



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

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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.

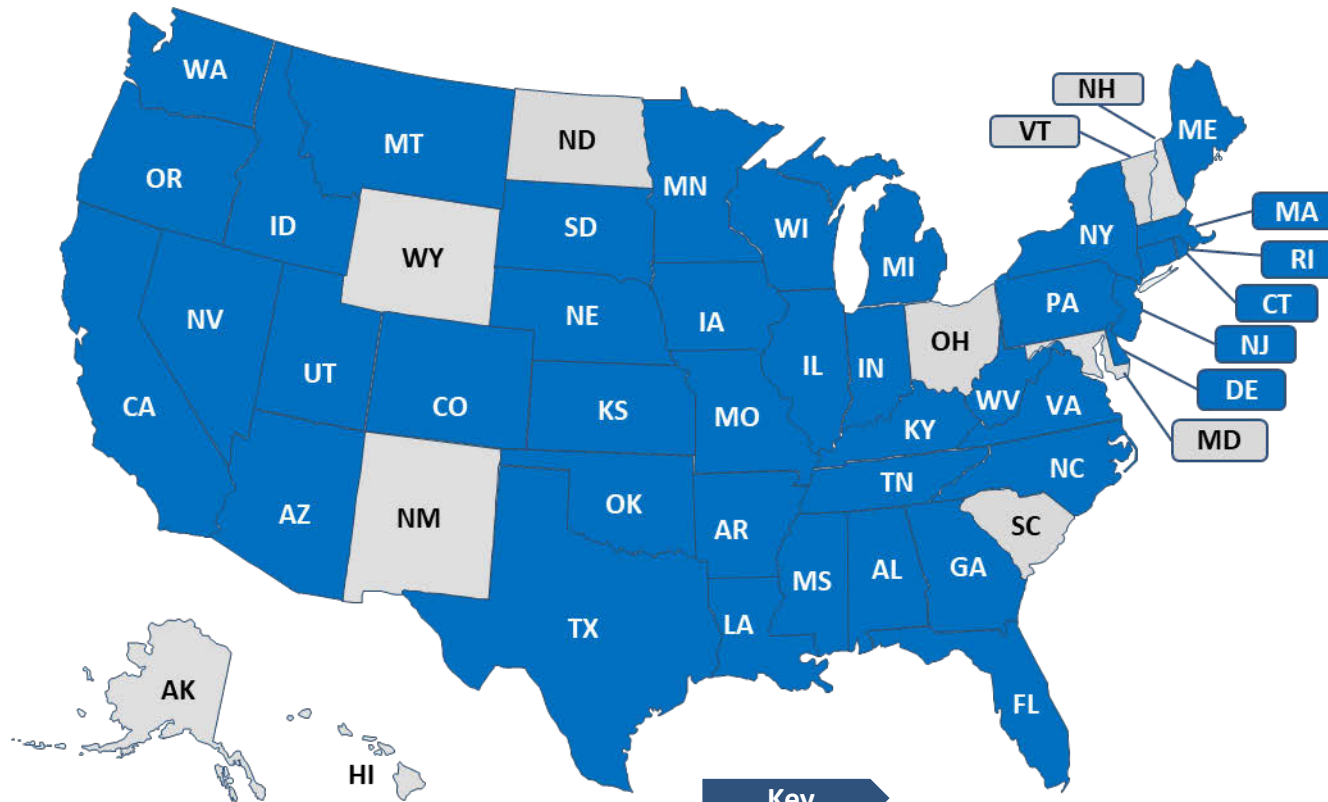
The objectives of this webinar are to:

- 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* renewal 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.

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.

