

**U.S. House and Senate Notification**  
**Friday, April 9, 2010**

**To:** Congressional Health Staff

**From:** Amy Hall  
Director, Office of Legislation  
Centers for Medicare & Medicaid Services

**Re:** CMS Issues First State Medicaid Director Letter on the Affordable Care Act Regarding the Early Coverage Option

Today, the Centers for Medicare & Medicaid Services (CMS) announced the release of the first letter in a series of guidance regarding the Medicaid changes and improvements that are included in the Patient Protection and Affordable Care Act of 2010 (the Affordable Care Act) as amended by the Health Care and Education Reconciliation Act of 2010.

Specifically, this letter provides initial guidance on section 2001 of the Affordable Care Act, *Medicaid Coverage for the Lowest Income Populations*, which establishes a new Medicaid eligibility group and the option for States to begin providing medical assistance to individuals eligible under this new group as of April 1, 2010. For the first time since the Medicaid program was established, States will be able to receive Federal Medicaid funding to provide coverage under their State Medicaid plan for the lowest income adults, without regard to disability, parental status or most other categorical limitations.

States may elect to phase-in coverage for this new eligibility group at any time, but for an effective date of April 1, 2010, States need to submit amendments to their State plans by June 30, 2010. We are looking forward to working closely with States as they consider implementing this important new option.

If you have any additional questions, please contact the CMS Office of Legislation. Thank you.