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CMCS Informational Bulletin

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SUBJECT: Ensuring Eligible Children Maintain Medicaid and Children's Health Insurance Program Coverage

The purpose of this CMCS Informational Bulletin (CIB) is to remind states about federal eligibility requirements and available flexibilities to promote continuity of coverage of children and youth enrolled in Medicaid and the Children's Health Insurance Program (CHIP). As of March 2023, at the end of the Medicaid continuous enrollment condition, nearly 42 million children were enrolled in Medicaid and CHIP.[1] Together, the programs provide health coverage to over half of all children in the United States (U.S.), including millions of children and youth with special health care needs. Medicaid and CHIP cover essential services and supports for children, including visits to the pediatrician, regular screenings, mental health care, childhood immunizations, and emergency care. In addition to better short-term health and well-being, Medicaid and CHIP coverage has also been shown to provide long-term health, educational, and economic gains for children. For example, in a recent analysis, the Congressional Budget Office (CBO) found that an additional year of Medicaid coverage in childhood would lead to improved labor outcomes in adulthood, including higher earnings.[2]

It is crucial that states do all they can to protect children's health coverage. The Consolidated Appropriations Act, 2023 (CAA, 2023) ended the Medicaid continuous enrollment condition on March 31, 2023, requiring states to, over time, complete full Medicaid renewals and disenroll and refer individuals to other sources of coverage if they are determined to no longer be eligible. This process is often referred to as "unwinding." CMS is particularly concerned about children that are disenrolled for procedural or administrative reasons (e.g., missing renewal form information). Many of these children are likely still eligible for coverage otherwise.

Since the beginning of the unwinding period, enrollment in Medicaid and CHIP among children has declined by 2.2 million. While some children may have transitioned to other forms of health coverage, children have higher eligibility levels than adults, and it is likely that many children that have been disenrolled for procedural reasons or other administrative barriers are still income eligible for Medicaid and CHIP coverage. This may have devastating effects on children's health and well-being.

[1] CMS, "March 2023 Medicaid and CHIP Enrollment Data Highlights," July 2023, available at https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html.
[2] Congressional Budget Office, "Exploring the Effects of Medicaid During Childhood on the Economy and the Budget: Working Paper 2023-27," November 1, 2023, available at https://www.cbo.gov/publication/59231

States have the opportunity to adopt strategies that reduce red tape to help keep eligible children covered. The Centers for Medicare & Medicaid Services (CMS) is calling upon all states to redouble their efforts to implement policies and operational processes, conduct enhanced outreach, adopt all available waivers and flexibilities, and monitor data to ensure children who remain eligible for Medicaid and CHIP do not lose coverage.

Executive Summary

This CIB outlines federal renewal requirements and offers additional, actionable strategies that states can adopt to promote continuous coverage for children and youth who are likely eligible in Medicaid and CHIP. Key takeaways, described in further detail in the pages following, are:

- *Federal Renewal Requirements.*
  - States are required to conduct redeterminations of eligibility for *all* individuals enrolled in Medicaid and CHIP in compliance with federal requirements. States must first attempt to renew eligibility for all Medicaid Modified Adjusted Gross Income (MAGI) and non-MAGI and CHIP beneficiaries based on available data without requiring additional information from the individual (referred to as *ex parte* renewal). States must send a renewal form only if available information is insufficient to renew the individual's eligibility on an *ex parte* basis. States must conduct renewals at the individual level, including for children in families with mixed immigration and citizenship status. In many families, children may still be eligible even if parents no longer meet Medicaid eligibility criteria and are referred to Marketplace coverage.
  - States may not deny or delay a redetermination to an otherwise eligible individual, including individuals who were initially eligible for Medicaid or CHIP as "deemed newborns," as long as the family is attempting to obtain a social security number (SSN) for the infant.
  - States may not delay a renewal for Medicaid and CHIP pending information needed to complete a redetermination or due to other requirements for another human services program (e.g., the Supplemental Nutrition Assistance Program (SNAP)).
  - Effective January 1, 2024, all states will be required to provide 12-month continuous eligibility for children in Medicaid and CHIP.

- *Children and Youth with Special Health Care Needs*. States should identify children and youth with special health care needs and implement targeted outreach and education and operational renewal processes that help support families of these children and minimize coverage loss. This may include partnering with other entities that serve these youth and their families, deploying assisters, and leveraging Medicaid managed care plans to support renewals.

- *Supporting Seamless Transitions Across Programs*. States must support seamless transitions across Medicaid and CHIP at renewal. Specifically, when a state reviews available data sources and finds that a Medicaid-enrolled child appears to be eligible for a separate CHIP, or a separate CHIP-enrolled child appears to be eligible for Medicaid, the state must send a renewal form and give the household an opportunity to refute the information. CMS urges states to rely on data obtained by the state Medicaid or separate CHIP agency during an *ex parte* review to make the eligibility determination in the other program and minimize potential gaps in coverage. This strategy helps to facilitate transitions between the Medicaid and CHIP programs,

ensure continuous coverage for children, and avoid procedural terminations. CMS is concerned that in states that choose not to adopt this approach, children otherwise eligible for coverage are not successfully renewing their eligibility for Medicaid or CHIP.

- *Additional Strategies States Can Adopt to Promote Continuity of Coverage.* States should adopt available federal authorities and flexibilities to maximize Medicaid and CHIP coverage retention for eligible individuals. Specifically, these strategies allow states to:
  - **Increase *ex parte* renewal rates** by adopting Express Lane Eligibility for children, and/or the Targeted Supplemental Nutrition Assistance Program (SNAP)/Temporary Assistance for Needy Families (TANF) Strategy, the Beneficiaries with No Income Renewal Strategy, and the Beneficiaries with Low Income Renewal Strategies for children and adults. (For additional information and examples, see CMS' Available State Strategies to Minimize Terminations for Procedural Reasons During the COVID-19 Unwinding Period).[3] States with low *ex-parte* rates can also adopt additional strategies to modify how they use available data to significantly increase the success rate of *ex-parte* renewals, thereby keeping more eligible kids enrolled.
  - **Strengthen outreach and renewal assistance by partnering with Medicaid and CHIP managed care plans** to share data on upcoming member renewals, conduct targeted outreach and provide renewal assistance to families.
  - **Maintain continuity of coverage by providing multi-year continuous eligibility** for children through section 1115 demonstration authority.
  - **Maximize CHIP retention by eliminating or suspending premiums or enrollment fees and removing premium lock-out periods**. States can also eliminate waiting periods and implement alternative strategies to monitor substitution of coverage.
  - **Increase retention by temporarily delaying or pausing procedural disenrollments** for beneficiaries for one or more months while the state conducts targeted renewal outreach. This strategy allows beneficiaries who would otherwise lose coverage for procedural reasons, such as failure to return a renewal form, additional time to submit their renewal form or other necessary information and provides states with additional time to conduct outreach.[4]

CMS recently granted waiver authority to two states to extend renewals for children for up to 12 months, to prevent procedural disenrollments of eligible children. Additional states interested in adopting this strategy are encouraged to contact CMS. Further, to support states' efforts to establish and update income and eligibility determination systems that protect beneficiaries by maximizing states' ability to ensure that eligible individuals retain coverage, CMS will extend all unwinding-related waivers provided

[3] CMS, "Available State Strategies to Minimize Terminations for Procedural Reasons During the COVID-19 Unwinding Period," June 2023, available at https://www.medicaid.gov/sites/default/files/2023-06/state-strategies-to-prevent-procedural-terminations.pdf.

[4] https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/state-option-to-delay-procedural-disenrollments/index.html.

under 1902(e)(14)(A) of the Act through December 31, 2024, unless later date has been approved by CMS. States may also continue to request new waiver authorities for implementation through December 31, 2024. CMS continues to assess the impact of these waivers to determine which may implemented under other authorities. Additional guidance on the continued availability of these strategies is forthcoming.

- *Outreach to Families and Strengthening Community Partnerships***.** State Medicaid and CHIP agencies are encouraged to collaborate with other family-facing state agencies and community partners, such as schools and community-based organizations, to ensure families have up-to-date information about the redetermination process, including what is required to keep eligible children enrolled in coverage. This may include working with schools to include messaging about Medicaid and CHIP renewals and engaging managed care plans.

