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July 27, 2018

Mr. Tim Hill
Acting Director
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
Department of Health & Human Services
7500 Security Boulevard, Mail Stop S2-03-17
Baltimore, MD 21244

Dear Mr. Hill:

Massachusetts has received the approval letter, dated June 27, 2018, for an amendment to our section 1115(a) Medicaid demonstration (Project Number 11-W-00030/1). This amendment authorizes Massachusetts to provide continuous access to affordable coverage for a group of Veterans, Gold Star spouses and family members, who would otherwise experience a disruption in their coverage due to receipt of the veteran annuity. For all MAGI eligibility-based individuals, this authority is provided for all who would be eligible for MassHealth but for the receipt of a state veteran annuity or the inclusion of such annuity in the household income, provided that such individuals are not otherwise eligible to receive comparable coverage on the state exchange. For disabled adults, this authority is provided for all who would be eligible for MassHealth but for the receipt of a state veteran annuity or the inclusion of such annuity in the household income.

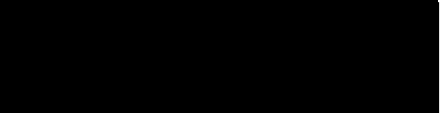
We appreciate CMS' support for addressing unsustainable growth in Medicaid drug cost and pricing, which remains a significant challenge for both the state and federal government. Our proposal would have enhanced the Commonwealth's ability to negotiate with drug manufacturers for the small percentage of drugs for which the Medicaid Drug Rebate Program is not effective, while also ensuring significant member and consumer protections. While we are disappointed this proposal was not approved, we look forward to continued discussions on innovative ways to address the sustainability of drug pricing.



Please accept this letter as acknowledgement of the waiver amendment approval and acceptance of the authority described therein, with the understanding that the enclosed technical corrections will be made.

As always, we value our partnership with CMS and thank you for providing the flexibility granted through this approval.

Sincerely,



Daniel Tsai
Assistant Secretary for MassHealth and Medicaid Director

Cc: Marylou Sudders

Eli Greenfield, Project Officer

Rich McGreal, Associate Regional Administrator, CMS Boston Regional Office

Judith Cash, Director, State Demonstrations Group