



Office of the Secretary: Implementation of Increased Medicaid Federal Medical Assistance Percentage (FMAP)

A. Funding Table

(Dollars in Thousands)

Project/Activity	Program Level	FY 2009	FY 2010 – FY 2019
CMS	\$3,450.0	\$1,104.0	\$2,346.0
ACF	1,400.0	546.0	854.0
ASPE	150.0	60.0	90.0
Total Amount	5,000.0	1,710.0	3,290.0

B. Objectives

The purpose of the funds is for implementing section 5001- Temporary Increase of the Federal Medical Assistance Percentage (FMAP) for Medicaid, Foster Care, and Adoption Assistance. Generally, Section 5001 of the Recovery Act provided for an increase in the States' FMAPs during a 9 calendar quarter recession adjustment period beginning October 1, 2008 and ending December 31, 2010. The Recovery Act provides \$5 million to the Office of the Secretary of HHS for implementation of the increased FMAP provision. The Secretary will allocate to the Center for Medicare and Medicaid Services (CMS), the Administration for Children and Families (ACF), and the Office of the Assistant Secretary for Planning and Evaluation (ASPE) for costs associated with implementing the provision on a quarterly basis for FY 2009, FY 2010, and FY 2011.

C. Activities

The following activities will be needed to implement section 5001. For ACF, funds will be needed for staff and overhead (1 full time equivalent or FTE in 2009 & 2010; 0.5 FTE in 2011), IT, grant making (the GATES system), reporting, and PSC Charges. For CMS, funds will be used for the costs of employees working on the implementation of Recovery Act provisions related to Medicaid and SCHIP; for the costs of employees (4 FTE) needed for continued oversight and reporting on the increased FMAP; and to make the systems changes to CMS accounting/payment systems necessary to make the increased FMAP grant awards. CMS has the additional responsibility of working with States to ensure that they meet the requirements of Section 5001(f) (Maintenance of Eligibility) and Section 5001(f)(2) (States Prompt-Pay for Providers). ASPE obtains annual State and National per capita income data and quarterly unemployment data from other Federal agencies in order to calculate the FMAP for each State. Funds will be needed for staff to coordinate the receipt of this information (e.g., BLS for unemployment data). ASPE is also responsible for publishing the rates in the Federal Register. Funds will be needed for the calculations and reporting of adjustments on a quarterly basis (0.25 FTE in each year of ARRA).



D. Characteristics

Section 5007 of the Recovery Act appropriated \$5 million to the Secretary. Funds from the Secretary will be allocated to CMS, ACF, and ASPE for costs of implementation activities.

E. Delivery Schedule

Funds will be allocated to ASPE, CMS, and ACF upon submission and approval of request for funds to carry out Section 5007(b) of the Recovery Act for FY 2009, FY 2010, and FY 2011.

F. Environmental Review Compliance

In general, the use of these funds: (1) mitigates social and environmental impacts; (2) does not include facility construction or alterations of the human environment; and (3) have no anticipated individual or cumulative significant effect on natural or cultural assets.

The environmental impact for acquisition and use of IT and other products and equipment will be mitigated by compliance with criteria described in Executive Order 13423 and the HHS Affirmative Procurement Plan (APP).

The E.O. 13423 requires that preference be given to the purchase of EPEAT-registered electronic products and at least 95 percent of electronic products be EPEAT-registered unless there is no EPEAT standard. When available, the purchase of EPEAT Silver-rated electronic products or higher is required.

The APP has five major objectives: 1) Inform all appropriate HHS employees on the requirements of the Federal green procurement preference programs, their roles and responsibilities relevant to these programs and the opportunities to purchase green products and services; 2) Promote purchase of green products and services to the maximum extent practicable, consistent with the demands of mission, efficiency, cost-effectiveness, and performance with continual improvement toward meeting federally established procurement goals; 3) Reduce the amount of solid and hazardous waste generated; 4) Reduce the consumption of energy and natural resources; and, 5) Expand markets for green products and services.

