Date July 6, 2026

# State of Minnesota

# Department of Human Services

# Mino Bimaadiziwin-Wičhózani (Mino)

# Section 1115 Waiver Application

Mino Bimaadiziwin-Wičhózani generally translated means wellness and good health in the Ojibwe (Chippewa) and Dakota (Sioux) languages, respectively.

[Pronounced Me-NO b-MAAZ-da-win -- wee-cho-zah-nee].

**Section 1115 Waiver Application**

[Placeholder: Date of submission to CMS]

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## Tables

# Section I. Introduction

Minnesota, in collaboration with American Indian Tribes (in the state), seeks to improve the health outcomes of American Indians by covering Traditional Healing[1] under Medicaid. For generations, American Indians in Minnesota, and elsewhere, have turned to ceremony, narrative healing, talking circles, plant medicine, and guidance from elders to restore health, balance and well-being. These practices are rooted in relationships with land, spirit, and community. However, access to Traditional Healing is impeded by lack of funding and broader acknowledgement of the benefits of these interventions. Covering Traditional Healing under this Section 1115 waiver will provide meaningful steps forward in making the Traditional Healing practices and their benefits available to more American Indians enrolled in Medical Assistance, Minnesota's Medicaid program.

For many American Indians, spiritual and cultural dislocation is a root cause of illness and a barrier to engaging with conventional-biomedical treatment.[2] Traditional Healing seeks to ameliorate this barrier to care and treatment. By including Traditional Healing as a Medical Assistance benefit for American Indian enrollees, Minnesota affirms the importance of cultural knowledge and the right of Native people to have meaningful choices in health care options, and recognizes Traditional Healing practices as health care. As stated by the Minnesota Department of Human Services' Director of Tribal and Urban Indian Relations:

"*Traditional healing is not an alternative to health care; it **is** health care*."[3] [emphasis added]

The Minnesota Department of Human Services (Department) undertook a large-scale analysis of the factors contributing to the state's poor health outcomes for Minnesota's American Indian population. The resulting comprehensive report, *Pathways to Racial Equity in Medicaid: Improving the Health and Opportunity of American Indians in Minnesota,* was published in 2024.[4] The report analyzed data, gathered information from people directly affected, and partnered with members of American Indian communities to summarize action steps. The primary recommendation was to seek Medicaid funding for Traditional Healing.

The 2024 report complements the growing body of evidence of the importance and benefits of Traditional Healing services for American Indians and "seeks to lift up the pressing need to recognize the importance of not only supporting Indigenous self-determination through words but also finding concrete ways to ensure Medicaid and our health care system broadly appreciates the value of, and pays for, Indigenous-centered, holistic health practices."[5]

American Indian is used throughout the waiver application to refer to all Indigenous people in Minnesota, including American Indian and Alaska Natives. There is not a federally recognized Alaska Native nation in

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[1] Traditional Healing, for purposes of this waiver, is synonymous with traditional health care practices, traditional Indian medicine, and other labels used to describes holistic practices that are deeply rooted in indigenous traditional knowledge and sustained through ongoing cultural tradition.

[2] Conventional-Biomedicine is used here as the term for treatment options available and covered by Medical Assistance, but are not Traditional Healing practices. Conventional-Biomedicine is also referred to as allopathic or western medicine.

[3] Angie DeLille, Minnesota Department of Human Services, Director of Tribal and Urban Indian Relations, in summarizing the need for the waiver, 2025.

[4] Chomilo, N., Grauman, L., Nelson, J., Koehler, M., Corona, D., Villarreal, L, (2024). *Pathways to Racial Equity in Medicaid: Improving the Health and Opportunity of American Indians in Minnesota.* Minnesota Department of Human Services. Publication DHS-8209C-ENG 12-24 or http://edocs.dhs.state.mn.us/lfserver/Public/DHS-8209C-ENG

[5] Ibid. p. 5

Minnesota, but Alaska Natives who meets the eligibility criteria provided in the waiver may receive Traditional Healing services.

## Tribal Nations in Minnesota

Minnesota shares geographic borders with eleven (11) federally recognized American Indian Tribes (Tribes). There are seven Ojibwe (Chippewa) reservations and four Dakota (Sioux) communities. Figure 1 is a state map showing their locations. While the Tribes collaborate on issues of mutual interest, each operates independently as a separate and sovereign Nation having a government-to-government relationship with the United States.

The seven Ojibwe reservations are:

- Gichi-Onigaming/Grand Portage Band of Lake Superior Chippewa
- Zagaakwaandagowininiwag/Bois Forte Band of Chippewa
- Miskwaagamiiwi-Zaagaiganing/Red Lake Nation
- Gaa-waabaabiganikaag/White Earth Nation
- Gaa-zagaskwaajimekaag/Leech Lake Band of Ojibwe
- Nah-gah-chi-wa-nong/Fond du Lac Band of Lake Superior Chippewa
- Misi-zaaga'iganiing/Mille Lacs Band of Ojibwe

The four Dakota communities are:

- Mdewakanton/Shakopee Mdewakanton Sioux Community
- Tinta Wita/Prairie Island Indian Community
- Cansa'yapi/Lower Sioux Indian Community
- Pezihutazizi Oyate/Upper Sioux Community

**Figure 1.**
Map of Federally Recognized Tribal Reservations and Communities within Minnesota borders.

"Approximately 167,400 people in Minnesota identify as American Indian and/or Alaska Native, representing 2.9% of the state's population. About 23% of American Indians in Minnesota live on a reservation, 27% in a county adjacent to a reservation, 22% in Hennepin and Ramsey counties, and 28% in other counties. Many people in the American Indian community move from the reservation to urban communities and back again."[6] Nearly 45% of American Indians live in or near the largest cities in the state, Minneapolis and St. Paul, while just over 55% live in greater Minnesota.[7]

Just under 57,000 Medical Assistance enrollees self-identified as being American Indian or American Indian and a racial group during the period of July 1, 2024, through June 30, 2025.[8] During the same reporting period, there were slightly under 1,396,000 (unduplicated) people enrolled in Medical Assistance.[9]

## Objective and Benefits

The objective for the waiver is to expand culturally appropriate Medical Assistance service options for American Indians by covering Traditional Healing. The long-term benefits of this service are to improve the health and well-being of American Indians living in Minnesota.

Covering Traditional Healing supports a wider acknowledgement of the importance of the service for American Indian Medical Assistance enrollees in helping to address generational trauma. Further, it upholds the federal trust responsibility in a tangible, health-affirming way. Medicaid is often the primary payer for healthcare in Indian Country. If coverage is excluded, it reinforces a system that has historically contributed to trauma and disenfranchisement of the American Indian population residing in Minnesota.

## Tribal Collaboration and State Waiver Legislation

For the last several years, Tribes in Minnesota have sought state authority to have Traditional Healing recognized and covered under Medical Assistance. A significant step toward that goal was realized when the 2025 Minnesota Legislature authorized the Department to seek a Section 1115 waiver to cover Traditional Healing.[10]

The Department coordinates with Tribal leaders through quarterly Tribal and Urban Health Directors meetings that are held jointly with the Minnesota Department of Health. In addition, a workgroup was convened in the fall of 2025 including Department staff and Tribal representatives. The workgroup was formed to inform the Department about the waiver application. Representatives were invited from the

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[6] The Health of American Indian Families in Minnesota: A Data Book. A Summary of Available American Indian Family Health Data. March 28, 2024, page 3.

[7] Minnesota Compass website. Feb. 25, 2026, Native American population - Cultural communities - Minnesota Compass. Operated by Wilder Research.

[8] This represents an unduplicated count of Medical Assistance enrollees in all age groups across eligibility categories for the period of July 1, 2024, through June 30, 2025. The data source in MMIS and was run in October 2025 (state fiscal year 2026).

[9] Ibid.

[10] H.F. 1878, HF 2 Introduction - 94th Legislature, 2025 1st Special Session, Article 8, Sec. 39, page 288.

eleven Tribes and the Urban Indian Organization[11] (UIO) in Minnesota which is also a Federally Qualified Health Center. Attachment A provides a list of the Tribes that were contacted to participate in the workgroup. The UIO was also included. The workgroup has provided valuable feedback about the waiver application and will continue to provide input into the design and implementation of Traditional Healing. More information about Tribal engagement is in Section XI, Tribal Consultation and Public Notice of the application.

# Section II. Service Need and Program Description

In addition to the 11 federally recognized Tribal Nations, Minnesota has a large urban Indian population. Historically, and similar to the experience in other states, American Indians in Minnesota have experienced significant disparities in access to health care services and have poorer health outcomes compared to other populations, particularly compared to their White counterparts. No substantial improvement has been realized despite various policy and program initiatives. This summary of the problem was included in a 2024 report from the Minnesota Department of Health:[12]

> "Data has shown significant disparities affecting American Indians for hundreds of years and the approach was always driven by non-American Indian strategies that haven't improved their health outcomes. We must acknowledge that American Indian people carry cultural knowledge and wisdom that has sustained their communities and nations for generations, and that only through authentic engagement and partnership that supports Tribal sovereignty and leadership will we see change. Mainstream approaches and strategies have not resulted in optimal help."

The impact of generational trauma in the American Indian population is well documented. The U.S. Department of Health and Human Services, Indian Health Service (IHS) manual stated it this way related to covering trauma informed treatment.

> "The IHS acknowledges the role that trauma resulting from violence, victimization, colonization, and systemic racism plays in the lives of American Indian and Alaska Native (AI/AN) populations, specifically AI/AN youth who are two and a half times more likely to experience trauma compared to their non-Native peers" and goes on to say through "trauma-informed policies, practices, and interventions, IHS can enhance its capacity for promoting relational well-being and improving patient outcomes by increasing understanding of the direct and transgenerational impacts traumatic experiences have on a patient's health and how the patient engages in healthcare."[13]

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[11] The Indian Health Board located in Minneapolis (Minnesota's largest city) is the only UIO that currently meets the conditions to provided services under the waiver.