- *Reporting and Monitoring.* States are required to submit monthly reports to demonstrate state progress towards restoring timely application processing and initiating and completing renewals of eligibility for all Medicaid and CHIP beneficiaries. In addition to these unwinding-specific reports, states must also continue to meet existing monthly reporting requirements, including submitting timely data through the Medicaid and CHIP Eligibility and Enrollment Performance Indicator ("Performance Indicator") dataset and data submissions through the Transformed Medicaid Statistical Information System (T-MSIS) dataset. States are also encouraged to supplement their federal reporting with their own state-specific data analysis.

CMS is supporting states by making flexibilities available to reduce coverage loss for eligible children and offering policy and operational technical assistance. CMS is also monitoring states' activities to ensure that children have access to the coverage and care they need during the Medicaid unwinding period and beyond. CMS will continue to use the enforcement and oversight levers at its disposal to ensure state compliance with federal requirements (and implement approved mitigation strategies when out of compliance) intended to protect eligible children from losing coverage.

CMCS Informational Bulletin

Ensuring Eligible Children Maintain Medicaid and Children's Health Insurance Program Coverage During the Unwinding Period and Beyond

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I. Federal Renewal Requirements

States are required to conduct redeterminations of eligibility for all individuals enrolled in Medicaid and CHIP in compliance with federal requirements at 42 C.F.R. §§ 435.916 and 457.343 and as outlined in the CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements."[5] While this informational bulletin provides a general overview of the renewal requirements, states should refer to the federal requirements at 42 C.F.R. §§ 435.916 and 457.343 and the CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," for a complete understanding of the renewal requirements. CMS is also available to provide technical assistance to states.

At renewal, states are required to first attempt to renew eligibility for all MAGI and non-MAGI Medicaid and CHIP beneficiaries based on reliable information available to the state agency without requiring information from the individual.[6] Such renewals are referred to as *ex parte* renewals.[7] If the agency is able to renew eligibility based on available reliable information, the agency must provide notice of the determination and basis for eligibility,[8] and the individual may not be required to sign and return the notice if all information is accurate.[9] If information is insufficient to renew or redetermine eligibility on an *ex parte* basis, the state Medicaid agency must send a renewal form and request only the information necessary to redetermine eligibility.[10] Renewal forms must be prepopulated for MAGI-based Medicaid and CHIP beneficiaries, and states are encouraged to use prepopulated renewal forms at their option for non-MAGI Medicaid beneficiaries.[11] The agency is encouraged to provide a prepopulated renewal form for non-MAGI beneficiaries.[12] States must provide MAGI beneficiaries a minimum of 30 days to return the prepopulated renewal form and any requested information;[13] non-MAGI beneficiaries must be provided with a reasonable period of time to return their renewal form and any required information.[14] The agency must provide clear instructions for all beneficiaries on how to complete the form and correct any inaccurate prepopulated information, how the form and other documentation can be returned, and the timeframe in which the individual must respond.[15] Renewal forms and notices must be accessible to individuals with limited English proficiency and persons with disabilities.[16] The agency must continue to furnish Medicaid to beneficiaries who have returned their renewal form and all requested documentation unless and until they are determined to be ineligible.[17] States may not delay a renewal for Medicaid and CHIP pending

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[5] 42 C.F.R. § 435.916; CMS, CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," December 4, 2020, available at https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf.
[6] 42 C.F.R. §§ 435.916 (a)(2) and (b) and § 457.343.
[7] An *ex parte* renewal is sometimes referred to as auto renewal, passive renewal, or administrative renewal.
[8] Notice must be provided consistent with 42 C.F.R. § 435.917, Part 431, subpart E, and 457.340(e), as applicable.
[9] 42 C.F.R. §§ 435.916(a)(2)(i) and (ii) and 435.916(b), 435.917, and 457.343.
[10] 42 C.F.R. §§ 435.916(a)(3), 435.916(b), 435.916(e), and 457.343.
[11] 42 C.F.R. §§ 435.916(a)(3)(i)(A) and 457.343.
[12] 42 C.F.R. § 435.916(b).
[13] 42 C.F.R. §§ 435.916(a)(3)(i)(B) and 457.343.
[14] 42 C.F.R. § 435.952.
[15] 42 C.F.R. §§ 435.905(b) and 457.340; CMS, CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," December 4, 2020, available at https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf.
[16] 42 C.F.R. § 435.916(g).
[17] 42 C.F.R. § 435.930(b).

information needed to complete a redetermination or other requirements for another human services program (e.g., the Supplemental Nutrition Assistance Program (SNAP)).

States must determine and redetermine Medicaid and CHIP eligibility on an individual basis.[18] When multiple members of a household are enrolled in Medicaid or CHIP, the state may process renewals for an entire household or multiple members of a household at the same time if their eligibility periods are aligned. However, the state must conduct the renewal for each individual consistent with 42 C.F.R. §§ 435.916 and 457.343, including renewing eligibility on an *ex parte* basis for each individual in the household, if able to do so, and only requesting information necessary to redetermine eligibility for those individuals who the state cannot redetermine on an *ex parte* basis.

Income and other eligibility requirements vary by eligibility group in Medicaid and CHIP, and eligibility levels for children are generally higher than those for adults. As a result, at renewal, even when a parent or guardian is no longer eligible for Medicaid, a child may remain eligible, due to higher income limits. The median upper income limit for children in Medicaid and CHIP is 255 percent of the federal poverty level (FPL) compared to 133 percent of the FPL for adults. Nearly all states have established children's eligibility levels for Medicaid-expansion or separate CHIP programs at or above 200 percent of the FPL.

In instances where states are unable to renew eligibility for a parent or guardian on an *ex parte* basis, states must still renew eligibility on an *ex parte* basis for children or other members of the household for whom the state has sufficient information to determine continued eligibility. States may only request information needed to determine eligibility for those family members for whom the state does not have sufficient information to renew eligibility on an *ex parte* basis. States may not require household members whose eligibility may be renewed on an *ex parte* basis to return a renewal form simply because the state must provide another member of the household a renewal form. For additional information and examples, see CMS State Medicaid Director Letter (SMDL), "Ensuring Compliance with Requirements to Conduct Medicaid and CHIP Renewal Requirements at the Individual Level," Attachment B.[19]

Important reminders for conducting redeterminations of eligibility at the individual level for Medicaid- and CHIP-enrolled children:

- States must determine and redetermine Medicaid and CHIP eligibility on an individual basis, including for children in households with at least one adult enrolled in Medicaid and for children in families with mixed immigration and citizenship status.
- In instances where states are unable to renew eligibility for a parent or guardian on an *ex parte* basis, states must still renew eligibility on an *ex parte* basis for children for whom the state has sufficient information to determine continued eligibility.

[18] 42 C.F.R. §§ 435.911(c), 435.926, 457.343, and 457.350(b)(1).
[19] CMS, SMDL, "Ensuring Compliance with Requirements to Conduct Medicaid and CHIP Renewal Requirements at the Individual Level," August 30, 2023, available at https://www.medicaid.gov/media/162301, and § 5112 of the Consolidated Appropriations Act, 2023 (CAA, 2023) (P.L 117-328), available at https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf.

- States may not require household members whose eligibility may be renewed on an *ex parte* basis to return a renewal form simply because the state must provide another member of the household a renewal form.

a. Children in Families with Mixed Immigration and Citizenship Status

In some cases, children are eligible for Medicaid or CHIP even if their parents are ineligible due to their immigration or citizenship status, and the immigration or citizenship status of a parent should not preclude an eligible child from enrolling in or maintaining Medicaid or CHIP. Individuals may apply for Medicaid, CHIP, or Marketplace coverage on behalf of their family members, regardless of their own eligibility statuses.[20] States must ensure that eligibility is determined separately for each member of the household and that inability to verify immigration status for one or more household members does not impede the initial eligibility determination or ability for a state to complete a renewal, including on an *ex parte* basis, for another household member.[21]

For individuals, including children, enrolled in Medicaid, state Medicaid agencies may not reverify citizenship at renewal, unless the individual reports a change in citizenship or the agency has received information indicating a potential change in the individual's citizenship.[22] Similarly, an individual's immigration status does not need to be reverified if it is not likely to change (e.g., Lawful Permanent Resident status) unless the individual reports such a change has occurred.[23]

b. Deemed Newborns

States must deem infants born to pregnant individuals who are eligible for and received covered services in Medicaid or CHIP as continuously eligible from birth until the child's first birthday without requiring an application.[24] When the infant who was deemed Medicaid or CHIP eligible at birth is due for renewal after the first year, states must first attempt an *ex parte* renewal prior to requesting additional information, if needed, and may not require the family to reapply for the infant to retain coverage. Individuals who were initially eligible for Medicaid or CHIP as "deemed newborns" are considered to have provided satisfactory documentation of citizenship and identity (by virtue of being born in the U.S.) and are not required to further document citizenship or nationality in any subsequent Medicaid or CHIP redetermination.[25] States must assist families with applying for an SSN if they do not have one or with verifying an SSN if they cannot recall the number.[26] An agency may not deny or delay a redetermination to an otherwise

