

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

SHO #13-008
Affordable Care Act #28

November 29, 2013

RE: New Flexibility: Using Account Transfer Flat Files to Enroll Individuals in Medicaid and CHIP

Dear State Health Official:
Dear State Medicaid Director:

In order to facilitate timely enrollment in Medicaid and the Children's Health Insurance Program (CHIP) in 2014, the Centers for Medicare & Medicaid Services (CMS) will permit states to enroll individuals in Medicaid and CHIP based on the account transfer (AT) flat files transmitted by CMS to states served by the Federally Facilitated Marketplace (FFM) for a transition period, through the exercise of waiver authority under section 1902(e)(14)(A) of the Social Security Act (the Act). These flat files do not contain the full electronic account for the individual, but contain sufficient information to identify the individual and indicate the FFM determination or assessment of Medicaid or CHIP eligibility. CMS has been sharing these AT flat files with states to help them anticipate their individual workload and customer service needs, in advance of full account transfers. We plan to expand reporting through the AT flat file to include the additional information necessary to enroll individuals.

The expanded AT flat file will contain sufficient information in order for states to complete enrollment and assign the individual to the appropriate Medicaid or CHIP group. The file will include data elements such as: date of birth, social security number, eligibility category used for assessment or determination, and verification inconsistencies. The file will identify individuals who have been assessed or determined eligible for Medicaid and CHIP on the basis of modified adjusted gross income (MAGI). The file will also identify the individuals that cannot be enrolled through this process because they have an income or residency verification inconsistency, or because they have been referred on a non-MAGI basis.

This new, transitional opportunity for states to enroll individuals assessed or determined eligible by the FFM, using the information provided through the AT flat files, will ensure that enrollment can be completed in a timely way without regard to temporary file transfer system issues at either the federal or state level. It will also help states pace their workloads with respect to enrollment of residents who have applied through the FFM.

This interim enrollment option is not intended to supplant the regular account transfer web service. Once the account transfer web service is operational between the federal government

and the states, regular account processing should take place as soon as practicable. This regular processing should include receipt and response protocols to allow the FFM to record state actions.

Process for Using the AT Flat File

In states that have elected to have the FFM make Medicaid/CHIP eligibility determinations (determination states), using the information from the AT flat file accelerates the opportunity for states to complete Medicaid or CHIP enrollment effective January 1, 2014 in a timely manner. Ordinarily, states would enroll such individuals upon receipt of the electronic account that contains the full eligibility file. Use of the AT flat file for enrollment will protect beneficiaries by allowing them to be enrolled pending receipt of the full eligibility file and also allow states to spread out the workload of enrolling individuals. To use this transitional process, states should request a waiver under section 1902(e)(14)(A) to authorize enrollment based on the AT flat file; the state will not have to take additional steps with respect to individuals enrolled through the flat files once the account transfer is received since the FFM has made the eligibility determination (other than acknowledgement of receipt and response to the FFM). The simplified waiver request process is described below.

In states that have elected to have the FFM make Medicaid/CHIP eligibility assessments (assessment states), the FFM is not authorized to make a final determination of eligibility based on MAGI. The FFM review process, however, is just as robust as for a determination, except with respect to resolving inconsistencies. As such, this option to enroll individuals assessed as eligible by the FFM will be extended to assessment states except, as described below, with respect to individuals for whom inconsistencies have been identified. The enrollment period for individuals under this AT flat file method will be temporary; full account transfer and processing should still be completed to continue coverage beyond the temporary period. To exercise this option, states will need to request a waiver pursuant to section 1902(e)(14)(A) of the Act to authorize eligibility and enrollment based on the AT flat file.

Under the waiver, determination and assessment states will have the authority to use this method for up to 90 days (with the possibility of extension for an additional period based on state circumstances). Once the full account transfer is received from the FFM, and the state is able to act on those transfers, the state would process the new enrollments normally.

Section 1902(e)(14)(A) of the Act, added by section 2002 of the Affordable Care Act, generally requires the use of the MAGI-based income methodology to determine Medicaid eligibility, and also allows for waivers “as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries.” Many states have requested, and received approval of, authority under section 1902(e)(14)(A) of the Act to implement the targeted enrollment strategies described in the May 17, 2013 letter to State Health Officials, available at <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO-13-003.pdf>. We will use a similar submission and approval process for these waivers.

