



---

June 27, 2014

Stephen Fitton  
Medicaid Director  
Michigan Department of Community Health  
400 South Pine Street  
Lansing, MI 48913

Dear Mr. Fitton:

As you know, as the Centers for Medicare & Medicaid Services (CMS) has worked with states on the implementation of changes to Medicaid and CHIP eligibility and enrollment rules and procedures, we identified seven key focus areas for close attention in fulfilling these requirements. Approaching the start of the first open enrollment period, we asked states that were anticipating not being in full compliance with the rules and procedures relating to these core areas, often due to delays in systems functionality, to develop mitigation plans. These were submitted to and approved by CMS. Over time, mitigations adopted by states have been retired as systems functionality and operational capabilities came on line, and some new mitigations have been needed to address newly identified issues (such as when a new systems functionality is not performing adequately or workload volume has necessitated workarounds).

As a reminder, the seven critical success factors are:

- Ability to accept a single, streamlined application;
- Ability to convert existing state income standards to modified adjusted gross income (MAGI);
- Ability to convey state-specific eligibility rules to the Federally-Facilitated Marketplace (FFM), as applicable;
- Ability to process applications based on MAGI rules;
- Ability to accept and send application files (accounts) to and from the FFM, as applicable;
- Ability to respond to inquiries from the Marketplace on current Medicaid or CHIP coverage; and
- Ability to verify eligibility based upon electronic data sources (the Federal Data Services Hub or an approved alternative)

Michigan is meeting all critical success factors, or has mitigations in place which have been approved by CMS, with the exception of the ability to send, receive and process application files (“accounts”) to and from the Federally-Facilitated Marketplace (FFM). During the June 11<sup>th</sup> call with the state and CMS, Michigan shared the status of its account transfer service development.

It was relayed to CMS that the state had concerns with the data quality of the initial set of accounts it tried to process. We investigated the possibility of sending the state another batch of account transfers from more recent application dates, but subsequently shared that this was not technically feasible. It is our understanding that Michigan is exploring a mechanism to receive all of the pending account transfers and be able to sort and prioritize them for processing and that you plan on going into production on July 9, 2014.

We want to acknowledge Michigan's significant progress and ask that you provide an updated mitigation plan that captures your current timetable. Please include your plans for moving into production with account transfers and for staging and processing the over 85,000 pending account transfers that you expect to receive from the FFM. We also ask that you include in your mitigation plan the steps you would take in the event that the July 9<sup>th</sup> target date for production is not met, such as a waiver under section 1902(e)(14) permitting the state to facilitate enrollment using the account transfer "flat file." Should you determine that it would be helpful to rely on flat file enrollment even if production is successful on July 9<sup>th</sup>, as part of a backlog mitigation strategy, please let us know.

As discussed on the June 11<sup>th</sup> call, CMS and Michigan are in agreement on how to move forward, and we remain available to work with you to answer any questions and to provide technical assistance. We ask that you provide CMS, for our review and approval, Michigan's updated mitigation plan within 10 business days of the date of this letter. When the mitigation plan is complete, your staff can upload the required documentation to the state's CALT folder and alert your CMS systems analyst via email that you have done so. We have created a specific Mitigation Plan folder in the Medicaid State Collaborative Community for each state, and previously submitted mitigation plans have been migrated to each state's folder. Please either update the original mitigation plan directly in CALT or upload an addendum to their state specific Mitigation Plan folder. Please find your state's Mitigation Plan folder using this link:

[https://calt.cms.gov/sf/docman/do/listDocuments/projects.medicaid\\_state\\_collaborative\\_com/docman.root.mitigation\\_plans](https://calt.cms.gov/sf/docman/do/listDocuments/projects.medicaid_state_collaborative_com/docman.root.mitigation_plans)

Thank you for your continued work toward meeting these requirements and for all you have done to ensure that eligible Michigan residents are able to promptly enroll in coverage. Please contact Jessica Kahn, Acting Director, Data and Systems Group, at (410)786-9361 if you have any questions.

Sincerely,



Cindy Mann  
Director

cc: Verlon Johnson, Associate Regional Administrator, Region V  
Jess Kahn, Director, Data and Systems Group, CMCS

Page 2 – Mr. Stephen Fitton

Jennifer Ryan, Director, Intergovernmental and External Affairs Group, CMCS

Eliot Fishman, Director, Children and Adults Health Programs Group, CMCS

Anne Marie Costello, Deputy Director, Children and Adults Health Programs Group, CMCS