[20] United States Department of Health and Human Services, "Health Coverage Options for Immigrants," July 2022, available at https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/Health-Coverage-Options-Immigrants-2022.pdf.
[21] 42 C.F.R. § 435.911.
[22] 42 C.F.R. § 435.956(a)(4).
[23] CMS, CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," December 4, 2020, available at https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf.
[24] Section 1902(e)(4) and 2112(e) of the Act; 42 C.F.R. §§ 435.117 and 457.360. In CHIP, states must provide deemed newborn coverage to children born to pregnant individuals who were eligible for CHIP coverage as "targeted low-income pregnant women." States may also elect to provide deemed newborns coverage for infants born to pregnant targeted low-income children.
[25] Section 1903(x)(2)(D) of the Act.
[26] 42 C.F.R. §§ 435.910(e), 435.956, and 457.340(b).

eligible individual pending issuance or verification of the SSN, as long as the family is attempting to obtain an SSN for the infant.[27]

II. Children and Youth with Special Health Care Needs

Medicaid covers more than one-third (36.6 percent) of children and youth with special health care needs, and these youth may depend on Medicaid and CHIP daily for life-sustaining treatment, including medications, durable medical equipment, home care, and medical care.[28] States should consider deploying strategies specifically focused on mitigating coverage loss for children and youth with special health care needs (CYSHN)[29].

Identifying CYSHN enables Medicaid and CHIP agencies to better support retention of eligible high-risk individuals during renewal and on an ongoing basis. States can identify CYSHN in a number of ways, including based on:

- Eligibility group, including children and youth enrolled in eligibility categories for individuals with disabilities, or former foster care youth;
- Receipt of specialized or high-risk care for physical or behavioral health needs, including through state plan benefits (such as targeted case management or health homes), demonstration projects under section 1115 of the Social Security Act (the Act), home and community-based services waivers; and
- Claims and encounter data to identify children and youth in an active course of treatment for a complex illness (e.g., children or youth receiving cancer treatment).

To minimize loss of coverage and promote continuity of care for eligible children, state agencies are strongly encouraged to:

- Partner with other entities, including Title V and other state programs providing support to CYSHCN and their families, to ensure that those entities have clear information to support families through the redetermination process;
- Adopt special redetermination processes, such as providing longer timeframes for individuals to respond to requests for information to complete the renewal process, following up with multiple outreaches through alternate modalities for beneficiaries who do not respond to renewal forms and requests for additional information, and/or offering enhanced outreach and renewal assistance through state or regional eligibility offices;
- Require Medicaid managed care plans to conduct targeted assistance with completing renewals; and
- Fund Navigators and/or application assisters or embed assisters into settings with high volumes of beneficiaries who are CYSHCN to facilitate renewals and/or seamless transitions to other coverage.

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[27] 42 C.F.R. §§ 435.910(f), 435.956, and 457.340(b).

[28] Medicaid and CHIP Payment and Access Commission, "Medicaid Access in Brief: Children and Youth with Special Health Care Needs," March 2023, available at https://www.macpac.gov/wp-content/uploads/2023/03/Medicaid-Access-in-Brief-Children-and-Youth-with-Special-Health-Care-Needs.pdf,

[29] CMS, "Medicaid Unwinding: An All-Hands-On-Deck Strategy to Support Outreach to Children and Families," August 2023, available at https://www.medicaid.gov/media/161661.

III. Supporting Seamless Transitions Across Programs

Medicaid and CHIP agencies must have renewal processes in place that ensure children who are no longer eligible can seamlessly transition between coverage programs. If a state Medicaid agency determines that an individual is ineligible for full-benefit Medicaid coverage under all bases, it must determine potential eligibility for other insurance affordability programs (e.g., separate CHIP or Marketplace coverage) and transfer that individual's electronic account to such program, as appropriate.[30] Similarly, if a state determines that a separate CHIP beneficiary is no longer eligible, it must screen the individual for eligibility in other insurance affordability programs, including Medicaid (on all bases) and Marketplace coverage.[31] If the child is determined potentially eligible for another coverage program, the state must transfer the child's account to that program.[32]

At renewal, when a state reviews available data sources and finds that a Medicaid-enrolled child appears to be eligible for a separate CHIP, or a separate CHIP-enrolled child appears to be eligible for Medicaid, the state must send a renewal form and give the household an opportunity to refute the information.[33] If the family does not return the form, the state should complete an eligibility determination based on available information and enroll the child in the other program for which such information indicates they are eligible. States must maintain the child in the current coverage program prior to executing any adverse action (i.e., terminating coverage under either program).

As described in CMS' guidance on "Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States," data obtained by the state Medicaid or separate CHIP agency during an *ex parte* review may be used to make the eligibility determination in the other program.[34] This helps to facilitate transitions between Medicaid and CHIP to ensure continuous coverage for children and avoid procedural terminations when the state finds the child eligible using available and reliable data.

In order to mitigate coverage loss for eligible children transitioning between coverage programs if a family does not respond to a renewal form, CMS recommends that :

(1) Medicaid agencies use the data obtained by CHIP during the *ex parte* review to make a determination of eligibility and enroll the child in Medicaid (if eligible) without requesting additional information to confirm Medicaid eligibility; and
(2) CHIP agencies use the data obtained by the Medicaid agency during the *ex parte* review to make a determination of eligibility and enroll the child in CHIP without requesting additional information to confirm CHIP eligibility.

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[30] 42 C.F.R. § 435.916(f).
[31] 42 C.F.R. § 457.350(b).
[32] 42 C.F.R. §§ 435.1200(e)(1) and 457.351
[33] 42 C.F.R. §§ 435.916 and 457.343.
[34] CMS, "Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States," December 12, 2022, available at https://www.medicaid.gov/resources-for-states/downloads/supporting-medicaid-chip-transitions.pdf.

For children whose household income is above CHIP eligibility levels, states are required to seamlessly transfer the child's account to a Basic Health Program, the Federally-Facilitated or State-Based Marketplace (whichever is applicable) for a determination of eligibility.[35]

IV. Additional Strategies to Promote Continuity of Coverage

States are encouraged to adopt available federal authorities and flexibilities to maximize retention in Medicaid and CHIP and help ensure smooth transitions to other health care coverage for children leaving the programs. Strategies that may ensure continuity of coverage among children are detailed below.

a. Leveraging Section 1902(e)(14)(A) Waivers

To support states in their efforts to successfully resume normal eligibility and enrollment operations following the end of the Medicaid continuous enrollment condition, CMS has made available a number of authorities under Section 1902(e)(14)(A) of the Act.[36] Section 1902(e)(14)(A) of the Act, added by Section 2002 of the Affordable Care Act, allows for waivers "as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries." To support states' efforts to establish and update income and eligibility determination systems that protect beneficiaries by maximizing states' ability to ensure that eligible individuals retain coverage, CMS will extend all unwinding-related waivers provided under 1902(e)(14)(A) of the Act through December 31, 2024, unless a later date has been approved by CMS. States may also continue to request new waiver authorities for implementation through December 31, 2024. CMS continues to assess the impact of these waivers to determine which may implemented under other authorities. Additional guidance on the continued availability of these strategies is forthcoming.

Several section 1902(e)(14)(A) strategies can help states increase *ex parte* rates and enhance the *ex parte* process for children and youth, in effect minimizing loss of coverage. Since *ex parte* renewals rely on verifying eligibility using available and reliable information, the renewal can be completed without requiring the beneficiary to return a renewal form or provide other information and/or documentation. As such, the risk of coverage loss for procedural reasons among beneficiaries who meet the substantive eligibility criteria is significantly reduced.

Examples of strategies authorized using waiver authority under section 1902(e)(14)(A) strategies that enhance the *ex parte* process and reduce risk of procedural terminations for eligible children and other beneficiaries include but are not limited to:

- *Targeted SNAP/TANF Strategy*, which allows states to renew Medicaid eligibility based on financial findings from SNAP, TANF, or other means-tested programs. This flexibility can also be applied to CHIP in states where the SNAP or other means-tested program eligibility levels are higher than the Medicaid level and below the CHIP levels.

