

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



November 18, 2013

Mr. John McCarthy
State Medicaid Director
ODJFS, Office of Ohio Health Plans
30 East Broad Street
Columbus, Ohio 43215

Dear Mr. McCarthy:

Thank you for your letter dated August 16, 2013 requesting that the Centers for Medicare & Medicaid Services (CMS) approve Ohio's Implementation Advance Planning Document update (IAPD-U) for Ohio's Medicaid Eligibility Modernization Project. Ohio's new Integrated Eligibility/Health and Human Services Business Intelligence (IE/HHS-BI) system will simplify Ohio's current eligibility and enrollment systems and implement ACA requirements which will include: the use of a single, streamline application, MAGI eligibility determinations, and tile capability to transfer accounts with the Federally Facilitated Marketplace (FFM). CMS has completed its review of this IAPD-U, including revisions/supplemental information received by the state on September 25, 2013.

Ohio's IAPD-U requests CMS funding as authorized by the Final Rule, CMS-2346-F, published in the Federal Register on April 19, 2011. This rule provides enhanced Federal Financial Participation (FFP) for the design, development, and implementation of Medicaid eligibility determination systems in accordance with the seven standards and conditions available until December 31, 2015. The state seeks approval of **\$56,925,552** for an implementation cycle for Federal fiscal year 2014 (covering the date of this approval letter through September 30, 2014).

CMS approves Ohio's APD, effective on the date of this letter, in accordance with Federal regulations at 42 CFR § 433, subpart C, "Mechanized Claims Processing and Information Retrieval Systems," 45 CFR § 95, subpart F, "Automatic Data Processing Equipment and Services - Conditions for Federal Financial Participation," and 42 CFR § 457.230, "FFP for State ADP expenditures." This approval letter supersedes any previous letters that may have been issued for the approval period noted above.

CMS approves **\$42,605,793** of Medicaid/CHIP FFP for Federal fiscal year 2014, as described in the table in Appendix A. Only actual costs incurred are reimbursable. The state must provide adequate support for all costs claimed in addition to providing detailed records and proper audit trails. The amounts allocated per Federal fiscal year in Appendix A cannot be reallocated between Federal fiscal years, even within the period of this letter's approval, without submission and approval of an IAPD-Update (IAPD-U). Please refer to Federal regulations at 42 CFR § 433 and the State Medicaid Manual Part 11 for specific FFP rates for the variety of activities supporting proper matching rates.

Specifically, please note that commercial off the shelf (COTS) licenses are matched at 75 percent FFP and training is matched at 50 percent FFP.

As noted in our final rule, (CMS–2346–F), states may claim 75 percent FFP for the costs of certain staff time spent on mechanized eligibility determination systems. The above amount \$4,813,500 for 2014 Medicaid eligibility staff positions. In order to be eligible to receive enhanced funding, Medicaid systems must comply with the Medicaid Information Technology Architecture (MITA) Seven Standards and Conditions and have demonstrated readiness on all of the critical success factors for October 1, 2013, with an approved mitigation plan as applicable. Ohio has successfully demonstrated operational readiness and has an approved Day 1 Mitigation Plan. Please note that continued access to the enhanced match for the staff positions, as outlined in the CMS FAQ from April 25, 2013 on Medicaid.gov, is contingent upon the state’s execution of the mitigation plan, verification plan, and transition plan (where applicable) upon the agreed upon timeline.

We will be monitoring progress of the Ohio’s eligibility and enrollment modernization project using the Enterprise Life Cycle (ELC) model. This approach supports the high degree of interaction that will be required between Medicaid, CHIP, and the Health Insurance Exchange, and the use of a shared eligibility service among the programs. Based on the state’s project management plan, CMS will be working with the state to schedule the next Medicaid IT review.

As part of this approval, CMS looks for Ohio’s ability to demonstrate progress towards project milestones, and is requesting monthly status reports and regular monitoring calls. Monthly status reports should include at a minimum the following information:

- Major Project Accomplishments – a description of major project accomplishments since the last report;
- Project Status – an assessment of the current project status compared to the approved APD project schedule including specific reference to all project milestones start and end dates;
- Project Risks/Issues – a description of risks/issues that have or will have an impact on project schedule or content;
- Corrective Action – a plan of action to correct/mitigate any issues identified;
- Funding Summary – a cumulative summary of project costs claimed for FFP by rate of FFP.

