

October 27, 2022

Proposed Eligibility, Enrollment, and Renewal Rule

Summary and areas for possible comment

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Medicaid and CHIP Payment and Access Commission



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Overview

- Background on the proposed rule
- Goals of the proposed rule
- Detailed summary and relevant MACPAC work
- Next steps and Commission discussion

Background on the Proposed Rule

- The Centers for Medicare & Medicaid Services (CMS) released a proposed rule on September 7, 2022
- Provides the first substantial changes to the enrollment and renewal process since implementation of the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended)
- Comments are due November 7, but it is unknown when the rule will be finalized and it is unlikely to be implemented prior to resumption of redeterminations at the end of the public health emergency (PHE)

Goals of the Proposed Rule

- Ease the administrative burden for states
- Reduce barriers to enrollment and retention of coverage for eligible individuals, with a particular focus on children and individuals who are dually eligible for Medicaid and Medicare
- Improve program integrity by promoting accurate and timely determinations

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Detailed Summary and Relevant MACPAC Work

Aligning Medicare Savings Program Rules with Medicare Part D Low-Income Subsidy Program

- Medicare Savings Programs (MSPs) provide Medicaid assistance with Medicare premiums and sometimes cost-sharing; the MSPs are mandatory eligibility pathways
- The Medicare Part D Low-Income Subsidy (LIS) Program provides financial assistance to Medicare beneficiaries with premiums and cost-sharing for their Part D prescription drug coverage

Proposed Changes to the MSPs

- Proposed rule focus on facilitating enrollment into the Medicare Savings Programs (MSPs), including:
 - accepting Part D LIS data as an MSP application;
 - streamlining MSP income and asset methodologies;
 - adopting the LIS definition of family size; and
 - automatically enrolling certain SSI recipients into the MSPs.
- MACPAC estimated participation in the MSPs at around 50 percent of the eligible population and recommended alignment with LIS eligibility rules for purposes of improving participation

Electronic Verification of Assets

- All states must have an asset verification system (AVS) to verify assets through electronic data matching
- Proposed rule clarifies:
 - states must first use electronic data to verify resources prior to requesting additional information from an individual; and
 - the reasonable compatibility standards for income (i.e., if both are above, at, or below the standard) also apply to resources.
- In prior MACPAC work, states reported that electronic data interfaces facilitated high rates of real-time eligibility determinations, auto-renewal, and reduced churn

Aligning Non-MAGI and MAGI Rules

- Earlier implementing regulations applied simplification measures to individuals determined eligible using modified adjusted gross income (MAGI) standards
- Proposed rule makes changes to align the non-MAGI requirements with those for MAGI groups, including:
 - requiring multiple modes for submitting information; and
 - using a prepopulated renewal form if ex parte process is unsuccessful.
- Prior MACPAC work has indicated:
 - a need for multiple modes of communication given beneficiary preferences and comfort with technology; and
 - state success in implementing streamlined renewal procedures for MAGI populations.

Establishing Timelines for Responses

- CMS has established minimum requirements for states to determine eligibility at application, but few timelines for beneficiary responses
- Proposed rule seeks to provide additional parameters around response times that are not specified, including responding to requests for additional information and when the clock actually begins
- Prior MACPAC work has noted concerns about whether individuals were given an adequate opportunity to respond to notices and requests for information

Agency Action on Returned Mail

- Current regulations require prompt redeterminations when the state receives information about a change in circumstance
- Proposed rule would outline steps states must take when mail is returned to the agency, including checking available data sources and attempting to contact the beneficiary via another modality
 - If a state does not receive a response within 30 days, the next steps differ depending on whether the forwarding address is in-state or out-of-state
- In prior work, the Commission has noted that missing contact information can have coverage implications for beneficiaries

Easing Transitions between Medicaid and CHIP

- The ACA requires states to coordinate eligibility and enrollment between Medicaid and separate CHIP, but implementation has indicated issues with how this is executed
- To minimize gaps in coverage, the proposed rule would require:
 - state interagency agreements to include procedures for seamlessly transferring individuals between Medicaid and CHIP;
 - Medicaid to accept determinations of MAGI-based Medicaid eligibility that are made by the CHIP agency, and vice versa; and
 - a combined notice when an individual is determined ineligible for one program and eligible for the other.
- The rule does not make changes to coordination with the exchange
- MACPAC's recent work on transitions showed gaps in coverage as children move between Medicaid and separate CHIP

Prohibiting Premium Lock-out Periods in Separate CHIP

- Separate CHIP programs are permitted to charge premiums and prevent individuals from re-enrolling for up to 90 days following non-payment
- The proposed rule would prohibit lock-out periods as well as requiring past due payments prior to reenrolling
- MACPAC's prior CHIP recommendations supported the elimination of premiums for families under 150 percent of the federal poverty level, in part to align with the prohibition in Medicaid

Prohibiting Waiting Periods in Separate CHIP

- CHIP statute requires states to have methods in place to prevent the substitution of public coverage for private coverage
- To satisfy this requirement 11 states have a waiting period, during which time a child must be without employer-sponsored insurance before enrolling in separate CHIP
- The proposed rule would eliminate the state option to require a waiting period, although states must continue monitoring substitution
- MACPAC recommended the elimination of waiting periods in 2014 and 2017

Next Steps and Commission Discussion

Next Steps

- Building on MACPAC's prior work and the discussion today, staff will draft a response letter
- Comments are due November 7, 2022

Discussion: Summary of Proposed Rule

- Facilitating enrollment in the MSPs
- Aligning requirements between MAGI and non-MAGI populations
- Establishing explicit timelines for individuals submitting information and state responses to returned mail
- Easing transitions between Medicaid and separate CHIP
- Prohibiting lock-out periods and waiting periods in separate CHIP

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