

CONDITIONS FOR ENHANCED FUNDING

The information in the following table contains the [Conditions for Enhanced Funding](#) (CEF) for all MES modules from 42 CFR § 433.112.

This table is designed to be used as a starting point for aligning what the state is trying to accomplish with a project, and which CMS-required outcomes are applicable, in accordance with CMS expectations.

Table A-1: Conditions for Enhanced Funding (CEF) Outcomes

Ref #	Condition
1	CMS determines the system is likely to provide more efficient, economical, and effective administration of the State plan.
2	The system meets the system requirements, standards and conditions, and performance standards in Part 11 of the State Medicaid Manual, as periodically amended.
3	The system is compatible with the claims processing and information retrieval systems used in the administration of Medicare for prompt eligibility verification and for processing claims for persons eligible for both programs.
4	The system supports the data requirements of quality improvement organizations established under Part B of title XI of the Act.
5	The State owns any software that is designed, developed, installed or improved with 90 percent FFP.
6	The Department has a royalty free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and authorize others to use, for Federal Government purposes, software, modifications to software, and documentation that is designed, developed, installed or enhanced with 90 percent FFP.
7	The costs of the system are determined in accordance with 45 CFR 75, subpart E.
8	The Medicaid agency agrees in writing to use the system for the period of time specified in the advance planning document approved by CMS or for any shorter period of time that CMS determines justifies the Federal funds invested.
9	The agency agrees in writing that the information in the system will be safeguarded in accordance with subpart F, part 431 of this subchapter.
10	Use a modular, flexible approach to systems development, including the use of open interfaces and exposed application programming interfaces; the separation of business rules from core programming, available in both human and machine readable formats.
11	Align to, and advance increasingly, in maturity for business, architecture, and data.
12	The agency ensures alignment with, and incorporation of, industry standards adopted by the Office of the National Coordinator for Health IT in accordance with 45 CFR part 170, subpart B: The HIPAA privacy, security and transaction standards; accessibility standards established under section 508 of the Rehabilitation Act, or standards that provide greater accessibility for individuals with disabilities, and compliance with Federal civil rights laws; standards adopted by the Secretary under section 1104 of the Affordable Care Act; and standards and protocols adopted by the Secretary under section 1561 of the Affordable Care Act.

13	Promote sharing, leverage, and reuse of Medicaid technologies and systems within and among States.
14	Support accurate and timely processing and adjudications/eligibility determinations and effective communications with providers, beneficiaries, and the public.
15	Produce transaction data, reports, and performance information that would contribute to program evaluation, continuous improvement in business operations, and transparency and accountability.
16	The system supports seamless coordination and integration with the Marketplace, the Federal Data Services Hub, and allows interoperability with health information exchanges, public health agencies, human services programs, and community organizations providing outreach and enrollment assistance services as applicable.
17	For E&E systems, the State must have delivered acceptable MAGI-based system functionality, demonstrated by performance testing and results based on critical success factors, with limited mitigations and workarounds.
18	The State must submit plans that contain strategies for reducing the operational consequences of failure to meet applicable requirements for all major milestones and functionality. This should include, but not be limited to, the Disaster Recovery Plan and related Disaster Recovery Test results.
19	The agency, in writing through the APD, must identify key state personnel by name, type and time commitment assigned to each project.
20	Systems and modules developed, installed or improved with 90 percent match must include documentation of components and procedures such that the systems could be operated by a variety of contractors or other users.
21	For software systems and modules developed, installed or improved with 90 percent match, the State must consider strategies to minimize the costs and difficulty of operating the software on alternate hardware or operating systems.
22	Other conditions for compliance with existing statutory and regulatory requirements, issued through formal guidance procedures, determined by the Secretary to be necessary to update and ensure proper implementation of those existing requirements.