Please plan on submitting an APD-U approximately 60 days prior to September 30, 2014 outlining budget and implementation activities for Federal fiscal year 2015 so that the future year’s funding may be approved. In addition, as required under 45 CFR § 95.611, Ohio will need to submit an APD-U if any changes to the project result in a projected cost increase of \$300,000 or 10 percent of the project cost, whichever is less.

As described in regulation at 45 CFR § 95.611 and the State Medicaid Manual Section 11200, Requests for Proposals (RFPs) or contracts that the state procures with funding from the herein approved APD, must be approved by CMS prior to release of the RFP or prior to execution of the contract.

We look forward to working with you as you proceed through the implementation process of your Medicaid eligibility and enrollment modernization project. Please note that all Eligibility and Enrollment (E&E) APDs, RFPs, and contracts should be sent to the dedicated mailbox:

MedicaidE&E_APD@cms.hhs.gov and the cover letter should be addressed to the Division of State Systems (DSS) Division Director. If you have any questions or concerns regarding this letter, please feel free to contact Debbie Dorle of my staff, at 651-290-8576, or by e-mail at debbie.dorle@cms.hhs.gov.

Sincerely,

Jessica P. Kahn
Director, Division of State Systems
Data & Systems Group

Cc:

Christine Gerhardt, CMS
Verlon Johnson
Al Freund
Michelle Baldi
Pam Pope
Robert Yates

Appendix A:

Medicaid Detailed Budget Table
Covers Federal Fiscal Year 2014 (ending September 30, 2014)

| | Medicaid Share (90% FFP) DDI | State Share (10%) | Medicaid Share (75% FFP) DDI (COTS) | State Share (25%) | Medicaid Share (75% FFP) M&O | State Share (25%) | Medicaid Share (75% FFP) M&O E&E Staff | State Share (25%) | Medicaid ENHANCED FUNDING FFP Total | State Share Total | Medicaid ENHANCED FUNDING (TOTAL COMPUTABLE) |
|----------|------------------------------|-------------------|-------------------------------------|-------------------|------------------------------|-------------------|--|-------------------|--|-------------------|--|
| | 28A & 28B† | -- | 28A & 28B† | -- | 28C & 28D† | -- | 28E & 28F† | -- | | | |
| FFY 2014 | | | | | \$36,493,049 | \$12,508,622 | \$4,813,500 | \$1,203,375 | \$41,306,549 | \$13,711,997 | \$55,018,546 |

| | CHIP FFP % | STATE % | CHIP FFP Share | State Share | CHIP Total |
|----------|------------|---------|-----------------------|-------------|-------------|
| | | | 33† | -- | |
| FFY 2014 | 74.51% | 25.49% | \$1,299,244 | \$431,293 | \$1,730,537 |

| | Medicaid ENHANCED FUNDING FFP Total | Medicaid NOT ENHANCED FUNDING FFP Total | CHIP FFP Total | TOTAL FFP | STATE SHARE TOTAL | APD TOTAL (TOTAL COMPUTABLE) |
|----------|-------------------------------------|---|----------------|--------------|-------------------|------------------------------|
| FFY 2014 | \$41,306,549 | | \$1,299,244 | \$42,605,793 | \$14,319,759 | \$56,925,552 |

| †MBES Line Item | |
|-----------------|---|
| 28A | E&E - Title 19 (Medicaid) DDI- In-house Activities |
| 28B | E&E - Title 19 (Medicaid) DDI- Contractors |
| 28C | E&E - Title 19 (Medicaid) Software/Services/Ops- In-house Activities |
| 28D | E&E - Title 19 (Medicaid) Software/Services/Ops- Contractors |
| 28E | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of In-house Activities (staff who makes eligibility determinations) |
| 28F | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of Private Sector (staff who makes eligibility determinations) |
| 28G | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of In-house Activities (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.) |
| 28H | E&E – Title 19 (Medicaid) Eligibility Determination Staff- Cost of Private Sector (staff whose duties are related to eligibility, such as outreach, plan enrollment, etc.) |
| 29 | E&E - Title 19 (Medicaid) Other Financial Participation |
| 33 | E&E - Title 21 (CHIP) Administration |

FFP rates for specific activities and costs can be found at 76 FR 21949, available at <https://federalregister.gov/a/2011-9340>