

Making Progress in Children's Coverage

Photo 1

Photo 2

Photo 3

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Overview

- ❖ Progress in Children's Coverage
- ❖ Role of CHIP in 2014
- ❖ Major changes for CHIP in August 17th NPRM:
 - Use of MAGI income standard
 - Single, streamlined application and renewal process
 - Data-driven verification
 - Coordination with Medicaid and the Exchange

A History of Progress

PERCENTAGE OF CHILDREN WITHOUT HEALTH INSURANCE, BY POVERTY LEVEL, 1998–2009

Children below
200% of poverty

23%



16%

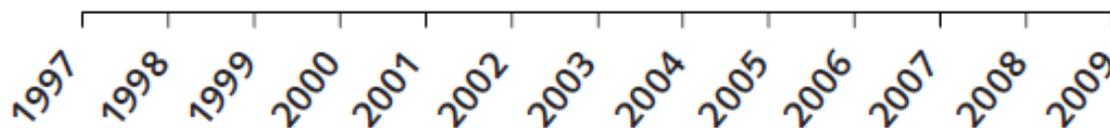
12%

Children above
200% of poverty

6%

5%

5%

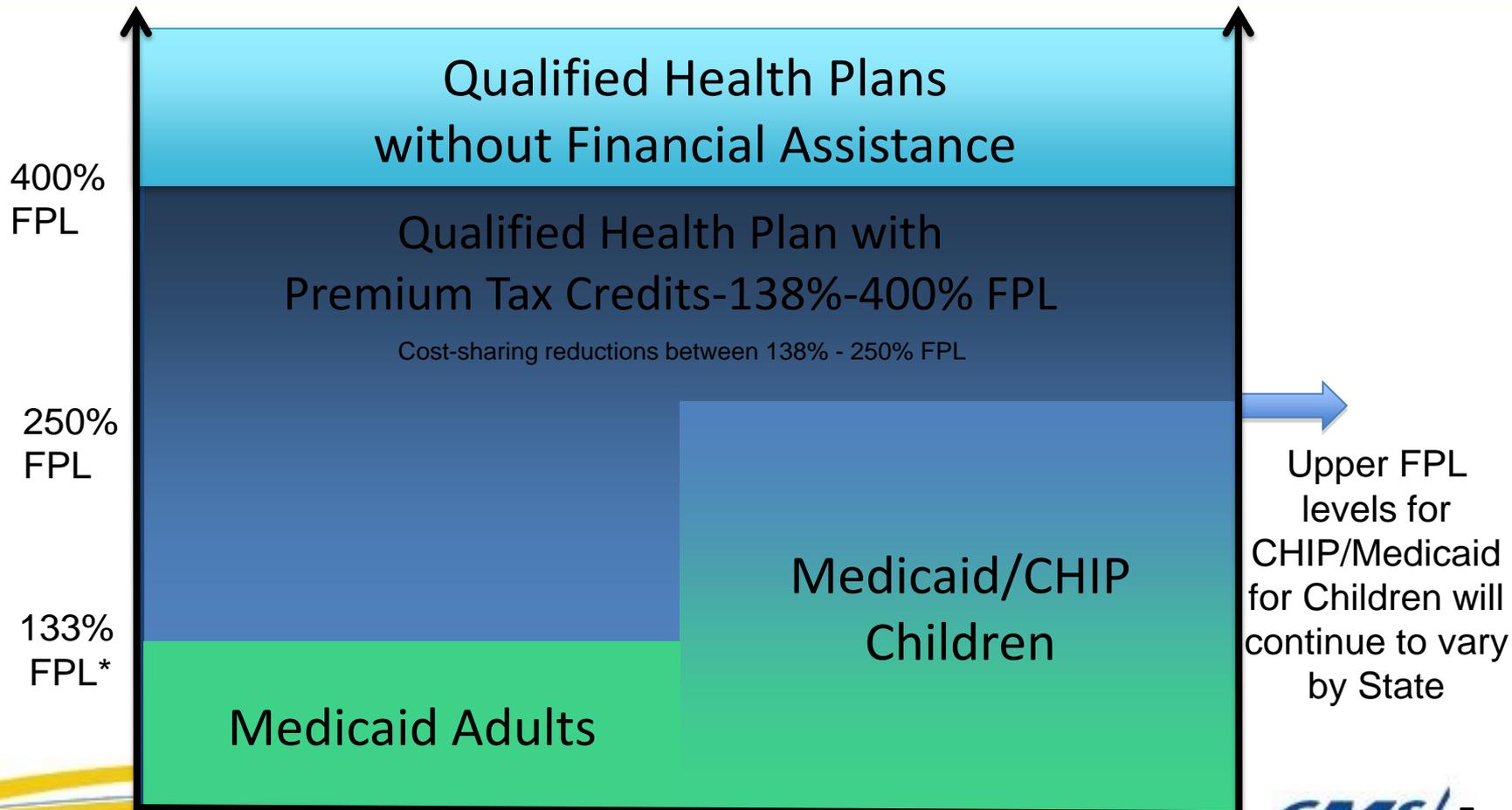


Source: U.S. Census Bureau September 2009.

Increased Participation in Medicaid and CHIP

- ❖ The number of children enrolled in Medicaid and CHIP increased by an estimated 2.5 million between 2008 and 2009. As a consequence, the number of eligible but uninsured fell by about 340,000
- ❖ Rates of participation in Medicaid/CHIP increased from 82.1% to 84.8% nationally, with sixteen states achieving participation rates of 90% or higher in 2009
- ❖ Due in part to ongoing Federal and State policy efforts to improve enrolment and retention among children (Urban Institute)

Income Eligibility for Insurance Affordability Programs



* Please note there is a 5% income disregard required by section 1902(e)(14)(I) of the Social Security Act.