[35] 42 C.F.R § 457.350.
[36] CMS, "COVID-19 PHE Unwinding Section 1902(e)(14)(A) Waiver Approvals," October 2023, available at https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/covid-19-phe-unwinding-section-1902e14a-waiver-approvals/index.html.

- *Beneficiaries with No Income Renewal Strategy*, which allows states to renew eligibility on an *ex parte* basis for MAGI and non-MAGI individuals with $0 income when no data is returned.
- *Beneficiaries with Low Income Renewal Strategy*, which allows states to renew eligibility on an *ex parte* basis for MAGI and non-MAGI individuals with income at or below 100 percent of the FPL when no data is returned. This strategy helps reduce the administrative burden on families and the state, particularly when verifying complex self-employment income.

CMS also recently granted waiver authority to two states to extend renewals for children for up to 12 months, to support retention for children, conduct outreach, and minimize procedural disenrollments of eligible individuals. Other states interested in adopting this strategy are encouraged to contact CMS.

As of December 2023, CMS has approved nearly 400 waivers under section 1902(e)(14) of the Act, but there are many more strategies that states may adopt. States may request authority to implement one or more of these strategies by contacting their CMS state lead. CMS is available to provide technical assistance and can provide sample language the state can use to craft a letter requesting the waiver authority.

b. Partnering with Managed Care Plans

States that deliver services through Medicaid and CHIP managed care should consider partnering with managed care plans to support coverage retention, particularly for children enrolled in managed care. States are strongly encouraged to work with managed care plans for targeted outreach. States may send lists to managed care plans of individuals who are due for renewal in order for the plans to conduct outreach to remind parents/guardians to respond to renewal packets. In addition, states may utilize managed care plans to conduct additional outreach to families who lost coverage for procedural reasons, so that families may return their renewal form to have their eligibility reconsidered. Managed care plans can also utilize multiple modalities to reach families (e.g., phone call, email, text). States should have managed care plans partner with pediatricians and other children's providers to support coverage retention and work with families to maintain enrollment.

During unwinding, states also have expanded opportunities to work with managed care plans using strategies authorized using waiver authority under section 1902(e)(14)(A) of the Act to:

- Accept updated beneficiary contact information provided by managed care plans without taking an additional step to verify the new information; and
- Direct managed care plans to provide assistance to parents/guardians and their households to complete Medicaid and CHIP renewal forms.

For more information on how states may work with managed care organizations, states can review CMS' "Strategic Approaches to Engaging Managed Care Plans to Maximize Continuity

of Coverage as States Resume Normal Eligibility and Enrollment Operations."[37]

c. Providing Continuous Eligibility for Children

Pursuant to the CAA, 2023, beginning January 1, 2024, all states will be required to provide children enrolled in Medicaid and CHIP with 12 months of continuous eligibility, even if the family experiences a change in circumstances during the year that would otherwise impact the child's eligibility, such as a change in income or household size.[38] Continuous eligibility promotes continuity of coverage and helps provide children consistent access to needed health care services.[39] For additional information, see CMS State Health Official Letter (SHO) #23-004, "Section 5112 Requirement for all States to Provide Continuous Eligibility to Children in Medicaid and CHIP under the Consolidated Appropriations Act, 2023."[40]

To further strengthen continuity of coverage for children, states also may consider providing multi-year continuous eligibility for children (e.g., continuous eligibility up to age six, 24 months of continuous eligibility) through Section 1115 demonstration authority.[41]

d. Implementing Express Lane Eligibility

To streamline enrollment and renewals for children, states should consider adopting the Express Lane Eligibility state plan option described at sections 1902(e)(13) and 2107(e)(1) of the Act. The Express Lane Eligibility option permits states to rely on findings (including related to income) from an entity designated by the state as an Express Lane Agency to determine a child's eligibility for Medicaid or CHIP.[42] States may use this option when determining eligibility for children at application and/or renewal. To adopt this option, states must submit a SPA.[43]

e. Modifying CHIP Premium Policies

Research has shown that roughly one in five children experience a gap in coverage when transitioning from Medicaid to CHIP, and premiums are a known barrier both to enrollment and seamless transitions. [44] To mitigate loss of coverage among children due to failure to pay

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[37] CMS, "Strategic Approaches to Engaging Managed Care Plans to Maximize Continuity of Coverage as States Resume Normal Eligibility and Enrollment Operations," January 2023, available at https://www.medicaid.gov/resources-for-states/downloads/health-plan-strategy.pdf.

[38] Section 5112 of the CAA (P.L 117-328), available at https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf.

[39] ASPE, "Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic," April 12, 2021, available at https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf.

[40] CMS, SHO #23-004, "Section 5112 Requirement for all States to Provide Continuous Eligibility to Children in Medicaid and CHIP under the Consolidated Appropriations Act, 2023," September 29, 2023, available at https://www.medicaid.gov/sites/default/files/2023-09/sho23004.pdf.

[41] See for example, "CMS Demonstration Approval Letter, Oregon Health Plan," September 28, 2022, available at https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/2022-2027-1115-Demonstration-Approval.pdf, and "CMS Demonstration Approval Letter, Washington Medicaid Transformation Project," April 14, 2023, available at https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/wa-stc-ca-04142023.pdf.

[42] Express Lane Agencies may include SNAP, TANF, School Lunch, Head Start, National School Lunch Program, and Women, Infants, and Children, among others. For more information see, CMS, "Opportunities to Support Unwinding Efforts for States with Integrated Eligibility Systems and/or Workforces," September 2022, available at https://www.medicaid.gov/resources-for-states/downloads/opp-unwind-eff-st-integ-elig-sys-workforce.pdf.

[43] For more information on Express Lane Eligibility and SPA templates, see CMS SHO #10-003, "Express Lane Eligibility Option," February 2010, available at https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/downloads/SHO10003.PDF.

[44] Medicaid and CHIP Payment and Access Commission, "Updated Analysis of Churn and Coverage Transitions," April 7, 2022, available at https://www.macpac.gov/publication/updated-analyses-of-churn-and-coverage-transitions/.

monthly premiums, states may elect to permanently eliminate or temporarily suspend premiums during the unwinding period. In addition, CMS' proposed rule published in September 2022 proposed to eliminate premium lock-out periods.[45] Premium lock-out periods have permitted states to specify a period of time that an individual must wait after non-payment of premiums until being allowed to reenroll in CHIP. Applicable states are encouraged to either eliminate premium lock-out periods permanently or suspend this policy during the unwinding period. CMS encourages states that are constrained in their ability to eliminate such cost-sharing to instead establish affordable annual enrollment fees rather than collecting monthly premium payments. Affordable enrollment fees encourage continued enrollment throughout the year and eliminate the possibility of disenrollment for failure to pay monthly premiums. Where states maintain premiums, to help prevent missed or late premium payments, states could deploy targeted outreach and enhanced notice strategies.

Many states have a tiered premium structure based on a child's household income. Upon review of available data sources during an *ex parte* renewal, a state may find that a CHIP-enrolled child appears subject to either a higher or lower premium amount than their current premium band. Under these circumstances, states are strongly encouraged to adopt the following premium assignment principles:[46]

- *Lower Cost Premium Band*: If available data shows the child is eligible for a lower cost premium band, the state should move the child to the lower cost premium band and send a notice to the household informing them of the change and the basis for the determination. No additional action is needed by the beneficiary.
- *Higher Cost Premium Band*: If the available data shows the child may be subject to a higher cost premium band, the state should maintain the child in the same premium band and give the household an opportunity to refute the information that was obtained from data sources. If a beneficiary provides documentation/additional information in response to a request for information, the state should revise the premium band based on that documentation/information. If the beneficiary does not respond to the request for information, the state should not terminate coverage but rather assign the premium band based on the available data.

f. Modifying Policies for Substitution of Coverage in Separate CHIP

Unlike Medicaid, separate CHIP requires children to be uninsured to be eligible for coverage,[47] except if a state elects to provide premium assistance through its separate CHIP.[48] States with separate CHIPs are required to use reasonable methods to ensure that separate CHIP coverage is not substituting for group health plan coverage.[49] One method some states use to implement this requirement is applying a waiting period, which is a period of uninsurance (not to exceed 90

[45] CMS, "Proposed Rule: Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes, " September 7, 2022, available at: https://www.federalregister.gov/documents/2022/09/07/2022-18875/streamlining-the-medicaid-childrens-health-insurance-program-and-basic-health-program-application.

