Medicaid eligibility IT systems play a key role in states’ efforts to coordinate eligibility and enrollment processes for Medicaid, the Children’s Health Insurance Program, and health insurance exchanges, as required by the Patient Protection and Affordable Care Act (PPACA). However, many states’ eligibility IT systems were outdated and lacked the technical capacity to support such efforts. CMS expanded the availability of a federal financial participation matching rate of 90 percent (90/10 funding) to states for costs associated with such IT system changes. With these funds, CMS required states to implement certain requirements—known as critical success factors—by October 1, 2013. GAO was asked to provide information on states’ receipt and use of these funds and related federal oversight. This report examines: (1) 90/10 funding states have spent on eligibility IT system changes; (2) states’ use of this funding to implement critical success factors, and whether any implementation challenges remain; and (3) CMS’s oversight of this funding and related system changes.

GAO analyzed state-reported expenditures of 90/10 funding from June 30, 2011, through September 30, 2014; interviewed state Medicaid officials from six states, which were selected from states reporting the most expenditures of 90/10 funding; reviewed relevant laws, regulations and CMS guidance; and interviewed CMS officials.

In responding to a draft of this report, HHS concurred with our findings and provided technical comments that were incorporated, as appropriate.

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