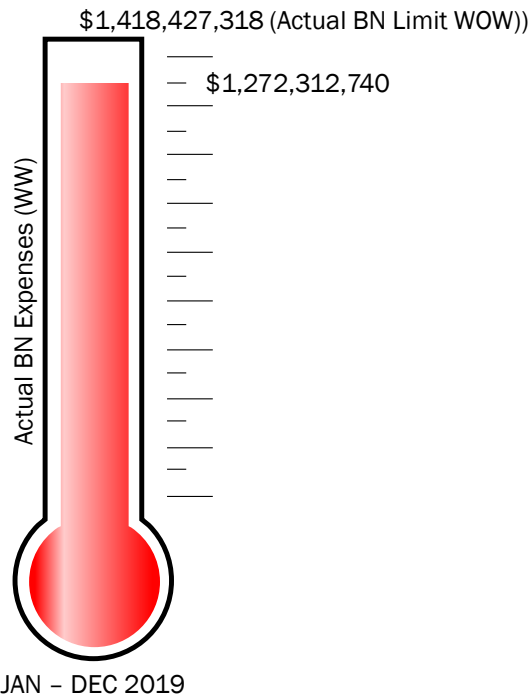


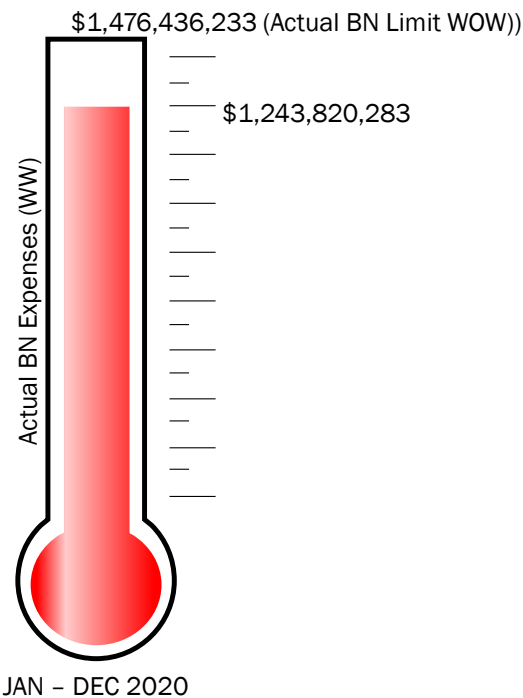
The 1115 Waiver Sets How Budget Neutrality is Calculated

- Longstanding CMS policy requires that Medicaid Section 1115(a) demonstrations be budget neutral to the federal government; meaning that federal Medicaid expenditures for a state cannot be allowed to exceed what would have occurred without the waiver.
- The “without waiver” budget ceiling is calculated using a CMS and State agreed upon methodology with growth trends that estimate what the cost of Medicaid services would be absent the demonstration.
- For a waiver to be budget neutral, actual Medicaid service expenditures – plus the cost of any expenditure authorities authorized under the demonstration – cannot be greater than the projected “without waiver” expenditures.

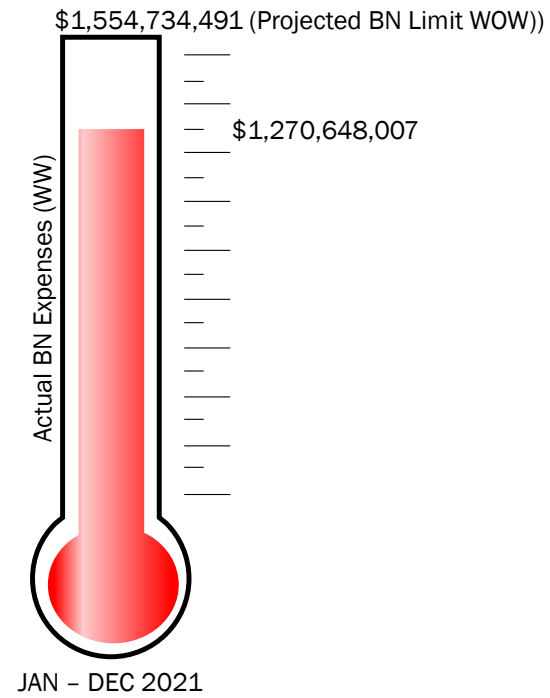
Budget Neutrality



(Difference) Savings:
\$144,114,578 or 10.2%



(Difference) Savings:
\$232,615,949 or 15.8%



Estimated(Difference) Savings:
\$284,086,484 or 18.3%

Investments Summary

- Within the Budget Neutrality limit is a sub-limit for Investment spending
- Amounts cannot be rolled over from DY to DY
- Pre-approved list meeting the following criteria:
 - Reduce the rate of uninsured and/or underinsured
 - Increase access to quality health care by uninsured, underinsured and Medicaid beneficiaries
 - Provide public health approaches and other innovative programs to improve health outcomes, health status and quality of life
 - Encourage the formation and maintenance of public-private partnerships

	CY2017	CY 2018	CY 2019	CY 2020	CY 2021
Annual Investment Limit	142,500,000	148,500,000	138,500,000	136,500,000	136,500,000
Projected Spending	142,332,671	148,500,000	119,133,229	118,757,152	105,873,179
Remaining:	167,329	-	19,366,771	17,742,848	30,626,821