



*REPORT TO THE JOINT STANDING COMMITTEES OF THE GENERAL
ASSEMBLY*

On Appropriations and Human Services Committees

Connecticut General Statutes Section 17b-8(b).

Medicaid Waiver Report

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I. EXECUTIVE SUMMARY:

Connecticut General Statutes Section 17b-8 requires the Department of Social Services (DSS) to submit an application for a federal waiver or renewal for any assistance program to the Connecticut General Assembly before submission to the federal government, as such:

“The Commissioner of Social Services shall submit an application for a federal waiver or renewal of such waiver of any assistance program requirements, except such application pertaining to routine operational issues, and any proposed amendment to the Medicaid state plan to make a change in program requirements that would have required a waiver were it not for the passage of the Patient Protection and Affordable Care Act, P.L. 111-148, and the Health Care and Education Reconciliation Act of 2010, P.L. 111-152 to the joint standing committees of the General Assembly having cognizance of matters relating to human services and appropriations and the budgets of state agencies, and, for the waiver application required under section 17b-312, the joint standing committee of the General Assembly having cognizance of matters relating to insurance, prior to the submission of such application or proposed amendment to the federal government”

Subsection (b) of the statute requires DSS to submit annually a report to the Appropriations and Human Services Committees on any potential waiver or amendment to the Medicaid state plan that may result in a cost savings to the state:

(b) The Commissioner of Social Services shall annually, not later than December fifteenth, notify the joint standing committee of the General Assembly having cognizance of matters relating to appropriations and the budgets of state agencies and the joint standing committee of the General Assembly having cognizance of matters relating to human services of potential Medicaid waivers and amendments to the Medicaid state plan that may result in a cost savings for the state. The commissioner shall notify the committees of the possibility of any Medicaid waiver application or proposed amendment to the Medicaid state plan that the commissioner is considering in developing a budget for the next fiscal year before the commissioner submits such budget for legislative approval.

I. OVERVIEW

In accordance with this subsection, DSS undertook a review of the Medicaid state plan, waivers, and amendments. At this time, the Department has two demonstration waivers operational and a third that is pending with the Centers for Medicare and Medicaid Services (CMS).

1. Substance Use Disorder Demonstration Waiver:

Prior to the waiver, the state was using state dollars to pay for substance use disorder (SUD) residential treatment for HUSKY members because without the waiver, residential treatment for SUD was not covered by Medicaid due to a long-standing Medicaid rule known as the “IMD exclusion”. The Institution for Mental Disease (IMD) exclusion limits Medicaid reimbursement for residential treatment for a substance use disorders. Under the approved SUD Demonstration Waiver, the state now receives federal financial

reimbursement for residential treatment for HUSKY members. This waiver has decreased the state only dollars used to pay for treatment services.

2. Rather than expanding Medicaid, Connecticut developed the Covered CT program and applied for a Medicaid waiver to support program costs that were initially fully paid for with state funds. The Covered CT Demonstration Waiver leverages the enhanced federal subsidies available on the Connecticut Health Insurance Exchange, dba Access Health CT (AHCT) to provide access to a Qualified Health Plan (QHP) for low-income residents that do not qualify for Medicaid. Existing federal funding heavily subsidizes Exchange QHP plans. Applying for an 1115 waiver to receive federal match to “top up” Exchange subsidies further reduce costs as only half of incremental costs are born by the state.
3. The Justice Involved Demonstration Waiver is an amendment to the SUD Demonstration Waiver referenced above. This demonstration waiver is pending with CMS as of this writing. This waiver will allow the state to receive federal financial reimbursement for some services that are paid for today through state only dollars. Similar to the SUD demonstration waiver, the justice involved demonstration waiver waves a long-standing Medicaid rule prohibiting federal financial reimbursement under certain circumstances. In the case of the JI waiver, Medicaid cannot cover the cost of any medical services for inmates of public institutions without a waiver. This waiver will allow us to save state dollars by converting some services into Medicaid reimbursable services.