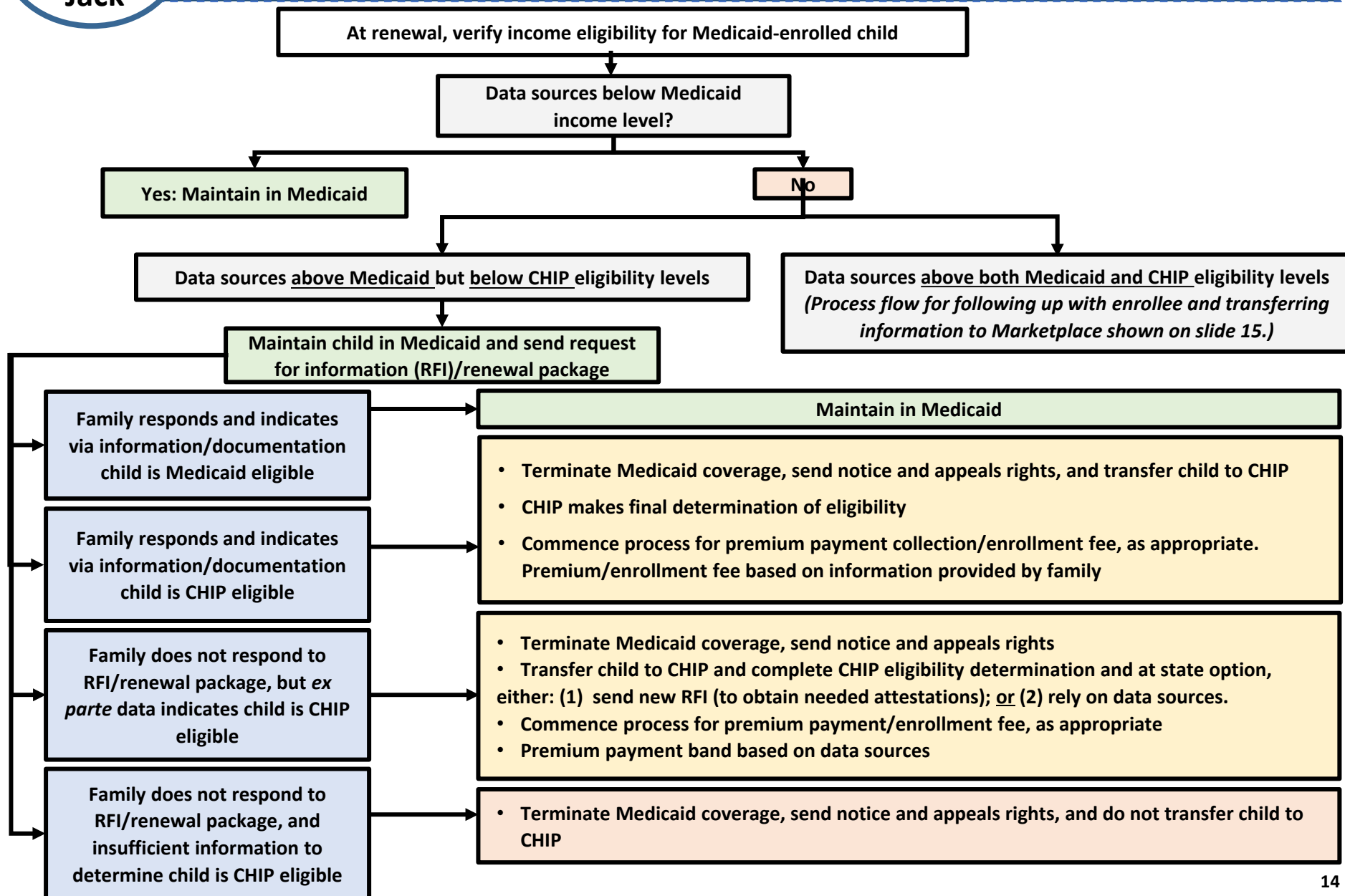
CHIP

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.

