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Contact: HHS Press Office  
(202) 690-6343

## **HHS announces new federal support for states to develop and upgrade Medicaid IT systems and systems for enrollment in state Exchanges**

The U.S. Department of Health and Human Services (HHS) today announced two steps to help states assure a simple and seamless enrollment experience for consumers who qualify for Medicaid or who are shopping for health insurance in the Exchanges under the Affordable Care Act.

First, HHS proposed new federal funding that will be available to all states to streamline and upgrade their Medicaid eligibility systems in preparation for the changes resulting from the Affordable Care Act in 2014. Second, HHS announced guidance to help states design and implement the information technology (IT) needed to establish Exchanges. These systems will help enroll people who qualify for Medicaid or the Children's Health Insurance Program (CHIP), tax credits or cost-sharing reductions available through the Affordable Care Act.

These prudent, efficient technology investments will support a simple, coordinated, consumer-oriented system for individuals, families and businesses to sign up for the health insurance plan that they choose. They complement the competitive funding announcement released on October 29, to create cooperative agreements with up to five States to create models for IT infrastructure that all states can use.

As states prepare for 2014, they have requested early guidance and funding assistance for their technology projects, particularly with respect to eligibility and enrollment systems.

"The resources and guidance announced today are an important next step in developing seamless systems of coverage and ensuring effective and efficient implementation of health insurance Exchanges and a modernized Medicaid program," said Cindy Mann, CMS deputy administrator and director for the Center for Medicaid, CHIP and Survey and Certification. "Building a smooth customer experience requires a foundation of integrated eligibility systems for health insurance assistance at both the state and federal levels and the resources and guidance announced today supports this foundation."

"Individuals will seek health care coverage without necessarily knowing whether they are looking for an Exchange plan, a Medicaid or a CHIP plan," said Joel Ario, director of the Office of Health Insurance Exchanges. "Effective and efficient data Exchange between state and federal health programs is critical to achieving this one stop shopping experience and today's guidance establishes the framework and approach that will make this seamless coordination possible."

This announcement includes:

**Federal Funding for Medicaid Eligibility Determination and Enrollment Activities:** A notice of proposed rulemaking has been published in the *Federal Register* that proposes that Medicaid eligibility systems will potentially be eligible for an enhanced federal matching rate of 90 percent for design and development of new systems and a 75 percent federal matching rate for maintenance and operations. This represents a significant increase above the 50 percent match rate currently available for these systems. States must meet a set of performance standards and conditions, including seamless coordination with the Exchanges, in order for their Medicaid technology investments to qualify for the enhanced match. Under the proposed rule, the 90 percent matching rate will be available for eligibility systems until December 31, 2015, and the 75 percent match for such systems will be available beyond that date, assuming the conditions continue to be met. The state Exchange grants will provide 100 percent support for Exchange IT infrastructure and now this 90 percent matching rate will be available for the Exchange-related Medicaid eligibility system changes as well as for those Medicaid system changes not directly related to the Exchanges. The proposed regulation can be accessed at [http://www.ofr.gov/OFRUpload/OFRData/2010-27971\\_PI.pdf](http://www.ofr.gov/OFRUpload/OFRData/2010-27971_PI.pdf)

**New IT Guidance:** CMS and the Office of Consumer Information and Insurance Oversight are issuing initial technical guidance that will help States decide how they will design, develop, and implement new or improved IT systems for the new health insurance Exchanges, Medicaid and CHIP. Further IT guidance forthcoming following continuing collaboration with States. The guidance is available at [http://www.hhs.gov/ociio/regulations/health\\_insurance\\_Exchange\\_info\\_tech\\_sys.html](http://www.hhs.gov/ociio/regulations/health_insurance_Exchange_info_tech_sys.html).

To find the joint guidance or NPRM, go to [www.HealthCare.gov/center/regulations/index.html](http://www.HealthCare.gov/center/regulations/index.html).

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