[12] The Health of American Indian Families in Minnesota: A Data Book. A Summary of Available American Indian Family Health Data. March 28, 2024, page 5. The Health of American Indian Families in Minnesota: A Data Book.

[13] Federal Health Program for American Indians and Alaska Natives, Indian Health Manual, Chapter 37, Part 3, Section 3-27 1A, Background. Web based content, March 11, 2026. Trauma Informed Care Program | Mental Health, The Indian Health Manual (IHM) | Indian Health Service (IHS).

Further, the Indian Health Care Improvement Act references traditional health care practices several times and promotes "traditional health care practices of the Indian Tribes served consistent with the Service standards for the provision of health care, health promotion, and disease prevention."[14]

In 2024, the Centers for Medicare & Medicaid Services (CMS) provided information about the importance of Traditional Healing practices to improving the health and well-being of American Indians and Alaska Natives. CMS shared information about the benefits of Traditional Healing during a webinar held in October 2024,[15] including comments about:

- Existing wide use of traditional health care practices across Tribal Nations and over generations.
- Recognizing and supporting the knowledge of Indigenous people to improve access to health services.
- Acknowledging significantly worse health disparities experienced by American Indians and Alaska Natives and how culturally competent care could aid in addressing disparities.

In October 2024, CMS approved coverage of traditional health care services under Section 1115 waivers in Arizona, California, New Mexico, and Oregon. The Traditional Healing services, facilities, and provider standards included in Minnesota's waiver application are consistent with those CMS approved in other states.

In a December 2024 webinar, CMS stated the goals of Traditional Healing Section 1115 demonstrations are to "ensure that we have wide use of traditional health care practices across tribal nations and over generations, and that those can be incorporated into how we close disparities or gaps in disparities in our Medicaid program for American Indians and Alaska Natives."[16] The Traditional Healing services covered under this waiver align with those goals and outcomes.

## Program Description and Furthering Title XIX

Traditional Healing will be available as a service option for eligible American Indians who receive services in authorized settings as described below and who are enrolled in Medical Assistance. Covering this service option furthers the objectives of Title XIX by supporting more appropriate and effective care for American Indian enrollees, which over time, will improve enrollees' overall health and well-being.

The 2024 Department report (mentioned earlier) found that over half of American Indian Medical Assistance enrollees identified that traditional healing practices were "important to their health" and wanted to participate in traditional healing practices more. The report acknowledged that "Traditional Healing practices may be a powerful set of tools to support the health of these members."[17]

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[14] Indian Health Care Improvement Act, Pub. L No. 94-437, § 107(b)(6) (as amended through Nov. 1, 2000), page 20

[15] CMS slide deck "All Tribes Webinar – Traditional Health Care Practices & Section 1115 Demonstrations" Oct. 31, 2024.

[16] CMS recorded presentation "All Tribes Consultation Webinar" Dec. 2, 2024. All Tribes Calls and Webinars | CMS

[17] Chomilo (2024), *supra* note page 16.

Further, the report identified barriers to access including not having enough healers available and a lack of funds to provide adequate compensation for healers.[18] Providing coverage through this Section 1115 waiver would begin to address those barriers to care.

## Service Option

Traditional Healing will be a complementary or alternative service and will not limit, reduce, jeopardize or adversely affect enrollees' access to any other Medicaid services for which they would be otherwise eligible to receive.

Eligible enrollees will be informed of treatment options and recommendations specific to their diagnosis or condition, including conventional-biomedicine treatment options. Facilities will document their respective procedure(s) about these process(es) and will make such documentation available upon request. All Traditional Healing practices billed to Medical Assistance must be documented by providers and specific to the enrollee. All applicable billing documentation must be maintained by the facility and available to the Department upon request.

# Section III. Hypothesis and Evaluation

The state's hypothesis is that American Indian Medical Assistance enrollees will have increased access to Traditional Healing services.

The Department will contract with an independent evaluator and work with the contractor to develop a plan to evaluate the hypothesis. See the summary in Table 1. The evaluation will include validated performance measures that assess the impact of the waiver on access to services and will consider feedback from the Tribal workgroup (described earlier). The Department will submit the evaluation plan to CMS for approval in accordance with CMS' Special Terms and Conditions and will conduct and submit ongoing monitoring reports as required by CMS.

**Table 1: Hypothesis and Measures**

| Hypothesis | Measure | Data Sources |
|---|---|---|
| American Indian Medical Assistance enrollees will have increased access to Traditional Healing services. | Utilization of Traditional Healing services. | Medicaid Management Information System (MMIS) claims for Traditional Healing services and, as applicable, other administrative data. |

# Section IV. Enrollee Eligibility

To be eligible for services covered under the waiver, individuals must be enrolled in Medical Assistance and must meet the Indian Health Service (IHS) definition of American Indian as provided in the *IHS*

[18] Chomilo (2024), *supra* note page 18.

*Indian Health Manual*, Chapter 1, Eligibility for Services, section 2-1.2.[19] The waiver does not alter Medical Assistance eligibility nor does it modify or expand eligibility groups.

## Enrollee Notification

The Department will work with Tribal representatives to identify methods of notifying eligible enrollees of the option to receive Traditional Healing. Department staff plan to contact each Tribe and the UIO to offer assistance with outreach to enrollees once the waiver is approved, or nearing approval. Information about the Medical Assistance coverage will also be posted on the Departments' website, including updates to the state's provider manual. Additionally, as part of the public notice and comment processes, information about the waiver application will be published. See Section XI, Tribal Consultation and Public Notice for more information.

## Coverage

Traditional Healing may be used to address health and wellness needs experienced by eligible American Indians. There are no enrollment limits. Traditional Healing may be covered when provided by any IHS, 638,[20] or UIO facility that is an enrolled Medical Assistance provider. Services provided by these facilities are carved out of the state's managed care coverage (i.e., not included in the state's capitation payments). Offering Traditional Healing to American Indians supports the federal trust responsibilities between the United States and Tribes.[21]

# Section V. Implementation

The Department will engage with Tribal and Urban American Indian partners to co-design service implementation strategies that uphold cultural integrity, protect confidentiality, and reflect community-defined standards of care. The Department hired a staff person whose primary responsibility is to assist Tribal partners with implementation of Traditional Healing. As the State Medicaid agency, the Department will oversee the service oversight requirements including those established in the Special Terms and Conditions issued by CMS.

## Settings, Providers, and Qualifications

Traditional Healing covered under this waiver may only be provided through IHS, 638, and UIO facilities located in Minnesota and enrolled as a Minnesota Health Care Program provider. Individuals providing the Traditional Healing service must be employed or under contract with the enrolled facility. Each Tribe and the UIO will establish provider standards and criteria to evaluate whether an individual is qualified to provide the service, respective to their facility(ies) and their cultural practices. These standards and criteria will be available to the Department upon request. The Traditional Healing service may be

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[19] U.S. Department of Health and Human Services, Indian Health Service, Indian Health Manual, Chapter 1 Eligibility for Services, section 2-1.2.

[20] Authorized under the Indian Self-Determination and Education Assistance Act (ISDEAA) of 1975; Public Law 93-638.

[21] *U.S. Department of Health and Human Services, Indian Health Services* "Basis for Health Services," fact sheet on trust relationship, June 4, 2026.

provided at locations outside of the facilities. This is necessary due to the nature of some practices (e.g., a sweat lodge).

## Practices Covered

Eligible enrollees who elect Traditional Healing services will receive culturally relevant healing practices that promote health and well-being and are specific to the enrollee's presenting need(s). Examples of Traditional Healing practices include, but are not limited to Sweat Lodges, Talking Circles, and Smudging Ceremonies. Some U.S. Department of Veterans Affairs' facilities offer one or more of these services.[22]

The types of established and accepted Traditional Healing services and availability of practitioners varies among Tribes and the UIO. For this reason, each facility will identify the Traditional Healing services offered and will establish processes to assure Medicaid medical necessity requirements are met.

## Implementation

State law directs Traditional Healing to be available effective January 1, 2027, or upon federal approval, whichever is later. Facilities will notify the Department in advance of claiming the service.

Updates to applicable Department manuals and training materials will be available prior to the service being covered. System programming changes to add a claims code for Traditional Healing were completed and require a nominal amount of time to activate. Implementation will be timed as closely as possible to coincide with the waiver approval. Tribes in Minnesota are anxious to proceed with offering the service and the Department will support expedient implementation.

# Section VI. Claiming and Cost Sharing

Claims will be submitted by IHS, 638, and UIO facilities in MMIS, and will include an ICD-10 Diagnostic Code and a code for the Traditional Healing service. Traditional healers (practitioners) are not required to enroll individually as a Minnesota Medicaid Provider. This is to honor and preserve the confidential nature and cultural integrity of the practice(s). Payment for Traditional Healing is limited to one encounter per day, per enrollee. Election of Traditional Healing does not limit access nor reduce coverage for other Medical Assistance services for which the enrollee is eligible.

In accordance with federal law, American Indians are exempt from cost sharing for services covered through this waiver.[23]

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[22] Presentation by Joshua Wear, CMS/NIHP: I/T/U Training, July 10, 2025 https://www.nihb.org/wp-content/uploads/2025/07/09-Joshua-Wear_VA-Tribal-Health.pdf.

[23] Section 1916(j) of the Social Security Act

# Section VII. Rates and Financing / Federal Match

## Payment Rates

The payment rates for Traditional Healing services provided by IHS, 638, and UIO facilities, will be the outpatient, per-visit rate established by the Indian Health Service under Sections 321(a) and 322(b) of the Public Health Service Act as updated annually by the U.S. Department of Health and Human Services, Indian Health Services. This rate is commonly referred to as an All-Inclusive Rate (AIR) or encounter rate.

## Financing / Federal Matching Rate

The services provided under the waiver will be covered by Medicaid. The state will claim federal financial participation (FFP) for Traditional Healing provided to eligible enrollees (as defined in the waiver) when it is provided through an eligible facility (as defined in the waiver). The matching rate will be the state's approved Federal Medical Assistance Percentage (FMAP) that would otherwise apply to the claim pursuant to Section 1905(b) of the Social Security Act.

