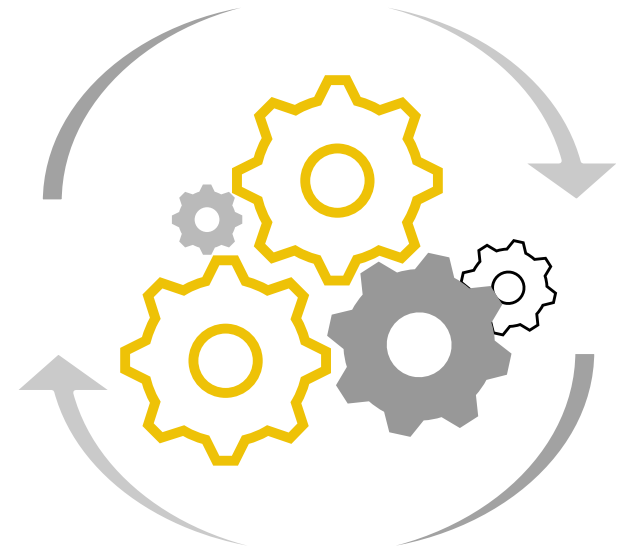




# Notice Considerations for Conducting Medicaid and Children's Health Insurance Program (CHIP) Renewals at the Individual Level

**November 2023**



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# Objectives of Materials

- Remind states of requirements for Medicaid and CHIP eligibility determination and adverse action notices.
- Share state options for sending individual eligibility notices to each individual or single eligibility determination notice for the household.
- Provide sample eligibility determination notice language depending on which notice option a state elects.
- Review specific notice considerations when implementing mitigation strategies to conduct renewals at the individual level.

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# Eligibility Determination Notice Requirements and Considerations at Renewal

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# Federal Requirements: All Eligibility Determination Notices

States must provide to applicants and beneficiaries timely, accessible written notice that meets federal requirements of any decision affecting eligibility, including an approval, denial, termination, or suspension of eligibility.

## All eligibility decisions notices must be:

- Written in plain language;
- Offered to individuals electronically, at the individual's option in accordance with 42 CFR 435.918. The default method for the provision of notices is by mail;
- Accessible to persons who are limited English proficient through the provision of language services at no costs to the individual, including oral interpretation and written translations; and
- Accessible to persons with disabilities through the provision of auxiliary aids and services at no cost to the individual.

NOTE: Individuals must be told about the availability of accessible information and language services and how to access this information and services (including by using taglines in non-English languages)

**42 CFR**  
**435.917(a)**  
**435.905(b)**  
**435.918**

# Federal Requirements: Electronic Notices

## If the individual elects to receive electronic communications, the state must:

- Confirm that decision by mail;
- Tell the individual that they can change their mind and decide to receive notices through regular mail;
- Post notices to the electronic account within 1 business day of notice generation;
- Send an email or other electronic alert to the individual when a notice is posted to their account (the email or other electronic alert may not include confidential information);
- If there is a failed (undeliverable) electronic communication, send the individual a notice by regular mail within 3 business days; and
- If requested by the individual, send any notice posted to the electronic account to the individual by regular mail.

**42 CFR**  
**435.918**

# Federal Requirements: Approval Eligibility Determination Notices

## Eligibility Determination Notices Must Include:

- Basis and effective date of eligibility.
- Requirement to report if any of the information contained in such notice is inaccurate.
- Circumstances under which the individual must report a change in circumstances and eligibility and procedures for reporting such a change.
- Any applicable spend-down requirements.
- Basic coverage information, including:
  - ✓ Any difference in benefits or services available to individuals enrolled in benchmark or benchmark-equivalent coverage or in an alternative benefit plan;
  - ✓ Premium and/or cost sharing obligations;
  - ✓ How to receive additional information on benefits and financial responsibilities; and
  - ✓ Right to request a fair hearing regarding the eligibility status or level of benefits.
- For MAGI-based eligibility determinations:
  - ✓ Information on non-MAGI bases of eligibility sufficient for an individual to make a decision about whether to request an eligibility determination on a non-MAGI basis;
  - ✓ Services and benefits for the non-MAGI bases of eligibility; and
  - ✓ How to request a determination on a non-MAGI basis, if the individual would like to do so.