The distribution of additional funds for FMAP as a result of the Recovery Act is determined to be categorically excluded based on a Category 2.f - "Functional Exclusion: Grants for Social Services" and Category 2.c "Functional Exclusion: Information Technology Management" under Chapter 30-20-30 of the HHS General Administration Manual. .

To fulfill the environmental review process, the program manager under consultation with the DHHS Environmental Program Manager, will document the categorical exclusions through a memorandum to the record.

This activity is funded under the Recovery Act Division B and is not subject to Section 1609(c) reporting requirements.



G. Measures

ASPE, CMS, and ACF will report quarterly on the use of the funds related to the implementation of the increased FMAP. Compliance with the implementation of Section 5001 will be evaluated on a quarterly basis. This will be in addition to the regular quarterly expenditure reporting and will provide specific detail on how the operating divisions are using these funds and ensuring they are meeting all applicable requirements of the Recovery Act.

Output Measure: Number of quarters that the FMAP is calculated and published in the Federal Register in a timely fashion.

Target: Nine quarters.

H. Monitoring and Evaluation

All Recovery Act programs will be assessed for risk and to ensure that appropriate internal controls are in place throughout the entire funding cycle. These assessments will be done consistent with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act, as well as OMB's circular A-123 "Management's Responsibility for Internal Control." In addition, ACF will work on an ongoing basis with the OIG and GAO to coordinate oversight and audit activity.

The recipients organizations involved will provide to ASRT periodic reports of staff work needed to implement the increased FMAP provisions. ASRT will analyze the reports and determine whether the fund allocation is appropriate and adjust it as necessary.

I. Transparency

The Office of the Assistant Secretary for Planning and Evaluation will be open and transparent in all of its Recovery Act expenditures consistent with statutory and OMB guidance.

Quarterly reporting on the use of the funds related to the implementation of the increased FMAP from ASPE, CMS, and ACF.

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, The Office of the Assistant Secretary for Planning and Evaluation will build on and strengthen existing processes. Senior ASPE, CMS, and ACF officials will meet regularly with senior Department officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system will also incorporate Recovery Act program stewardship responsibilities for program and business function managers.

ASPE, CMS, and ACF will continue to use its existing internal control infrastructure to implement this provision. Standard FTE accountability measures will apply to the



use of these funds. To the extent that ASPE, CMS, and ACF find expenditures that are not allowable or in excess of what is needed for implementation, ASPE, CMS, and ACF will initiate recovery of any unallowable funds.

In addition, performance measures associated with the Medicaid FMAP increase and the Title IV-E FMAP increase can be found those respective implementation plans.

K. Barriers to Effective Implementation

Effectively reconciling grant awards requires the cooperation of States.

L. Federal Infrastructure

The agency plans to spend funds effectively to comply with energy efficiency and to demonstrate Federal leadership in sustainability, energy efficiency and reducing the agency's environmental impact. The acquisition and use of IT and other products and equipment will be compliant with criteria described in Executive Order 13423 and the HHS Affirmative Procurement Plan (APP).

The E.O. 13423 requires that preference be given to the purchase of EPEAT-registered electronic products and at least 95 percent of electronic products be EPEAT-registered unless there is no EPEAT standard. When available, the purchase of EPEAT Silver-rated electronic products or higher will be required. The EPEAT is intended to help purchasers in the public and private sectors evaluate, compare and select desktop computers, notebooks and monitors based on their environmental attributes. The EPEAT website is: <http://www.epeat.net/>.

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The HHS Affirmative Procurement Plan (APP) applies to: a) All agency acquisitions, including micro-purchases and purchase card transactions, in which an EPA-designated item is acquired; b) Contractor Operated, Government-owned (GOCO) HHS facilities; and c) State and local recipients of assistance funding. The latest version (April 2009) of the HHS' APP is available from Division of Acquisition Program Support.