



# Medicaid and CHIP in 2014: Eligibility Final Rule Wrap Up



Eligibility Expansion & Consolidation, Residency,  
Accessibility and Changes to CHIP



Center for Medicaid and CHIP Services

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# Seamless and Affordable Coverage in 2014

- Expands eligibility to 133% FPL for most individuals under age 65
- Provides a State option for coverage above 133% of the FPL
- Simplifies eligibility by consolidating certain categories
- Effective January 1, 2014

# Adult Group – New Coverage to 133% FPL

- Individuals with Modified Adjusted Gross Income (MAGI) up to 133% FPL, after deducting a 5% FPL general disregard
- Includes individuals who are:
  - ✓ Aged 19 to 64 (including children aged 19 or 20 but not children under 19 and not aged individuals)
  - ✓ Not pregnant
  - ✓ Not Medicare eligible and
  - ✓ Not otherwise eligible for and enrolled in mandatory coverage

# Adult Group – New Coverage to 133% FPL (continued)

- A parent or other caretaker relative living with dependent child is not covered under the adult group unless:
  - ✓ The child is enrolled in Medicaid, CHIP, or other minimum essential coverage (defined in the Internal Revenue Code and regulations)

# New Optional Coverage Above 133% FPL

- States have the option to provide coverage for individuals above 133% FPL
- State establishes the income standard
- No maximum income standard for this group
- Higher income individuals may not be covered before lower income individuals

# New Optional Coverage Above 133% FPL (continued)

Optional coverage can include individuals who are:

- Under age 65 (not aged), with no minimum age
- Pregnant
- Medicare-eligible and
- Not otherwise eligible for and enrolled in mandatory or optional coverage based on information available from the application

# New Optional Coverage Above 133% FPL (continued)

- States are not required to determine whether an individual would be eligible for another eligibility group, unless such determination can be made based only on information provided on the application
- Individuals may enroll in this group even if they appear to be eligible as medically needy
- States may not limit coverage under this group to certain target populations

# New Optional Coverage Above 133% FPL (continued)

- States may elect to phase in coverage of this group by population and/or income limit
- A parent or other caretaker relative living with dependent child is not covered under this group unless the child is enrolled in Medicaid, CHIP, or other minimum essential coverage



# Eligibility Group Consolidation

- Final rule streamlines and consolidates multiple mandatory and optional eligibility groups into 3 categories:
  - ✓ Parents & caretaker relatives
  - ✓ Pregnant women
  - ✓ Children under age 19

# Parents & Caretaker Relatives: Section 1931 Low-Income Families

- Coverage requirement for low-income families, including parents and other caretaker relatives, pregnant women and minor, dependent children
  - ✓ Mandatory coverage remains in place
- Definitions for 1931 also remain:
  - ✓ “Dependent child”: under age 18, or age 18 and a full-time student in secondary school, and deprived of parental support because of at least one parent’s death, absence from home, physical or mental incapacity, or unemployment.
  - ✓ “Caretaker relative”: a relative of a “dependent child” by blood, adoption, or marriage with whom the child lives, who assumes primary responsibility for the child’s care.

# Parents and Other Caretaker Relatives Eligibility Criteria

- Parents and other caretaker relatives, and if any, the parent/caretaker relative's spouse
- State option to include any adult caretaker and the parent/caretaker relative's domestic partner
- MAGI-based household income is at or below the State's approved income standard
- State specify the MAGI standard the minimum and maximum standards specified in the final rule
- No resource test for all MAGI eligibility determinations

# Pregnant Women Eligibility Criteria

- Coverage for pregnant women includes during the pregnancy and post partum period
- MAGI-based household income is at or below the income standard approved for this group
- State will establish MAGI standard between the specified minimum and maximum standards in the final rule

# Pregnant Women Eligibility Group Consolidation: 6 to 1

- 1931 low-income families for pregnant women in their third trimester with no dependent children
- Qualified Pregnant Women
- Mandatory poverty-level related pregnant women
- Optional pregnant women financially eligible for AFDC
- Optional pregnant women who would be financially eligible for AFDC if not institutionalized
- Optional poverty-level related pregnant women

# Benefits for Pregnant Women

- States will retain current flexibility to provide full coverage for all mandatory and optional services covered under the Medicaid State plan to all pregnant women or only to women whose income does not exceed a specified standard
- States have option to cover enhanced pregnancy-related services
- Pregnancy-related services are defined at §440.210(a)(2)