# Section VIII. Waiver and Expenditure Authority

Table 2 provides the requested waiver and expenditure authorities.

**Table 2: Waiver and Expenditure Authority Requested**

| Title XIX Requirements Waived | |
|---|---|
| Section 1902(a)(1)<br>• Statewideness<br><br>Section 1902(a)(23)<br>• Comparability<br><br>Section 1902(a)(10)(B)<br>• Freedom of Choice | To the extent necessary to allow Medical Assistance coverage of Traditional Healing only when provided through IHS, 638, and UIO facilities identified in the waiver, and only to individuals eligible to receive Medical Assistance services by or through those facilities. |
| **Expenditure Authorities** | |
| Traditional Healing Practices | Expenditures for Traditional Healing received through IHS, 638, and UIO facilities operated by Tribes or Tribal organizations under the Indian Self Determination and Education Assistance Act or UIOs with contracts under Title V of the Indian Health Care Improvement Act by Medicaid beneficiaries who are able to receive services delivered by or through these facilities. |

# Section IX. Projected Enrollment and Budget Neutrality

The waiver includes one Medicaid Expenditure Group (MEG) and applies hypothetical budget neutrality. See Attachment B for the Excel workbook providing detailed projections. Tribal representatives expect significant interest from eligible enrollees to receive and from Tribal facilities to offer Traditional Healing services. The enrollment and budget neutrality projections considered that information along with

available Medicaid data for the Tribal facilities and UIO and phase-in experience for other new Medicaid services, to arrive at the budget neutrality assumptions.

**Service Participation Assumptions.** As stated earlier, just under 57,000 Medical Assistance enrollees self-identified as being American Indian or American Indian and a racial group during the period of July 1, 2024, through June 30, 2025. There are approximately 38,000 enrolled Tribal members living in the geographical regions that are near IHS and 638 facilities. The annual proportion of the 38,000 Tribal members expected to receive Traditional Healing services from IHS and 638 clinics is phased-in over five years, reaching 10% in waiver year five. On a monthly basis this equates to approximately 1,500 people receiving Traditional Healing services monthly in waiver year five, compared to 8,500 average recipients served monthly by the same clinic system from July 2023 to June 2025.

A separate projection is made for Traditional Healing services expected to be provided by the UIO, Indian Health Board in Minneapolis. Given the variety of sources of medical care in the Twin Cities, it was reasonable to project utilization via the UIO facility as a 10% increase (added to the projections for the IHS and 638 facilities). This a based on a rough approximation of the ratio of the numbers of recipients served annually by the UIO compared to the number served by the IHS and 638 facilities.

**Phase-in Assumptions**. The projections have a rapid phase-in to 60% in waiver year two based on the assumption that major parts of the IHS and 638 facility system are already providing some Traditional Healing services and need only to meet the waiver requirements, such as those related to provider qualifications, documentation, and billing. After waiver year two, a gradual increase in service offerings is assumed through waiver year five.

**Service Utilization Assumptions**. For IHS and 638 facilities and the UIO, use of the service is projected at an average of five Traditional Healing services per month for enrollees accessing the service. This compares to an average of three services per month for recipients of conventional biomedical treatment provided through IHS and 638 facilities and just over three services per month (3.3) for the UIO. This allows for the fact that Traditional Healing often involves more frequent sessions (e.g., weekly or bi-weekly) for shorter periods.

**Payment Rate Assumptions**. The 2026 AIR amount of $826 was used as the base and trended at 6.60% for each waiver year. The trend rate was calculated using the AIR history from 2022 to 2026 and is shown in the budget neutrality workbook, Attachment B.

Table 3 provides a summary of the projected enrollment and estimated expenditures for the five-year waiver period; waiver years one through five (WY1-WY5). Refer to the budget neutrality workbook for detailed information about the state's projections, Attachment B.

**Table 3: Enrollment and Per Member Per Month (PMPM) Summary**

| Waiver Year (WY): | WY1 | WY2 | WY3 | WY4 | WY5 |
|---|---|---|---|---|---|
| Average monthly enrollees | 488 | 975 | 1,219 | 1,463 | 1,626 |
| Recipient/enrollee months | 5,852 | 11,704 | 14,631 | 17,557 | 19,507 |
| PMPM Expenditures | $4,547.87 | $4,848.02 | $5,167.99 | $5,509.08 | $5,872.68 |
| Total Expenditures | $26,615,068 | $56,743,326 | $75,610,482 | $96,720,928 | $114,560,566 |

# Section X. Quality Assurance and Monitoring

The Department will contract with an independent vendor to complete the required waiver evaluations and will work with Tribal partners and the vendor to complete an evaluation plan. Following approval of the waiver, the Department will submit the evaluation plan to CMS according to the timelines specified in the Special Terms and Conditions.

# Section XI. Tribal Consultation and Public Notice

## Workgroup

As described earlier, Department staff convened and coordinated a workgroup with Tribal representatives who provided feedback about the waiver application, including general design and implementation considerations and reviewing drafts of the waiver application. Representatives from each Tribe and the UIO were invited and encouraged to participate in the workgroup. Department staff contacted them through in-person meetings, follow-up emails, and calls. See Attachment A for a list of the Tribes that participated in the workgroup.

While all Tribes were supportive of the Traditional Healing coverage and seeking the waiver application, some did not have staff resources to participate in all meetings. The Department provided regular updates to all Tribes involved in the workgroup. Although, the Mdewakanton/Shakopee Mdewakanton Sioux Community is supportive of Medicaid coverage of Traditional Healing, they elected not to be involved in the waiver development process because their members are over the Medicaid income and asset limits, and their facilities generally do not submit claims to Medical Assistance.

A draft of the waiver application was provided to workgroup participants and other involved Tribal representatives on April 6, 2025, for review. This broader group was invited to provide feedback in writing or through listening sessions described below.

## Listening Session

The Department held two listening sessions on April 14, 2026, one in the morning and one in the afternoon to receive feedback on the draft waiver application (provided April 6, 2026). The agenda for each session was the same, but two times were scheduled to provide options for participants to attend. Tribes that participated in the workgroup and others who have been involved in Medicaid coverage of Traditional Healing were invited to participate in the listen sessions.

The Department provided an overview of the waiver application and submission process at the beginning of each listening session. See Attachment C for the slide deck. The goal of the sessions was to provide an opportunity for discussion, and most of the hour-long sessions were focused on the Department receiving feedback from attendees. The listening sessions were separate from and in advance of posting the waiver for public review and holding public hearings. Listening session participants could also attend the public hearings and/or provide written feedback through that process.

## Workgroup feedback

Listening session participants asked some technical questions concerning things such as documentation requirements and provider qualifications. Department policy staff will provide policy direction and

training before the service is implemented and will be available to address questions throughout implementation. In addition, there was one commentor who suggested the state should provide more historical context about traditional healing and include information about some of the current traditional healing programs being offered in Minnesota now. That commentor may provide a letter of support with additional background information.

## Tribal Engagement and Consultation

The Department has ongoing communication with Tribal leaders through formal Tribal and Urban Health Director's meetings held quarterly. The meetings include staff and leadership from the Department and the Minnesota Department of Health. Topics of interest or concern to the Tribes are covered during the meetings. The Department provided status updates about the Traditional Healing waiver during the meetings held each quarter on: August 21, 2025; November 20, 2025; February 26, 2026;[24] and June 11, 2026. See Attachment D for the meeting agendas showing traditional healing was discussed.

Additionally, the Department sent a letter on [placeholder for date] to Tribal Chairs, Tribal Health Directors, Tribal Social Services Directors, the Indian Health Service Area Office Director and the Director of the UIO (Minneapolis Indian Health Board clinic) informing them of the state's intent to submit the waiver application to cover Traditional Healing under Medical Assistance. The letter, sent electronically, provided a link to the waiver application and invited feedback. See Attachment E for a copy of the letter. Paper copies of the waiver application were also made available.

## Public Notice

A notice of the state's intent to submit a waiver application to cover Traditional Healing as a Medicaid waiver service was published on [placeholder – the expected publication date is 7/13/26] in the Minnesota State Register. The notice included information about the 30-day comment period from July 13, 2026, to August 11, 2026 and how to:

- Learn more about the waiver
- Obtain an electronic or paper copy of the waiver application;
- Participate in an in-person or virtual hearing to provide feedback; and
- Submit written feedback.

## Waiver Webpage

The waiver summary (Section 1115 Demonstration Waiver Request Summary) and information, including comment period dates and a link to download a copy of the application, was posted on the Departments' Medicaid Waiver webpage on [placeholder – the documents are expected to be posted on or before 7/2/26]. The webpage also included information about how to:

- Obtain paper copies of the application and attachments
- Provide feedback via public hearings and/or in writing, and
- Participate in the hearings, including the dates, times, and location.

[24] This meeting was originally scheduled for March 12, 2026, but was rescheduled and held earlier.

See Attachments F and G for a copy of the waiver summary and webpage, respectively. The webpage will be updated to include the final waiver application submitted to CMS and to alert web visitors of the upcoming federal comment period that CMS will offer after the waiver application is determined complete. The Department will keep the webpage updated and post documents as required.

## Public Hearings

Two in-person public hearings were held on [placeholder for dates]. Both included an option to participate by video conference and were in two separate locations. The same information was presented by Department staff at each hearing. A brief introduction of the background leading to the planned submission of the Traditional Healing waiver and information about key components of the waiver was shared. See Attachment H for the slide deck. As described earlier, notice of the hearings was posted in the Minnesota State Register and included the dates, locations, and links to additional information about how to participate and how to obtain a copy of the waiver application.

There were [placeholder for number] of which [placeholder for number] participated in-person. The participants represented [placeholder for affiliation].

In general the feedback received fell into [placeholder for number] categories [Placeholder for summary of each category].

# Section XII. Feedback Received

## Tribal Feedback

[Placeholder for summary of feedback and Attachment I letters of support]

## Hearing and General Feedback

[Placeholders for summary of comments and feedback from each hearing; Attachment J the Department's responses].

