plan should describe efforts to **inform** eligible women, men and teens (especially those who are not already in contact with Title X providers) about the availability of and how to apply for extended coverage of family planning services. It should also describe activities to educate **and train** the Title X providers about the program.
26. Within 30 days from award, the State shall submit a detailed implementation schedule.
27. Eligibility for the family planning project will not preclude eligibility for the State's Title XXI program.

Monitoring Budget Neutrality For The Oregon Family Planning Expansion Project

Following is the method by which budget neutrality will be monitored for Oregon's Family Planning Expansion Project.

Oregon will be subject to a limit on the amount of Federal Title XIX funding it will receive for extending Medicaid eligibility for family planning services during the demonstration period. **This** limit will be determined using a pre-post comparison of fertility rates for demonstration participants. Thus, Oregon will be at risk for the cost of family planning services that are not offset by the demonstration intervention, which aims to reduce unplanned and mistimed births among women in families whose income is up to **185** percent of the Federal poverty level and who have received a pregnancy-related service paid for by Medicaid. The demonstration will not change the current division of Federal and State responsibility for costs of the current Medicaid program that **are** not related to family planning expenditures. HCFA will confirm that the demonstration expenditures do not exceed the levels that would have been realized had there been no demonstration.

Annual Budget Limits

To calculate the overall expenditure limit for the demonstration, separate budget limits will be calculated for each year, which will be on a Demonstration Year (DY) basis. These annual estimates will then be added to obtain an expenditure estimate over the entire demonstration period. The Federal share of the estimate will represent the maximum amount of Federal Financial Participation (FFP) that the State can receive during the expanded family planning services demonstration. For each DY, the Federal share will be calculated using the Federal Medical Assistance Percentage (FMAP) rate(s) for that 12 month period.

The intent of the demonstration is to avert unplanned or mistimed pregnancies to offset the cost of family planning services for demonstration participants. During each year of the demonstration, the number of births averted (BA) will be estimated by the following equation:

BA = (base year fertility rate - fertility rate of demonstration participants during DY) x (Number of demonstration women whose income is below **170%** FPL during DY),

where fertility rates will be measured per thousand. The base year fertility rate **will** be age adjusted, using the age distribution of the actual demonstration participants and predetermined age-specific fertility rates. Participants include **all** women who obtain one or more family planning service(s) through the demonstration.

The average cost of a birth (BC) during each year of the demonstration **will** be the following:

BC = (cost of prenatal services + delivery and pregnancy related costs + first year of life cost of infants) / number of deliveries,

where the costs and number of deliveries are for Oregon's Medicaid program.

The **annual** budget limit **will** be the savings that are calculated by multiplying the number of births averted by the average cost of a birth.

Base-Year Fertility Rate

The State **will** submit to HCFA base-year age-specific fertility rates, which shall include births and unfulfilled pregnancies. The base-year fertility rates and the adjustments for unfulfilled pregnancies will be subject to the approval of the Project Officer. The base-year fertility rates must be submitted prior to starting operations under the demonstration and conform to the following requirements:

- a. They must reflect fertility rates and unfulfilled pregnancies during State Fiscal Year **1998** for women in families with income up to **170** percent of the Federal poverty level and ineligible for Medicaid except for pregnancy.
- b. They must be age-specific rates for all potential demonstration participants in **5** year increments.
- c. The fertility rates will include births paid for by Medicaid and estimates of unfulfilled pregnancies.

Following the conclusion of each year of the demonstration, a base year fertility rate will be determined by summing the age specific rates using the age distribution of the demonstration participants during that DY to weight the age specific fertility rates, unless

the State demonstrates that the age distribution is consistent with prior demonstration year(s). The annual age distribution categories will correspond with the base-year age-specific fertility rates.

How the Budget Limit Will Be Applied

The budget limit calculated above will apply to expanded family planning services expenditures, as reported by the State on the HCFA **64s**. If at the end of the demonstration period, the costs of the expanded family planning services exceed the budget limit, the excess Federal funds will be returned to HCFA.

Expenditure Review

HCFA will enforce budget neutrality over the life of the demonstration, rather than annually. However, no later than **six** months after the end of each demonstration year, the State will calculate **annual** expenditure targets for the completed year. **This** amount **will** be compared with the actual claimed FFP for Medicaid. Using the schedule below as a guide, if the State exceeds these targets they will submit a corrective action plan to HCFA for approval. The State will subsequently implement the approved program.

<u>Year</u>	<u>Cumulative Target Expenditures</u>	<u>Percentage</u>
Year 1	Year 1 budget limit	+16 percent
Year 2	Years 1 and 2 combined budget limit	+8 percent
Year 3	Years 1 through 3 combined budget limit	+4 percent
Year 4	Years 1 through 4 combined budget limit	+2 percent
Year 5	Years 1 through 5 combined budget limit	0 percent