



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

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***CMCS Informational Bulletin***

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**SUBJECT: Recently Released Policy Guidance – CHIPRA and the ACA**

This Informational Bulletin is to inform you of the recent release of three letters to State Medicaid Directors and State Health Officials providing guidance regarding implementation of the Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) and the Affordable Care Act of 2010 (ACA).

**CHIPRA Letters**

On Thursday, July 1, we released two CHIPRA letters that highlighted a new coverage option for lawfully residing immigrant children and pregnant women, and the availability of enhanced federal matching funds to provide translation and interpreter services.

**Medicaid/CHIP Coverage for Lawfully Residing Children and Pregnant Women**

This letter formally provides guidance on the new option that was included in CHIPRA extending coverage to children and pregnant women who are not citizens but who are “lawfully residing” in the United States. Specifically, the letter discusses CMS’s interpretation of the term lawfully residing as noted in section 214 of CHIPRA. This term had not previously been defined, and so CMS will rely on existing immigration regulations that define lawful presence in the United States and follow longstanding Medicaid rules for establishing State residency. The letter describes the groups of children and pregnant women that will be considered to be lawfully residing in the U.S. and who can be eligible for Medicaid and CHIP coverage if the State elects this new CHIPRA option.

To date, twenty-four States have picked up this new State option to cover children and pregnant women. Since the language in the July 1 guidance is slightly different than the Draft Medicaid and CHIP State plan preprints that were provided last fall, we will be working with States to adjust their State plans so that they are consistent with the definition outlined in the letter.

**Increased Federal Matching Funds for Translation and Interpretation Services**

This letter provides guidance on the implementation of section 201(b) of CHIPRA, which provides increased administrative funding for translation or interpretation services provided

under CHIP and Medicaid in connection with enrollment, retention, and use of services for children in families for whom English is not their primary language.

Prior to CHIPRA, States could claim Federal matching funds for translation or interpretation costs as either an administration expense or as a medical assistance-related expense, either at the 50 percent administrative match rate or at a State's regular FMAP rate, depending on how the expenses were claimed. CHIPRA provides an increased FMAP (generally set at 75%) for the provision of these services as long as they are provided within the parameters of the statute. This provision will augment States' ability to enroll, renew, and provide health care services to individuals eligible for or enrolled in Medicaid or CHIP.

### **ACA Letter**

On July 2, 2010, we released a letter implementing two provisions of the ACA regarding family planning eligibility and benchmark benefit rules. Both provisions were effective as of March 23, 2010

#### *Medicaid State Plan Option for Family Planning Services*

Section 2303 of the ACA, *State Eligibility Option for Family Planning Services*, establishes a new Medicaid eligibility group and the option for States to begin providing medical assistance for family planning services and supplies. Under this new option, Federal funding will be available for States to provide coverage under the Medicaid State plan for family planning and family planning-related services and supplies to individuals (men and women) that States could previously offer only through demonstration projects. The guidance lays out examples of family planning-related services and supplies and provides information for States interested in converting their existing section 1115 Family Planning waivers over to the Medicaid State plan.

#### *ACA Changes to Benchmark Plans*

The letter also provides guidance regarding the changes to the benchmark benefit plans that were included in section 2001(c) of the ACA, *Medicaid Coverage for the Lowest Income Populations*. These benefit changes are intended to supplement the information provided in a final rule, published in the Federal Register on April 30, 2010 (see 75 FR 23068). This guidance letter describes sections 2001(c) of the ACA, which adds mental health services and prescription drug coverage to the list of required services that must be included in benchmark-equivalent coverage. In addition, section 2303(c) adds the requirement for States to cover family planning related services and supplies for individuals enrolled in benchmark or benchmark-equivalent coverage.

We hope you will find these guidance letters helpful. We will be continuing to use these Information Bulletins to review guidance that has been issued as well as to inform you of other developments, particularly as they relate to the implementation of the ACA. Our previous Bulletin reviewed the new web portal developed under the ACA. We will be continuing to improve the portal and appreciate any comments and suggestions you may have. Please send your comments to [Carey.Appold@cms.hhs.gov](mailto:Carey.Appold@cms.hhs.gov).

Thank you for your continued commitment to the success of these critical health coverage programs. We look forward to our continued partnership in administering the Medicaid and CHIP programs.