**42 CFR**  
**435.917(b)(1)**  
**435.917(c)**  
**435.916(a)(2)(ii)**

# Federal Requirements: Adverse Action Eligibility Determination Notices (1/2)

## Denial and Adverse Action Notices Must Include:

- Description of the action the agency intends to take (e.g., denial, termination, suspension, or reduction in eligibility or services/benefits, or increase in premiums or cost-sharing);
- Effective date of such action;
- Specific reasons supporting the intended action;
- Specific regulations, or changes in federal or state law, that support the action;
- Explanation of fair hearing rights including: how to request a fair hearing (including an expedited fair hearing), who can assist the individual at the hearing, when benefits will be provided pending the outcome of the fair hearing, and timing to take final administrative action; and
- Coordinated content on potential eligibility for another insurance affordability program and transfer of the individual's account to such program.

See Next Slide for Additional Required Denial and Adverse Notice Language

**42 CFR**  
**435.4, 435.917(b)(2);**  
**435.917(c); 435.1200(h);**  
**431.206(b); 431.210;**  
**431.211-214**

# Federal Requirements: Adverse Action Eligibility Determination Notices (2/2)

MAGI-based Eligibility Determinations: Denial and Adverse Action Notices Must Include:	
For determinations that are not pending a non-MAGI eligibility determination	<ul style="list-style-type: none"> <li>✓ Information on non-MAGI bases of eligibility sufficient for an individual to make a decision about whether to request an eligibility determination on a non-MAGI basis;</li> <li>✓ Services and benefits for the non-MAGI bases of eligibility; and</li> <li>✓ How to request a determination on a <u>non-MAGI</u> basis, if the individual decides to do so.</li> </ul>
For determinations that are pending a non-MAGI eligibility determination	<ul style="list-style-type: none"> <li>✓ Explanation that the agency is continuing to evaluate Medicaid eligibility on other bases and that eligibility enrollment in other insurance affordability programs will not affect the non-MAGI eligibility determination.</li> </ul>

**Timing Requirement:** With few exceptions, adverse action notices must be sent at least 10 days before the date of the adverse action.

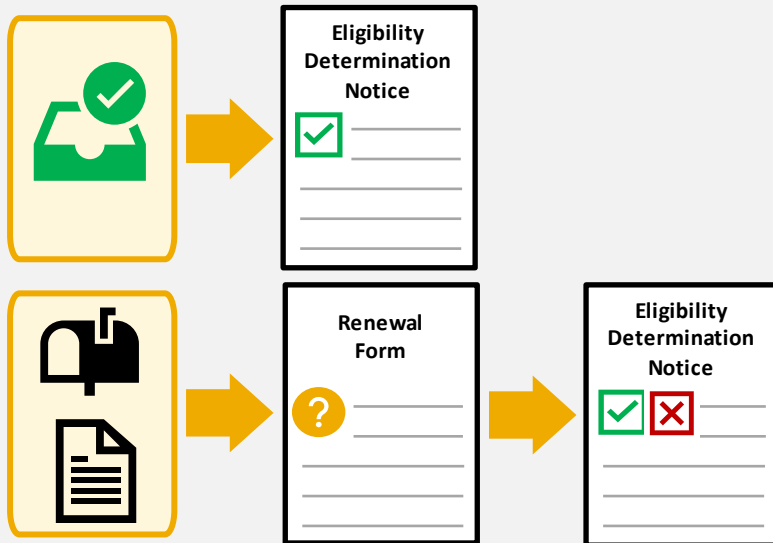
**42 CFR**  
 435.4, 435.917(b)(2);  
 435.917(c); 435.1200(h);  
 431.206(b); 431.210;  
 431.211-214