## State Response

Based on the feedback received the Department [Placeholder for summary of modifications made to application to address comments and/or reasons to not revise, as applicable.]

# Section XIII. Demonstration Administration

The demonstration is managed by the Minnesota Department of Human Services which is also the State Medicaid Agency.

## Contact

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DEPARTMENT OF HUMAN SERVICES

## Tribal Workgroup Engagement Summary

The Minnesota Department of Human Services (DHS) sought broad-based feedback from all federally recognized Tribes in Minnesota about the development of a Traditional Healing Medicaid benefit to be developed under Section 1115 of the Social Security Act, that permits Medicaid demonstration waivers.

Between October 16, 2024 and September 8, 2025, the DHS American Indian and Tribal and Urban Indian Relations Teams engaged in listening sessions with 10 of the 11 Tribal Nations in Minnesota and Indian Health Board (the only eligible Urban Health Organization to provide this benefit, located in Minneapolis). The purpose of the meetings was to discuss the possible development of a Section 1115 Medicaid demonstration waiver for Traditional Healing, including to what extent the service may be used and whether they would be interested in offering the service. The listening sessions were held on (Tribes listed in order of date of contact):

- Oct. 16, 2024 - Zagaakwaandagowininiwag/Bois Forte Band of Chippewa
- Nov. 7, 2024 - Nah-gah-chi-wa-nong/Fond du Lac Band of Lake Superior Chippewa
- Nov. 20, 2024 - Gaa-zagaskwaajimekaag/Leech Lake Band of Ojibwe
- Dec. 11, 2024 - Miskwaagamiiwi-Zaagaiganing/Red Lake Nation
- Jan. 23, 2025 - Gaa-waabaabiganikaag/White Earth Nation
- Apr. 17, 2025 - Tinta Wita/Prairie Island Indian Community
- Apr. 17, 2025 - Pezihutazizi Oyate/Upper Sioux Community
- May 27, 2025 - Cansa'yapi/Lower Sioux Indian Community
- Jun. 3, 2025 - Misi-zaaga'iganiing/Mille Lacs Band of Ojibwe
- Jun. 23, 2025 - Gichi-Onigaming/Grand Portage Band of Lake Superior Chippewa
- Sep. 8, 2025 - Indian Health Board (Urban Indian Organization)

The state law authorizing DHS to request a Section 1115 waiver was passed in June 2024[1]. The law specified that a workgroup of Tribal representatives be convened to provide feedback about the waiver. DHS' American Indian Team contacted Tribes to establish the workgroup between June and September. Ten of the 11 Tribal Nations in Minnesota (listed above) and Indian Health Board designated representatives to attend workgroup meetings. The meetings, scheduled twice a month, began in late September 2025. Most Tribes actively engaged in meetings and the 10 participating Tribes received regular updates.

The Shakopee Mdewakanton Sioux Community was the one federally recognized Tribal Nation that did not participate. They were invited to a listening session and to join the workgroup, but they elected not to participate because the waiver would not apply to their members (i.e., they are not Medicaid enrollees). However, their representatives expressed support and encouraged development of Traditional Healing.

[1] H.F. 1878, HF 2 Introduction - 94th Legislature, 2025 1st Special Session.

HEALTH INSURANCE FLEXIBILITY AND ACCOUNTABILITY DEMONSTRATION COST DATA

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **DEMONSTRATION WITHOUT WAIVER (WOW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS** | | | | | | | | | |
| **ELIGIBILITY GROUP** | **BASE YEAR** | | **DEMONSTRATION YEARS (DY)** | | | | | |
| | | | **SFY 2028** | **SFY 2029** | **SFY 2030** | **SFY 2031** | **SFY 2032** | |
| | **DY 00** | **TREND RATE** | **DY 01** | **DY 02** | **DY 03** | **DY 04** | **DY 05** | **TOTAL WOW** |
| **Hypo 1 - Services** | | | | | | | | |
| **Pop Type:** | | | | | | | | |
| Eligible Member Months | | | 5,852 | 11,704 | 14,631 | 17,557 | 19,507 | $ 69,251 |
| PMPM Cost | | 6.6% | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 | |
| Total Expenditure | | | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |
| **Hypo 2 - Planning and Implementation (Non-Services)** | | | | | | | | |
| **Pop Type:** | | | | | | | | |
| Total Expenditure | | | | | | | | $ - |

**DEMONSTRATION WITH WAIVER (WW) BUDGET PROJECTION: COVERAGE COSTS FOR POPULATIONS**

| ELIGIBILITY GROUP | BASE YEAR DY 00 | TREND RATE | DEMONSTRATION YEARS (DY) DY 01 | DY 02 | DY 03 | DY 04 | DY 05 | TOTAL WW |
|---|---|---|---|---|---|---|---|---|
| **Hypo 1 - Services** | | | | | | | | |
| **Pop Type:** | **Hypothetical** | | | | | | | |
| Eligible Member Months | | | 5,852 | 11,704 | 14,631 | 17,557 | 19,507 | |
| PMPM Cost | | | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 | |
| Total Expenditure | | | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |
| **Hypo 2 - Planning and Implementation (Non-Services)** | | | | | | | | |
| **Pop Type:** | **Hypothetical** | | | | | | | |
| Total Expenditure | | | $ - | $ - | $ - | $ - | $ - | $ - |

**Budget Neutrality Summary**

**HYPOTHETICALS ANALYSIS**

| **Without-Waiver Total Expenditures** | **DEMONSTRATION YEARS (DY)** | | | | | |
|---|---|---|---|---|---|---|
| | **DY 01** | **DY 02** | **DY 03** | **DY 04** | **DY 05** | **TOTAL** |
| **Hypo 1 - Services** | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |
| **Hypo 2 - Planning and Implementation (Non-Services)** | $ - | $ - | $ - | $ - | $ - | $ - |
| **TOTAL** | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |

| **With-Waiver Total Expenditures** | **DEMONSTRATION YEARS (DY)** | | | | | |
|---|---|---|---|---|---|---|
| | **DY 01** | **DY 02** | **DY 03** | **DY 04** | **DY 05** | **TOTAL** |
| **Hypo 1 - Services** | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |
| **Hypo 2 - Planning and Implementation (Non-Services)** | $ - | $ - | $ - | $ - | $ - | $ - |
| **TOTAL** | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 | $ 370,250,371 |

| | | | | | | |
|---|---|---|---|---|---|---|
| **HYPOTHETICALS VARIANCE** | $ - | $ - | $ - | $ - | $ - | $ - |

Instructions: Please complete Table 1 to provide supporting information demonstrating how the proposed per member per month limit was established. When completing the table: 1. Include the facilities and pre-release services that the state is proposing to include in its Reentry Initiative; 2. Indicate the year of Medicaid rates used (most recent); 3. To calculate the single blended PMPM, use a weighted formula based on percent of population in each facility type.

*Table 1: Projected Costs by Pre-Release Service Per Member*

| Facility Type | Pre-Release Service | Medicaid Rate* | Monthly Utilization | Monthly Total |
|---|---|---|---|---|
| **Prisons** | Case Management | | | $0 |
| | Medication Assisted Treatment (MAT) Services | | | $0 |
| | Practitioner Office Visit | | | $0 |
| | Diagnostic Services | | | $0 |
| | Additional Prescribed Drugs and Medication Administration | | | $0 |
| | Treatment for Hepatitis C | | | $0 |
| | Treatment for HIV | | | $0 |
| | Treatment for TB | | | $0 |
| | Treatment for Other Conditions | | | $0 |
| | Medical Equipment and Supplies | | | $0 |
| | Family Planning Services and Supplies | | | $0 |
| | Services Provided by Community Health Workers | | | $0 |
| | Peer Support Services | | | $0 |
| | Other (specify) | | | $0 |
| | | | **PMPM for Prisons** | $0 |
| **Jails** | Case Management | | | $0 |
| | Medication Assisted Treatment (MAT) Services | | | $0 |
| | Practitioner Office Visit | | | $0 |
| | Diagnostic Services | | | $0 |
| | Additional Prescribed Drugs and Medication Administration | | | $0 |
| | Treatment for Hepatitis C | | | $0 |
| | Treatment for HIV | | | $0 |
| | Treatment for TB | | | $0 |
| | Treatment for Other Conditions | | | $0 |
| | Medical Equipment and Supplies | | | $0 |
| | Family Planning Services and Supplies | | | $0 |
| | Services Provided by Community Health Workers | | | $0 |
| | Peer Support Services | | | $0 |
| | Other (specify) | | | $0 |
| | | | **PMPM for Jails** | $0 |
| **Youth Correctional Facilities** | Case Management | | | $0 |
| | Medication Assisted Treatment (MAT) Services | | | $0 |
| | Practitioner Office Visit | | | $0 |
| | Diagnostic Services | | | $0 |
| | Additional Prescribed Drugs and Medication Administration | | | $0 |
| | Treatment for Hepatitis C | | | $0 |
| | Treatment for HIV | | | $0 |
| | Treatment for TB | | | $0 |
| | Treatment for Other Conditions | | | $0 |
| | Medical Equipment and Supplies | | | $0 |
| | Family Planning Services and Supplies | | | $0 |
| | Services Provided by Community Health Workers | | | $0 |
| | Peer Support Services | | | $0 |
| | Other (specify) | | | $0 |
| | | | **PMPM for Youth Correctional Facilities** | $0 |
| **Tribal Correctional Facilities** | Case Management | | | $0 |
| | Medication Assisted Treatment (MAT) Services | | | $0 |
| | Practitioner Office Visit | | | $0 |
| | Diagnostic Services | | | $0 |
| | Additional Prescribed Drugs and Medication Administration | | | $0 |
| | Treatment for Hepatitis C | | | $0 |
| | Treatment for HIV | | | $0 |
| | Treatment for TB | | | $0 |
| | Treatment for Other Conditions | | | $0 |
| | Medical Equipment and Supplies | | | $0 |
| | Family Planning Services and Supplies | | | $0 |
| | Services Provided by Community Health Workers | | | $0 |
| | Peer Support Services | | | $0 |
| | Other (specify) | | | $0 |
| | | | **PMPM for Tribal Correctional Facilities** | $0 |
| | | | | |
| | | | **Total PMPM for All Facility Types (Blended)** | |

*Base year period: [enter dates in cell to the right]

Instructions: Please provide the source of projected costs (Table 2) and funding recipient (Table 3) information. States must perform a needs assessment to inform projected costs. Only include costs for state relevant categories.

