



All-State Medicaid and CHIP Call July 11, 2023



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Agenda

- Lequembi Coverage Updates (verbal)
- Overview of the Medicaid and CHIP Provisions of the Consolidated Appropriations Act, 2023
- Mandatory Continuous Eligibility Provision in the CAA, 2023
- Frequently Asked Questions (FAQs) on the Consolidated Appropriations Act, 2023 Penalty Related to Data Reporting
- Open Mic Q and A

Leqembi Coverage Updates

Verbal update on coverage requirements for recently approved Alzheimer's treatment



Consolidated Appropriations Act, 2023

*Overview of the Consolidated
Appropriations Act (CAA), 2023*



Summary of CAA,2023 Provisions | Territories

	Provisions	Milestones
<p>Medicaid Adjustments for Territories: <i>Puerto Rico</i> Sec 5101</p>	<ul style="list-style-type: none"> ▪ Extend PR’s federal Medicaid match rate of 76% through FY 2027 ▪ Require PR to implement an asset verification program ▪ Establishes conditions for PR to receive a \$75M annual allotment increase if PR meets program integrity requirements that relate to CMS’ risk-based oversight of PR’s procurement ▪ \$300M increase for state-directed physician payments ▪ Extends annual Congressional reporting requirements through FY 2027 	<ul style="list-style-type: none"> ▪ *Jan 2026: Implement asset verification program
<p>Medicaid Adjustments for Territories: <i>Virgin Islands, Guam, Northern Mariana Islands, American Samoa</i> Sec 5101</p>	<ul style="list-style-type: none"> ▪ Permanently extend a higher federal Medicaid match rate of 83% ▪ Submit to the HHS Secretary by September 30, 2023, a four-year strategic plan relating to Medicaid workforce development, financing, systems implementation and operation, and program integrity; by September 30, 2027, submit to the Secretary an analysis of progress ▪ By October 1, 2023, establish an additional \$20M aggregate “allotment” under which expenditures to improve, update, or enhance Medicaid administrative data systems are matched at 100%; HHS Secretary to determine “equitable” allotment amount for ea. territory (subject to \$20M cap) ▪ Extends annual Congressional reporting requirements permanently 	<ul style="list-style-type: none"> ▪ *Sept 2023: Four-year strategic plan ▪ *Oct 2023: CMS establishes \$20M aggregate allotment ▪ *Sept 2027: Strategic plan progress analysis

** indicates statutory deadline, all milestones have it in this case*

Summary of CAA,2023 Provisions | Coverage

	Provisions	Milestones
CHIP Funding Extension Sec 5111	<ul style="list-style-type: none"> Extends funding for CHIP through FY 2029 Extends Pediatric Quality Measures Program, Express Lane Eligibility, Outreach and Enrollment (Connecting Kids to Coverage Campaign) through FY 2029 	<ul style="list-style-type: none"> *Implemented upon CAA, 2023 enactment
Continuous Eligibility for Children Sec 5112	<ul style="list-style-type: none"> Requires states to implement 12 months continuous eligibility in Medicaid and CHIP for most children 	<ul style="list-style-type: none"> *Jan 2024: States implement provision
Postpartum Coverage Sec 5113	<ul style="list-style-type: none"> Makes state option to extend postpartum coverage to 12-months permanent 	<ul style="list-style-type: none"> *Implemented upon CAA, 2023 enactment Note: American Rescue Plan authority in place through March 2027
Money Follows the Person Sec 5114	<ul style="list-style-type: none"> Appropriates \$450M for each FY 2024 through 2027 For FY 2023 and for each 3-year period through FY 2029, appropriates \$5M, to remain available until expended, for: 1) research on and a national evaluation of the program, and 2) technical assistance to and oversight of States for purposes of upgrading quality assurance and improvement systems under Medicaid Home and Community-Based Services waivers 	<ul style="list-style-type: none"> *Implemented upon CAA, 2023 enactment

** indicates statutory deadline, all milestones have it in this case*

Summary of CAA,2023 Provisions | Behavioral Health (1/2)

Services and Eligibility for Juveniles in Public Institutions Sec 5121

Provisions

Medicaid

- **30 days prior to release states are required to provide** screening and diagnostic services and targeted case management services, including referrals to appropriate care available in the geographic home or residence of the eligible juvenile; including but not limited to behavioral health
- **30 days after release states are required to provide** targeted case management services, including referrals as described above

CHIP

- **If covered under the state plan, provide same services** for targeted low-income children as described above for **30 days prior to release**
- Requires states to **align CHIP with existing Medicaid rules regarding suspension rather termination of coverage:**
 - Suspend rather than terminate eligibility for targeted low-income children who are inmates of a public institution
 - Conduct redeterminations prior to a child's release
 - If eligible, CHIP is reinstated upon release
 - Process applications and determine eligibility upon release from the public institution

Milestones

- ***Jan 2025:** Implement provisions

** indicates statutory deadline, all milestones have it in this case*

Summary of CAA,2023 Provisions | Behavioral Health (2/2)