# Children under Age 19

- Infants & children under 19 whose MAGI-based household income is at or below the applicable income standard approved under this group for infants under age 1, children 1-5, or children 6-18
- Increases the income standard for mandatory poverty-level related children 6-18 eligible from 100% -133% FPL
- States will establish MAGI standard for each age group of children under age 19 between the minimum & maximum standards specified in the final rule
- MOE in effect for children until September 30, 2019

# Children under Age 19

## Eligibility Group Consolidation: 7 to 1

- 1931 low-income families
- Qualified children
- Mandatory poverty-level related infants
- Mandatory poverty-level related children age 1 to 5
- Mandatory poverty-level related children age 6 to 18
- Optional children who would be financially eligible for AFDC if not institutionalized
- Optional poverty-level related infants



# New Eligibility Group Required for CHIP

- Children who become ineligible for Medicaid as a result of the elimination of income disregards will be treated as a targeted low-income child and be provided child health assistance.  
(section 2101(f) of ACA)
  - Applies only to children covered by Medicaid on December 31, 2013 who lose coverage at their next renewal
  - Must be covered in a separate CHIP unless they have access to public employee coverage or are in an institution
  - This protection does not apply to CHIP children who lose coverage so the child must meet all CHIP eligibility requirements at their next CHIP renewal to maintain coverage

# State Residency Policy Goals

- Alignment with Affordable Care Act, CCIIO/Exchange definition and CHIP
- No gaps in coverage between, Medicaid, CHIP, and Exchanges based on different residency policies
- Limited policy change in Medicaid State Residency rules

# Medicaid State Residency Definition

- Adults – Where an individual is living and –
  - Intends to reside, including without a fixed address or
  - Entered the State with job commitment or seeking job
- Children –
  - Where an individual resides, including without a fixed address or
  - State or residency of individual's parent
- Students –
  - Retained Flexibility for States

# Medicaid State Residency Definition Changes

- Adults (21 and over)
  - Deletion of “permanently and for an indefinite period”
  - Changed “remain” to “reside”
  - Added “without a fixed address”
- Children (under 21)
  - Combined definition for children without a disability and those with Medicaid based on a disability
  - Removed link to AFDC regulation
  - Child’s residency may NOT be based solely on residency of a parent
  - Added “without a fixed address”

# Who is not affected?

- Individuals living in institutions
- Individuals receiving IV-E assistance (foster care or adoption assistance)
- Persons without capacity to express intent
- Portions of the CHIP definition

# Residency Verification

- Self-attestation permitted
- Electronic data sources and requesting additional information from the individual follow general verification rules
  - Individuals must not be required to provide additional information or documentation unless information cannot be obtained electronically or it is not reasonably compatible with attested information
- Evidence of immigration status cannot be used to determine that individual is not a State resident

# Scenario 1 – John and Sally

- John is living and working in State A and intends to continue to do so. He is married to Sally and they have 2 children who live together in the same house. They file an application for Medicaid in State A.
- John and Sally are residents of State A, as they intend to reside in the State.
- Their 2 children are residents of State A, as the children reside in the State. Also they can be determined State residents as their parents are State residents.

# Scenario 2 – Ted

- Ted is 25. He lives in State A and works in State B. Each day he drives from State A to State B to work. He files an application for Medicaid in State B.
- Ted will not be a State resident of State B, as he must live in State B in order to be a State resident, unless meeting certain narrow exceptions permitted under State rules.



# Accessibility

- Individuals who are limited English proficient (LEP) and who have disabilities –
  - Using plain language, in a timely manner, and at no cost to the individual
  - For LEP -- by providing language services
  - For people with disabilities – by providing auxiliary aids and services in accordance with the ADA and section 504 of the Rehabilitation Act

# What must be accessible?

- Program information, including application and renewal forms
- Assistance that is provided online, by telephone, or in-person
- Websites, interactive kiosks, or other information systems used by the State for information and enrollment activities



More information on the final rule:

<http://www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html>

Webinar information:

<http://www.medicaid.gov/State-Resource-Center/Eligibility-Enrollment-Final-Rule/Eligibility-and-Enrollment-Final-Rule-Webinars.html>