

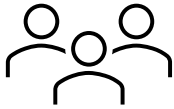
How Medicaid Works



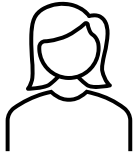
The Director of Health and Human Services (HHS) is appointed by the President. The Director oversees the Centers for Medicare and Medicaid Services (CMS) as part of HHS.



The CMS Administrator reports to the Director of HHS and oversees ten Regional Offices.



Regional Offices provide Technical Assistance and oversight to individual States.



Each State must have a single Medicaid Agency ultimately responsible to CMS.



The State Medicaid Agency may sub-contract administration of services to Counties, Regions, or even Managed Care entities.



Individual practitioners and local service providers must meet local, state and Federal requirements in order to effectively serve children and families.

...want more details and links to sources? Head to page 2!

How Medicaid Works

Structure and Authority

Federal Authority

The director of the Department of Health and Human Services (HHS) is a Cabinet-level Presidential appointee. The Administrator of the Center for Medicare and Medicaid Services (CMS) reports to the head of HHS. CMS implements federal law, [issuing national regulations and guidance](#). The federal agency also oversees a series of ten [Regional Offices](#). Staff at these offices provide ongoing technical assistance to State Medicaid offices.

“A State plan must – [s]pecify a single State agency ...to administer or supervise the administration of the plan”

-42 CFR § 431.10

State Authority

Each state is required to have [a single state Medicaid agency](#) overseeing their [State Plan](#). Though state agencies may contract out important oversight and management functions to other organizations, the state agency is ultimately accountable to the federal government. States have substantial latitude in designing their benefit package and ensuring that benefits are received as intended. State plans differ in the breadth of populations served and the services provided.

Local Authority

Many states distribute funds and manage care through county or regional governments. Alternately, Managed Care (MC) entities may be employed. These entities contract with, and are responsible to, the state for their performance. Providers often interact most directly with local government staff or contracted managed care entities.

System Implications

When providers reference ‘Medicaid,’ they may be referring to any of several different entities. Federal Regional Office staff, State government officials, and local administrators all generate their interpretations of Medicaid policy and the procedures it requires. State and local administrators often work to maximize federal dollars received while minimizing their own expenditures. Because of this, their interpretations of policy and procedure may conflict with, or substantially complicate, federal rule and regulation.