



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

A. Funding Table

(Dollars in Millions)

Project/Activity	Program Level	FY 2009	FY 2010 – FY 2019
Extension of TMA	\$915	\$30	\$885

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 will be accomplished through State Medicaid Director's Letter (SMD) and State Plan Amendments. State Plan Amendments will be used if 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 is working with States to modify their Medicaid State plans. Guidance for States is being developed in the form of State Medicaid Director letters about the policy changes.

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

D. Characteristics

Awards will be made to States. The total amount of funds to be made available through these Medicaid provisions is not yet determined. At this time, CMS is unable to specify the annual portions of funding obligated by year.

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 will be issued.

F. Environmental Review Compliance

This provision does not require 1609(c) certification.



G. Measures

1. Measure: Streamlining eligibility for the newly employed.
2. Measure: Number of people enrolled in Transitional Medical Assistance.

NOTE: 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.

Medicaid State plan amendment submissions to implement these options will be 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.

The number of approved SPAs will be 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. 3/31/2010. The SPAs will be available publicly via the Electronic-State Plan Amendment (eSPA) system on a gradual basis, as the system is fully implemented.

H. Monitoring and Evaluation

All Recovery Act programs will be assessed for risk and to ensure that appropriate internal controls are in place throughout the entire funding cycle. These assessments will be 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."

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 will be open and transparent in all of its grant making activities that involve spending of Recovery Act funding consistent with statutory and OMB guidance.

Guidance in the form of a State Medicaid Director's letter will be 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 eSPA system will be phased in during FY2010.

Rules will be promulgated using the standard notice and comment procedures.



Department of Health and Human Services
American Recovery and Reinvestment Act
Improving and Preserving Health Care



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. Measures included in the implementation plan will be reported quarterly and will be made readily available to the public via web postings. Guidance related to this reporting is forthcoming.

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, CMS will build on and strengthen existing processes. Senior CMS Center for Medicaid and State Operations officials will 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 will also incorporate Recovery Act program stewardship responsibilities for program and business function managers. Although the specific factors for managers' plans have not been developed, they will include responsibility for statutorily- required Recovery Act activities.

K. Barriers to Effective Implementation

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

L. Federal Infrastructure

Not applicable.