# State Option: Eligibility Determination Notice Timing

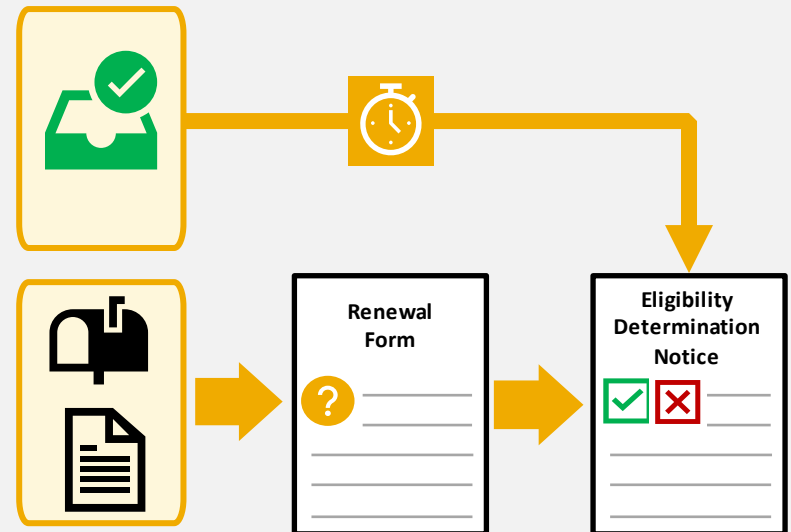
In some instances, states will need to communicate different messages to individuals in the same household. States can either send eligibility determination notices individually to each beneficiary, or a single notice for the household.

**Option A.** Send an individual eligibility determination notice for each individual (with coordinated content) once the state has made an eligibility determination (either on an *ex parte* basis or based on the renewal form).




or

**Option B.** Send a single eligibility determination notice for the household only once the state has enough information to determine eligibility for all members of the household (either on an *ex parte* basis or based on the renewal form).



# State Option: Eligibility Determination Language Example

## Option A. Individual Eligibility Determination Notice for Each Individual (with Coordinated Content)



You can get this letter in another language, in large print, or in another way that's best for you. Call us at 1-800-XXX-XXXX (TTY: 1-800-XXX-XXXX).  
Usted puede obtener esta carta en otro idioma, con letras más grandes, o en otro formato que sea más conveniente para usted. Llámenos al 1-800-XXX-XXXX (Las personas con problemas para oír – TTY: 1-800-XXX-XXXX).

### Why you are getting this letter


#### Good news for you

Good news for you, Tina! You qualify for Medicaid health coverage. Your coverage renewed on [insert date].

#### Update About Your Family

We are still waiting on information from Martin. Once we receive it, we will let Martin know if he still qualifies for Medicaid health coverage. Martin will be receiving more information in a separate letter. Susie continues to qualify for Medicaid health coverage.

Coordinated content provides an overview for the entire family, including determinations for children and the status for the parent(s).



You can get this letter in another language, in large print, or in another way that's best for you. Call us at 1-800-XXX-XXXX (TTY: 1-800-XXX-XXXX).  
Usted puede obtener esta carta en otro idioma, con letras más grandes, o en otro formato que sea más conveniente para usted. Llámenos al 1-800-XXX-XXXX (Las personas con problemas para oír – TTY: 1-800-XXX-XXXX).

### Why you are getting this letter


#### Update for you

Martin, we reviewed your information. We decided that you do not qualify for Medicaid health coverage based on what you told us when we asked for more information because [insert specific reason(s) for ineligibility and supporting regulatory citations]. Your coverage will end on [insert date].

#### Update About Your Family

Tina and Susie still qualify for Medicaid health coverage.

## Option B. Single Eligibility Determination Notice for the Household



You can get this letter in another language, in large print, or in another way that's best for you. Call us at 1-800-XXX-XXXX (TTY: 1-800-XXX-XXXX).  
Usted puede obtener esta carta en otro idioma, con letras más grandes, o en otro formato que sea más conveniente para usted. Llámenos al 1-800-XXX-XXXX (Las personas con problemas para oír – TTY: 1-800-XXX-XXXX).