*Table 2: Projected Non-Services Funding by Category*

| Category | Proportion of Facilities Anticipated to Require Support | Cost |
|---|---|---|
| Technology and IT Services | | |
| Hiring of Staff and Training | | |
| Adoption of Certified Electronic Health Record Technology | | |
| Purchase of Billing Systems | | |
| Development of Protocols and Procedures | | |
| Additional Activities to Promote Collaboration | | |
| Planning focused on developing processes and information sharing protocols | | |
| Other activities to support a milieu appropriate for provision of pre-release services | | |
| | **Total Computable** | **$0** |

Instructions: Please provide the source of projected costs (Table 2) and funding recipient (Table 3) information. States must perform a needs assessment to inform projected costs. Please list all facility types, and only those facilities that the state plans to support with Planning and Implementation funding.

*Table 3: Funding Recipients*

| **Type of Facility** | Description | **Number of Facilities** |
|---|---|---|
| Correctional | State prisons | |
| | County or city jails | |
| | Youth correctional facilities | |
| | Tribal correctional facilities | |
| | Other (specify) | |
| Other | Probation offices | |
| | Sheriff's offices | |
| | State Department of Correction (DOC) and Department of Youth Services (DYS) | |
| | Community-based organizations (CBO) | |
| | Other entities as relevant to the needs of justice-involved individuals, including community health centers (CHC) and behavioral health organizations | |

**PRA Disclosure Statement:** The goal of this voluntary template is to expedite CMS' reviews and approvals of states' requests for approval of Medicaid Section 1115 Reentry Demonstration Initiative applications, and to support state implementation planning and related transparency, as outlined in Application Procedures Part 42 CFR Section 431.412.

Under the Privacy Act of 1974 any personally identifying information obtained will be kept private to the extent of the law. According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (CMS-10398). The time required to complete this information collection is estimated to average 10 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

## Traditional Healing Waiver Projections

**IHS and Tribal Clinics Utilization**

The ratio of two rates derived from HIS and tribal clinic utilization data is used to estimate a monthly utilization rate consistent with a supposed annual utilization rate. These rates are calculated against the same tribal population supposed in the projections: **38,000** The two rates are:

| | |
|---|---|
| **Unique annual recipients / Population** | 57.22% |
| **Average monthly recipients / Population** | 22.25% |
| **Ratio of monthly / annual rates** | 38.89% |

Projections are driven by a supposed annual rate, converted to a monthly average utilization rate using this ratio. The monthly average rate is used for the fifth year of waiver projections. The spreadsheet calculated a phase-up to the fifth year rate.

| | |
|---|---|
| Supposed annual rate of recipients / population: | 10.00% |
| Calculated monthly utilization rate: | 3.89% |

| | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---|---|---|---|---|---|
| **Phase-in of monthly utilization rate** | 30% | 60% | 75% | 90% | 100% |
| **Monthly utilization rate per 38,000 population** | 1.17% | 2.33% | 2.92% | 3.50% | 3.89% |
| **Monthly utilization** | 443 | 887 | 1,108 | 1,330 | 1,478 |
| **Annual utilization = Recipient months** | 5,320 | 10,640 | 13,300 | 15,961 | 17,734 |
| **Annual utilization = Unique individuals** | 1,140 | 2,280 | 2,850 | 3,420 | 3,800 |
| **Recipient months per unique invididual** | 4.67 | 4.67 | 4.67 | 4.67 | 4.67 |

**Per Member per Month Cost**

Per member per month cost is estimated based on a projection of the IHS encounter rate, multiplied by a supposed number of paid encounters per monthly average recipient. The corresponding number of paid encounters in IHS and tribal clinic data for FY 2024 and FY 2025 is 3.0.

This projected number of encounters per recipient in the table below is a variable that can be modified.

| | CY 2021 | CY 2022 | CY 2023 | CY 2024 | CY 2025 | CY 2026 |
|---|---|---|---|---|---|---|
| IHS Encounter rate history | $ 519.00 | $ 640.00 | $ 654.00 | $ 719.00 | $ 801.00 | $ 826.00 |
| Average increase 2022 to 2026 (rounded) | 6.60% | | | | | |

| | CY 2026 | CY 2027 | CY 2028 | CY 2029 | CY 2030 | CY 2031 | CY 2032 |
|---|---|---|---|---|---|---|---|
| IHS Encounter rate with 6.6% trend | $ 826.00 | $ 880.52 | $ 938.63 | $ 1,000.58 | $ 1,066.62 | $ 1,137.01 | $ 1,212.06 |

| | FY 2027 | FY 2028 | FY 2029 | FY 2030 | FY 2031 | FY 2032 |
|---|---|---|---|---|---|---|
| Avg. IHS encounter rate by FY with 6.6% trend | $ 853.26 | $ 909.57 | $ 969.60 | $ 1,033.60 | $ 1,101.82 | $ 1,174.54 |
| Paid encounters per recipient month | | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| PMPM waiver cost | | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 |

| **Waiver Formula Summary**<br>**IHS and Tribal Clinics**<br>**Without Indian Health Board** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** |
|---|---|---|---|---|---|
| Member months | 5,320 | 10,640 | 13,300 | 15,961 | 17,734 |
| PMPM | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 |
| Waiver cost | $ 24,195,517 | $ 51,584,842 | $ 68,736,802 | $ 87,928,117 | $ 104,145,969 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Comparison to Current Paid Encounters at IHS and 638 Facilities** | | | | | | | | | |
| | | | | | | | | | |
| To put projections in context, the number of paid encounters implicit in the waiver projections is | | | | | | | | | |
| calculated below and compared with the average total of paid encounters at IHS and 638 providers for | | | | | | | | | |
| FY 2024 and FY 2025. | | | | | | | | | |
| | | | | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** | |
| | | | | | | | | | |
| Projected paid encounters under waiver | | | | 26,601 | 53,202 | 66,502 | 79,803 | 88,670 | |
| | | | | | | | | | |
| Average IHS and 638 paid encounters FY 2024-2025 | | | | 303,416 | 303,416 | 303,416 | 303,416 | 303,416 | |
| | | | | | | | | | |
| Ratio of waiver projection to FY 2024-2025 average | | | | 9% | 18% | 22% | 26% | 29% | |
| | | | | | | | | | |
| | | | | | | | | | |
| **Indian Health Board (IHB) Utilization** | | | | | | | | | |
| | | | | | | | | | |
| Indian Health Board waiver projected utilization is added to the much larger projection for services provided | | | | | | | | | |
| by IHS and tribal clinics. The following ratios reflect the current volume of services provided by the IHB, | | | | | | | | | |
| compared to the larger clinic system: | | | | | | | | | |
| | | | | | | | | | |
| | **Unique Recipients** | | 11.7% | | | | | | |
| | | | | | | | | | |
| | **Recipient Months** | | 7.0% | | | | | | |
| | | | | | | | | | |
| | **Paid Encounters** | | 7.8% | | | | | | |
| | | | | | | | | | |
| Based on this comparison we assume the waiver utilization of services provided by the IHB will be equal to 10% | | | | | | | | | |
| of the projected values for the IHS and tribal clinic system: | | | | | | | | | |
| | | | | | | | | | |
| **Waiver Formula Summary** | | | | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** | |
| **Indian Health Board Segment** | | | | | | | | | |
| | | | | | | | | | |
| Member months | | | | 532 | 1,064 | 1,330 | 1,596 | 1,773 | |
| | | | | | | | | | |
| PMPM | | | | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 | |
| | | | | | | | | | |
| Waiver cost | | | | $ 2,419,552 | $ 5,158,484 | $ 6,873,680 | $ 8,792,812 | $ 10,414,597 | |
| | | | | | | | | | |

With the additiona of IHB utilization, total waiver projections are as follows:

| **Waiver Formula Summary** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** |
|---|---|---|---|---|---|
| **Including Indian Health Board** | **487.68** | **975.37** | **1,219.21** | **1,463.05** | **1,625.61** |
| Member months | 5,852 | 11,704 | 14,631 | 17,557 | 19,507 |
| PMPM | $ 4,547.87 | $ 4,848.02 | $ 5,167.99 | $ 5,509.08 | $ 5,872.68 |
| Waiver cost | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 |

| **Projected Distribution of Funding of Waiver Costs** | | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 2032** |
|---|---|---|---|---|---|---|
| IHS and Tribal Clinics | | | | | | |
| Total | | $ 24,195,517 | $ 51,584,842 | $ 68,736,802 | $ 87,928,117 | $ 104,145,969 |
| Federal share | 98% | $ 23,711,606 | $ 50,553,145 | $ 67,362,066 | $ 86,169,554 | $ 102,063,050 |
| State share | | $ 483,910 | $ 1,031,697 | $ 1,374,736 | $ 1,758,562 | $ 2,082,919 |
| Indian Health Board | | | | | | |
| Total | | $ 2,419,552 | $ 5,158,484 | $ 6,873,680 | $ 8,792,812 | $ 10,414,597 |
| Federal share | 66% | $ 1,596,904 | $ 3,404,600 | $ 4,536,629 | $ 5,803,256 | $ 6,873,634 |
| State share | | $ 822,648 | $ 1,753,885 | $ 2,337,051 | $ 2,989,556 | $ 3,540,963 |
| Total Waiver | | | | | | |
| Total | | $ 26,615,068 | $ 56,743,326 | $ 75,610,482 | $ 96,720,928 | $ 114,560,566 |
| Federal share | | $ 25,308,511 | $ 53,957,745 | $ 71,898,695 | $ 91,972,810 | $ 108,936,684 |
| State share | | $ 1,306,558 | $ 2,785,581 | $ 3,711,787 | $ 4,748,118 | $ 5,623,882 |

DEPARTMENT OF HUMAN SERVICES

Traditional Healing Waiver Request

**Welcome · Gidanamikaagoom · Tanyán Yahi**

The listening feedback session will begin shortly



1

DEPARTMENT OF HUMAN SERVICES

Traditional Healing Waiver Request
Draft Demonstration Waiver

Listening Sessions April 14, 2026



2

## Welcome

- We are here to listen, not to check a box
- We appreciate your interest the Traditional Healing demonstration waiver and taking the time to provide your feedback.
- Thank you for your participation in the workgroup and/or otherwise providing guidance and information used to draft the waiver request.
- Introductions of Department of Human Services (DHS) staff.
  - Micah Nickey, facilitating
  - Jen Sather, Angie DeLille, Chris Renville, Whitney Johnson, Andrea Suker, Michelle Long



3

## Opening

You helped shape this draft through the workgroup. Now we need to know: What did we get right; what improvements can we make; and what would make this work in your communities?



