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***CMCS Informational Bulletin***

**DATE: May 9, 2024**

**FROM: Daniel Tsai, Deputy Administrator and Director, Center for Medicaid & CHIP Services**

**SUBJECT: *Ensuring Timely and Accurate Medicaid and CHIP Eligibility Determinations at Application***

The Centers for Medicare & Medicaid Services (CMS) is sharing important reminders to states regarding their obligation to process Medicaid and Children's Health Insurance Program (CHIP) applications in compliance with all existing federal requirements.

Federal regulations at 42 C.F.R. §§ 435.912 and 457.340 require states to complete eligibility determinations for Medicaid and CHIP promptly and without undue delay. The determination of eligibility for any individual may not exceed 90 days for applicants who apply on the basis of disability and 45 days for all other applicants. Accordingly, states must determine eligibility for individuals whose eligibility is being determined based on their Modified Adjusted Gross Income (MAGI) within 45 days. CMS expects states to process applications in compliance with federal timeliness requirements.

At the end of 2023, over two-thirds (67%) of MAGI applications nationwide were processed within one week, including over half (54%) processed in under 24 hours. Approximately 7% of MAGI applications were processed in more than 45 days.<sup>1</sup> A variety of factors contribute to timely and accurate application processing including, but not limited to: 1) an application design that effectively collects all required information and streamlines submission and receipt of the application; 2) a robust electronic data source verification process with a strategic hierarchy; 3) a well-trained and adequately resourced eligibility workforce that is sufficiently equipped to process applications in a timely manner; 4) a high-functioning eligibility system that maximizes automated workflows and includes an accurate automated rules engine to support the determination process; and 5) strong management and oversight processes.

To ensure compliance with federal requirements and support timely coverage and care, CMS urges all states to review their current timeframes for processing Medicaid and CHIP applications and implement appropriate strategies to improve timeliness. CMS has identified a number of immediate and longer-term strategies that states can implement to improve application processing timeframes and address application backlogs, as detailed in the accompanying

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<sup>1</sup> Centers for Medicare and Medicaid Services, "MAGI Application Processing Time Snapshot Report: July 2023 – September 2023," Center for Medicaid and CHIP Services, December 28, 2023. Available at <https://www.medicare.gov/sites/default/files/2023-12/magi-app-process-time-snapshot-rpt-jul-sep-2023.pdf>.

[slide deck](#).<sup>2</sup> This guidance highlights policies and current state practices that have proven effective in promoting timely access to coverage for eligible individuals.

### **Summary of Key Strategies**

To improve application processing timeliness in the immediate term and mitigate the impact of backlogs on applicants, CMS encourages states to:

- **Implement flexibilities to increase real-time determinations and *ex parte* renewal rates.** This may include the adoption of waiver strategies under section 1902(e)(14)(A) of the Social Security Act to rely on findings from other human services agencies for Medicaid determinations at application or renewal or to accept assessment of eligibility from the Federally Facilitated Marketplace as determinations.
- **Invest in workforce improvements and other strategies to expand staff capacity.** For example, to address a backlog of pending cases, states may consider allowing for temporary overtime or telework, or offering financial incentives for timely processing.
- **Take steps available under existing regulations and temporary waivers and flexibilities, as appropriate, to expedite access to care for individuals, pending a final determination of eligibility,** including by adopting and expanding presumptive eligibility and updating verification practices (e.g., to adopt post-enrollment verification).

Further, to ensure continued compliance, CMS also urges states to consider implementing policies, processes, and systems changes aimed at enhancing the infrastructure of the application process workflow. For example, states can:

- **Invest in modernized eligibility systems** that include worker portals, electronic beneficiary accounts, interfaces to verification data sources, and automation.
- **Conduct ongoing and regular eligibility worker and vendor training** on systems, policies, and procedures for processing applications.
- **Increase availability of, and reliance on, electronic data sources for verification at application and renewal.** Maximizing automation of electronic verification also minimizes labor-intensive manual processes for states, thereby decreasing administrative burden, and reduces potential inaccuracies due to human error.
- **Ensure effective communication and sufficient assistance for consumers.** For example, states are strongly encouraged to expand use of outstation locations for eligibility workers to provide in-person assistance to individuals submitting applications and to work with Navigators, assisters, and community-based partners to support individuals with the application process.

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<sup>2</sup> Centers for Medicare and Medicaid Services “Ensuring Timely and Accurate Medicaid and CHIP Eligibility at Application, May 2024”, available at <https://www.medicaid.gov/medicaid/eligibility/downloads/eligibility-app-timelines-slide-deck.pdf>

For more information and details on requirements and strategies, please see the accompanying slide deck to this bulletin, “[Ensuring Timely and Accurate Medicaid and CHIP Eligibility at Application, May 2024](#).” CMS stands ready to provide ongoing assistance and support to our state partners to improve state systems and operations and to address any issues that are identified. We also remind states that Federal Financial Participation (FFP) at a 90 percent matching rate is available to states for their expenditures on design, development, or installation of mechanized claims processing and information retrieval systems, including on designing, developing, and installing approved processes, systems, and activities necessary to ensure compliance with the requirements reiterated in this bulletin. FFP at a 75 percent matching rate is available for state expenditures to operate such systems.

CMS is available to provide ongoing assistance to states to support state efforts to achieve compliance with application processing. For additional questions, please email the CMS Unwinding Mailbox at [CMSUnwindingSupport@cms.hhs.gov](mailto:CMSUnwindingSupport@cms.hhs.gov) or contact your state lead.