[46] CMS, "Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States," December 12, 2022, available at https://www.medicaid.gov/resources-for-states/downloads/supporting-medicaid-chip-transitions.pdf.

[47] Section 2101(a) of the Act and 42 C.F.R. §§ 457.1, 457.2 and 457.10.

[48] Section 2105(c)(10) of the Act.

[49] 42 C.F.R. § 457.805(a).

days) after an individual has disenrolled from group health plan coverage, Medicaid, or CHIP before they can enroll/re-enroll in CHIP.[50] CMS encourages states to eliminate such waiting periods to reduce potential barriers or delays for otherwise eligible children to enroll in CHIP. States may adopt alternative methods for addressing concerns about substitution of group health plan coverage, such as monitoring. Examples of common substitution monitoring strategies include adding questions to health coverage applications about enrollment in private coverage and conducting database checks to ensure CHIP beneficiaries do not have other coverage.

g. Delaying Procedural Disenrollments for Children to Enhance Outreach

One of the key strategies offered by CMS is the state option to delay procedural disenrollments for beneficiaries for one or more months while the state conducts targeted renewal outreach. This strategy allows beneficiaries who would otherwise lose coverage for procedural reasons, such as failure to return a renewal form, additional time to complete their renewal form or provide other necessary information and gives states additional time to conduct outreach. This strategy can be targeted to specific populations at risk of losing coverage, including children. This strategy is available for states to implement throughout the unwinding period, or on an ad hoc basis for cohorts of renewals based on certain defined criteria (e.g., if the percent of anticipated procedural disenrollments exceeds a specified threshold). States must use the additional time to conduct targeted outreach to encourage beneficiaries to return renewal forms.

States seeking to elect this strategy should request concurrence for an exception to timely determinations of eligibility per regulations at 42 C.F.R. § 435.912(e). States interested in implementing this strategy should send an email requesting concurrence to the CMS unwinding mailbox (CMSUnwindingSupport@cms.hhs.gov) and note the use of this strategy in their unwinding plans.

V. Outreach to Families and Strengthening Community Partnerships

Children may lose coverage if their parents or guardians believe they or their children no longer meet the eligibility requirements and do not respond to renewal forms and/or requests for information. Families may not realize their children may still be eligible for coverage through Medicaid or CHIP due to higher income thresholds for children. In addition, families with young children enrolled in Medicaid and CHIP may have never had to complete a renewal before (e.g., if their child was a "deemed newborn" and/or if their child was enrolled just before or while the continuous enrollment condition was in effect).

CMS encourages state Medicaid and CHIP agencies to collaborate with other state agencies and community partners to ensure families have up-to-date information about the redetermination process—including what is required to keep children in coverage.

State Medicaid and CHIP agencies can:

[50] 42 C.F.R. § 457.805(b)(2).

- Encourage parents or guardians to fill out renewal forms for their children who cannot be renewed on an *ex parte* basis, even if the parents or guardians are no longer eligible.
- Work with other family-facing state agencies to share up-to-date information about renewals, and request that they engage directly with families.
- Promote consistent messaging by distributing communication materials, such as flyers, social media graphics, and articles. (Messages and materials specific to parents/guardians and children may be found on the CMS Communications Page).[51]
- Engage community-based organizations to play a role in educating and informing families (e.g., Navigators/assisters, hospitals, community health centers, faith-based organizations and leaders, community centers, youth sports programs, barbershops, nail salons, beauty salons and public libraries). Community-based organizations can engage directly with Medicaid and CHIP families about the importance of renewing their coverage. These organizations have strong relationships with families and can serve as trusted messengers to communicate information in culturally and linguistically appropriate ways.
- Ask schools, early childhood programs, and summer camps to include messaging about Medicaid and CHIP renewals. Schools should use existing modes of communication (e.g., email, text, calls, backpack flyer/postcards) to get the word out to families. Schools should also include messages about redetermination in all back-to-school paperwork or emails that are required to be completed at the start of the school year.
- Have managed care plans work directly with pediatric providers to track renewal dates and support families with assistance to fill out renewal forms.

For communication, outreach and education resource materials please see the CMS webpage, "Medicaid and CHIP Renewals Outreach and Educational Resources."[52]

VI. Reporting and Monitoring

In March 2022, CMS released an Unwinding Eligibility and Enrollment Data Reporting Template that states must use to submit the "CMS Monthly Unwinding Report" during a state's unwinding period in accordance with the CAA, 2023,[53] and the guidance released in SHO #22-001, "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP)

[51] CMS, "Medicaid and CHIP Renewals Outreach and Educational Resources," available at https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/medicaid-and-chip-renewals-outreach-and-educational-resources/index.html.

[52] CMS, "Medicaid and CHIP Renewals Outreach and Educational Resources," available at https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/medicaid-and-chip-renewals-outreach-and-educational-resources/index.html.

[53] CMS, "Unwinding Eligibility and Enrollment Data Reporting Template,"," available https://www.medicaid.gov/sites/default/files/2022-03/unwinding-data-rprt.xlsx.

Upon Conclusion of the COVID-19 Public Health Emergency."[54] The required metrics outlined in the Unwinding Eligibility and Enrollment Data Reporting Template are designed to demonstrate states' progress towards restoring timely application processing and initiating and completing renewals of eligibility for all Medicaid and CHIP beneficiaries. In addition to these unwinding-specific reports, states must also continue to meet existing reporting requirements, including submitting timely data through the Performance Indicator dataset on the 8th of each calendar month, and data submissions through the T-MSIS dataset before the end of the subsequent calendar month.[55] States aggregate reporting for adults and children through the Performance Indicator dataset, allowing for more comprehensive Medicaid and CHIP program monitoring. States report T-MSIS data at the individual-level, providing more granular data on the impact of unwinding on specific eligibility groups.

CMS is closely monitoring states' data submissions and encourages states to supplement required federal reporting with additional state-specific data. Specifically, CMS encourages states to track, analyze, and report publicly the following state-specific metrics during the unwinding period:

- Monthly Medicaid/CHIP terminations among children in household units with parents who were disenrolled from Medicaid/CHIP (to identify opportunities for targeted outreach).
- Monthly transition outcomes[56] between coverage programs, including:
    - The number of individuals whose accounts are transferred from Medicaid to separate CHIP; and, of these, the number individuals who subsequently enroll in separate CHIP.
    - The number of individuals whose accounts are transferred from CHIP to Medicaid; and, of these, the number of individuals who subsequently enroll in Medicaid.

As a best practice, state-specific data monitoring strategies should also include a breakdown of unwinding data by Medicaid eligibility group, the basis for eligibility (e.g., MAGI vs. non-MAGI), and demographic characteristics (e.g., age, race, ethnicity, language). This supplemental data analysis will enable states to track renewal outcomes more closely for Medicaid- and CHIP-enrolled children and deploy targeted strategies to address those outcomes.

CMS continues to closely monitor changes in Medicaid and CHIP enrollment and is working directly with states to identify instances where the data indicate individuals may have lost coverage in violation of the Medicaid or CHIP renewal requirements.

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[54] CMS, SHO #22-001, "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency," March 3, 2022, available at https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf.
[55] CMS, CIB, "Key Dates Related to the Medicaid Continuous Enrollment Condition Provisions in the Consolidated Appropriations Act, 2023," January 5, 2023, available at: https://www.medicaid.gov/federal-policy-guidance/downloads/cib010523.pdf.
[56] Section 5131 of the CAA, 2023 requires states to report to CMS monthly data on the number of individuals whose accounts are received by the Marketplace (or Basic Health Program) and related outcomes (e.g., qualified health plan eligibility, selection), and on the number of individuals enrolled in a separate CHIP. § 5131 of the CAA, 2023, (P.L 117-328) available at https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf.