### News for you and your family

#### Good news for Tina and Susie

Good news for Tina and Susie! They qualify for Medicaid health coverage. Their coverage renewed on [insert date].

#### Update for Martin

We reviewed Martin's information. We decided that Martin does not qualify for Medicaid health coverage based on what he told us when we asked for more information because [insert specific reason(s) for ineligibility and supporting regulatory citations]. Martin's coverage will end on [insert date].

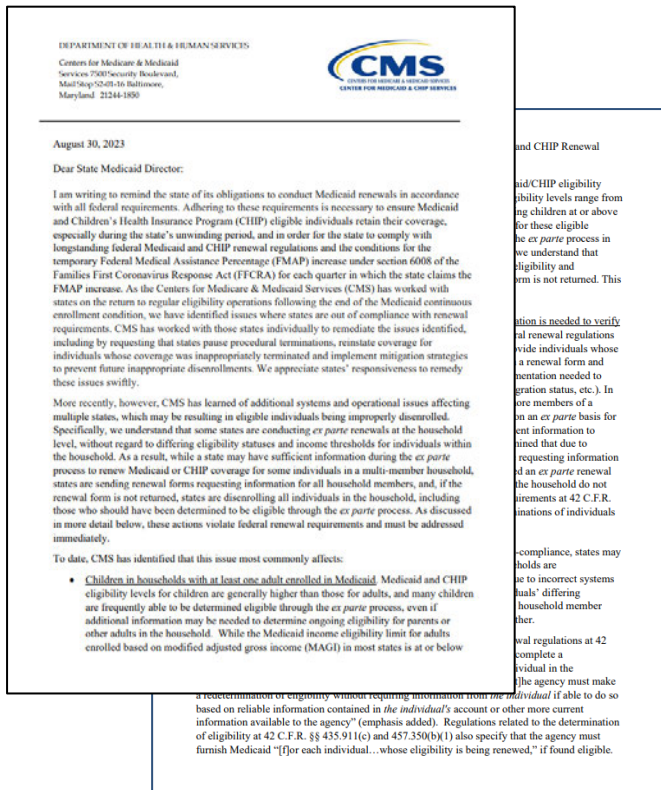
This type of notice provides determinations for the entire household.

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## **Notice Considerations When Implementing Mitigation Strategies to Conduct Renewals at the Individual Level**

# State Medicaid Director Letter: State Assessments Regarding Compliance with Medicaid and CHIP Automatic Renewal at the Individual Level

On August 30, 2023, CMS sent a letter to all State Medicaid Directors alerting them to a potential eligibility system issue related to automatic renewals for Medicaid and CHIP.



- States were urged to assess their eligibility systems and to determine and report to whether they have a systems issue.
- States that identified that they are not auto-renewing at the individual level were required to:
  - (1) Pause procedural terminations for those affected individuals;
  - (2) Reinstate coverage for affected populations;
  - (3) Fix the state's systems and processes; and,
  - (4) Implement one or more *ex parte* mitigation strategies to prevent inappropriate terminations of eligibility until such time that the state has fixed all systems and processes to be compliant with the renewal requirements.

# Ex Parte Mitigation Strategy:

## Identify and Renew Eligibility for Affected Individuals Prior to Disenrollment for a Procedural Reason

### Notices Processes and Considerations

- For any multi-member household with individuals who are scheduled to be procedurally disenrolled, the state must review eligibility for all household members, including children, to identify and renew coverage for and notify those who remain eligible.
  - Individuals who continue to be eligible (e.g., a child who can be determined eligible based on *ex parte* data) should be renewed and receive a continuation of coverage **eligibility determination notice**.
  - Members of the household who are not eligible for coverage (e.g., an adult who could not be renewed *ex parte* and does not return the form) should receive an **adverse action eligibility determination notice** at least 10 days before the date of action to procedurally terminate coverage.
  - Communication can be sent *either* through individual eligibility determination notices for each individual or through a single eligibility determination notice for the household.
  - *See slides 4 – 10 on eligibility determination notices for more information.*
- If any affected individuals in the household had their coverage terminated prior to the state conducting manual redeterminations, they should receive information regarding reinstatement; notice about next steps in the renewal process can be sent separately or combined with **reinstatement notice** information. (*See slide 14 on reinstatement notices for more information.*)