4

## Purpose

- This listening session is to provide feedback about the current draft of the Traditional Healing Demonstration and ask DHS staff questions
- The listening session is focused on discussions with people who have participated in the waiver workgroup or are otherwise engaged in the waiver's development
- All feedback provided will be considered and may lead to revisions to the waiver draft before it is made available for general public review and comment
- As time permits, a brief overview will be provided of the waiver sections, but time will be mostly focused on receiving feedback and responding to questions



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## Agenda

Why This Matters: Traditional healing has always been about spiritual, mental, emotional and physical healthcare. This waiver is about getting Medicaid to recognize that on your terms, not ours.

- Introduction of Section 1115 Demonstration Waivers
- State Authority
- Waiver Title
- Overview of the Draft Waiver by Section
- Sharing Our Thoughts / Talking Circle
- Feedback Options
- Next Steps
- Following Submission to CMS



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## Section 1115 Demonstration Waivers

Section 1115 of the Social Security Act allows states to waive certain Medicaid requirements to permit use of Medicaid funding in ways that are not otherwise allowed. The state must meet the following requirements in the waiver:

- Show that the waiver promotes the objectives of the Medicaid program
- Ensure budget neutrality over the course of the waiver
- Conduct an evaluation and report on the demonstration outcomes based on the waiver's hypothesis and objectives
- Submit ongoing reports
- CMS generally approves 1115 demonstration waivers for a period of five-years which can be renewed for five-year periods; subject to CMS approval.



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## State Authority

- State law was passed in the 2025 Legislative session authorizing DHS to submit a Section 1115 waiver request to CMS. The law also:
  - Required a workgroup be convened to inform the design of the waiver. The workgroup started Sept. 2025
  - Included a January 1, 2027, service start date or after if federal authority is later



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## Waiver Title

- Because the waiver for Traditional Healing is not an addition (amendment) to a current waiver, a waiver title was needed
- Mino Bimaadiziwin-Wičhózani (Mino) was selected as the title because it:
  - Acknowledges the Anishinaabe and Dakota communities who call Minnesota home
  - Honors the cultural significance of the traditional healing to Indigenous people



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- Introduction
  - Tribal Nations and Communities in Minnesota
  - Objective and Benefits
  - Tribal Collaboration and State Waiver Legislation
- Service Need and Program Description
  - Program Description and Furthering Title XIX
  - Service Option – must be a secular alternative
- Hypothesis and Evaluation



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- Enrollee Eligibly
  - Enrollee Notification
  - Coverage
- Implementation
  - Providers and qualifications
  - Practices
  - Implementation
- Claiming and Cost Sharing



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## Overview of Draft by Section, con't

- Rates and Financing / Federal Match
  - Payment rates
  - Financing / Federal Match
- Waiver and Expenditure Authorities
- Quality Assurance and Monitoring



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## Overview of Draft by Section, con't

- Tribal Consultation and Public Notice
  - Workgroup
  - Listening Sessions
  - Workgroup Feedback
  - Tribal Consultation
  - Public Notice
  - DHS Webpage
  - Public Hearings



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## Overview of Draft by Section, con't

- Feeback Received
  - Tribal Feedback
  - Hearing and General Feedback
  - State Response
- Demonstration Administration Workgroup
  - State Medicaid Agency Contact



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## Sharing Our Thoughts / Talking Circle

- Please raise your hand in the Teams option to be recognized and have your microphone turned on. If you wish to put comments in the chat, that is fine too.
- Before providing your feedback or asking a question, please identify whether you represent a tribal facility, enrollee, or an individual practitioner (traditional healer)
  - A general description of the feedback and DHS' response will be included in the waiver application
  - Summary information about participation is expected to be included in the wavier application
  - People's names and specific facilities will not be included in the waiver application, but CMS may ask for this information
- There will be future opportunities to provide comment on a subsequent draft that will be published for general public comment



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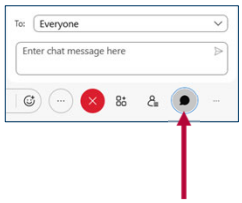
## Feedback Options

- If you submit feedback or questions using the chat feature, please include your name and organization or affiliation.
- If you would only like to show your feedback or question to DHS, in the "to" drop down select Andrea Suker.
- DHS will address comments in the order they are received.



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## Feedback Reminders

Please:

- Raise your hand to have your microphone turned on **or** put your feedback / question in the chat.
  - If you only want DHS to see it, select Andrea Suker.
- Share your name and affiliation (e.g., Medicaid enrollee, Tribal Representative, Traditional Healing practitioner, Tribal facility or UIO, etc.).
- State your comment or question, including any general context, but not any private or sensitive information.
  - If it is submitted only DHS, Andrea or Micah will read it for the group, so all hear the response.



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## Opportunities for Feedback

- As we conclude the Listening Session, the chat function will remain open for an additional ten minutes. If you have additional feedback, you may add it there.
- Otherwise, there will be additional opportunity to provide comment on the draft that is published for public review. The work group will be notified when it is available.



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## Next Steps

DHS staff will:

- Review and consider all feedback
- Revise the waiver application as applicable
- Complete the waiver application sections that are required prior to the Tribal consultation and public comment process
- Address the information received from Tribes and through the public comment process, including feedback provided during the two hearings
- Provide the complete package to be submitted to CMS to the DHS Commissioner and Governor's Office



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## Following Submission to CMS

- CMS will determine whether the application includes all required components
  - This is not a review of content for approval. It is a process step.
- If it is determined complete, CMS will initiate a national comment period
- CMS does not have to respond to the waiver application in a specific timeline
- Generally, once CMS begins its review of a waiver, the state will receive questions which is part of the normal review process
- After negotiation and final CMS approval, CMS will issue Special Terms and Conditions that must be followed to maintain the waiver, including report submissions



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DEPARTMENT OF HUMAN SERVICES

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Miigwech

Thank You

Federal Relations webpage: https://mn.gov/dhs/partners-and-providers/news-initiatives-reports-workgroups/minnesota-health-care-programs/federal-waivers.jsp **OR** go to https://mn.gov/dhs and type "waiver" in the search field to get to the DHS federal health care Medicaid Section 1115 waiver webpage

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DEPARTMENT OF HUMAN SERVICES

# Tribal Health Directors Quarterly Meeting

**Thursday, August 21, 2025 - 9:00 am to 1:00 pm**

## AGENDA

| | |
|---|---|
| 9:00 – 9:15 am | Welcome opening and roll call/networking<br>Angie DeLille, Director of OIP |
| 9:15- 9:30 am | Introductions |
| DHS Agenda Items | |
| 9:30am – 10:30 am | John Connolly, Deputy Commissioner of MN DHS and Medicaid Director |
| 10:30 – 10:45 am | Wrap Up of MN Legislative Session and Next Steps for Implementation<br><br>Patrick Hultman |
| 10:45 – 11:00 am | Status of new MA covered services implementation<br>• Follow-up on "Four Walls" – Provider designation as Clinic vs. FQHC<br>• Traditional Healing<br>• Tribal VA/DD-TCM<br><br>Luke Simonett<br>Lauren Yates |
| 12:00 – 1:00 pm | Lunch Break/Networking |

DEPARTMENT OF HUMAN SERVICES | DIRECT CARE AND TREATMENT

***Tribal and Urban Indian Health Directors Quarterly Meeting***

Zoom meeting
Log-in is in calendar meeting invite

**Thursday, November 20, 2025**
**9:00 am to noon**

**AGENDA**

| | **Topic** | **Presenter/Discussion Facilitator** |
|---|---|---|
| 9:00 a.m. | Roll call, Introductions, and opening remarks | Angie De Lille, Director, Tribal Urban Indian Relations, DHS |
| 9:15 a.m. | Opening remarks | Patrick Hultman, Deputy Medicaid Director |
| 9:30 a.m. | Update on Traditional Healing | Jen Sather, Patrick Hultman |
| 10:15 a.m. | Four Walls Resolution | Leah Montgomery, Manager, Federal Relations, DHS<br>Susan Hammersten, Manager, Health Improvement and Rate Development, DHS |
| 10:45 a.m. | Break | |
| 10:55 a.m. | Updates | Jen Sather, Director, Substance Use Disorders (SUD), Behavioral Health Administration<br>Christine Renville, Supervisor, American Indian SUD Team, Behavioral Health Administration<br>Patrick Hultman |
| 11:10 a.m. | Update from DCT – Olmstead Plan | Eric Adolphson, Transitions and Liaison Director |
| 11:30 a.m. | Discussion – what should DHS do to replace Tribal HSS | Tom Balsley, Director, Housing and Support Services<br>Leah Montgomery |

