

Opportunities for Leveraging Federal Matching Funds to Serve Medicaid Populations

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Baseline Stressors for Medicaid Agencies

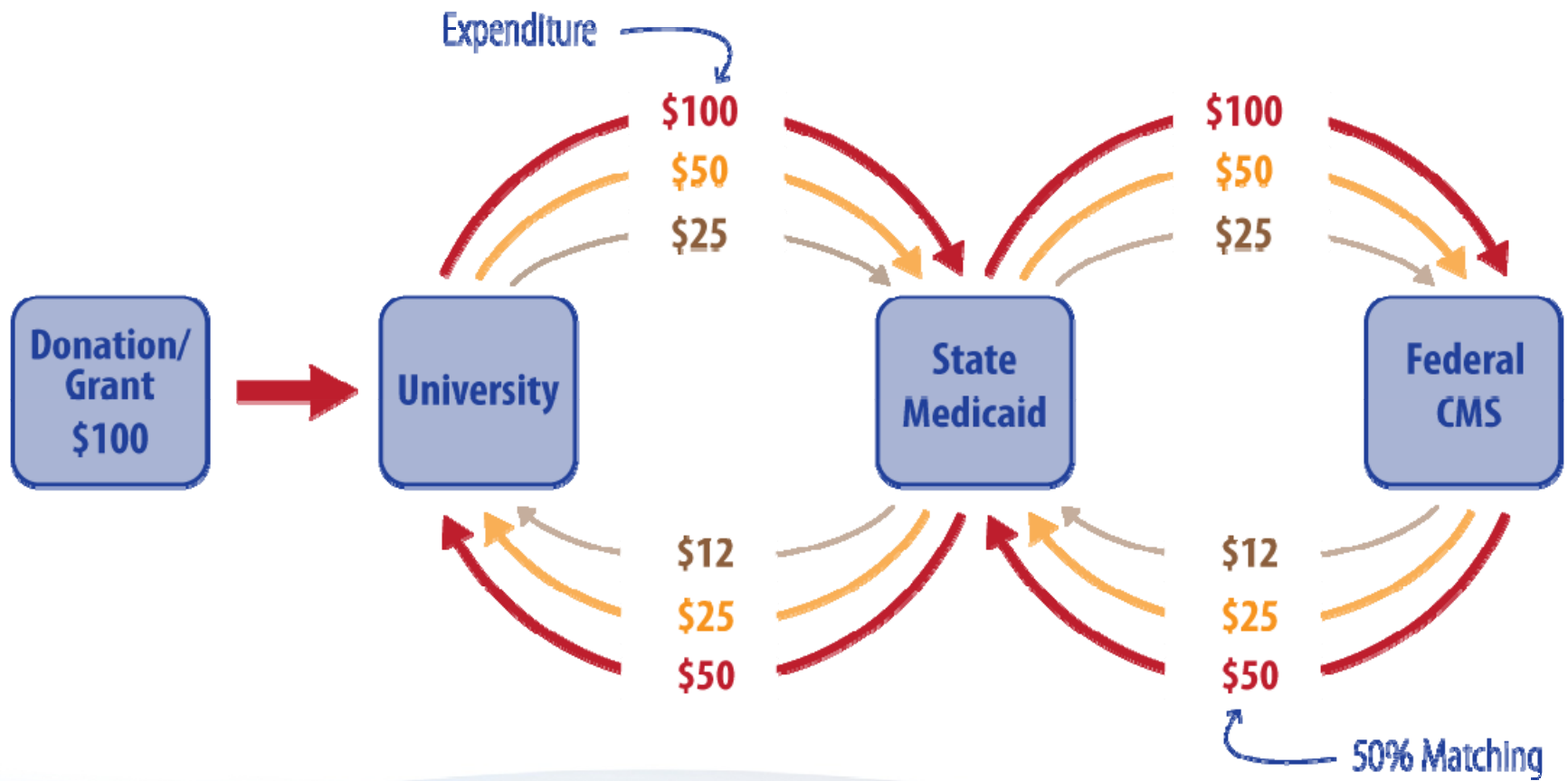
- Administrative budget is always pressured.
- Politically charged environment – Medicaid is often the largest single item in the state budget.
- Staff head counts are often capped.
- Civil service makes it difficult to recruit and retain certain professionals, particularly clinicians.

ACA-related Stressors on Medicaid

- Much of “Obamacare” is predicated on expansion and reform of the Medicaid program.
- ACA also includes a long list of other related Medicaid program updates, reforms and demonstration funding opportunities:
 - National Correct Coding Initiative
 - Primary care rate enhancements
 - Program changes on provider credentialing
 - Eligibility changes
 - Dually eligible beneficiary demonstration program
 - Opportunities initiated by CMMI

Public Universities Can Help

- Vast expertise not resident in the agencies
- Clinical partnerships to test novel ideas, pilot new programs
- Program design and evaluation expertise
- Data analytic capacity



Regulatory Background

- 42 Code of Federal Regulations Part 433.51(b)(c) allows for grant funds to be certified as qualifying state share of Medicaid expenditures.
- State universities are qualified public entities under Medicaid law/regulation and for purposes of claiming FFP.
- Once awarded, FFP dollars are considered state revenues freely available for expenditure at a state's discretion.
- Expenditures made for administrative supports are eligible for FFP at a 50% rate; skilled medical supports may be eligible for a 75% FFP rate.
- Indirect costs, if claimable, are always reimbursed at a 50% rate.

Key Considerations

- Agreement between university and state Medicaid agency confirming Medicaid benefitting purpose related to the grant funds.
- Ability of the university to retain and reinvest FFP that is generated from expenditure of grant funds.
- Grant funds are typically used to provide Medicaid administrative supports and not to provide medical services.
- Grant funds can be used to benefit some people who are not Medicaid eligible but expenditures need to be allocated in such cases to identify the actual Medicaid population served.
- Whether activities are performed by university personnel (allowing for application of indirect costs to expenditures) or are subcontracted to other entities (restricting ability to claim indirect costs).

Thank you!

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