Efforts to Claim Federal Financial Participation for Quitline Administrative Expenditures: A Review of the Landscape, December 2011

In November, 2011 NAQC administered a survey to U.S. quitline funders to improve understanding of the current focus of state tobacco program efforts to effectively implement the Centers for Medicare & Medicaid Services (CMS) guideline allowing tobacco cessation quitlines as an administrative activity eligible for a 50% Federal Medicaid matching rate. The survey results contained within this report and additional information obtained through targeted follow-up with states provide NAQC and our partners with valuable information that will allow us to develop meaningful, timely tools and resources to support ongoing Medicaid-related efforts. Additionally, we hope that states looking for peer support and guidance will be able to use these results to reach out to states in similar developmental phases or facing similar challenges.

Twenty-four states responded to the survey. However, two surveys were not included in the analysis as they only included responses for the first question (“What state do you represent?”). Email and telephone follow-up was conducted with non-responders in an attempt to build a fuller picture of current Medicaid-related efforts.

Question: Is your state currently claiming Federal financial participation (FFP) for quitline administrative expenditures for Medicaid beneficiaries?

While four states initially answered “yes” to this question in the online survey, after further clarification with responders only three states, Louisiana, North Carolina and Montana are currently claiming FFP. Below are highlights from our findings.

**Formal FFP Agreement**

*Louisiana*

In early 2011, the Louisiana Office of Public Health and the Bureau of Health Services Financing entered into a Memorandum of Understanding (MOU) that facilitates the use of federal funding under the Title XIX Medicaid Program to reimburse eligible costs for the provision of quitline services to Medicaid recipients. To view a copy of Louisiana’s MOU, click [here](#).

*North Carolina*

Since FY08, the North Carolina Department of Public Health (DPH) has had an Interagency Memorandum of Agreement (IMOA) with the Division of Medical Assistance (Medicaid) regarding quitline services and FFP. At that time, the General Assembly (GA) allocated $500,000 a year to the quitline for adult services. Master Settlement Agreement (MSA) monies were provided to the quitline through the Health and Wellness Trust Fund (HWTF) and were reserved for youth services. The FFP was from the GA-allocated funds and DPH received approximately $25,000 of FFP for FY08 and FY09. The cost allocation plan for FFP at this time only covered some of the costs for only half of the calls from Medicaid beneficiaries.

In FY10, the GA withdrew these funds and DPH only receives $3000-$4000 per year. In the past, DPH has been prohibited from drawing funding from the HWTF as it has been considered “receipts” however, in June 2011 the HWTF was dissolved by the GA and MSA dollars now come directly to DPH’s budget until June 2012 (DPH is working to secure MSA recurring funding for the tobacco program). Recently Medicaid requested a new, revised IMOA from the DPH that includes costs from the whole division, including quitline administrative activities. This time the cost allocation plan includes counseling services, outreach, and monitoring (the cost of evaluation). Last fiscal year’s percentage of Medicaid callers was used to determine counseling costs (average of 19%) and the budgeted amount in each of the above categories was divided in half. If the proposed IMOA is accepted by Medicaid, the DPH quitline will be eligible to receive at least $250,000.00…much more than the $25,000 received in years past!

*Montana*

Montana is the most recent state to secure FFP for quitline services! The monies Montana will receive from Medicaid are determined by using the amount of MSA dollars they have going into the quitline, multiplying that by the percentage of quitline callers covered by Medicaid and then multiplying that by 50%. The tobacco program will report Medicaid numbers monthly and receive monthly reimbursement from the matching funds as well. Since they have had an MOU in place since August 2011 they are able to go back to August 2011 to pull Medicaid numbers to support their invoicing.

This project is made possible with funding from the Office on Smoking and Health, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services.
Survey results and targeted follow-up revealed that several other states are engaged in cost-sharing agreements with their Medicaid partners that fall outside of FFP.

**Non-FFP Cost-Sharing Agreement**

**Iowa**

Iowa Medicaid reimburses the Iowa Department of Public Health for 50% of the costs associated with providing quitline cessation counseling to Medicaid members, not to exceed a total of $280,000/year. To view a copy of the MOU between Iowa Medicaid and the Iowa Department of Public Health, click [here](#).

**Oregon**

In Oregon, Medicaid fee-for-service callers to the quitline are billed to the tobacco program and an internal financial agreement between the tobacco program and the state Medicaid agency allows for reimbursement for Medicaid’s share of each invoice. Additionally, nearly half of all Medicaid Managed Care Organizations (MCOs) contract directly with Oregon’s quitline service provider to provide services for their plan members. This is not administered as part of the state quitline. Quitline callers who do not belong to one of these participating MCOs receive one counseling call and are referred back to their health plan.