As described in SHO #22-001, CMS continues to monitor states' compliance with reporting required data and meeting timelines related to initiating and completing required eligibility and enrollment actions during the state's unwinding period.[57] Where reported data or other information indicates that states are not meeting unwinding timelines as laid out in the SHO #22-001 and subsequent guidance, or that states have other persistent compliance issues resulting in erroneous disenrollment of eligible beneficiaries, states may be required to provide additional data and/or report information more frequently. As described in the CMS SHO #23-002 and CMS' Interim final rule on the enforcement of state compliance with requirements under section 1902(tt) of the Act, states that do not resolve their pending actions within the timelines specified may be required to submit a corrective action plan to CMS outlining strategies and a timeline to come into compliance with federal requirements.[58, 59]

VII. Closing

As states restore routine eligibility and enrollment operations during the unwinding period, CMS shares states' goals of ensuring that eligible children remain enrolled in Medicaid or CHIP and that children who are no longer eligible transition seamlessly to other coverage options, including Marketplace coverage. CMS is committed to providing states with updated guidance and resources, as appropriate, as well as ongoing technical assistance, to better enable states to ensure continuity of coverage for Medicaid and CHIP eligible children. For additional information and resources, states are encouraged to review guidance and other information available at Medicaid.gov/Unwinding. States may also submit questions and request technical assistance by contacting their state lead or emailing CMSUnwindingSupport@cms.hhs.gov.

[57] CMS, SHO #22-001, "Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency," March 3, 2022, available at https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf.
[58] CMS, SHO #23-002, "Medicaid Continuous Enrollment Condition Changes, Conditions for Receiving the FFCRA Temporary FMAP Increase, Reporting Requirements, and Enforcement Provisions in the Consolidated Appropriations Act," January 27, 2023, available at: https://www.medicaid.gov/federal-policy-guidance/downloads/sho23002.pdf.
[59] CMS, "Medicaid; CMS Enforcement of State Compliance With Reporting and Federal Medicaid Renewal Requirements Under Section 1902(tt) of the Social Security Act." December 6, 2023, available at: https://www.federalregister.gov/documents/2023/12/06/2023-26640/medicaid-cms-enforcement-of-state-compliance-with-reporting-and-federal-medicaid-renewal

Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States

December 12, 2022

Materials Overview

- Context Setting
- Review Best Practice Renewal Processes When Transitioning Children Across Coverage Programs
- Highlight Additional Strategies that Promote Continuity of Coverage for Children Throughout the Coverage Year and at Renewal
- Q & A

Context Setting

Many Children Are At Risk of Losing Coverage During Transitions

Under the Families First Coronavirus Response Act (FFCRA), via what is known as the "continuous enrollment condition," states are required to maintain continuous enrollment of Medicaid enrollees through the last day of the month in which the COVID-19 public health emergency (PHE) ends in order to receive a temporary 6.2 percentage point FMAP increase.*

Unwinding Issue

- Historically, gaps in children's coverage arise at renewal as children transition across Insurance Affordability Programs (Medicaid, CHIP, Basic Health Program, and Marketplace coverage).
- Research shows that over 3 million children currently enrolled in Medicaid and M-CHIP will become eligible for Separate CHIP programs when the continuous enrollment condition ends.
- As states prepare to resume normal eligibility and enrollment operations, the unprecedented volume of renewals could result in large numbers of children losing coverage due to procedural reasons as children transition between programs, even though the vast majority will remain eligible for coverage.

*In some cases, agencies that administer Children's Health Insurance Program (CHIP) and Basic Health Program (BHP) also were granted approval to delay renewals in response to the demands of the PHE.

Sources: Families First Coronavirus Response Act, Section 6008 (P.L. 116-127); Buettgens, M. and Green, A., "What Will Happen to Unprecedented High Medicaid Enrollment after the Public Health Emergency?" (Washington D.C.: Urban Institute, September 15, 2021). Retrieved from: https://ccf.georgetown.edu/2022/08/22/millions-of-eligible-children-could-lose-medicaid-due-to-administrative-churn-during-the-unwinding/

Objectives

As states with Separate CHIPs prepare for unwinding, it is essential that they have renewal processes in place that ensure children who are no longer eligible for Medicaid or CHIP seamlessly transition between coverage programs.

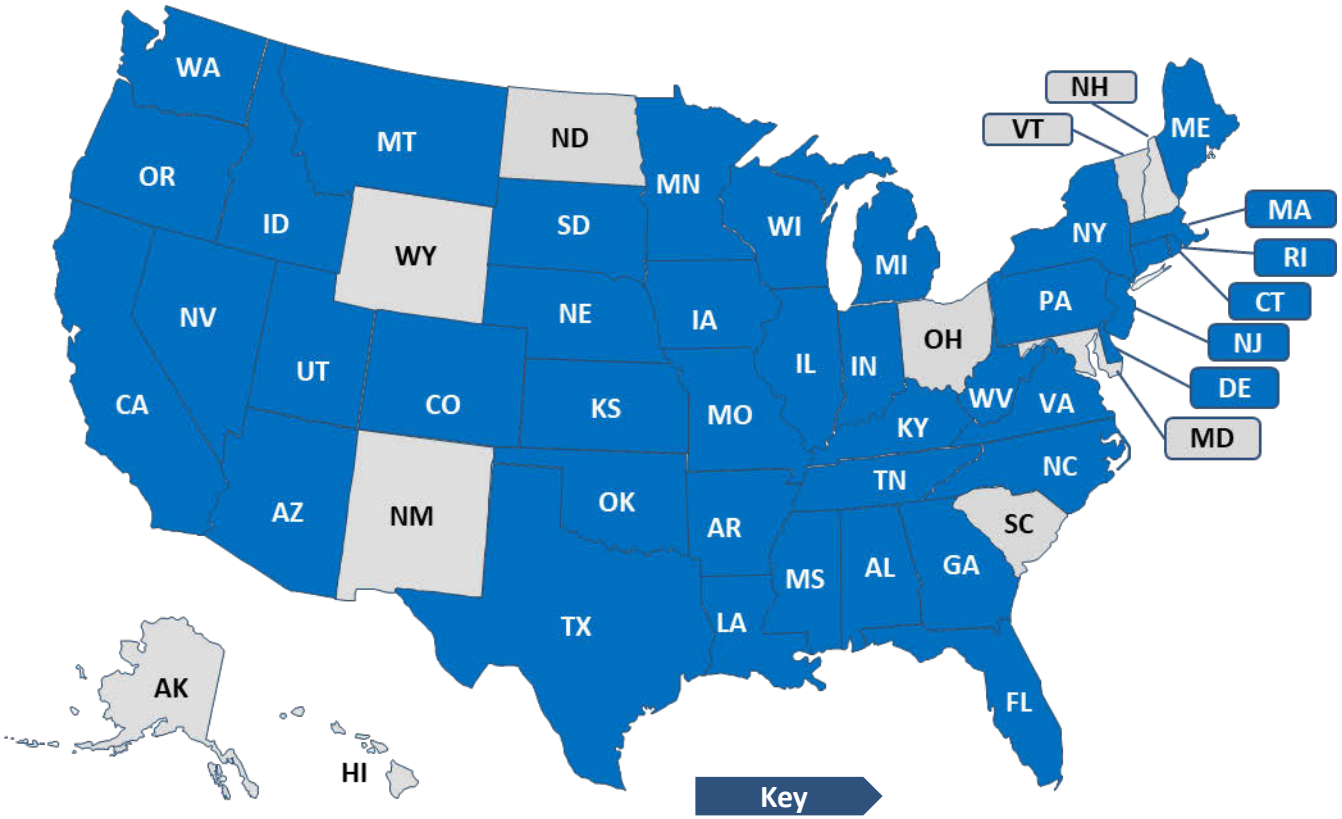
The objectives of this webinar are to:

- Describe the federal requirements for states related to conducting renewals and transitioning children between programs;
- Lay out best practice processes for states with a Separate CHIP when transitioning children between Medicaid and CHIP to minimize gaps in coverage; and
- Highlight other strategies related to cost sharing, managed care, and continuity of coverage that promote seamless transitions.

While these materials focus on transitions between Medicaid and CHIP, ensuring smooth transitions and minimizing gaps when children become Marketplace eligible is equally important. CMS is available to provide technical assistance to support states seeking to strengthen their Account Transfer processes with state Marketplaces or the Federally Facilitated Marketplace.

States with Separate CHIP Programs

There are 40 states with Separate CHIPs



Key

=States with Separate CHIP programs

- Of the 40 states, CT and WA have Separate CHIPs only, while the other 38 states have both Medicaid Expansion CHIPs and Separate CHIPs.
- 6 states (IL, MI, MN, NE, OK, RI) only include coverage of the conception-to-birth/"unborn child" population in their Separate CHIPs.

Federal Requirements for Conducting Renewals for Medicaid and CHIP

- States must renew eligibility once (and only once) every 12 months for MAGI beneficiaries and at least once every 12 months for non-MAGI beneficiaries.