# Reinstatement Notices for Affected Individuals

All states that have identified they are out of compliance with the requirements to determine eligibility for each individual in the household must reinstate coverage for any individuals who have been terminated inappropriately and provide notices to individuals.

## Notice Elements

### Reinstatement eligibility notices must include:

- ✓ Statement that coverage is being reinstated retroactive to the date of their termination (with the retroactive effective date) and how they can access coverage;
- ✓ Statement explaining basis of eligibility;
- ✓ Information on how the individual may seek to obtain payment for medical bills or ensure eligible services are covered for the period while the individual was disenrolled;
- ✓ An explanation of how to receive additional detailed information on benefits and financial responsibilities;
- ✓ Contact information for help in understanding the letter, including the availability of interpreters and accessible format for people with limited English proficiency and disabilities; *(See slide 4 for additional details.)* and
- ✓ Other content required for a notice of approved eligibility consistent with 42 CFR 435.917(b)(1)&(c). *(See slide 6 for additional details.)*

### Additional Important Information:

- ✓ The date when their Medicaid or CHIP coverage will need to be redetermined, if known; or, if the next redetermination date is still unknown or changes, that coverage will be continued until a notice of action is sent to the individual;
- ✓ Whether the individual will be enrolled in Medicaid or CHIP managed care and, if yes: (1) confirmation that the individual will be reenrolled in their prior plan; or (2) how to select a managed care plan; and
- ✓ Call center information and information on community-based resources where they can get additional assistance (e.g., Navigators).

# Additional Notice Considerations

## States that Paused Procedural Terminations

- States that paused procedural terminations may need to send specific notices to individuals who previously received a notice indicating that their coverage will be terminated if a renewal form is not returned.
- Such states should send notices that include the following information:
  - That the individual will continue to be enrolled in coverage past their renewal due date or the date that was identified in any notice already sent to the individual indicating coverage was scheduled to end;
  - Information on next steps (i.e., how long the extension is for, and/or that the individual should wait to hear next steps from the state); and
  - Information meeting all other notice requirements, as applicable. *(See slides 4-6 for additional details.)*

## States that Extended Coverage for Affected Individuals

- States that elected the mitigation strategy to extend coverage for a full 12 months should send a regular renewal notice, at the time of the scheduled renewal, that includes all of the information required in an eligibility determination notice. *(See slides 4-6 for additional details.)*
- Any notices that are provided should meet all other notice requirements.

# Resources

- CMS, State Medicaid Director Letter, [State Assessments Regarding Compliance with Medicaid and CHIP Automatic Renewal at the Individual Level](#), 2023.
- CMS Medicaid and CHIP Learning Collaborative, [Eligibility-Related Determination Notices State Toolkit](#), 2017.
- CMS Medicaid and CHIP Learning Collaborative, [Effective Communication in Eligibility-Related Determination Notices](#), 2017.
- CMS Medicaid and CHIP Learning Collaborative, [Eligibility-Related Determination Notices: 2017 Refresh Key Messages Menu Set](#), 2017.
- [Medicaid and Children's Health Insurance Program \(CHIP\) Renewal Requirements](#), 2020.
- [CMS Medicaid Unwinding Communications Toolkit](#)
- [Medicaid and CHIP Disability and Language Accessibility Requirements](#), 2023
- [CMS State Health Official Letter #22-001](#), 2022.
- [CMS State Health Official Letter #23-002](#), 2023.