Advice to Guide You
Building a Strong Memorandum of Understanding to Secure Medicaid Administrative Match for Quitline Services

In a letter to State Medicaid Directors on June 24, 2011, the Centers for Medicare & Medicaid Services (CMS) provided guidance on tobacco cessation quitlines as an allowable Medicaid administrative cost expenditure. This decision allows states to claim the 50 percent federal administrative match rate for quitline services provided to Medicaid enrollees.

Over the past two years, state tobacco control programs have taken great advantage of the guidance by CMS by building new relationships with their state Medicaid agencies or strengthening existing ones; engaging their state Medicaid agencies in a broader discussion of comprehensive cessation benefits for the Medicaid population of tobacco users; and most notably, building quitline sustainability efforts through public-public cost-sharing partnerships.

To move forward in drawing down federal funds to support quitline services to Medicaid enrollees (and to support quitline sustainability) a tobacco program MUST have a relationship with their state Medicaid agency, as federal CMS funds can only flow to a state Medicaid agency. A Memorandum of Understanding (MOU), contract, or interagency agreement is the mechanism by which the state Medicaid agency agrees to transfer drawn-down federal funds to the state tobacco program. Working out the details of the MOU, contract or interagency agreement becomes the heart of the work between the two partners.

The state Medicaid agency is the only entity that may submit claims to CMS to receive Federal Financial Participation (FFP) for allowable Medicaid costs. This requirement necessitates that every participating agency be covered, either directly or indirectly, through an MOU or interagency agreement. An MOU or interagency agreement is a document describing a mutual agreement between parties (i.e., the state Medicaid agency and the state health department’s tobacco control program). It most often indicates an intended common line of action and many government agencies use MOUs or interagency agreements to define a relationship between departments or agencies. Critical components of any MOU or interagency agreement include a clearly defined purpose, a detailed scope of the relationship or agreement and distinctly outlined roles and responsibilities for each party. (Note: Interagency agreements may only exist between governmental (i.e., public) entities and cannot extend to private contractors or consultants. Non-public entities can participate via a contract with the state agency.)

The advice below is intended to facilitate your collaboration with the state Medicaid agency and the development of an effective MOU to claim quitline services to Medicaid enrollees as an administrative cost expenditure.

KNOW THE DETAILS RELATED TO ADMINISTRATIVE MATCH!
The July 24, 2011 letter to state Medicaid directors is the document that introduces the quitline guidelines. You should know what they were told!

The November 11, 2011 information bulletin was developed to provide further details on the quitline guideline in response to questions CMS was receiving from state Medicaid agencies. The bulletin goes into more detail about allowable costs and claiming methodologies. In many ways the information bulletin offers more specific guidance than the initial letter introducing the new policy.

GET TO KNOW THE STATE MEDICAID AGENCY EVEN BETTER THAN YOU THOUGHT YOU NEEDED TO.
Spend the necessary time understanding the historical, programmatic and fiscal relationship between the state tobacco control program, public health and your state Medicaid agency. For some, this will mean leaning where the Medicaid agency “sits” within state government – in some states Medicaid and public health “sit” together under one umbrella agency and in some states they “sit” very far apart. Each of these relationship structures will lend strengths and challenges to implementing the match.

GET TO KNOW STATE MEDICAID STAFF EVEN BETTER THAN YOU THOUGHT YOU NEEDED TO.
Spend more time on learning who is who and learning how best to navigate the various players.

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1 There are states in which the tobacco control program and the state Medicaid program are within the same state agency or department. For these “umbrella” agencies, an Interagency Agreement (IA) would be needed, not an MOU.

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Don’t know where to begin? Who within your agency/department/division/program already has a relationship with Medicaid? Can they help you with background or even make an introduction? Mine these existing relationships first!

**GET TO KNOW THE MEDICAID POPULATION EVEN BETTER THAN YOU THOUGHT YOU NEEDED TO.**

What do you know about your state’s Medicaid population? Who are they? How are they covered (managed care or fee-for-service)? What percentage are tobacco users and how many call the quitline currently? What cessation benefits do they have? How are these benefits currently being promoted? How many Medicaid managed care organizations (MCOs) does your state Medicaid agency contract with? What is the relationship between your state Medicaid agency and the MCOs they contract with? How will Medicaid expansion impact your state? How might it impact working together on this agreement?

**UNDERSTAND THE INTERNAL PROCESSES THAT MAY BE NEEDED TO MOVE FORWARD AND WHO WITHIN YOUR AGENCY NEEDS TO BE INVOLVED.**

You may need a legislative process that transfers spending authority for these new funds from one agency to another.

You will want to spend some time determining who within your agency needs to know about the MOU or interagency agreement. Office of Legal Affairs, your budget office, contracts and procurement…better to have these folks on board from the very beginning of the process rather than having to get them up to speed later. In addition, these folks can help you and address critical details you may not even know need to be attended to.

**HAVE YOUR DATA READY IN YOUR BACK POCKET.**

You should be prepared to provide an overview of quitline services including how many of their members are served, cost savings projections, and quit and satisfaction rates. Don’t forget that just because YOU know that quitlines are evidence-based, effective and cost-effective, doesn’t mean that they do. You have to sell the story and the costs—both the big picture costs and enrollee-level costs.

Where you are in the process of talking with Medicaid about the partnership will determine what data you need. High-level information about the estimated costs of tobacco use to the state Medicaid agency is a great place to start. Also include smoking during pregnancy data here! This big picture is the first step. As you work through the process you will need historical quitline call volume data on Medicaid enrollees served. Quit rates from your quitline and overall estimates on the percent of smokers in the Medicaid population will also be useful in making the case. These data can help you estimate overall impact of the partnership.

**DETERMINE THE ASSURANCES YOU NEED, AND THE ASSURANCES THEY NEED.**

Some of the most common assurances are listed below. This is where partners in the budget office and contracts office can be very handy! There are states that have also included reporting requirements in the assurances. The clearer, the better.

- Assurance that costs submitted do not duplicate costs claimed under any other federal grant, or duplicate costs included in the indirect cost pool. That’s right...existing CDC grants for quitline expenditures cannot be used as the state share for Medicaid quitline claims.
- Assurance that you have sufficient state match for the Medicaid-related expenditures, and that the state match on quitline expenditures claimed as Medicaid-related is not being used as state match for any other federal grants.
- Assurance that Medicaid would distribute the match as a transfer of federal revenue from the Medical Care Programs to an account designated by you.
- Assurance that Medicaid would serve as a pass-through agency. This is a critical piece of the puzzle as the state Medicaid agency is not required to pass these funds through to you!

**DON’T REINVENT THE WHEEL IF YOU DON’T NEED TO.**

There are several states that have already developed MOUs with their state Medicaid agency to draw down federal matching funds for administrative quitline costs. Below are a few examples to help support your initial thinking about how to craft your own MOU:

Arkansas’ MOU
Maryland’s MOU
Colorado’s MOU

**NAQC is here to help you when you need us!**

Lastly, it is important to remember that NAQC staff are here to help guide you through this sometimes-lengthy process. We have contacts at CMS and other national partner organizations who are always willing to offer guidance and clarification. We support an ongoing Medicaid Learning Community that meets in monthly strategy huddles to support and encourage progress on partnership with state Medicaid agencies. We are here to connect you to peers, data, tools and resources and a helping hand. Contact Tamatha Thomas-Haase at tthomas-haase@naquitline.org when you need to!

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