**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**

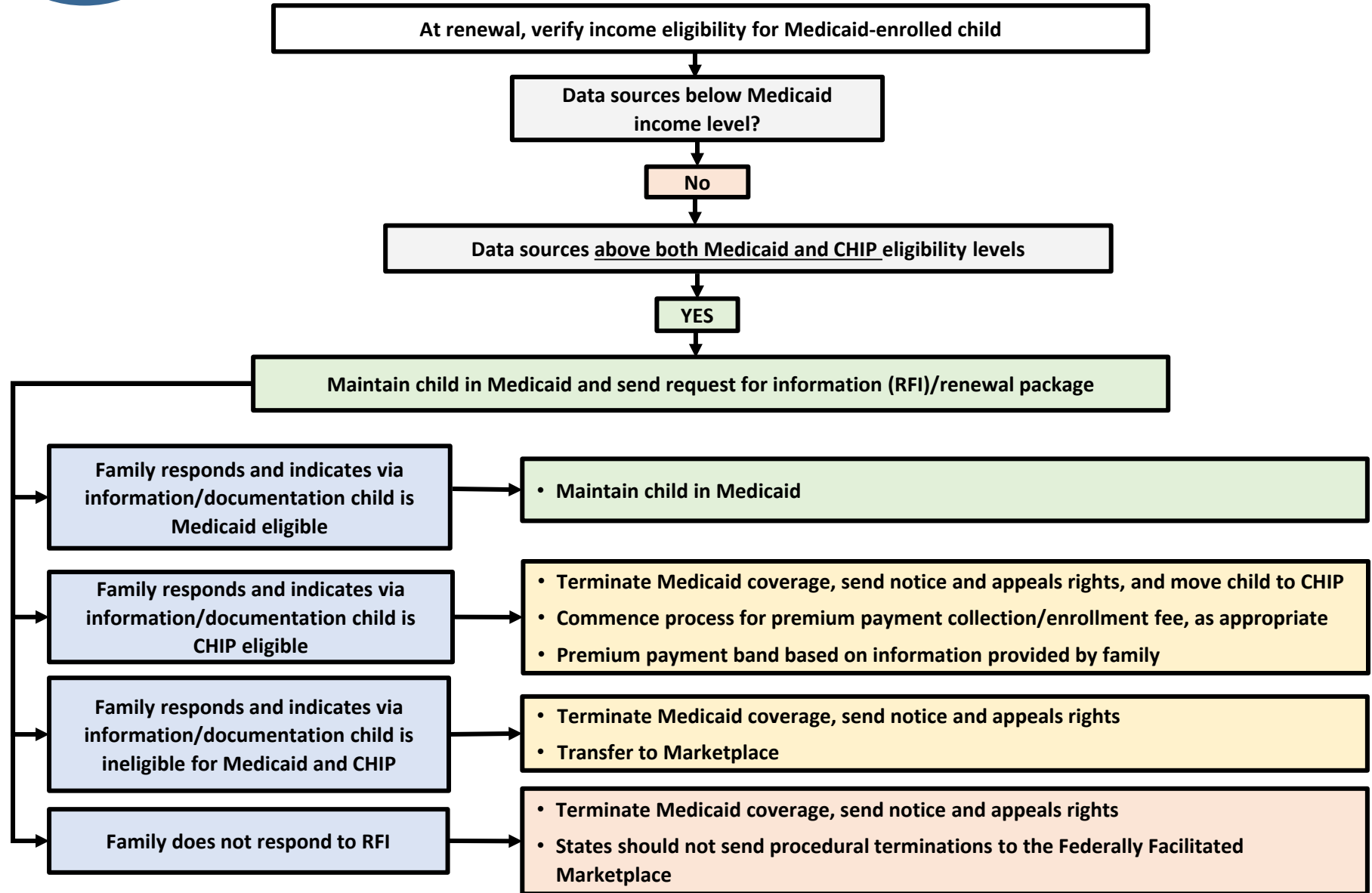


Scenario: 10-year-old Jack is enrolled in Medicaid. At renewal, income data sources indicate that Jack is CHIP eligible.





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



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.

Data sources above Medicaid and CHIP eligibility levels
(Process flow for following up with enrollee and transferring information to Marketplace shown on slide 15.)

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.

