



**Center for Medicaid, CHIP, and Survey & Certification**

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***CMCS Informational Bulletin***

DATE: August 18, 2010

FROM: Cindy Mann, Director  
Center for Medicaid, CHIP and Survey and Certification (CMCS)

SUBJECT: FMAP Extension Guidance

CMSO Contact:  
Bill Lasowski (410)786-2003 or via email at [William.Lasowski@cms.hhs.gov](mailto:William.Lasowski@cms.hhs.gov)

Dear Colleagues:

As you know, President Obama signed the Education, Jobs and Medicaid Assistance Act (P.L. 111-226) into law on August 10, 2010. Among other things, the legislation extends the increased Federal Medicaid matching rates (FMAP) under Section 5001 of the American Recovery and Reinvestment Act (ARRA) through June 30, 2011. As a condition of receiving these additional Federal funds for the extension period of January 1, 2011 through June 30, 2011 the Chief Executive Officer of the State must submit a request for those funds within 45 days of enactment, or by September 24, 2010.

Attached is a letter template that Governors may use in making their request for these funds. We urge States to submit this letter as soon as possible to ensure that the certification is received in advance of the deadline. We have also attached a set of specific requirements that were previously made available to States in the context of implementing the FMAP increase made available by ARRA. The Territories are not required to submit any certification.

Questions regarding these requirements or the certification process may be directed to Bill Lasowski, Deputy Director, Center for Medicaid, CHIP and Survey & Certification at 410-786-2003 or via email at [William.Lasowski@cms.hhs.gov](mailto:William.Lasowski@cms.hhs.gov).

Attachments

08/18/10

### **ARRA Conditions Relating to the Receipt of the Use of the Additional Federal Medicaid Funds**

With respect to the additional Federal Medicaid funds made available under Section 201 of Public Law 111-226 for the period January 1, 2011 through June 30, 2011, all of the requirements of Section 5001 of the Recovery Act, as amended, apply. These specific requirements are listed below and described more fully in guidance previously provided by CMS to States:

1. The State shall not apply Medicaid eligibility standards, methodologies, and procedures that are more restrictive than those in effect under the State plan (or any waiver or demonstration project) on July 1, 2008.
2. No amounts attributable (directly or indirectly) to such increased FMAP are deposited or credited to any reserve or rainy day fund of the State. (Section 5001(f)(3) of the Recovery Act).
3. Political subdivisions within the State shall not be required to contribute for quarters beginning October 1, 2008, and ending June 30, 2011, a greater percentage of the non-Federal share of such expenditures (including for expenditures under section 1923 of the Social Security Act (the Act)) than the respective percentage that would have been required under the State Medicaid plan on September 30, 2008. (Section 5001(g)(2) of the Recovery Act). Voluntary contributions by a political subdivision to the non-Federal share of expenditures under the State plan under this title or to the non-Federal share of payments under section 1923 of the Act shall not be considered to be required contributions for purposes of this subsection.
4. The expenditures for which the State draws funds must be eligible expenditures. Expenditures for disproportionate share hospital payments are ineligible as are expenditures that are claimed based on the enhanced FMAP (described in section 2105(b) of the Act), or expenditures that are not paid based on the FMAP. Expenditures for medical assistance provided to individuals made eligible because of increased income eligibility standards that are higher than those in effect on July 1, 2008, are also ineligible for the increased FMAP (Section 5001(e) of the Recovery Act, as amended, and subject to the amendment made by section 201(4) of P.L 111-226).
5. The State is in compliance with prompt payment standards. (Section 5001(f)(2) of the Recovery Act).

The Honorable Kathleen Sebelius  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S. W.  
Washington, D.C. 20201

Dear Secretary Sebelius:

In accordance with Section 201 of Public Law 111-226, I am requesting that the additional Federal Title XIX (Medicaid) and Title IV-E (Foster Care) funds made available under Section 201 of the Public Law be made available to **(Enter State Name)**. I certify that these additional funds, which are available through the extension of Section 5001 of the American Recovery and Reinvestment Act (ARRA) for the period January 1, 2011 through June 30, 2011, will be used in accordance with all applicable requirements under Section 5001 of ARRA as amended.

Sincerely yours,

**(Enter Name of Chief Executive Officer of The State)**

**Date**