**Utah**

The Utah Tobacco Prevention and Control Program (TCP) contracts with Utah Medicaid to provide cessation support and medications to Medicaid eligible pregnant women who report using tobacco. Although no direct reimbursement or cost-sharing agreement exists, the Utah Medicaid program has been able to leverage additional federal matching funds on both professional and service rates through their contract with TCP. For example, funds for the Medicaid professional staff supported through the TCP contract are eligible for the higher professional match rate (25% state/75% federal), and other staff at a 50/50 match. Individual classes, materials, and pharmaceuticals, are eligible for the current federal services match (22.36% state to 77.67% federal).

In 2009, Utah had a contract with the Utah Medicaid Program for quitline services to draw down federal matching funds. However, that contract was discontinued a couple of years ago as it no longer fell under the scope of allowable services. With the CMS announcement last summer, Utah is working with their Medicaid partner to reestablish this agreement that would allow quitline services provided to Medicaid beneficiaries to draw down federal match. The goal is to ensure that all federal match funding be used to cover tobacco cessation benefits for Utah Medicaid clients.

**Ohio**

Three of the seven Ohio Medicaid MCOs are members of the Ohio Tobacco Collaborative. Through the Collaborative members purchase Ohio Tobacco Quitline services at the state-negotiated rates. The contract to provide tobacco cessation services through the Ohio Tobacco Collaborative is between National Jewish Health (the state’s tobacco quitline service provider) and the health plan or employer. The funds flow directly from the health plan or employer to National Jewish Health.

Lastly, one state noted in their survey response that it is their preference for Medicaid to use the state’s current quitline contract to pay for services to their beneficiaries directly, rather than seeking Federal reimbursement. The contract with the quitline service provider is a statewide contract, not only a Department of Health and Senior Services, Tobacco Prevention and Control Program contract, so the state Medicaid agency could ideally and easily funnel funds for their beneficiaries into the existing contract.

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**Question: Are you working toward this goal now or does your state have plans to pursue FFP in the coming year?**

According to online survey responses, nine states are working on this goal now and four states report that they intend to work on this goal within the coming year. Most of these states are in the process of facilitating ongoing conversations with their Medicaid partner to build support for FFP and elevating the issue to upper management. Other states, like Montana and Maryland, are in the process of submitting Cost Allocation Plans (CAP) for approval, developing inter-agency agreements, writing MOUs and determining reimbursement-related processes and procedures.

Five states responding to the survey are not working toward FFP and they cite budget deficits, unsupportive administrations, other more important initiatives and internal restructuring as the reasons why not. Four states did not respond to this question on the survey.

In individual follow up with states that did not complete the survey, NAQC was able to gather information on Medicaid-related efforts from 12 additional states. Of these states, three are working toward FFP, six are not working toward this goal, and three have already developed or are in the process of developing other cost-sharing or partnership agreements. For example, in West Virginia the Medicaid agency "piggybacks" on the quitline contract which means that they pay the quitline service provider directly for enrollment and coaching calls to their beneficiaries.

To view examples of states’ MOUs, CAPs and inter-agency agreements, visit the [NAQC Medicaid Resource Repository](#).

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Question: What is working well right now?

Four main themes emerged from responses to this question: communication and partnership, data sharing, supportive management and learning more about Medicaid.

Communication & Partnership
While much time and effort has been dedicated to building effective communication between tobacco programs who responded to the survey and their Medicaid partners, it is paying off - momentum for formal cost-sharing is building. Based on survey responses and follow-up, states fall into one of four partnership-building phases:
1. identifying champion or appropriate contact within Medicaid
2. ongoing meetings and discussions to learn more about Medicaid and to inform about tobacco cessation and quitlines
3. gathering and sharing data, information, resources to build the case for quitlines generally and FFP in particular
4. reaching agreement and ready to begin building MOU and CAP

Data Sharing to Build the Case
States in the early process of building support for FFP often do so by working together with their quitline service provider and their Medicaid partner to gather data. These data often form the foundation upon which justification for cost-sharing and/or FFP is built and later become the basis for return-on-investment calculations and cost allocation plans. Tobacco use prevalence among beneficiaries, quitline utilization and quit rates broken out by Medicaid-enrolled callers and historical cessation benefit claims data are just the tip of the iceberg when sharing and gathering data to build the case. To view a cost-savings estimates spreadsheet developed by Oregon, click here.

Supportive Management
Six survey respondents noted that supportive management within tobacco control and within Medicaid was essential to elevating tobacco cessation as a priority within Medicaid. Supportive management also made it possible to open lines of communication and to have easier access to data and information needed to keep moving forward.

Learning More About Medicaid
Five of the twenty-two survey respondents noted that they are in the process of learning more about Medicaid and that this is helpful in building a stronger partnership. Understanding the infrastructure of your state’s Medicaid agency and being able to speak their language is critical. Having a clear sense of where federal requirements end and your own state Medicaid requirements begin is a wise first step. Be sure to know basic data such as:
- the number of people enrolled in Medicaid in your state;
- the differences between managed care and fee-for-service including the differences in
  - cessation benefits;
  - providers;
  - reimbursement rates; and
  - the numbers/percentages of people enrolled in both; and
- your state’s current fiscal and political Medicaid landscape.

