



Center for Medicaid and CHIP Services

May 22, 2012

Medicaid/CHIP Affordable Care Act Implementation

Answers to Frequently Asked Questions

FMAP

Q1: How does CMS define the term “Expansion State”? Which States are “expansion States”?

A: Under the Affordable Care Act, an Expansion State is one that had eligibility standards for parents and nonpregnant childless adults (under either the State plan or a demonstration project) to at least 100 percent of the FPL as of the date of enactment of the Affordable Care Act. Specifically, a State is an expansion State if, on March 23, 2010, the State offered health benefits coverage Statewide to parents and non-pregnant, childless adults whose income is at least 100 percent of the poverty line, that includes inpatient hospital services, is not dependent on access to employer coverage, employer contribution, or employment and is not limited to premium assistance, hospital-only benefits, a high deductible health plan, or alternative benefits under a demonstration program authorized under section 1938 of the act. A State that offers health benefits coverage to only parents or only non-pregnant childless adults described in preceding sentence will not be considered to be an expansion State; both groups must have been covered as described above.

The law established a special Federal medical assistance percentage (FMAP) for expansion States. Expansion States are able to claim a special FMAP for the non-pregnant childless adults who are not “newly eligible.” These States can also claim the enhanced FMAP for individuals who are “newly eligible” in 2014. CMS is in the process of a 50-State review of State coverage as of March 23, 2010.

Q2: Can a State claim enhanced FMAP for parents in the new adult group?

A: Yes, in order to be eligible for enhanced FMAP for “newly eligible” individuals, an individual must be in the new adult group. The adult group is comprised of individuals that could include parents. Specifically, the group is comprised of individuals described in section 1902(a)(10)(A)(i)(VIII) of the Act who beginning January 1, 2014:

- Are under age 65
- Are not pregnant
- Not entitled to/enrolled for benefits under Medicare (Part A and B)

- Not described in the "(I) to (VII) Groups" (referring to individuals described in section 1902(a)(10)(I) - (VII) of the Act)
- Whose income is determined using MAGI and does not exceed 133% of the FPL

This list does not preclude parents from being in the adult group, but whether the State can claim enhanced FMAP depends on whether the parents are considered “newly eligible”; that is, an individual who is not under 19 years of age (or higher age as the State may have elected) and who is not eligible under the State plan or under a waiver of the plan for full benefits or for benchmark coverage or benchmark equivalent coverage under State rules in effect as of December 2009, or is eligible but would not have been enrolled for such benefits or coverage through a waiver under the plan that has a capped or limited enrollment.

Thus, for any parents who are in the adult group because, for example, their income is greater than the income standard for parents in the State’s parent/caretaker relative group in January 2014, the State will be able to claim enhanced FMAP if they would not have been eligible under the eligibility criteria in effect under the plan or waiver as of December 1, 2009.

Our proposed rules on this definition were issued in August 2011 (available at <http://www.gpo.gov/fdsys/pkg/FR-2011-08-17/html/2011-20756.htm>); final rules are forthcoming. As discussed in the proposed rule, CMS intends to establish a methodology for States to claim enhanced FMAP without having to maintain and apply its December 1, 2009 eligibility rules to each individual.