

Recovering Funds as Medicaid & CHIP Federal Matching Rates Decrease

Federal matching for two large and vital healthcare programs will be reduced during the upcoming fiscal year. Every state in the U.S. will be affected by one or both of these reductions, leaving many with the need to address potentially significant budget challenges.

All states will experience a decrease in the Federal matching rate for the Children's Health Insurance Program (CHIP), with rates decreasing by 11% this year. Further, more than a dozen states will also see a decrease in the Federal matching rate for Medicaid. With Medicaid being the largest portion of many states' budgets, any decrease in the Federal match rate can create a significant budget gap.

A primary challenge for states is how to maintain the same level of service – perhaps even greater if the Medicaid/CHIP caseload increases or costs of services increase – with less Federal support. One viable approach is to examine state budgets to identify areas that may be eligible for federal matching funds in new areas. The consultants at Solix, Inc. and its subsidiary, Sivic Solutions Group, are experts at helping identify eligible sources of funding to mitigate the loss of federal funds.

To illustrate, if a state were funding a Tobacco Quitline using exclusively state funds, the state could develop a compliant Medicaid claiming protocol to get a portion of the costs reimbursed through Federal Medicaid funds. As a result, the state could obtain Federal matching funds for the appropriate allowable program costs thereby reducing the need to utilize state funds to support the program.

Another example is case management services. To the extent that a case management program provides Medicaid-related services to Medicaid recipients, the costs are reimbursable under Medicaid.

Receipt of such Federal revenue is conditional upon several administrative requirements including an amendment to the state's Public Assistance Cost Allocation Plan (PACAP) and CMS approval.



States are sometimes unaware of the fact that there are opportunities to explore many areas of support from Medicaid and CHIP as well as other Federal funding sources. Of course, it is imperative to ensure strict adherence to and compliance with all relevant Federal rules and requirements.

Analyzing and preparing requests for new Federal revenue initiatives can be laborious but the resulting assistance can help state and local governments recoup funding losses that would have severely affected budgets and services. As your state prepares for the upcoming decreases in Federal matching rates, our consultants can help you identify, design and implement new recovery initiatives to mitigate the lost revenue.

For more information, please call Eric Seguin at 973.581.7676 or E-mail at Eric.Seguin@solixinc.com.

About Solix

Solix connects people to essential programs and services. We are focused on helping government agencies engage and qualify customers for a wide range of public benefit programs that result in the award of more than \$2 billion annually. We are experts at complex program administration including the integration of compliance controls to ensure that the appropriate benefits are received by the appropriate recipients.

Our consulting expertise includes federal revenue claiming under Medicaid, CHIP, TANF, and IV-E; Medicaid school-based billing; and cost allocation system solutions. We offer multilingual customer support; professional project and operations management; process automation; fiscal agent services; and business intelligence reporting and analytics; all of which are enabled by our state-of-the-art technology platforms.

To learn more about us, please visit www.solixinc.com