Modified Adjusted Gross Income

- ❖ CHIPs will use MAGI to determine eligibility beginning in 2014
- ❖ CHIPs will use the same MAGI methodology as Medicaid
- ❖ Only slight differences between CHIP/Medicaid MAGI and Exchange (36B) MAGI (majority of decisions will be the same)
- ❖ No disregards of income or expenses, except across-the-board disregard of 5% of FPL for all

How MAGI is Calculated for Family

- ❖ Who is counted in the family size?
 - ❖ Simplified rules for Medicaid – based on tax rules
 - ❖ Parents and children living together all count – including stepparents and stepsiblings
 - ❖ Pregnant woman counted as two for her eligibility – state option to count as 1 or 2 for other family members

How MAGI is Calculated for Family

- ❖ Whose income counts?
 - ❖ Parent income counts for child – including stepparents
 - ❖ Children's income counts if it reaches the tax filing threshold – including stepsibling income

How MAGI is Calculated for Family

- ❖ What sources of income are counted?
 - ❖ Income of all parents whether or not they are required to file a tax return & children's income if required to file
 - ❖ Child support is not counted
 - ❖ Disability income is not counted
 - ❖ A few sources of income treated differently than in Exchange
 - ❖ Lump sums – counted in the month received, Scholarships or fellowship grants if used for education purposes and not for living expenses , Certain kinds of AI/AN income

How MAGI is Calculated for Family

- ❖ What budget period is examined?
 - ❖ Applicants and new enrollees: Current monthly (point-in-time) household income
 - ❖ Existing enrollees
 - ❖ Either:
 - ❖ Projected annual household income; or
 - ❖ Currently monthly (point-in-time) household income

CHIP Income Standard Conversion

- ❖ States submit conversion factor to Secretary
 - ❖ Individual children that lose Medicaid are CHIP-eligible
 - ❖ Individual children that lose CHIP may be eligible for the Exchange
- ❖ Application of MAGI is effective at individual's next scheduled redetermination or March 31, 2014 – whichever is later.
- ❖ After the MAGI conversion in 2014, CHIPs will no longer be able to expand income eligibility through the use of block income disregards
- ❖ Guidance forthcoming on CHIP and Medicaid MAGI conversion

Application and Renewal Process

- ❖ Goal is a world class experience for all applicants
- ❖ Families will apply for CHIP using the single, streamlined application – through many doors
- ❖ Model application being developed
- ❖ Simplified, data-driven application and renewal policies allow for real time eligibility determinations of most applicants and for prompt enrollment of individuals in the insurance affordability program for which they qualify, including CHIP

Application and Renewal Process

- ❖ Renewals once every 12 months
- ❖ If eligibility can be renewed based on available data, no form is needed
- ❖ CHIPs continue to have the flexibility to delegate eligibility and enrollment functions to third parties

Data-Driven Verification

- ❖ All insurance affordability programs will use common verification processes
- ❖ Consistent with current Medicaid policy, CHIP agencies may accept self-attestation of all eligibility criteria, with the exception of citizenship and immigration status. To ensure program integrity, States must comply with the requirements of section 1137 of the Act to request information from trusted data sources when useful to verify financial eligibility

Data-Driven Verification

- ❖ Must use electronic sources of data, if available, before requesting information, including paper documentation, from an individual
- ❖ Paper documentation may be requested if data cannot be obtained electronically or electronic information is not “reasonably compatible” with information provided by individual
- ❖ Must provide reasonable period for individual to furnish such information

Data-Driven Verification

- ❖ Social Security Numbers will be required for CHIP applicants similar to the Exchange and Medicaid
- ❖ Federal government will perform some of the data matches for States, relieving administrative burden
 - ❖ Verification of citizenship with SSA
 - ❖ Immigration status with DHS
 - ❖ MAGI income from IRS
- ❖ Policies are aligned on eligibility verification methods for Medicaid and CHIP and the Exchange

Eligibility Determination Process (for Exchange, Medicaid and CHIP)

Apply online,
by phone, in
person or by
mail for
Exchanges,
Medicaid, or
CHIP

Real-time or near
real-time
verification,
unless
information gaps
or inconsistencies
exist

Eligibility
determination

Ongoing
responsibility to
report changes

Annual
Redetermination

If applicant-provided
information and data
sources are not “reasonably
compatible”, applicant has
90 days to resolve

Right to
appeal

Coordination Between Programs

- ❖ CHIPs must accept eligibility determinations from the Exchange and may accept Medicaid determinations in the same manner
- ❖ Use of a shared eligibility service to adjudicate placement for most individuals to coordinate determination and renewal requirements across programs
- ❖ Electronic accounts and secure electronic interfaces will promote efficiency in the screen and enroll process and reduce burden on families
- ❖ CHIPs will be required to screen for parents as well as children on the single streamlined application

Future Guidance for CHIP

- ❖ Appeals and Notices
- ❖ Waiting Periods
- ❖ MAGI conversion
- ❖ Certification of Children's Coverage in the Exchange
- ❖ Additional policy guidance related to SPAs and other ACA implementation considerations
- ❖ CHIPRA regulations

Process for Submitting Public Comments

- ❖ Comments are due on October 31, 2011
- ❖ May submit in one of four ways:
 - ❖ Electronically at <http://www.regulations.gov>
 - ❖ By regular mail
 - ❖ By express or overnight mail
 - ❖ By hand or courier
- ❖ For more detailed information about submission options, please view the August 17, 2011 NPRM

