



COLORADO

Department of Health Care
Policy & Financing

Department of Health Care Policy and Financing
1570 Grant Street
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AGENCY LETTER

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DIVISION OR OFFICE: Finance Office
SUBJECT AREA: County Finance
SUBJECT: Enhanced Match Funding Information
TYPE: I
APPROVED BY: John Bartholomew

A handwritten signature in red ink, appearing to read 'J. Bartholomew', is written over the 'APPROVED BY' line.

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Purpose:

The purpose of this agency letter is to provide guidance to counties Human Services financial staff in regards to what administrative expenses qualify for the federal enhanced match provided by the implementation of the Affordable Care Act (ACA).

Background:

Effective October 2013, states have been eligible for a 75% federal match on certain Affordable Care Act (ACA) activities related to eligibility processing and determination activities which were previously eligible for a 50% federal match. Centers for Medicare and Medicaid Services (CMS) examined practices under Medicaid Management Information Systems (MMIS) rules for approval of 75% federal match for maintenance and operations in the context of eligibility determinations and confirmed that certain eligibility determination-related costs for specific activities are eligible for 75% federal financial participation (FFP) on an ongoing basis. The Department evaluated historical data of county worker activities and cost pool data in the County Financial Management System (CFMS) and based on this information, the Department worked with counties and Department of Human Services (DHS) to enable codes and modify cost pools within CFMS to allow counties to receive enhanced federal match for certain activities provided in Table 1.1.



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Table 1.1

Eligible for 75/25 Application, On-going Case Maintenance and Renewal*	Eligible for 50/50 Policy, Outreach and Post-eligibility
<ul style="list-style-type: none"> • Intake - Application/data receipt(i) • Acceptance- Edits, verification and resolution of inconsistencies(ii) • Eligibility determination (iii) • Outputs-Issuance of eligibility notices to customer, file updates and transactions to partners(iv) • On-going case maintenance activities, including intake activities related to renewals(v) • Customer service, including call center activities (vi) and out-stationed eligibility worker activities (vii) related to eligibility determination. • Maintenance and Routine Updates, including routine system maintenance, security updates, and other routine maintenance activities related to the Eligibility Determination System. 	<ul style="list-style-type: none"> • Outreach and Marketing – General public outreach, beneficiary education and outreach, including explanation of eligibility policies, program and benefits. • Policy development and research even if related to eligibility determination standards and methodologies • Staff development and training even if related to eligibility determination, except for Operational Readiness training as defined in the response to question 3 below. • Community-based application assistance • Program integrity, including auditing efforts • Appeals of final eligibility system determinations • On-going case maintenance activities, including plan choice/counseling and enrollment • Customer service, including call center activities and out-stationed eligibility worker activities, related to beneficiary education, benefits, plan choice/enrollment, and civil rights complaints.

*Includes line staff, supervisory staff and support staff for the activities listed.

- i. Activities related to receipt of the application or data related to applications.
- ii. Manual and automated edits and verification of data.
- iii. Activities related to assisting the automated eligibility determination system in the evaluation of the edited, verified data to make an eligibility determination.
- iv. Includes the issuance of the eligibility notice to the beneficiary, file updates and all activities related to notification to partners of the decision (e.g. Federally-facilitated Marketplace, SBMs, MCOs, POS, etc.).
- v. Includes receipt of data related to the ongoing-eligibility and maintenance of a beneficiary's eligibility, such as annual renewals, address changes, income changes, household composition changes, etc. and the related steps as described in notes i, ii, iii & iv above.
- vi. Costs of call center staff should be allocated based on the portion of staff time spent performing functions eligible at the 75 percent versus 50 percent FFP levels. Those call center functions related to benefits, general beneficiary education, plan choice and enrollment would only be eligible at the 50 percent FFP level.
- vii. Costs of out-stationed eligibility workers entering eligibility application data also would be eligible for 75 percent FFP. Costs of workers conducting consumer assistance would only be eligible for 50 percent FFP.