Click here for an advanced primer on Medicaid delivered to NAQC by a policy analyst from Kaiser Family Foundation. A discussion of the federal-state partnership begins on slide 10.

Question: What are the three main challenges you are facing in your Medicaid-related efforts?

Not surprisingly, survey responders and those responding to phone and email follow-up noted budget deficits, anticipated budget cuts or the fear of additional cuts as the primary challenges to working with Medicaid.

For some states it has been challenging to convince Medicaid to focus on tobacco cessation, especially in times of fiscal unrest. Two states mentioned that return-on-investment data made little to no difference when trying to forge ahead with cost-sharing proposals. Elevating tobacco cessation to a priority when there are so many competing priorities is complicated, strategic work that often takes a great deal of time and effort; time and effort that even some tobacco programs just simply cannot sustain.

The inability to communicate directly with Medicaid partners was a barrier often noted by respondents who have been unable to forge ahead with any sort of partnership effort. Many programs have strict channels of communication between departments, divisions and/or other state agencies. The health department staff with expertise and time to dedicate to this issue are prevented from moving forward until department, division or agency leadership agrees that it is appropriate. In some cases, the cessation coordinator is prohibited from contacting anyone at Medicaid directly and all communication must be passed through top-level leadership.
Promoting cessation benefits to beneficiaries and to providers was also noted as a challenge. To view samples of promotional campaigns and slide presentations used by other states, go to the NAQC Medicaid Resource Repository.

**Question: How can NAQC best be of help?**

Survey respondents were asked to list the ways that NAQC can best support the efforts of those states working toward FFP for quitline services to beneficiaries. Most respondents noted the importance of facilitating dialogue between states and offering examples of what is working or has worked in the past. Developing fact sheets, hosting webinars, and keeping track of what states are doing are examples of specific tools/resources respondents believe would be most valuable. Specific topics mentioned in responses include promoting benefits and services to beneficiaries and addressing pharmacotherapy access and reimbursement barriers. One state mentioned the importance of NAQC continuing efforts at the Federal level. Below are highlights of ongoing and upcoming NAQC opportunities to focus on Medicaid.

**MODELS & SAMPLES**
**Medicaid Resource Repository**
This online commons for states is an electronic collection of documents and links organized into four distinct repository sections and exists to encourage shared-learning and dissemination of promising practices.

- **Securing Cost-Partnership and Federal Financial Participation (FFP)**
  Resources in this section focus on information, guidance, tools and examples to support cost-sharing partnerships with Medicaid and FFP for quitline administrative expenditures.

- **Outreach and Promotion to Providers**
  Resources in this section focus on information, samples and evidence related to promoting the quitline and Medicaid tobacco cessation benefits to Medicaid providers and partners.

- **Outreach and Promotion to Medicaid Beneficiaries**
  Resources in this section focus on information, samples and evaluation related to promoting the quitline and Medicaid tobacco cessation benefits directly to Medicaid beneficiaries.

- **Understanding Medicaid**
  Resources in this section are useful for building and improving understanding of the structure and processes of Medicaid.

**SEMINARS**
**Medicaid: Learning More About Infrastructure, Lingo and Coverage and Why it Matters**
**Seminar Summary**
**Seminar Recording**

Medicaid: Learning More About Medicaid Reimbursement for Tobacco Cessation Quitline Activities. Part One in a Series of Webinars Dedicated to Tobacco Cessation Services for Medicaid Beneficiaries.
**Seminar Summary**
**Seminar Recording**

**TECHNICAL ASSISTANCE**
**NAQC Listserv**
Should you have an immediate need for information or guidance from your peers, be sure to use the NAQC listserv! To post a question simply send your question to **NAQC@listserv.naquitline.org**. Be sure to share your own wisdom and respond to questions posted by your colleagues by simply using the “reply” button.

**Individualized help just for you!**
Please forward questions related to Medicaid to Tamatha Thomas-Haase at **ttthomas-haase@naquitline.org**.

**UPCOMING EVENTS**
**Upcoming Seminar: June 13th: 3:30 – 5 PM ET**
The Ins and Outs of Medicaid Managed Care and Developing Standardized Benefits

**Medicaid Workshop at the NAQC Conference**
NAQC’s Medicaid Learning Community will be developing and facilitating a 3-hour workshop on partnering with Medicaid.

This project is made possible with funding from the Office on Smoking and Health, Centers for Disease Control and Prevention, U.S. Department of Health and Human Services.
ACKNOWLEDGEMENTS
NAQC would like to thank the state-level cessation leads for the time they took to complete the online survey or respond to requests for further information during the targeted follow-up process. Without their time and dedication to sharing their experiences and expertise with the entire quitline community, we simply could not have completed this valuable report.

For conducting the survey and follow-up process and writing this report, NAQC would like to thank Tamatha Thomas-Haase, MPA. For content review and suggested revisions to strengthen the report, NAQC thanks Linda Bailey, JD, MHS. Lastly, for expertise in design and layout of this web-publication, NAQC acknowledges Natalia Gromov.

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