



Centers for Medicare & Medicaid Services: Extension of Transitional Medical Assistance (TMA)

A. Funding Table

(Outlays in Millions)

Project/Activity	Program Level Estimate	FY 2009 Estimate	FY 2010 Estimate	FY 2011 Estimate	FY 2012 – FY 2019 Estimate
TMA Extension	\$915	\$30	\$480	\$395	\$10

*Cost impacts for this provision are actuarial estimates

B. Objectives

This provision of the Recovery Act provides low-income families with the ability to maintain their Medicaid health care coverage as they transition into employment and increase their earnings. This allows for continued medical care as individuals return to the workforce, which will preserve continuity of care. The Recovery Act provides new options to States to simplify Transitional Medical Assistance (TMA) and make it easier for families to keep TMA's extended Medicaid coverage for a full 12 months after an increase in earnings would make them ineligible for Medicaid. The sunset date for TMA coverage is extended from June 30, 2009 to December 31, 2010.

C. Activities

Implementation of this provision is accomplished through State Medicaid Director's Letter (SMD) and State Plan Amendments. State Plan Amendments are used when a State selects options offered by the Recovery Act related to TMA eligibility requirements. No action from States is required related to the extension of the sunset date for this mandatory Medicaid coverage.

CMS works with States to modify their Medicaid State plans. Guidance for States was issued in the form of a State Medicaid Director letter and guidance from the CMS Regional Offices was issued about the policy changes.

CMS makes grants to States as part of the regular Medicaid grant awards.

D. Characteristics

Awards are made to States. Transitional medical assistance (TMA) is an integral part of a State's Medicaid grant award. As such, TMA overlaps with one or more of the other ARRA provisions affecting Medicaid. Amounts displayed in Section A are based on actuarial estimates of the aggregate Federal cost of extending TMA through December 2010 as provided by section 5004 of the ARRA.

E. Delivery Schedule

CMS issued a letter to State Medicaid Directors explaining the TMA provisions in the Recovery Act on April 6, 2009. Additional guidance related to the data elements to



be reported and the manner and frequency of reporting was issued by each CMS Regional Office to the States in its region.

F. Environmental Review Compliance

The CMS and Department of Health and Human Services are committed to sustainable operations of its activities and facilities through sound environmental stewardship including preferential procurement of environmentally preferred products and electronic stewardship of IT and data center operations.

As programs are developed, CMS will incorporate contract and/or grant language to mitigate the environmental impacts of acquisition of IT and other products and equipment and services and provide guidance to encourage the following:

- A. Green procurement' based on the HHS Affirmative Procurement Plan and similar guidance from the Environmental Protection Agency (EPA) and the President's Council on Environmental Quality (CEQ)
- B. Electronic Stewardship including the use of electronic products that are Energy Star® compliant and Electronic Product Environmental Assessment Tool (EPEAT) Silver registered or higher when available; the activation of Energy Star® features on all equipment, when available; environmentally sound 'end-of-life' management practices (including reuse, donate, sell, or recycle 100% of electronic products;) and best operation and management practices for energy efficient data centers.

G. Measures

Outcome / Achievement	FY 09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	Program End
Number of States streamlining eligibility for the newly employed/1	12	12	12				
Number of people enrolled in Transitional Medical Assistance/2							

/1 Medicaid State plan amendment submissions to implement these options are reviewed by CMS Central Office and Regional Office staff prior to approval. The number of States submitting State Plan Amendments (SPAs) applying the streamlined procedures to their TMA program will be reported.



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The number of approved SPAs are tracked via the State Plan and Waiver database and will be reported quarterly until the first quarter following the expiration of the TMA authority in December 31, 2010, i.e. March 31, 2011. The SPAs will be available publicly via the Electronic-State Plan Amendment (eSPA) system on a gradual basis, as the system is fully implemented

/2 Data for measure 2 will not be available until the end of 2010 due to retroactive eligibility and the lag time for extracting data from the eligibility files in MMIS by the States.

H. Monitoring and Evaluation

The CMS programs are assessed for risk to ensure that appropriate internal controls are in place. These assessments are 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" (including Appendices A, B & C).

CMS' risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team (SAT) ensures that risk assessment objectives are clearly communicated throughout the Department. The CMS has a risk management and Financial Oversight committee, comprised of cross-functional senior leadership, to oversee and manage program implementation, and to address risk across the agency, including risk that impacts financial management. It meets monthly to monitor and assess the effectiveness of mitigation strategies, identify emerging risks and ensure the correction of program weaknesses. The CMS SAT performs an annual assessment in accordance with HHS' guidance regarding OMB circular A-123, Appendix A, Internal Control Over Financial Reporting.

In addition, CMS will present its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act programs and address the obstacles and risks that could impact their success.

The risk could be mitigated in this mandatory eligibility group due to the simplified eligibility requirements. However, CMS will continue to use its existing internal controls to implement these provisions, i.e., CMS will examine actual expenditures claimed for appropriateness within the Medicaid program requirements.

In addition, CMS will work on an ongoing basis with the Office of Inspector General (OIG) to coordinate oversight and audit activity and focus on performance.

I. Transparency

CMS is open and transparent in all of its contracting and grant activities involving Recovery Act funding; the Agency is in compliance with statute and OMB guidance on transparency.



Guidance in the form of a State Medicaid Director's letter is posted online. The implementation of eSPA, a web-based application that will automate the current paper-based Medicaid State Plan amendment process, will make approved Medicaid State plan amendments will be available online.

The Recovery Act requires all States to collect and submit to the Department of Health and Human Services (HHS) and to make publicly available, information on the average monthly enrollment and average monthly participation rates for adults and children covered under TMA. Guidance related to this reporting was issued to States.

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, CMS has built upon and strengthened existing processes. Senior CMS Center for Medicaid, CHIP, and Survey & Certification officials 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 also incorporates Recovery Act program stewardship responsibilities for program and business function managers.

K. Barriers to Effective Implementation

No barriers were identified. States currently operate transitional medical assistance. The Recovery Act reduces requirements rather than adds to them.

L. Federal Infrastructure

Not applicable.

Summary of Significant Changes:

- Updated Section A to reflect estimated FY09 and FY10 outlays.
- Updated Sections F, H and I to reflect updated HHS policies on Environmental Review Compliance, Monitoring and Evaluation, and Transparency.