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Medicaid and CHIP Payment and Access Commission

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April 30, 2014

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services
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The Honorable Ron Wyden
Chairman, Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
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The Honorable Orrin G. Hatch
Ranking Member, Committee on Finance
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The Honorable Fred Upton
Chairman, Committee on Energy and Commerce
U.S. House of Representatives
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The Honorable Henry Waxman
Ranking Member, Committee on Energy and Commerce
U.S. House of Representatives
2322A Rayburn House Office Building
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Re: Department of Health and Human Services (HHS) Report to the Congress: "CHIPRA Mandated Evaluation of Express Lane Eligibility: Final Findings"

The Medicaid and CHIP Payment and Access Commission (MACPAC) is pleased to submit these comments on the report to the Congress by the U.S. Department of Health and Human Services (HHS) released in December 2013: "CHIPRA Mandated Evaluation of Express Lane Eligibility: Final Findings." MACPAC is required by statute to review and provide comments on reports to the Congress submitted by the Secretary of HHS within six month of the submission date and provide written comments to the Secretary and appropriate committees of the Congress.

This report is the last in a series of evaluations of the Express Lane Eligibility (ELE) policy option. The evaluation was required by the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA, P.L. 111-3) to be published by September 30, 2012. An interim report summarizing findings from the first year of the evaluation was submitted in 2012. This report provides the final comprehensive evaluation findings.

The final evaluation report indicates that thirteen states have elected to pursue the ELE option and nearly 1.4 million children have enrolled in Medicaid or CHIP or retained coverage through ELE processes. The report also noted that two of the thirteen states obtained waivers to extend the ELE provision to adults. These states made different choices in the type of Express Lane process to use and the choice of partner agency. While the evaluation found that ELE was successful in increasing enrollment and retention of children in Medicaid and CHIP, the magnitude varied greatly depending on

the particular models and Express Lane options used by the state. In addition, the evaluation compared ELE results to mechanisms used by other states to expand coverage, including presumptive eligibility, phone renewals, and online enrollment. Comparisons between these mechanisms and ELE showed that other approaches were also effective in increasing Medicaid and CHIP enrollment by simplifying the process of applying for or renewing coverage.

The evaluation also found that in addition to these enrollment gains, the ELE process has created administrative cost savings for states and the federal government. States that used ELE to automatically process Medicaid and CHIP enrollment had substantial administrative savings—as much as $1 million per year—compared to what those states would have spent to enroll and renew the same number of children via standard methods. States that used ELE only to identify potentially eligible children or simplify the application process did not achieve substantial savings. Given the size of renewal caseloads compared to new enrollment caseloads and the recurring nature of renewal, using ELE for renewals can generate administrative savings and keep kids covered. However, ELE for renewal has not been as widely adopted as ELE for initial applications.

The evaluation report did not include information on whether and to what extent children were erroneously enrolled in Medicaid or CHIP through ELE processes, because the Centers for Medicare & Medicaid Services (CMS) has not finalized a methodology for states to measure error rates for children determined eligible through ELE.

While the final evaluation report does not provide a policy recommendation, HHS has signaled its support for ELE by including in the President's fiscal year 2015 budget a provision to permanently extend Express Lane authority.

MACPAC Comments

The Commission supports a permanent extension of the Express Lane Eligibility policy option for states. This support presumes that ELE does not result in additional incorrect eligibility determinations. The Commission also supports extending the ELE policy option to include eligibility determinations for adults, to be consistent with provisions in the Patient Protection and Affordable Care Act (ACA) that support simplified and coordinated eligibility determinations among insurance affordability programs.

The Commission's support stems from our review of the favorable enrollment gains and administrative savings demonstrated by states that implemented the ELE policy option. Express Lane authority was successful in encouraging some states to simplify enrollment and retention of eligible children in Medicaid and CHIP coverage while simultaneously reducing administrative burden on states and enrollees.

A permanent extension of ELE authority is necessary to allow states to maintain these gains. While states have expanded their reliance on trusted information and data-sharing with other agencies as a result of the ACA, only Express Lane authority allows states to rely on eligibility findings from other agencies to make a final eligibility determination.

If the authority for the ELE option expires on September 30, 2015, the thirteen states that have successfully implemented this option will be required to revert to legacy eligibility processes. These states are likely to incur additional costs to implement the required changes and operate manual eligibility and renewal processes. For example, the Medicaid Director for the State of Louisiana informed the Commission that the ELE option allowed the state to reduce agency staffing by about 200 positions. Louisiana would need to re-hire many of these staff to process applications and renewals if ELE authority is not extended.

The Commission also reviewed the experience of states that have obtained waivers to apply the ELE policy option to adults and arguments for extending the policy to include eligibility determinations for adults. When ELE was first authorized, most outreach and enrollment efforts were focused on children. However, the ACA has since expanded eligibility to a large number of adults who may qualify for ELE partner programs, so administrative savings associated with the ELE option could increase if family-level applications and renewals could be processed as a unit. States that have opted to expand Medicaid to low-income adults could also consider ELE a more attractive policy option if it could be implemented for adults as well as children. The Commission supports a statutory amendment of the policy option to allow eligibility determinations for adults.

Finally, the Commission believes that it is important for all eligibility decisions to be made correctly and for information on program integrity be made available to policymakers. While states have found ELE to be effective and are withstanding audits, MACPAC encourages CMS to issue guidance to measure the accuracy of these eligibility decisions. This guidance should address procedures for selecting samples of ELE cases, conducting eligibility reviews of sampled cases, calculating and reporting error rates, and developing corrective actions where errors are found.

MACPAC appreciates the opportunity to provide comments on the important policy issues raised in this report.

Sincerely,

Diane Rowland, ScD
Chair