# DHS and DCT Agenda for Tribal Health Directors' Meeting
# February 26, 2025 – 9:00 a.m. to noon

| Topic | Presenter | Length |
|---|---|---|
| Opening Remarks | John Connolly, DHS Assistant Commissioner | 10 minutes |
| Update on fraud reporting mechanisms in community | James Clark, OIG inspector General | 10 minutes |
| Status update on 4-walls and allowance to get AIR for rehab authorized services | Leah Montgomery, Federal Relations Manager | 20 minutes |
| NEMT Revalidation procedures | Jamie Viger, Provider Eligibility and Compliance Quality Analyst | 20 minutes |
| Status update on Traditional healing | Chris Renville, BHA Manager (Sisseton-Wahpeton Oyate Member), Michaela Seiber, BHA American Indian Team Interim Supervisor (Sisseton-Wahpeton Oyate Member), and Whitney Johnson, Mental Health Policy Lead (Oglala Sioux Tribe Member) | 20 minutes |
| Status of VA/DD-TCM | Jasmine Grika, BHA Tribal collective Team Supervisor (Red Lake/ Cheyanne River Sioux Member) | 20 minutes |
| Tribal high-cost drug discussion | Tribal Health Directors presentation to DHS Pharmacy Manager Chad Hope | 40 minutes |
| DCT Updates | Crystal Weckert, DCT Tribal Relations Director | 20 minutes |

# DHS Agenda for the Quarterly Tribal Health Directors' Meeting
# June 11, 2025, 9AM-12 PM (virtual and in person at Leech Lake)

| Topic | Presenter | Length |
|---|---|---|
| Opening Remarks<br>Deferral Update<br>Waivers Update | Patrick Hultman, Deputy Medicaid and Federal Relations Director | 30 minutes |
| Pathways Report Update | Dr. Nathan Chomilo, Medical Director | 15 minutes |
| End of Legislative Session Update | Lauren Yates, Federal Relations<br>Leah Montgomery, Federal Relations | 10 minutes |
| Status update on Traditional healing<br>Tribal High-Cost Drug Update | Chris Renville, BHA Manager (Sisseton-Wahpeton Oyate Member)<br>Whitney Johnson, Mental Health Policy Lead (Oglala Sioux Tribe Member) | 30 minutes |
| Status update of VA/DD-TCM | Luke Simonett, Tribal VA/DD TCM Manager<br>Leah Montgomery, Federal Relations | 10 minutes |
| Obstetrics Services Billing | Megan Warfield- Kimball, Member Engagement and Outreach Consultant<br>Mallory Cummings, Reproductive Health Benefit Policy Consultant | 20 minutes |
| Four Walls: Under the Direction of a Physician Discussion | Leah Montgomery, Federal Relations<br>Lauren Yates, Federal Relations<br>Bekah Kafenberg-Satre, Tribal Rates | 20 minutes |
| DCT Updates | Crystal Weckert, DCT Tribal Relations Director | 20 minutes |

DEPARTMENT OF HUMAN SERVICES

# Mino Bimaadiziwin-Wičhózani (Mino)
# Section 1115 Demonstration Waiver Request Summary

## Waiver Request Summary

This summary includes general information from the state's Mino demonstration waiver application. It is not the complete application. The full waiver application is available on the Minnesota Department of Human Services' Medicaid waiver webpage and will be submitted to the Centers for Medicare & Medicaid Services (CMS). CMS issues an approval document describing the implementation requirements if the waiver is approved.

### Background

The Minnesota Department of Human Services (Department), in collaboration with American Indian Tribes located in the state, seeks to improve the health outcomes of American Indians by covering Traditional Healing[1] under Medical Assistance, Minnesota's Medicaid program. The 2025 Minnesota Legislature[2] directed the Department to submit a Medicaid demonstration waiver application under section 1115 of the Social Security Act to cover Traditional Healing services.

The Department convened a workgroup of Tribal representatives in September 2025 to provide feedback about the waiver application, including general design and implementation considerations. The waiver title, Mino Bimaadiziwin-Wičhózani (Mino) generally translated means wellness and good health in the Ojibwe (Chippewa) and Dakota (Sioux) languages, respectively; pronounced Me-NO b-MAAZ-da-win -- wee-cho-zah-nee. The Department plans to submit a five-year demonstration waiver request to CMS in August 2026.

American Indian is used throughout the demonstration waiver application to refer to all Indigenous people in Minnesota, including American Indian and Alaska Natives. There is not a federally recognized Alaska Native

[1] Traditional Healing, for purposes of this waiver, is synonymous with traditional health care practices, traditional Indian medicine, and other labels used to describes holistic practices that are deeply rooted in indigenous traditional knowledge and sustained through ongoing cultural tradition.

[2] H.F. 1878, HF 2 Introduction - 94th Legislature, 2025 1st Special Session, Article 8, Sec. 39, page 288.

nation in Minnesota, but Alaska Natives who meets the eligibility criteria provided in the waiver may receive Traditional Healing services.

## Overview

The Mino demonstration waiver would cover Traditional Healing services for eligible American Indians who receive services in authorized settings. Covering this service option furthers the objectives of the Medicaid program (Title XIX) by supporting more appropriate and effective care for American Indian enrollees, which will improve enrollees' overall health and well-being.

The Department undertook a large-scale analysis of the factors contributing to the state's poor health outcomes for Minnesota's American Indian population. The resulting comprehensive report, Pathways to Racial Equity in Medicaid: Improving the Health and Opportunity of American Indians in Minnesota, was published in 2024.[3] The report analyzed data, gathered information from people directly affected, and partnered with members of American Indian communities to summarize action steps. The primary recommendation was to seek Medicaid funding for Traditional Healing.

The report found that over half of American Indian Medical Assistance enrollees identified that traditional healing practices were "important to their health" and wanted to participate in traditional healing practices more. The report acknowledged that "Traditional Healing practices may be a powerful set of tools to support the health of these members." The report also identified barriers to accessing Traditional Healing, including not having enough healers available and a lack of funds to provide adequate compensation for healers. Providing coverage through this demonstration waiver would begin to address those barriers to care.

## Tribal Nations in Minnesota

Minnesota shares geographic borders with eleven (11) federally recognized American Indian Tribes (Tribes). There are seven Ojibwe (Chippewa) reservations and four Dakota (Sioux) communities. While the Tribes collaborate on issues of mutual interest, each operates independently as a separate and sovereign Nation having a government-to-government relationship with the United States. In addition to the Tribal Nations, Minnesota has a large urban Indian population.

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[3] Chomilo, N., Grauman, L., Nelson, J., Koehler, M., Corona, D., Villarreal, L, (2024). *Pathways to Racial Equity in Medicaid: Improving the Health and Opportunity of American Indians in Minnesota.* Minnesota Department of Human Services. Publication DHS-8209C-ENG 12-24 or http://edocs.dhs.state.mn.us/lfserver/Public/DHS-8209C-ENG

The seven Ojibwe reservations are:

- Gichi-Onigaming/Grand Portage Band of Lake Superior Chippewa
- Zagaakwaandagowininiwag/Bois Forte Band of Chippewa
- Miskwaagamiiwi-Zaagaiganing/Red Lake Nation
- Gaa-waabaabiganikaag/White Earth Nation
- Gaa-zagaskwaajimekaag/Leech Lake Band of Ojibwe
- Nah-gah-chi-wa-nong/Fond du Lac Band of Lake Superior Chippewa
- Misi-zaaga'iganiing/Mille Lacs Band of Ojibwe

The four Dakota communities are:

- Mdewakanton/Shakopee Mdewakanton Sioux Community
- Tinta Wita/Prairie Island Indian Community
- Cansa'yapi/Lower Sioux Indian Community
- Pezihutazizi Oyate/Upper Sioux Community

## Objectives

The objective for the Mino demonstration waiver is to expand culturally appropriate Medical Assistance service options for American Indians by covering Traditional Healing. The long-term benefits of this service are to improve the health and well-being of American Indians living in Minnesota. This objective aligns with CMS' goals for section 1115 demonstrations covering Traditional Healing Services.

In a December 2024 webinar, CMS stated the goals of Traditional Healing Section 1115 demonstrations are to "ensure that we have wide use of traditional health care practices across tribal nations and over generations, and that those can be incorporated into how we close disparities or gaps in disparities in our Medicaid program for American Indians and Alaska Natives."[4]

## Service Need

Historically, and similar to the experience in other states, American Indians in Minnesota have experienced significant disparities in access to health care services and have poorer health outcomes compared to other populations, particularly compared to their White counterparts. No substantial improvement has been realized despite various policy and program initiatives. There is a growing body of evidence demonstrating the benefits of

[4] CMS slide deck "All Tribes Webinar – Traditional Health Care Practices & Section 1115 Demonstrations" Oct. 31, 2024.

Traditional Healing to the health and well-being of American Indians and Alaskan Natives, including refences in the Indian Health Care Improvement Act about the benefits of traditional health care practices.

Further, CMS provided information about the importance of Traditional Healing practices to improving the health and well-being of American Indians and Alaska Natives. CMS shared information about the benefits of Traditional Healing during a webinar held in October 2024,[5] including comments about:

- Existing wide use of traditional health care practices across Tribal Nations and over generations.
- Recognizing and supporting the knowledge of Indigenous people to improve access to health services.
- Acknowledging significantly worse health disparities experienced by American Indians and Alaska Natives and how culturally competent care could aid in addressing disparities.

Under the Mino waiver, Traditional Healing will be available as a service option for eligible American Indians who receive services in authorized settings as described below and who are enrolled in Medical Assistance.

## Delivery system and services

### Settings, Providers, and Qualifications

Traditional Healing covered under the demonstration waiver may only be provided through IHS, 638,[6] and Urban Indian Organization (UIO)[7] facilities located in Minnesota and enrolled as a Minnesota Health Care Program provider. Individuals providing the Traditional Healing service must be employed or under contract with the enrolled facility. Each Tribe and the UIO will establish provider standards and criteria to evaluate whether an individual is qualified to provide the service, respective to their facility(ies) and their cultural practices. Facilities are responsible to maintain documentation to support payment claims.

Traditional healers (practitioners) are not required to enroll individually as a Minnesota Medicaid Provider. This is to honor and preserve the confidential nature and cultural integrity of the practice(s). The Traditional Healing service may be provided at locations outside of the facilities. This is necessary due to the nature of some practices (e.g., a sweat lodge).

