

Recovery Act (ARRA): Medicaid Grant Award Process (from HHS web site at <http://www.hhs.gov/recovery/fmapprocess.html>)

Under the American Recovery and Reinvestment Act (P.L. 111-5), signed into law by President Obama on Feb. 17, approximately **\$15 billion in grant money will be available immediately** to help States, DC and the Territories meet the health care needs of many of their most vulnerable citizens.

The increase in FMAP, the Federal Medical Assistance Percentage or Federal match for Medicaid funding, will be administered by the Department of Health and Human Services' Centers for Medicare & Medicaid Services (CMS). The **first two quarters of the new funding for FY 2009 will be available to States beginning Wednesday, Feb. 25** and could total approximately \$15.2 billion.

Funding will be made available to the **States based on formulas using either actual spending for the first quarter of 2009 or November 2008 estimates**. The final grant will be determined by calculating the difference between the Federal Medicaid funds using the pre-ARRA 09 FMAPs and the increased ARRA 09 FMAPs.

For the 2nd quarter of FY 09 CMS will use the unadjusted November 2008 Medicaid estimates for each State. Using these numbers CMS will calculate the difference between what the States have submitted in these estimates using the pre-ARRA FY 09 FMAPs and the increased ARRA FY 09 FMAPs.

States will **be required to attest they meet the eligibility requirements to qualify for the new funding**. The FMAP increase will be **available to the States once the compliance is reviewed**. **Four States currently do not meet the eligibility requirements (Virginia, North Carolina, South Carolina and Mississippi) and they have until July 1, 2009 to meet those requirements**.

The funds will be **held in State-specific FMAP accounts designated by the U.S. Treasury and will be deposited into those accounts on Wednesday, Feb. 25**. States will be **required to use a revised Medicaid draw down process** to request the funds from their account and the Treasury will then transfer the actual funds to the State's Medicaid account. The timing and process for that transaction may vary from State to State.

The new Medicaid FMAPs reflect the provisions in Section 5001 of ARRA, not the impact of Section 614 of CHIPRA. Once the Section 614 impacts on the Medicaid FMAPs are determined all of the amounts due to the States will have to be recalculated and additional grant awards issued to those States which are impacted by Section 614 of CHIPRA.