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The Department has received questions from counties regarding the enhanced match and the purpose of this letter is to provide written guidance to answer those questions.

Procedure or Information:

The following frequently asked questions (FAQ) is to provide additional guidance to county finance human services staff as to what Medicaid administrative costs are/are not eligible for the enhanced funding.

Are salary expenses for staff performing the following activities for Medicaid eligibility allowed to be submitted for the enhanced match?

- Processing applications
- Ongoing case maintenance
- Eligibility renewal

Yes. These activities are eligible for the enhanced match. In situations where staff work on more than one federal program; all costs must be distributed to the appropriate programs by use of 100% time reporting or through random moment sampling based on the use of designated cost pools. Reports must reflect an after the fact distribution of actual activities performed. Time reporting must be completed at least monthly and account for the total activity for which the employee is compensated. This is identified in the Affordable Care Act: State Resources FAQ dated April 25, 2013.

Are salary expenses for staff performing customer service related to Medicaid eligibility allowed to be submitted for the enhanced match?

It depends. Customer service, including call center activities and out-stationed eligibility worker activities related to eligibility determination are eligible for enhanced match.

However, customer service, including call center activities and out-stationed eligibility worker activities, related to beneficiary education, benefits, plan choice/enrollment, and civil rights complaints are eligible for the 50% match.

Does postage, office supplies, and outreach or marketing expenses related to new Medicaid client enrollment incurred by the county qualify?

No. Postage, office supplies, and marketing outreach materials are eligible for a 50% match only. This is identified in the State Medicaid Manual (SMM) Section 1100 in accordance with Section 1903 (A)(3)(b) of the Social Security Act.

Is the required training (CBMS or other training), and associated expenses (travel, meals, hotel, etc.) that staff must take eligible for the enhanced match?

No. Hours for staff development and training, even if related to eligibility determination, cannot be claimed for the enhanced match. All associated expenses with that training are also not



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eligible for the enhanced match. These expenses are eligible for the 50% match. This is identified in the Affordable Care Act: State Resources FAQ dated April 25, 2013.

Is travel that the county worker does between remote locations to perform eligibility tasks eligible for the enhanced match?

No. Travel costs are eligible for the 50% match. This is addressed in 42 CFR Part 432 Subpart C at 432.50(b) (6).

Does office equipment such as new phones, computers, and office furniture for staff hired to process Medicaid eligibility qualify for the enhanced match?

No. Supplies and equipment used at the County offices are included in an indirect cost pool covering the administration of Medicaid as well as other public programs delivered at these offices. The State Medicaid Manual (SMM) Section 11276.9 states these costs are matched at 50%. You can access the State Medicaid Manual at:

<https://www.colorado.gov/pacific/hcpf/colorado-medicaid-state-plan>

Are eligibility reviews conducted by supervisors at the counties eligible for enhanced match?

Supervisory staff performing verification post eligibility, and that are part of the normally initiated part of a sampling approach, are considered to be program integrity activities and are not eligible for the enhanced match. The State Medicaid Manual (SMM) Section 11276.9 states these costs are part of the Medicaid Eligibility Quality Control program and are matched at 50%.

Supervisor's performing application/data receipt, eligibility determination, on-going case maintenance and renewal activities are eligible for the enhanced match. This is identified in the Affordable Care Act: State Resources FAQ dated April 25, 2013.

If a county has a contract with an external company to digitize case files or a county has purchased a file retention software package, does that qualify for the enhanced match?

No. This is not a direct cost. Other public programs will be covered with the use of these types of services and are not eligible for the enhanced match. Supplies and equipment used at the County offices, and not defined any more specifically, are included in an indirect cost pool covering the administration of Medicaid as well as the other public programs delivered at these offices. The State Medicaid Manual (SMM) Section 11276.9 states that these costs are matched at 50%.

I have a question that is not covered by this FAQ.

Please send any questions regarding enhanced match funding to HCPFaudit@hcpf.state.co.us.



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Contact:

hcpfaudit@hcpf.state.co.us