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[5] CMS slide deck "All Tribes Webinar – Traditional Health Care Practices & Section 1115 Demonstrations" Oct. 31, 2024.

[6] Authorized under the Indian Self-Determination and Education Assistance Act (ISDEAA) of 1975; Public Law 93-638.

[7] The Indian Health Board located in Minneapolis (Minnesota's largest city) is the only UIO that currently meets the conditions to provided services under the waiver. It is also a Federally Qualified Heath Center as designated by the U.S. Health Resources and Services Administration (HRSA).

### Practices Covered

Eligible enrollees who elect Traditional Healing services will receive culturally relevant healing practices that promote health and well-being and are specific to the enrollee's presenting need(s). Examples of Traditional Healing practices include, but are not limited to Sweat Lodges, Talking Circles, and Smudging Ceremonies. The types of established and accepted Traditional Healing services and availability of practitioners varies among Tribes and the UIO. For this reason, each facility will identify the Traditional Healing services offered and will establish processes to assure Medicaid medical necessity requirements are met.

## Implementation

Tribes in Minnesota are anxious to proceed with offering the service and the Department will support expedient implementation. State law directs Traditional Healing services to be available effective January 1, 2027, or upon federal approval, whichever is later. Updates to applicable Department manuals and training materials will be available prior to the service being covered and the Department will work with Tribal representatives to identify methods of notifying eligible enrollees of the service option. Additionally, information about the waiver and coverage will also be posted on the Departments' website following waiver approval.

## Beneficiaries and eligibility

The Traditional Healing services will be available to Medical Assistance enrollees who meet U.S. Department of Health and Human Services, Indian Health Service's (IHS) definition of American Indian as provided in the IHS Indian Health Manual, Chapter 1, Eligibility for Services, section 2-1.2.[8] The waiver does not alter Medical Assistance eligibility nor does it modify or expand eligibility groups. Enrollees' use of Traditional Healing benefits does not limit access nor reduce coverage for other Medical Assistance services for which they may be eligible.

## Claiming and cost-sharing

Fee-for-service claims will be submitted by IHS, 638, and UIO facilities in the Minnesota Medicaid Management Information System (MMIS) and will include an ICD-10 Diagnostic Code and a code for the Traditional Healing service. Services provided by these facilities are carved out of the state's managed care coverage (i.e., not included in the state's capitation payments). Payment for Traditional Healing is limited to one encounter per day, per enrollee.

[8] U.S. Department of Health and Human Services, Indian Health Service, Indian Health Manual, Chapter 1 Eligibility for Services, section 2-1.2.

In accordance with federal law, American Indians are exempt from cost sharing for services covered through this waiver.

## Projected Enrollment and Budget Neutrality

The waiver includes one Medicaid Expenditure Group (MEG) and applies hypothetical budget neutrality. Tribal representatives expect significant interest from eligible enrollees to receive and from Tribal facilities to offer Traditional Healing services. The enrollment and budget neutrality projections considered that information along with available Medicaid data for the Tribal facilities and UIO and phase-in experience for other new Medicaid services, to arrive at the budget neutrality assumptions. Refer to the Budget Neutrality workbook on the Department's Medicaid waiver web page for additional information about projected enrollment and costs.

### Service Participation Assumptions

There are approximately 38,000 enrolled Tribal members living in the geographical regions near IHS and 638 facilities. The annual proportion of the 38,000 Tribal members expected to receive Traditional Healing services from IHS and 638 clinics is phased-in over five years, reaching 10% in waiver year five.

A separate projection is made for Traditional Healing services expected to be provided by the UIO, Indian Health Board in Minneapolis and is projected to account for a 10% increase (added to the projections for the IHS and 638 facilities). This a based on a rough approximation of the ratio of the numbers of recipients served annually by the UIO compared to the number served by the IHS and 638 facilities.

### Phase-In Assumptions

The enrollment and budget neutrality projections have a rapid phase-in to 60% in waiver year two based on the assumption that major parts of the IHS and 638 facility system are already providing some Traditional Healing services and need only to meet the waiver requirements, such as those related to provider qualifications, documentation, and billing. After waiver year two, a gradual increase in service offerings is assumed through waiver year five.

### Service Utilization Assumptions

For IHS and 638 facilities and the UIO, use of the service is projected at an average of five Traditional Healing services per month for enrollees accessing the service. This compares to an average of three services per month for recipients of conventional biomedical treatment provided through IHS and 638 facilities and just over three

services per month (3.3) for the UIO. This allows for the fact that Traditional Healing often involves more frequent sessions (e.g., weekly or bi-weekly) for shorter periods.

### Payment Rate Assumptions

The 2026 All-Inclusive Rate (AIR) amount of $826 was used as the base and trended at 6.60% for each waiver year. IHS sets and publishes the AIR amounts annually. The trend rate was calculated using the AIR history from 2022 to 2026.

The following Table provides a summary of the projected enrollment and estimated expenditures for the five-year waiver demonstration period; waiver years one through five (WY1-WY5).

| **Enrollment and Per Member Per Month (PMPM) Summary** | | | | | |
|---|---|---|---|---|---|
| **Waiver Year (WY):** | **WY1** | **WY2** | **WY3** | **WY4** | **WY5** |
| Average monthly recipients / enrollees | 488 | 975 | 1,219 | 1,463 | 1,626 |
| Recipient / enrollee months | 5,852 | 11,704 | 14,631 | 17,557 | 19,507 |
| PMPM Expenditures | $4,547.87 | $4,848.02 | $5,167.99 | $5,509.08 | $5,872.68 |
| **Total Expenditures** | $26,615,068 | $56,743,326 | $75,610,482 | $96,720,928 | $114,560,566 |

## Financing / Federal Matching Rate

The Department will claim federal financial participation (FFP) for Traditional Healing provided to eligible enrollees when it is provided through an eligible facility. The matching rate will be the state's approved Federal Medical Assistance Percentage (FMAP) that would otherwise apply to the claim pursuant to section 1905(b) of the Social Security Act.

| **Federal and State Share of Costs** | | | | | |
|---|---|---|---|---|---|
| **State Fiscal Year (FY):** | **FY 2028** | **FY 2029** | **FY 2030** | **FY 2031** | **FY 3032** |
| Federal Share | $25,308,511 | $53,957,745 | $71,898,695 | $91,972,810 | $108,936,684 |
| State Share | $1,306,558 | $2,785,581 | $3,711,787 | $4,748,118 | $5,623,882 |
| **Total Expenditures** | $26,615,068 | $56,743,326 | $75,610,482 | $96,720,928 | $114,560,566 |

## Hypothesis and evaluation plan

The state's hypothesis is that American Indian Medical Assistance enrollees will have increased access to Traditional Healing services. The Department plans to measure access through MMIS service utilization data.

The Department will contract with an independent evaluator and work with the contractor to develop a plan to evaluate the hypothesis. The evaluation will include validated performance measures that assess the impact of the waiver on access to services and will consider feedback from the Tribal workgroup (described earlier). The Department will submit the evaluation plan to CMS for approval in accordance with CMS' Special Terms and Conditions and will conduct and submit ongoing monitoring reports as required by CMS.

## Waiver and expenditure authorities

The waiver application requests the following Medicaid requirements to be waived.

| **Title XIX Requirements Waived** | |
|---|---|
| Section 1902(a)(1)<br>• Statewideness<br><br>Section 1902(a)(23)<br>• Comparability<br><br>Section 1902(a)(10)(B)<br>• Freedom of Choice | To the extent necessary to allow Medical Assistance coverage of Traditional Healing only when provided through IHS, 638, and UIO facilities identified in the waiver, and only to individuals eligible to receive Medical Assistance services by or through those facilities. |
| **Expenditure Authorities** | |
| Traditional Healing Practices | Expenditures for Traditional Healing received through IHS, 638, and UIO facilities operated by Tribes or Tribal organizations under the Indian Self Determination and Education Assistance Act or UIOs with contracts under Title V of the Indian Health Care Improvement Act by Medicaid beneficiaries who are able to receive services delivered by or through these facilities. |

## Tribal Consultation

In addition to the on-going feedback provided by the Tribal workgroup, the Department has regular meetings with Tribal leaders. The Tribal and Urban Health Director's meetings are held quarterly with leadership from the Department and the Minnesota Department of Health. Topics of interest or concern to the Tribes are covered during the meetings. The Department provided status updates about the Traditional Healing waiver during the last several meetings: August 21, 2025; November 20, 2025; February 26, 2026; and June 11, 2026.

Additionally, once the draft waiver application is posted publicly, the Department sends a letter to Tribal Chairs, Tribal Health Directors, Tribal Social Services Directors, the Indian Health Service Area Office Director and the Director of the UIO (Minneapolis Indian Health Board clinic) informing them of the state's intent to submit the waiver application to cover Traditional Healing under Medical Assistance. The letter invites comment and feedback on the waiver application. Comments will be accepted from Tribes until 5:00 p.m. on Thursday, August 20, 2026.

### Public comment period and Hearings

The Department invites public feedback on the demonstration waiver application during a 30-day public comment period from July 13, 2026, to August 11, 2026, and hearings will be held on July 21 and 22, 2026. The Department will consider all comments and may revise the application based on feedback.

The waiver application and attachments are available on the Department's Federal Medicaid Waiver webpage: Federal health care waivers with public hearings and comments / Minnesota Department of Human Services. Information about how to submit written comments or participate in a public hearing are also provided on the Department's Federal Medicaid Waiver webpage: Federal health care waivers with public hearings and comments / Minnesota Department of Human Services. The deadline for written public comment is 5:00 p.m. on Friday, August 11, 2026.

The final waiver application will be posted on the Department's webpage when it is submitted to the Center for Medicare & Medicaid Services and will include comments received during the public comment period.

### Waiver Administration

The demonstration waiver will be managed by the Minnesota Department of Human Services which is also the State Medicaid Agency. The contact is: Meg Barry, Medicaid Waiver Manager, Federal Relations, Minnesota Department of Human Services.