

**Justification for a Non substantive Change**  
**Quarterly Medicaid and CHIP Budget and Expenditure Reporting for the**  
**Medical Assistance Program, Administration and CHIP**  
**CMS-10529 (OMB 0938-1265)**

CMS requests OMB approval to add routine nonsubstantive lines to the Medicaid Budget and Expenditure System (MBES). The attached Crosswalk sets out the specific changes.

The added reporting lines will not impose any additional burden on states since states are already knowledgeable of the process of claiming expenditures and were previously made aware of where the lines will appear in the MBES system. The lines will be added to existing standard reporting forms (attached) which will require minimal action from states to select the new reporting line from those forms and input the quarterly expenditure amount to be claimed.

#### Need and Legal Basis

On April 1, 2014, the Protecting Access to Medicare Act of 2014 (Public Law 113-93) was enacted. The law included a 2-year “Demonstration Program to Improve Community Mental Health Services” at Section 223 of the Act.

The Act permits states to claim expenditures related to payments made for Certified Community Behavioral Health Clinic services at the enhanced Federal Medical Assistance Percentage (FMAP) equivalent to the standard Children’s Health Insurance Program (CHIP) rate as specified in section 2105(b) of the Social Security Act. Enhanced FMAP applies to expenditures for CCBHC services provided to individuals enrolled in Medicaid, including Medicaid expansion CHIP programs but not separate CHIP programs. Although there is no statutory authority to permit states to claim additional, non-Medicaid expenditures, states may also claim administrative expenditures that support the development and implementation of the demonstration.

The added lines are necessary for accurate reporting of state expenditures that pertain to the four FMAPs that apply to the cost of Section 223 Demonstration services paid fee for service and through managed care:

- (1) For services provided to newly eligible Medicaid beneficiaries enrolled in the New Adult Eligibility Group as described in paragraph (2) of section 1905(y) of the Social Security Act (42 U.S.C. 1396(y)), expenditures are matched at the newly eligible FMAP rate applicable under paragraph (1) of that section.
- (2) For demonstration services provided by CCBHCs that are Indian Health Service or tribal facilities and furnished to American Indian and Alaskan Natives, the expenditures are matched at 100 percent.
- (3) For services provided to targeted low income children in a Children’s Health Insurance Program (CHIP) Medicaid expansion program, expenditures are matched at the enhanced FMAP at section 2105(b), including the 23 percentage point increase in effect October 1, 2015 – September 30, 2019 (please note that these expenditures are also applied against the

state CHIP allotment), unless the state elects not to claim the 23 percentage point increase for that time period.

- (4) For all other services, expenditures are matched at the CHIP enhanced FMAP at section 2105(b), without applying the 23 percentage point increase in effect October 1, 2015 – September 30, 2019.