- The state agency **must begin the renewal process** by first attempting to redetermine eligibility based on reliable information available to the agency without requiring information from the individual (*ex parte* renewal).
  - If available information is sufficient to determine continued eligibility without requiring information from the individual, agency renews eligibility on an ***ex parte* basis** and notifies the beneficiary that their coverage has been renewed.
  - If available information is insufficient to determine continued eligibility, agency sends a **renewal form** and requests additional information from the beneficiary.

42 C.F.R. §435.916; 42 C.F.R. §457.343

Resources:

- Medicaid and CHIP Renewals and Redeterminations Slide Deck from Learning Collaborative meeting on January 13, 2021
- Medicaid and CHIP Renewals and Redeterminations Slide Deck from All State Call on December 8, 2020
- CMCS Informational Bulletin: Medicaid and CHIP Renewal requirements

The *Ex Parte* Renewal Process

As outlined in the "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements" CMCS Informational Bulletin (CIB):

- State agencies must attempt to renew eligibility for *all individuals* enrolled in Medicaid, CHIP, or a BHP on an *ex parte* basis, based on reliable information contained in the beneficiary's account or other more current information available to the agency, without requiring information from the beneficiary.

- If an *ex parte* renewal cannot be completed because information needed to make a determination of eligibility is missing, or available information suggests that a beneficiary may be ineligible, states must send a renewal form and provide sufficient time for the family to return needed information to complete the renewal.

For additional information on the *ex parte r*enewal process, see *Ex Parte* Renewals: Strategies to Maximize Automation, Increase Renewal Rates, and Support Unwinding Efforts.

42 C.F.R. §435.916(a)(2) and (b); 42 C.F.R. §457.343, and 42 C.F.R. §600.340

Source: CMCS Informational Bulletin, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," December 4, 2020, available at https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf.

Considering Eligibility on Other Bases and Eligibility for Other Insurance Affordability Programs

Considerations for Medicaid Programs

- If the Medicaid program has sufficient information to determine that the Medicaid beneficiary is no longer eligible for the category in which the beneficiary is enrolled, it must consider whether the beneficiary may be eligible under one or more other eligibility groups covered by the state prior to terminating eligibility.
- If the Medicaid program identifies another eligibility group for which a beneficiary may be eligible, but requires additional information to make the determination, it must request additional information and give the beneficiary a *reasonable amount of time* to provide the information.
  - If the agency is not able to complete a determination of eligibility on another basis before the end of the eligibility period, it must maintain the child's coverage in Medicaid and make the determination as *expeditiously as possible*.
- The Medicaid program may not terminate coverage and must continue to furnish benefits under Medicaid until a beneficiary is found ineligible under all groups covered by the state for which the beneficiary may be eligible or until the beneficiary does not provide requested information that is needed to make a determination in a timely manner.
- If the Medicaid program determines that an individual is ineligible for Medicaid under any other basis, it must determine potential eligibility for other insurance affordability programs (e.g., Separate CHIP or Marketplace coverage) and transfer that individual's electronic account to such program, as appropriate.

Considerations for Separate CHIPs

- If a state determines that a Separate CHIP beneficiary is no longer eligible, it must screen the individual for eligibility in other insurance affordability programs, including Medicaid and Marketplace coverage, on all bases.
- If the child is determined potentially eligible for another coverage program, the state must transfer the child's account to that program.

42 C.F.R. §435.916(f); 42 C.F.R. §435.930(b); 42 C.F.R. §435.1200; 42 C.F.R. §457.350(b)

Procedural Terminations of Coverage Resulting from Renewals - Requirements

Federal Requirements

- CMS regulations at 42 CFR 435.1200(e) and 457.350(b) require state Medicaid and CHIP programs to promptly and without undue delay determine potential eligibility for, and as appropriate, transfer via secure electronic interface the individual's account to, other insurance affordability programs for individuals who submit an application or renewal form to the state agency which includes sufficient information to determine Medicaid or CHIP eligibility.

- These regulations also permit states to send an account transfer for individuals who have been terminated for procedural reasons to Medicaid or CHIP, such as failure to submit a required renewal form or provide other information needed for the agency to complete the renewal.*

- The state must reconsider an individual's eligibility if they submit a renewal form within 90 days of coverage termination, or a longer period elected by the state, without requiring a new application.

*** Note:** The existing policy regarding account transfers to the Federally Facilitated Marketplace (FFM) remains in place. Accounts terminated for procedural reasons should not be transferred to the FFM. States operating a State-Based Marketplace may transfer accounts of individuals terminated from Medicaid or CHIP for procedural reasons to their SBM. (42 C.F.R §431.10; 42 C.F.R. §435.1200(b)-(c); 42 C.F.R §457.350(k))

Procedural Terminations of Coverage Resulting from Renewals - Implications

Implications

- States may send children that have been terminated for procedural reasons **from Medicaid to CHIP** or **from CHIP to Medicaid** to complete an eligibility determination and enroll the child in the other program, as appropriate.
- Once the account transfer is made, the state Medicaid or CHIP program must make a determination of eligibility.
- Most states use the same system for both programs and may also treat Medicaid and CHIP as part of the same eligibility hierarchy. A transfer *per se* is not necessary.
- Data obtained from the initial program during an *ex parte* renewal may be used to make the Medicaid or CHIP eligibility determination.
  - This strategy helps to facilitate the transitions between the Medicaid and CHIP programs to ensure continuous coverage for children when the state finds the child eligible using data source information.

Transition Principles: Medicaid-Enrolled Children Who Appear Eligible for CHIP or CHIP-Enrolled Children Who Appear Eligible for Medicaid

When a state reviews available data sources and finds that a Medicaid-enrolled child appears to be eligible for CHIP or a CHIP-enrolled child appears eligible for Medicaid, the state must give the household an opportunity to refute the information. States must maintain the child in the current coverage program prior to executing any adverse action (e.g., terminating coverage under either program).

- States are not required to transfer children from Medicaid to CHIP or CHIP to Medicaid if families do not return a renewal form or respond to a request for additional information (RFI).
- However, states are permitted and encouraged to transfer Medicaid-enrolled children to CHIP or CHIP-enrolled children to Medicaid when available data indicates the child may be eligible for the other program.

Once the state Medicaid/CHIP program receives the child's account, each state program may pursue one of two options.

Medicaid

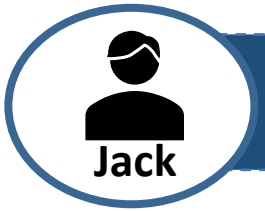
1. Use the data obtained by CHIP during the *ex parte* renewal process to make a determination of eligibility and enroll the child in Medicaid; or
2. Send another RFI to the family for any necessary attestations.

CHIP

1. Use the data obtained by Medicaid during the *ex parte* renewal process to make a determination of eligibility and enroll the child in CHIP; or
2. Send another RFI to the family for any necessary attestations.

Sources: 42 C.F.R. §435.916; 42 C.F.R. §457.343

Best Practice Processes for Children Enrolled in Medicaid Who Appear:
(1) Eligible for CHIP; or
(2) Ineligible for Medicaid or CHIP at Renewal Based on Data Sources



Scenario: 10-year-old Jack is enrolled in Medicaid. At renewal, income data sources indicate that Jack is CHIP eligible.

At renewal, verify income eligibility for Medicaid-enrolled child

Data sources below Medicaid income level?

- Yes: Maintain in Medicaid
- No
  - Data sources above Medicaid but below CHIP eligibility levels
    - Maintain child in Medicaid and send request for information (RFI)/renewal package
      - Family responds and indicates via information/documentation child is Medicaid eligible → Maintain in Medicaid
      - Family responds and indicates via information/documentation child is CHIP eligible →
        - Terminate Medicaid coverage, send notice and appeals rights, and transfer child to CHIP
        - CHIP makes final determination of eligibility
        - Commence process for premium payment collection/enrollment fee, as appropriate. Premium/enrollment fee based on information provided by family
      - Family does not respond to RFI/renewal package, but *ex parte* data indicates child is CHIP eligible →
        - Terminate Medicaid coverage, send notice and appeals rights
        - Transfer child to CHIP and complete CHIP eligibility determination and at state option, either: (1) send new RFI (to obtain needed attestations); or (2) rely on data sources.
        - Commence process for premium payment/enrollment fee, as appropriate
        - Premium payment band based on data sources
      - Family does not respond to RFI/renewal package, and insufficient information to determine child is CHIP eligible →
        - Terminate Medicaid coverage, send notice and appeals rights, and do not transfer child to CHIP
  - Data sources above both Medicaid and CHIP eligibility levels *(Process flow for following up with enrollee and transferring information to Marketplace shown on slide 15.)*

Scenario: 9-year-old Jane is enrolled in Medicaid. At renewal, income data sources indicate that Jane is ineligible for Medicaid and CHIP.

