



Proposed Rule for the Extension of the 90/10 Matching Rate for Eligibility and Enrollment Systems

Medicaid and CHIP Payment and Access Commission
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Overview

- Need for new systems
- Prior regulations and guidance
- States' use of 90/10 match
- Current proposed rule
- Possible areas for comment

Need for New Systems Prompts Prior Rulemaking

- Pre-Affordable Care Act (ACA), many states were relying on decades-old eligibility systems
- ACA changes to eligibility rules and processes required states to upgrade existing system capabilities or build new systems, for example:
 - Use of modified adjusted gross income (MAGI)
 - Coordination with exchange
 - Reliance on electronic data for eligibility verification and administrative renewals

2011 Rule and Guidance

- 2011 rule allowed for the temporary (until December 31, 2015) matching rate of 90 percent for eligibility and enrollment systems
- Centers for Medicare & Medicaid Services, the Administration for Children and Families, and the U.S. Department of Agriculture guidance provided for a time-limited waiver of the cost-allocation rules that normally require other programs to share with Medicaid in the costs of building integrated eligibility systems

All States Have Used the 90/10 Match

- All 50 states and DC have taken advantage of the higher matching rate
- As of September 30, 2014, reported spending totaled \$1.8 billion, with the federal government spending \$1.6 billion
- Degree of upgrades varied – 34 states built new replacement systems and 17 upgraded existing systems
- Not all system improvements have been completed

Source: U.S. Government Accountability Office (GAO). 2014. *Medicaid: Federal funds aid eligibility IT system changes, but implementation challenges persist.*

Current Proposed Rule Permanently Extends 90/10 Match

- Views the operation of the eligibility and enrollment system as integral to program management
- New conditions tied to match, such as identifying key personnel, developing mitigation plans, and documenting procedures
- Other changes, such as 75 percent matching rate for updates to portions of the system
- CMS also issued a letter to extend the cost allocation waiver through 2018

Possible Areas for Comment

- Eligibility process improvement
- Enhanced data collection and reporting
- Extending administrative capacity



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