Real-Time Eligibility Determinations for MAGI Populations

In designing and developing the eligibility policies and systems needed to achieve the vision of streamlined, accurate and timely eligibility determinations laid out by the Affordable Care Act, the phrase "real-time eligibility determinations" is often used. This paper clarifies CMS regulatory language and guidance to states on what is meant by real-time eligibility determinations in the Medicaid and CHIP 2014 context and how states can work towards that goal.

Is "real-time eligibility determination" a timeliness standard or a performance standard?

Both the preamble to the Medicaid NPRM[1] published on August 17, 2011 and the final regulation at 42 CFR §435.912[2] make the distinction between timeliness standards and performance standards:

- Timeliness standards apply to each individual applicant, and refer to the maximum length of time in which their eligibility determination must be made
- Performance standards are overall standards that are used to measure efficiency, i.e. timeliness and accuracy, across a pool of applicants.

Real time eligibility determination is not a timeliness standard that applies to each individual applicant, rather, it is a performance standard. The regulation requires states to include in their state plans performance standards that reflect the principle of promptness, discourage undue delays and strive towards real time in the eligibility determination process.

What does "real-time" eligibility determination mean?

CMS' Guidance for Exchange and Medicaid Information Technology (IT) Systems Guidance 2.0[3], issued in May 2011, expands on the CMS expectations for eligibility systems described in the NPRM "…that will maximize automation and real-time adjudication…" through application of liberalized verification policy, streamlined technology, simplified business processes and improved coordination and access to data sources, toward the end goals of encouraging maximum use of on-line applications and the ability to achieve real-time determinations with ever increasing frequency. In the March 2012 final rule, we clarified that automated systems can generate Medicaid eligibility determinations, without suspending the case and waiting for an eligibility worker to finalize the determination, provided proper oversight.[4] *In this context, "real-time eligibility determination" means that there is no clearly perceivable delay between the submission of a complete and verifiable application and the response to*

[1] 76 FR 159 p. 51162
[2] 77 FR 57 p. 17161
[3] http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Data-and-Systems/Downloads/exchangemedicaiditguidance.pdf
[4] Final Rule published in the Federal Register on March 23, 2012, preamble text, page 17189.

the applicant regarding the eligibility decision. The guidance recognizes that not all applications will meet the parameters for a real time eligibility decision, but continual improvement in efficiency and customer experience must be the goal for all applications. It should be noted that "real-time" as it relates to a performance standard, is not synonymous with "response-time" which identifies the specific increments of time for data to move between system interfaces. It is our expectation that response times would be consistent with industry standards.

Regulatory Requirements

Regulation at 42 CFR §435.912(b) requires that states establish timeliness standards and performance standards for determining eligibility. Several states have already done so, differentiating between types of applicants and their associated eligibility verification requirements.

Timeliness standards must reflect the acceptable timeframes for conducting eligibility determinations specified at 42 CFR §435.912(c)(3), i.e. 45 days for a non-disabled person and 90 days for determinations based on disability. Every applicant is entitled to a determination of eligibility within the timeliness standard set by the state, with very narrow exceptions, such as an administrative or other emergency beyond the control of the agency, or failure of an applicant or other third party to take a required action. A state's timeliness standard must be included in the state plan.

It is the CMS expectation that the timeliness standards established by the state will support prompt eligibility determinations, consistent with the generally available technology and with the demonstrated experience of other insurance affordability programs.

Performance standards must reflect the overall timeliness and accuracy of eligibility decisions made by the state, and may take into consideration factors such as the availability of data matching, the cost and availability of systems and technology, the mode of application (e.g. paper, on-line, telephonic, etc.), and the complexity of adjudication, considering factors such as household composition, income type, or other relevant information. Performance standards must also be included in the state plan.

Performance standards should establish goals that include a real-time eligibility determination for those individuals who apply on-line, have consistent information available through data matches, who attest to information not available electronically, and have a standard household composition with no complicating factors present. For those applications that are more complex or require manual intervention, performance standards should be in keeping with technology and high quality customer service standards. Performance standards should be set for complex cases and outliers that reflect the efficiencies that can be achieved through best practices coupled with the available technology. Performance standards should be developed in such a way as to encourage ever-increasing efficiency, improving both timeliness and accuracy as policies are revised, technology and systems are improved and business processes become more streamlined.

Supports for Achieving Real Time Results

Financial Support-

CMS has issued regulations at 42 CFR §433. 110(a)(2) which expand the availability of an enhanced federal match to states for eligibility systems. Regulations at 42 CFR §433.112(c) provide for a 90% federal match for the design, development, installation or enhancement of eligibility systems through December 2015.   Maintenance and operation of such eligibility systems will be supported by a 75% federal match, per regulation at 42 CFR §433.116. FAQs, State Medicaid Directors Letters and other guidance regarding the federal matching policy can be found at **Information Technology Systems & Data | Medicaid.gov**.

This enhanced funding can be used to support development of state data hubs to enable real-time verification of local and state data (e.g. unemployment benefits, department of motor vehicles, etc.) which are not available through the federal data services hub. Such enhancements can dramatically reduce the need for collecting supporting documentation, and greatly accelerate the eligibility determination process.

Verification Policy Flexibility-

States have explicit authority to verify all factors of eligibility through applicant attestation, except for citizenship and immigration status.[5] CMS will provide the federal data services hub which will support states' verification of those two exceptions via real-time connections to DHS, SSA and IRS.[6] For those states that wish to verify information electronically through state and local sources 42 CFR §940-956 provides authority for such data matches. Verification of pregnancy has been eliminated for all pregnant women, and factors such as residency, age, date of birth and household size may be verified through attestation or any reasonably available electronic sources.[7] Both the Medicaid and Exchange regulations at 42 CFR §435.907 and §155.310 permit that an application be submitted to any insurance affordability program. To ensure that this does not delay eligibility determinations, Medicaid and CHIP agencies are allowed to delegate authority (i.e. to an Exchange) for making determinations. Additional guidance on these rules may be found at Eligibility | Medicaid.gov, including the Verification Plan Template.

Conclusion

As outlined above, the CMS vision is that given sufficient data inputs (as dictated by the state's verification plan), at the point of application submission individuals would receive an eligibility decision. Regulatory authority and financial support have been made available to support this goal and many states are making significant progress. In summary, the enablers of the real-time eligibility determination performance standard are:

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[5] 42 CFR §435.945
[6] 42 CFR §435.949
[7] 42 CFR §435.956

1. Decision logic in eligibility systems and supportive policies that do not rely upon (or require) caseworkers to review each application
2. Automated access to local data in real or near-real time
3. Verification policies that do not rely upon (or require) data that is not available in an automated and real-time manner

The verification policy options provide states with the flexibilities necessary to achieve real-time eligibility decisions for most electronically filed applications, and the systems guidance and financial supports offered at this time should enable states to move into a new phase of customer service and an increased efficiency heretofore unattainable. We recognize that for day 1, all states may not be able to achieve real-time eligibility determinations for MAGI populations for all cases. However some states have already taken advantage of many of these flexibilities and supports, allowing them to achieve real-time and rapid eligibility determinations today and much can be learned by examining their processes and lessons learned[8]. CMS staff is available to provide technical assistance to all states to enable them to take full advantage of the opportunities available to them. On-going technical assistance is provided to states via monthly State Operational Technical Assistance (SOTA) calls, webinars, Q&A's and other sources.

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[8] http://www.medicaid.gov/State-Resource-Center/MAC-Learning-Collaboratives/Downloads/Realtimebrief.pdf