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Center for Medicaid, CHIP and Survey & Certification

CMCS Informational Bulletin

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SUBJECT: Recent Developments in Medicaid and CHIP Policy

This Informational Bulletin is to provide you a summary of recent activities and guidance to the States related to Medicaid policy and continued efforts to effectively implement CHIPRA and the Affordable Care Act.

This week we have released the CHIPRA Quality State Health Officials letter providing guidance on reporting processes for the initial core set of measures and two *Federal Register* notices, including the final rule containing the methodologies to determine States' CHIP fiscal year allotments through FY 2013 and the proposed rule implementing section 2702 of the Affordable Care Act regarding health care-acquired conditions.

CHIPRA Quality Measures
On February 14, 2011 CMCS released this letter to State Health Officials providing guidance on the implementation of the Children's health Insurance Program Reauthorization Act (CHIPRA) Quality Reporting. The letter includes numerous tools to improve the quality of care provided to children in Medicaid and CHIP, including requiring the HHS Secretary to identify an initial core set of recommended pediatric quality measures for voluntary use by State Medicaid and CHIP Programs. Most States already collect and report quality measures and have done so for years but differences across states limit comprehensive national comparisons on children's quality of care and impede States' ability to evaluate their progress relative to other States. As our next step to actively building the infrastructure needed to assess the quality of care children receive, CMS is releasing additional information on the initial core set of children's health care quality measures published in December 2009. While reporting by States on the initial core measures set is voluntary, these measures represent a major advance toward developing a quality-driven, evidence-based system for measuring children's quality of care. This letter explains the reporting processes for the initial core set of measures and highlights the 11 (of 24) measures on which CMS intends to focus technical assistance in Year One. The letter can be accessed at: http://www.cms.gov/smdl/downloads/SHO11001.pdf.

CHIP Allotment Methodology and FY2011 CHIP Allotments
CMCS is pleased to announce the release of the Final Rule regarding State's FY 2009 through FY 2013 Children's Health Insurance Program (CHIP) allotments, as well as States' FY2011

CHIP Allotments. The Children's Health Insurance Program Reauthorization Act (CHIPRA), enacted on February 4, 2009, and the Affordable Care Act, enacted on March 23, 2010, extended the CHIP through FY 2015. On September 16, 2009, CMS published in the Federal Register a proposed rule which addressed the revised methodologies for determining States' CHIP fiscal year allotments. The final rule containing the methodologies to determine States' CHIP fiscal year allotments through FY 2013 is now displayed in the *Federal Register* and it will be formally published there on February 17, 2011. The regulation text is displayed on the *Federal Register* website at http://www.ofr.gov/OFRUpload/OFRData/2011-03639_PI.pdf until February 17, 2011 at which time it can be found at http://www.access.gpo.gov/su_docs/fedreg/frcont11.html.

Health Care-Acquired conditions

CMCS is also pleased to announce the release of a proposed rule implementing section 2702 of the Affordable Care Act which requires that Medicaid promulgate regulations effective as of July 1, 2011, providing a payment adjustment for health care-acquired conditions (HCAC). Specifically, the Statute directs the Secretary to identify current State practices that prohibit payment for HCAC and incorporate those practices, as appropriate, into Medicaid policy regulations; ensure that the Medicaid HCAC regulations do not impact beneficiary access to care; define the term "health care-acquired condition" in accordance Medicare's inpatient hospital statutory language at 1886(d)(4)(D)(iv); and apply Medicare's provisions regarding the identifiable HAC, excluding any condition identified for non-payment under Medicare that may not be applicable to Medicaid.

Reducing payment for conditions that are largely preventable through evidence-based guidelines is an important tool to both improve care and lower costs. Many states have already done extensive work in this area; there are currently 21 States that already have a nonpayment policy in effect. The proposed rule proposes a definition of HCAC that includes Medicare's current list of HAC as the floor for Medicaid requirements but allows States flexibility in identifying HCAC beyond Medicare's list of HAC. In addition, we have introduced an umbrella term, Provider-Preventable Conditions (PPC) to be defined by two categories; HCAC and "other provider-preventable conditions" (OPPC) that can occur in outpatient hospital, nursing facility, ambulatory care settings, and other healthcare settings. The NPRM proposes that data on HCAC be reported by providers through State claims systems, to facilitate ease of reporting and to develop baseline data to be used by States and CMS in evaluating HCAC policy. This proposed rule is now displayed on the *Federal Register* website at http://www.ofr.gov/OFRUpload/OFRData/2011-03548_PI.pdf until February 17, 2011, at which time it can be found at http://www.access.gpo.gov/su_docs/fedreg/frcont11.html.

I hope you will find this information helpful. Thank you for your continued commitment to the success of these critical health coverage programs.