At renewal, verify income eligibility for Medicaid-enrolled child

Data sources below Medicaid income level?

No

Data sources above both Medicaid and CHIP eligibility levels

YES

Maintain child in Medicaid and send request for information (RFI)/renewal package

Family responds and indicates via information/documentation child is Medicaid eligible	• Maintain child in Medicaid
Family responds and indicates via information/documentation child is CHIP eligible	• Terminate Medicaid coverage, send notice and appeals rights, and move child to CHIP • Commence process for premium payment collection/enrollment fee, as appropriate • Premium payment band based on information provided by family
Family responds and indicates via information/documentation child is ineligible for Medicaid and CHIP	• Terminate Medicaid coverage, send notice and appeals rights • Transfer to Marketplace
Family does not respond to RFI	• Terminate Medicaid coverage, send notice and appeals rights • States should not send procedural terminations to the Federally Facilitated Marketplace

Best Practice Processes for Children Enrolled in CHIP Who Appear Eligible for Medicaid at Renewal Based on Data Sources

Scenario: 12-year-old Maria is enrolled in CHIP. At renewal, income data sources indicates that Maria is Medicaid eligible.

At renewal, verify income eligibility for CHIP-enrolled child

Data sources below Medicaid eligibility levels

Maintain child in CHIP and send prepopulated renewal form.

Family responds and confirms via information/ documentation child is Medicaid eligible

- **Transfer child to Medicaid**

Family responds and indicates via information/ documentation child is CHIP eligible

- **Maintain child in CHIP**
- **Premium payment band based on information provided by family.**

Family does not respond to RFI

- **Terminate child from CHIP and send notice with fair hearing rights**
- **Transfer child to Medicaid and complete Medicaid eligibility determination and at state option, either: (1) send new RFI (to obtain needed attestations); or (2) rely on data sources.**

Data sources above Medicaid and CHIP eligibility levels

(Process flow for following up with enrollee and transferring information to Marketplace shown on slide 15.)

Best Practice Processes for Children Enrolled in CHIP Who Appear Eligible for a Different Premium Band Based on Data Sources

Premium Assignment Best Practices: CHIP-Enrolled Children Whose Income Change May Require a New Premium Assignment

Many states have a tiered premium structure based on a child's household income. Upon review of available data sources, a state may find that a CHIP-enrolled child appears subject to either a higher or lower premium amount than the premium band that they are currently assigned to.

Premium Assignment Principles

- **Lower Premium Band:** If available data shows the child is eligible for a lower premium band, the state:
  - Moves the child to the lower premium band; and
  - Sends a notice to the household informing them of the change and the basis for the determination. No additional action is needed by the enrollee.
- **Higher Premium Band:** If the available data shows the child may be subject to a higher premium band, the state:
  - Maintains the child in the same premium band; and
  - Gives the household an opportunity to refute the information that was obtained from data sources.
    - If an enrollee provides documentation/additional information to a request for information, the state should revise the premium band based on that documentation/information.
    - If the enrollee does not respond to the request for information, the state should not terminate coverage but, rather, assign the premium band based on the available data sources.

Scenario: 16-year-old Joanna is enrolled in CHIP. At renewal, income data sources indicates that Joanna may be subject to a different premium band.

Data sources above Medicaid but below CHIP eligibility levels

Data sources indicate lower premium band

Maintain child In CHIP but assign lower premium band based on available data sources and send notice with direction to respond if information in notice is incorrect

Family doesn't respond

Maintain lower premium band assignment

Data sources indicate same premium band

Maintain child in CHIP and same premium band

Data sources indicate higher premium band

Maintain child in CHIP at same premium band and send RFI; make no change in premium assignment at this point

Family responds and verifies lower income/lower premium band

Maintain child in current lower premium band or move to lower premium band based on family attestation/ documentation

Family responds and confirms higher income/ premium band

Change premium band assignment to match family attestation/ documentation

Family doesn't respond

Maintain child in CHIP and move to higher premium band based on data sources

Additional Strategies for Promoting Continuity of Coverage for Children

Additional Strategies to Promote Successful Transitions from Medicaid to CHIP

Children in a Separate CHIP are at risk of losing coverage due to failure to pay premiums. Many states have elected to suspend their premium policies during the COVID-19 PHE. During unwinding, it may take time for families to adjust back to pre-COVID premium policies when CHIP premiums restart. States are encouraged to consider the following approaches to reduce the chance of children losing coverage as states resume normal operations during unwinding. States interested in electing these options can contact their CHIP PO for guidance on CHIP disaster relief SPAs or activations.

- **Premium Collection:**
  - States that collect premiums may elect to permanently eliminate them or suspend them temporarily during the unwinding period.
  - To help prevent missed or late premium payments, states could deploy targeted outreach and notice strategies.
- **Enrollment Fees:**
  - States could consider the establishment of an annual enrollment fee rather than collecting monthly premium payments. Affordable enrollment fees encourage continued enrollment throughout the year and eliminate the possibility of disenrollment for failure to pay monthly premiums.
- **Disenrollment for Failure to Pay Premiums:**
  - States could elect not to disenroll individuals from coverage for failure to pay premiums permanently, or temporarily through the unwinding period.
- **Premium Lock-Out Periods:**
  - States with premium lock-outs for failure to pay premiums may permanently remove them or suspend them temporarily during the unwinding period.

Transition Considerations Related to Managed Care

In states that deliver services through managed care, there is a potential that children transitioning between Medicaid and CHIP may experience changes in their managed care plan that could result in a disruption of services (e.g., if a child's provider is contracted with one plan but not the plan to which the child is transitioning). States can employ operational processes that minimize service disruptions to the maximum extent possible.

Potential Strategies

- Minimize, or eliminate, a gap in coverage or the amount of time a child needs to be in fee-for-service and select a managed care plan by:
  - Contracting with managed care plans that serve both Medicaid and CHIP programs; this allows a child to maintain enrollment in the same plan when they move from one program to another; or
  - Default or passive assignment of the child to a plan (when the state does not offer the same plans in both Medicaid and CHIP) based on an algorithm that could include, but is not limited to, previous plan enrollment, provider relationship, and other family members enrolled in the same plan.
    - For families subject to default or passive assignment into a managed care plan, states must send clear instructions on how to change plans, as needed, how much time they have to change the plan, and where to go/who to contact with questions on plan selection.

Promote Continuity of Coverage Throughout the Year

States may implement the following options to promote continuity of coverage outside of the regular renewal process, but still must conduct annual renewals for children.

12-months continuous eligibility for Medicaid and CHIP

- States have the option to provide 12-month continuous eligibility for children enrolled in Medicaid and CHIP.
- A recent U.S. Department of Health and Human Services ASPE study shows that children living in states with 12-month continuous eligibility were less likely to be uninsured (7.8% compared to 11.7%) and to have a gap in care in the last year (7.8% compared to 15.9%) as compared to children living in states without continuous eligibility.
- To effectuate continuous eligibility, states must submit a State Plan Amendment.

Suspend Mid-Year Periodic Data Checks

- States that conduct mid-year periodic data checks and send requests for information are likelier to experience disenrollment based on procedural terminations when individuals fail to respond to notices.
- Alternatively, states could employ targeted communication and clear notice language reminding individuals to report a change in circumstances during their coverage year.

Sources: CMS, Continuous Eligibility for Medicaid and CHIP Coverage; U.S. HHS Assistant Secretary for Planning and Evaluation, "Medicaid Churning and Policy Considerations Before and After the COVID-19 Pandemic," April 2021.

Resources

- Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations
- Medicaid and CHIP Renewals and Redeterminations Slide Deck from Learning Collaborative meeting on January 13, 2021
- Medicaid and CHIP Renewals and Redeterminations Slide Deck from All State Call on December 8, 2020
- CMCS Informational Bulletin: Medicaid and CHIP Renewal requirements
- Continuous Eligibility for Medicaid and CHIP Coverage
- Medicaid Churning and Policy Considerations Before and After the COVID-19 Pandemic

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