

## Center for Medicaid and CHIP Services

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### Medicaid and CHIP FAQs: Interactions with the Federally Facilitated Marketplace

**Q1: When does CMS need to know states' intention to proceed with the Medicaid expansion for purposes of the Federally-facilitated Marketplace (FFM) build? What if a State adopts the expansion too late to have the change accommodated by the FFM (at least for some period of time); how would the coordination provisions of the law be accommodated?**

**A1:** There is no deadline by which states need to decide on the Medicaid expansion. We understand that there are many considerations involved in this decision, and CMS stands ready to work with states on their individual timetables. Regardless of the expansion, every state that uses the Federally Facilitated Marketplace will need to support coordination between the Medicaid and CHIP programs and the FFM and otherwise comply with the new MAGI rules as well as the application, renewal and verification procedures described in the Medicaid eligibility final rule issued March 23, 2012 (available at <http://www.gpo.gov/fdsys/pkg/FR-2012-03-23/pdf/2012-6560.pdf>). We will be working with each state to ensure that the appropriate business rules are accommodated and tested, and the necessary electronic account handoffs are in place, before the FFM is operational and the new Medicaid rules are in effect. We are continuing to provide more guidance and information on these issues as part of the FFM manual and MOU process as well as through our SOTA calls. We are also establishing a state- to- FFM change process to help manage changes in policies that a state may make over time; a state that decides later to proceed with expansion will be accommodated within that process.

**Q2: How will the Supreme Court Decision affect CMS's ability to ensure other aspects of the law such as those affecting interactions with the Federally-facilitated Marketplace? For example, if a state does not want to exchange electronic accounts with the FFM, what will be required and what, if any, penalties could be imposed?**

**A2:** As previously stated in a letter from the Secretary to the nation's governors, the Supreme Court held that a state may not lose federal funding for its existing Medicaid program if the state chooses not to participate in the expansion of Medicaid eligibility for low-income adults. The Court's decision did not affect other provisions of the law. State Medicaid and CHIP programs will need to coordinate with the Federally-facilitated Marketplace, regardless of a state's decision to proceed with expansion. States will need to be part of the seamless system for people to apply for all coverage programs; and will need to coordinate eligibility with the new insurance affordability programs. These provisions have relevance regardless of whether a state chooses to participate in the expansion for low-income adults.

**Q3: What will be the role of the Federally-facilitated Marketplace (FFM) in reviewing applications from individuals with incomes below 133% of the FPL in states that do not implement the Medicaid expansion?**

**A3:** The FFM's role is the same whether or not a state implements the Medicaid expansion for low-income adults. The FFM will still make MAGI-based determinations or assessments of eligibility for Medicaid and CHIP and will assess eligibility for premium tax credits and cost sharing. The FFM will apply the state's eligibility levels for Medicaid/CHIP when it makes the Medicaid determination or assessment. In addition, as established in the Exchange and Medicaid/CHIP eligibility final rules, the FFM will electronically transfer accounts for individuals who are either determined or assessed as eligible for Medicaid and CHIP (it is a state option whether to have the FFM determine or assess eligibility) for further evaluation/action.

**Q4: How would a state's decision not to expand their Medicaid program's eligibility affect their ability to get information from the federal HUB under a state-based exchange model?**

**A4:** The federal hub will provide data verification services to any state-based exchange and to the Medicaid and CHIP program without regard to whether a state has adopted the low-income adult expansion. Consistent with the regulations issued on March 23, 2012, state Medicaid and CHIP programs must rely on the hub for certain information; this provision applies without regard to whether a state has adopted the Medicaid expansion for low-income adults.

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