**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

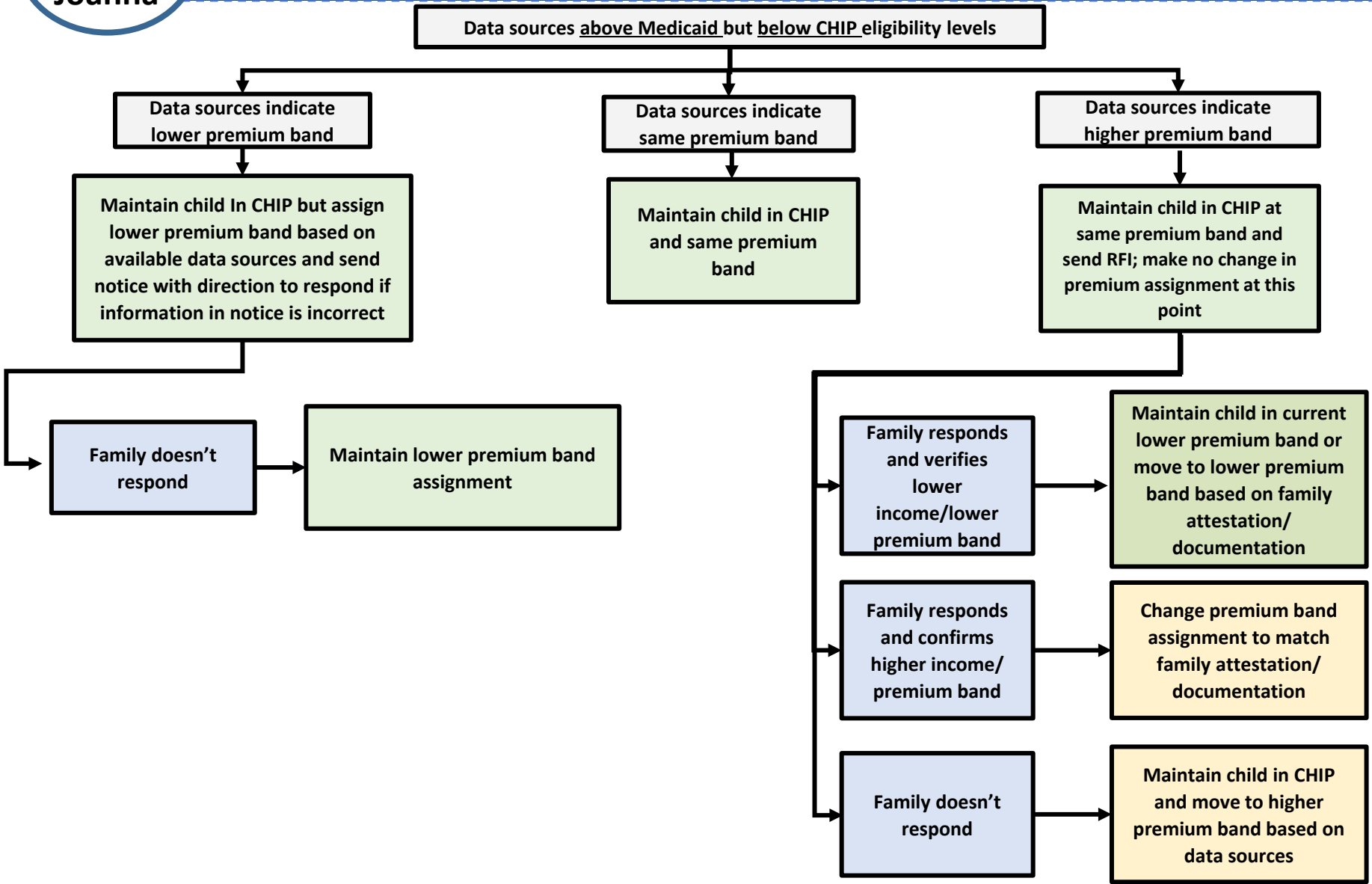
Many states have a tiered premium structure based on a child's household income. Upon review of available data sources, a state may find that a CHIP-enrolled child appears subject to either a higher or lower premium amount than the premium band that they are currently assigned to.

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.



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.

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](#)

Q & A