States should use the template included in Appendix A of this letter to request a waiver. Because this strategy does not involve section 1115 demonstration authority, these waivers are not subject

to transparency or budget neutrality rules. However, consultation with stakeholders is strongly encouraged. Any state using this strategy, whether assessment or determination state, should update its mitigation plan on file with CMS. CMS will also update the state profiles housed on the Medicaid Moving Forward page on Medicaid.gov for states that have requested and received the waiver authority. Finally, to continue to protect personally identifiable information (PII), states will continue to follow the defined security protocols already in place for how they access, store and utilize the data in the AT flat file, consistent with signed privacy and security agreements.

Treatment of Individuals

For either determination or assessment states, only individuals who have been determined or assessed as eligible for Medicaid and CHIP by the FFM, including those in the reasonable opportunity period (as described in sections 1902(ee)(2)(C), 1903(x)(4), and 1137(d)(4)(A) of the Act), are candidates for the enrollment procedures described in this guidance. These procedures are not appropriate and may not be used to enroll those who the FFM has not determined or assessed as Medicaid eligible, but have asked for a full Medicaid determination or who have been referred to the state by the FFM for processing based on non-MAGI criteria. Additionally, assessment states, which are responsible for resolving inconsistencies may not enroll individuals through the waiver process for whom there is an inconsistency between attested income and electronic data. Regular processing of those applications will be required to ensure accurate determinations. States must apply their procedures equitably; they must treat similarly situated individuals similarly.

For individuals whose eligibility is determined using the AT flat file, coverage could be effective as early as January 1, 2014. In determination states, the individual remains eligible until their next regularly scheduled renewal or until a change in circumstances affects eligibility. In assessment states, the waiver authority will permit enrollment for a temporary period (not to exceed 90 days, unless extended based on state circumstances). Once the account transfer is received and can be acted upon by the state, the state would proceed with a MAGI-based eligibility determination as soon as practicable, consistent with state and federal rules, including those which require states to respond to all transfers from the FFM with final eligibility determinations.

If the state ultimately determines an individual enrolled pursuant to the waiver authority to be ineligible (under any eligibility category as per normal procedures), the state would then provide the appropriate advance notice to the enrollee to terminate that individual's Medicaid coverage. Individuals would have an opportunity to appeal the determination to terminate coverage, and states would have the option, but would not be required, to provide benefits pending the outcome of a fair hearing, in accordance with regulations at 42 CFR part 431 subpart E.

It is important to note that states in which the FFM is doing an assessment rather than a determination will have the responsibility for effectuating a transfer of individuals into other coverage if they determine that the person is ultimately not Medicaid or CHIP eligible after the completion of this process, in accordance with regulations at 42 CFR 435.1200 and 457.350.

This is no different than the steps an assessment state would normally take after a standard account transfer.

As we move forward into 2014, we know that states are working hard to meet many implementation goals and timeframes. We anticipate that the strategy described in this letter will enable states to ensure that eligible individuals have timely access to Medicaid and CHIP coverage in a simple and streamlined manner and facilitate states' ability to manage workloads associated with effectuating enrollment of eligible individuals who have applied through the FFM on a transitional basis. CMS staff stands ready to assist states interested in using the AT flat file to facilitate enrollment of individuals in Medicaid and CHIP. We will hold an all-state SOTA call in early December to review this new option with states. Questions regarding this strategy may be directed to Anne Marie Costello at AnneMarie.Costello@cms.hhs.gov and Marielle Kress at Marielle.Kress@cms.hhs.gov or may be handled through the SOTA process.

Sincerely,

/s/

Cindy Mann
Director

cc:

CMS Regional Administrators

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Ron Smith
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APPENDIX A

Mr. Eliot Fishman
Director
Children and Adults Health Programs Group
Centers for Medicare & Medicaid Services
7500 Security Boulevard, MS: S2-01-16
Woodlawn, MD 21244

Dear Mr. Fishman:

In response to CMS guidance regarding the use of the information included in the Account Transfer (AT) flat file to enroll individuals in Medicaid and CHIP prior to receipt of the full eligibility file account transfer from the Federally Facilitated Marketplace (FFM), as a [ASSESSMENT/DETERMINATION] state, [STATE] requests a waiver under section 1902(e)(14)(A) to use the data in the AT flat file to effectuate enrollment of eligible individuals who applied for coverage through the FFM but were determined or assessed to be Medicaid/CHIP eligible.

We believe this practice will help individuals who have applied through the FFM but whose accounts have not yet been transferred to be enrolled in Medicaid or CHIP in a timely manner.

[STATE] requests the authority to effectuate enrollments in Medicaid and CHIP using the AT flat files for 90 days.

For additional information or questions regarding our request please, contact XX at XX.

Sincerely,

State Medicaid/CHIP Director

Cc: Anne Marie Costello, Deputy Director, Children and Adults Health Programs Group
Margaret Barry, Policy Advisor, Children and Adults Health Programs Group