

Board Meeting
November 18, 2010

ROLL CALL

APPROVE INTERGOVERNMENTAL AGREEMENT FOR MEDICAID FEDERAL
FINANCIAL PARTICIPATION REIMBURSEMENT, CHICAGO

Action: Approve Intergovernmental Agreement for Medicaid Federal Financial
Participation Reimbursement

Funding: No New Funding Required

The Chancellor at Chicago recommends approval of an intergovernmental agreement between the Illinois Department of Healthcare and Family Services, and the Board of Trustees of the University of Illinois. This agreement requires Board of Trustees approval under the terms of the Intergovernmental Cooperation Act (5ILCS 220/5).

The purpose of this agreement is to enable the Illinois Department of Healthcare and Family Services (HFS) to reimburse the University's Division of Specialized Care for Children (DSCC) for eligible Medicaid Federal Financial Participation (FFP) payments. In previous years, DSCC received FFP payments from HFS through an Intergovernmental Transfer (IGT) program between HFS and the University of Illinois Medical Center. This program arrangement no longer exists and raises the need to establish a payment mechanism between HFS and DSCC for FFP payments.

Each year, DSCC provides case coordination services for approximately 12,000 Medicaid-eligible children with special healthcare needs. Through the FFP, the federal government will match 50 percent of eligible costs for various administrative and case coordination services provided to Medicaid-eligible persons. DSCC uses a cost accounting process, approved by HFS, to accumulate and submit costs associated with delivery of the case management services. HFS submits this cost data to the Centers for Medicare and Medicaid Services (CMS) to claim reimbursement of the FFP. The FFP is placed into the Medicaid trust fund upon receipt by HFS. This agreement will provide a mechanism for HFS to reimburse DSCC for the FFP earned.

Title XIX (Medicaid) of the Social Security Act requires a state's Title XIX agencies to enter "into agreements with any agency, institution, or organization receiving payments under (or through an allotment under) Title V (Maternal and Child Health Block Grant)" [§1902(a) (11) (B)]. The Department of Healthcare and Family Services (HFS) (Title XIX) and the Division of Specialized Care for Children (State's Title V agency for Children with Special Healthcare Needs) have previously entered into interagency agreements.

The Board action recommended in this item complies in all material respects with applicable State and Federal laws, University of Illinois *Statutes*, *The General Rules Concerning University Organization and Procedure*, and Board of Trustees policies and directives.

The President of the University concurs.