Medicaid Enrollment and Renewal Process

Medicaid and CHIP Payment and Access Commission
Kirstin Blom and Martha Heberlein
Program Efficiency

• Both states and the federal government have an interest in improving the efficiency of the program

• MACPAC is undertaking work across a range of issues in this area, including improving program integrity efforts
ACA Changes to Medicaid Enrollment and Renewal Process

- Intended to simplify and streamline process for all eligible individuals
- Expectation that states automate the application process, integrate with other programs, and retire outdated legacy systems
- Anticipated that more eligible individuals would enroll and retain coverage, errors would decrease, determinations would occur more quickly and cost less
Implementation of Changes

- Initial implementation period was rocky as states modernized legacy eligibility systems and transitioned to new income counting rules.
- May be time to assess whether the processes are functioning properly:
  - Are they meeting the intended goals?
  - Could additional changes further improve program efficiency?
Current Policy
Comparison of Current and Pre-ACA Policy

- Income counting
- Asset tests
- Applications
- Face-to-face interviews
- Eligibility verification
- Redeterminations
- Eligibility processing and coordination
- State options
Income Counting

• Pre-ACA, was based on financial methodology of the cash assistance program most closely related to the individual’s status; included deductions and disregards

• ACA aligned Medicaid income eligibility with eligibility for subsidized exchange coverage for many populations using modified adjusted gross income (MAGI)
### MAGI and Non-MAGI Populations

<table>
<thead>
<tr>
<th>MAGI population</th>
<th>Non-MAGI population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children under age 19</td>
<td>Foster care children</td>
</tr>
<tr>
<td>Individuals with income above 138 percent FPL</td>
<td>Individuals age 65 and older with incomes at or below 100 percent FPL</td>
</tr>
<tr>
<td>New adult group</td>
<td>Individuals eligible for home and community-based services waiver</td>
</tr>
<tr>
<td>Parents and caretaker relatives</td>
<td>Individuals eligible for Medicare Savings Programs</td>
</tr>
<tr>
<td>Pregnant women</td>
<td>Individuals eligible for Supplemental Security Income program</td>
</tr>
<tr>
<td></td>
<td>Institutionalized individuals</td>
</tr>
<tr>
<td></td>
<td>Medically needy</td>
</tr>
<tr>
<td></td>
<td>Working disabled</td>
</tr>
</tbody>
</table>
Asset Test

- States have had the option to eliminate the asset test for some populations and flexibility in counting assets
- Pre-ACA, most states had eliminated asset tests for pregnant women and children, while about half still required asset tests for parents
- ACA eliminated the asset test for all MAGI populations
Applications

- Prior to enactment of the ACA, many states used eligibility-group specific applications.
- The ACA required individuals to be able to use one application for Medicaid, CHIP, and subsidized coverage on the health insurance exchanges.
  - States have the option of using a separate application or supplemental forms for non-MAGI populations.
Face-to-Face Interviews

- Pre-ACA, states had option to require face-to-face interviews for new applicants and for people renewing their coverage, but very few did.
- ACA ended the option for the MAGI population at both application and renewal.
- States can still require the interview for the non-MAGI population at application, but not renewal.
Eligibility Verification

• For those who are not automatically eligible for Medicaid, states are required to verify individuals’ eligibility for coverage
• Historically, obligation to demonstrate eligibility was placed on applicant
• ACA shifted much of this burden to states, which must rely on electronic data sources to the greatest extent possible
Redeterminations

- Redeterminations account for changes in eligibility criteria and may catch errors in eligibility determinations

Following the ACA:
- States must renew eligibility no more than once every 12 months for MAGI populations
- States can conduct regular renewals of eligibility more frequently for non-MAGI populations
- States must conduct ex parte renewals
- States must use pre-populated renewal form for MAGI populations
State Options

• States have a number of options available to streamline enrollment and renewal:
  – Presumptive eligibility
  – Express lane eligibility
  – 12-month continuous eligibility
Eligibility Processing and Coordination

• States must meet timeliness and performance standards
  – Must complete eligibility determinations within 90 days for those applying on the basis of disability and within 45 days for all others

• States must provide three months of retroactive coverage if an individual received covered services and would have been eligible at the time the service was provided
## Different Procedures: MAGI and Non-MAGI

<table>
<thead>
<tr>
<th>Procedure</th>
<th>MAGI</th>
<th>Non-MAGI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income counting</td>
<td>Federal tax rules for counting income and household size</td>
<td>Financial methodologies and requirements of the cash assistance program most closely related to the individual’s status</td>
</tr>
<tr>
<td>Asset test</td>
<td>No asset test</td>
<td>Asset test</td>
</tr>
<tr>
<td>Single, streamlined application</td>
<td>Required</td>
<td>States may use with supplemental forms or a separate non-MAGI application</td>
</tr>
<tr>
<td>Face-to-face interviews</td>
<td>States cannot require</td>
<td>States can require at application</td>
</tr>
<tr>
<td>Redeterminations</td>
<td>Once every 12 months; no more frequently</td>
<td>At least once every 12 months</td>
</tr>
<tr>
<td>Prepopulated forms</td>
<td>If state cannot confirm ongoing eligibility using available data, must send a prepopulated renewal form to the beneficiary</td>
<td>If state cannot confirm ongoing eligibility using available data, may send a prepopulated renewal form to the beneficiary</td>
</tr>
</tbody>
</table>
Potential Areas for Future Work
Reducing the Burden on States and Beneficiaries

- The ACA set out to reduce the administrative burden on Medicaid programs and on individuals

- Possible areas to examine:
  - How is no wrong door working?
  - How are administrative renewals working?
  - Are there outstanding concerns regarding MAGI determinations?
Churn

- Shifts in coverage may not all be detrimental, but frequent changes may negatively affect health and increase administrative burden and costs
- New sources of coverage created potential new sources of churn
- Twelve-month renewal periods and the reliance on electronic data might decrease administrative burdens and lessen churn
Understanding Churn

• MACPAC funded two studies to examine the extent of churn, characteristics of churners, and the reasons for churn using national survey data from:

• Most prior research used income eligibility as a proxy for Medicaid enrollment or administrative data limited to Medicaid enrollees

• These new studies used a more direct measure (reported coverage changes) to assess the validity of prior estimates
Similar Results Using CPS and SIPP

- In 2013, churn rates among adults ranged from 5 percent (SIPP) to 8 percent (preliminary CPS-ASEC)
- Magnitude of churn is lower than prior studies, but other findings are consistent
- Most individuals who became disenrolled from Medicaid churned to uninsured
- Most individuals that churned to coverage churned to employer-sponsored coverage
- Very few individuals churned back to Medicaid
Barriers for Non-MAGI Populations

• Complicated enrollment and renewal procedures have been cited as reasons for low participation among non-MAGI populations

• Are there simplification measures that can be extended to the non-MAGI population?
  – Eliminate state option for face-to-face interview
  – Requiring states use a pre-populated renewal form
Other Changes

• Congress, CMS, and states have revisited some of the changes made in the ACA and other Medicaid procedures

• Commissioners may want to weigh in on proposals, such as:
  – Reintroduction of asset tests
  – Increased frequency of renewals
  – Elimination of retroactive eligibility