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DEVAL L. PATRICK  
GOVERNOR

TIMOTHY P. MURRAY  
LIEUTENANT GOVERNOR

**Media Contact**

Kyle Sullivan  
Becky Deusser  
Kim Haberlin  
617-725-4025

Jennifer Kritz (EHS)  
(617) 573-1612

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## Governor Patrick Announces \$21.2 Billion Medicaid Waiver Agreement

### Sen. Kennedy hails "major achievement;" State gains \$4.3 billion in spending authority to ensure long-term sustainability of health care reform

BOSTON- Tuesday, September 30, 2008 - Governor Deval Patrick today announced the federal government will renew the Commonwealth's health care reform waiver, enabling the state to continue to expand access to affordable, quality care through its historic reform law. The three-year, \$21.2 billion agreement in principle, which is expected to be formalized with the Centers for Medicare and Medicaid Services (CMS) in the coming weeks, represents a stronger commitment to the principles of health care reform than the state's current waiver.

"In less than two years, health care reform in Massachusetts has made a difference. Nearly 440,000 adults and children are newly insured and total system costs have begun to level off. These are remarkable achievements," said Governor Patrick. "This new federal agreement ensures we can build on that success and continue to work toward universal coverage. I thank our partners in Washington, especially Senator Kennedy and Health and Human Services Secretary Michael Leavitt, for supporting our historic efforts to deliver to all our citizens the care that improves people's lives."

"Today's agreement is a major achievement for the people of Massachusetts, and I commend Governor Patrick and Secretary Leavitt for all they did to make it possible," said U.S. Senator Edward M. Kennedy. "The waiver enables the state to continue to provide good, affordable health care to families, and provides additional funding and flexibility to build on these early successes in the years to come. We've made major progress in the program's first two years, cutting the number of uninsured in half, and increasing employer-sponsored coverage. Our experience with health reform in the Commonwealth argues well for our debate on national health reform next year."

The \$21.2 billion agreement, a \$4.3 billion increase over the current waiver, fully preserves existing eligibility and benefit levels as well as federal matching funds for all programs, including Commonwealth Care at 300% of the federal poverty level. The agreement protects federal matching funds for MassHealth waiver programs for the long-term unemployed, the disabled, and people living with HIV. It also allows the state to meet all of its health care obligations for the current fiscal year.

Key features of the agreement include:

1. The total spending authority granted by the federal government is approximately \$21.2 billion, which is \$4.3 billion more than in the last three year term.
2. All eligibility and benefit levels are preserved. The Patrick Administration has secured the ability to claim federal financial participation (FFP) to match state spending on all programs as currently designed, including Commonwealth Care at 300% FPL.
3. The agreement allows the state to meet all of its health care obligations for Fiscal Year 2009. In Fiscal Year 2009, the state will be able to claim \$150 million for programs for which it was unable to claim matching funds for in Fiscal Year 2008.
4. The agreement expands the Patrick Administration's authority to bill for programs in the Safety Net Care Pool by \$1 billion over the current waiver period. The Safety Net Care Pool (SNCP) represents authority for federal reimbursement for Commonwealth Care payments, Health Safety Net (the "free care pool") spending and hospital supplemental payments.
5. A flexible Cap in the Safety Net Care Pool. The federal government has proposed a three-year cumulative cap on Safety Net Care Pool expenditures, instead of the current annual cap. This flexibility allows the state to meet all of its commitments for Fiscal Year 2009 and to plan ahead to meet all Fiscal Year 2010 and Fiscal Year 2011 commitments.

"The agreement builds on the Bush Administration's ongoing commitment of helping Massachusetts decrease the number of

uninsured individuals while at the same time directing taxpayer dollars to beneficiaries. This helps provide patients with choice and responsibility in obtaining the coverage that best suits their health care needs," said Secretary Leavitt.

"The Massachusetts health care initiative is an example for the rest of the nation, and this new agreement allows the state to continue to lead the way toward broader reform in Washington. For the hundreds of thousands of Bay Staters who are newly insured under health reform, this waiver ensures that they will continue to receive the coverage they have come to rely upon," said U.S. Senator John F. Kerry. "I am incredibly grateful for the hard work of Governor Patrick, Senator Kennedy and everyone involved in these negotiations. This agreement brings us one step closer to achieving our goal of providing quality, affordable health insurance for everyone in Massachusetts."

"This waiver deal is the good news we've been waiting for," said Senate President Therese Murray. "It shows our strong commitment to health care reform and the federal government's belief in what we are trying to achieve here in the Commonwealth. With this agreement in place, we can now move forward with our model plan for universal health care coverage and continue to focus on cost issues and quality care."

"This is a remarkable affirmation of the reform we crafted two years ago to provide health care to every man, woman and child in the Commonwealth through a bold plan of shared responsibility," said House Speaker Salvatore F. DiMasi. "This tremendous federal support is not only a fiscal relief to the Commonwealth but shows our reform continues to be a national model. I commend Governor Patrick, Senator Kennedy, Secretary Bigby and all who worked with us to make this law such an extraordinary success."

"This agreement means the Commonwealth will be able to continue our highly successful health reform model and that we will continue to provide health care coverage to individuals who had previously been uninsured," said Massachusetts Secretary of Health and Human Services Dr. JudyAnn Bigby.

Insurance enrollment has grown by nearly 440,000 since June 2006, including an increase of 72,000 whose primary coverage is through MassHealth. Overall, 1.1 million people have some level of MassHealth coverage. In addition, 176,000 individuals are newly insured through Commonwealth Care since the implementation of health care reform.

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