Provisions	Milestones
<p>Services and Eligibility for Juveniles Pending Disposition of Charges Sec 5122</p>	<ul style="list-style-type: none"> *Jan 2025: Implement provisions
<p>Provider Directories Sec 5123</p>	<ul style="list-style-type: none"> *July 2025: Launch provider directories
<p>Crisis Response Services Sec 5124 <i>In partnership with SAMHSA</i></p>	<ul style="list-style-type: none"> *July 2025: Issue guidance *July 2025: Establish technical assistance center

* indicates statutory deadline, all milestones have it in this case

Mandatory Continuous Eligibility Requirements for Medicaid & CHIP in the CAA, 2023

Overview of the Continuous Eligibility as part of the Consolidated Appropriations Act, 2023



Overview of CAA, 2023

- Section 5112 of the CAA, 2023 amends sections 1902(e)(12) and 2107(e)(1) of the Social Security Act (the Act) to make it mandatory for states to provide 12 months of CE for children under age 19 in Medicaid and CHIP (with limited exceptions)
- Effective Date: January 1, 2024
- SPA submission in Medicaid and CHIP is required for all states that will be newly adopting CE, and for some states that already have CE

Findings from the Literature

- Research has shown that children who are disenrolled for all or part of the year are more likely to have fair or poor health care status compared to children who have health insurance continuously throughout the year¹
- CE has been shown to:
 - Reduce financial barriers to care for low-income families,
 - Promote improved health outcomes, and
 - Provide states with better tools to hold health plans accountable for quality care and improved health outcomes²

References:

1. Brantley, E., & Ku, L. (2022). Continuous eligibility for Medicaid associated with improved child health outcomes. *Medical Care Research and Review*, 79(3), 404-413.
2. Park, E., Alker, J., & Corcoran, A. (2020). Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm. Retrieved from: <https://www.commonwealthfund.org/publications/issue-briefs/2020/dec/short-term-cuts-medicaid-long-term-harm>

Existing State Plan Option (Pre-CAA)

- CE for children has been a long-standing state plan option in Medicaid and CHIP

Medicaid Authorities:	CHIP Authorities:
<i>Section 1902(e)(12) and 42 CFR § 435.926*</i>	<i>Section 2107(e)(1) and 42 CFR § 457.342*</i>

** These regulations will continue to apply to mandatory CE after January 1, 2024, except where inconsistent with section 5112 of the CAA, 2023*

- As of June of 2023, 22 states have implemented CE in both Medicaid and CHIP. An additional nine states have implemented CE in at least one program

Existing State Plan Option (Pre-CAA)

- Children determined eligible at application or during an annual renewal remain eligible for a 12-month period **regardless** of most changes in circumstances, such as:
 - Changes in income or household composition,
 - Loss of Supplementation Security Income (SSI) for children eligible for Medicaid, or
 - Obtaining other health insurance for children enrolled in CHIP
- There are limited exceptions when a change in circumstance can result in termination of eligibility during a CE period under § 435.926 and § 457.342, such as when a child turns age 19, or ceases to be a resident of the state

CAA, 2023 – Mandatory CE (1/2)

- The CAA, 2023 amends sections 1902 (e)(12) and 2107(e)(1) of the Act to require one year of CE under the State plan or a waiver of the State plan for children under age 19 enrolled in Medicaid and CHIP
- The CAA, 2023 provides that children shall remain eligible for benefits until the earlier of —
 - The end of the 12-month period beginning on the date of an eligibility determination;
 - The time the individual attains the age of 19; or
 - The date that the individual ceases to be a resident of the state
 - Section 2107(e)(1)(K) also specifies that a child in CHIP who becomes eligible for Medicaid and transfers to that program must remain in Medicaid for the duration of 12-month period

CAA, 2023 – Mandatory CE (2/2)

- CMS will provide further guidance on the applicability of additional exceptions that exist in regulations at § 435.926 and § 457.342:
 - Voluntary termination,
 - Children erroneously enrolled in coverage,
 - Death, and
 - Failure to pay premiums in CHIP

CAA, 2023 – Start Date of CE Period

- *At Application:* The CE period for new applicants begins on the effective date of eligibility
 - Medicaid: Date of application or the first day of the month the application was submitted, depending on state option
 - CHIP: Date of application or another reasonable methodology, depending on state option
- *At Renewal:* A new CE period begins for individuals whose eligibility is renewed at a periodic renewal
 - The effective date of the child's renewal in accordance with § 435.916 for Medicaid (applied at § 457.343 to CHIP)

CAA, 2023 – Effective Date

- Mandatory CE under the CAA, 2023 is effective January 1, 2024
- Applicants: Individuals under age 19 applying for coverage on or after January 1, 2024, who are determined eligible for Medicaid or CHIP, are entitled to 12 months CE unless an exception applies
- Current Enrollees: Individuals under age 19 who are enrolled in Medicaid or CHIP as of January 1, 2024, are entitled to 12 months of CE based on their last full determination of eligibility (generally at initial application or last periodic renewal), unless an exception applies
 - For example, Mary's most recent determination of eligibility was completed in September of 2023, and her current eligibility period began on October 1, 2023. Effective January 1, 2024, the state must provide Mary with CE for the remainder of her 12-month eligibility period (through September 30, 2024), unless she experiences one of the required exceptions to CE.

State Plan Amendments

- SPA submission in Medicaid and CHIP is required for a state if it is:
 - **Newly implementing** CE in one or both programs
 - Currently provides CE but **imposes restrictions** that will no longer be permissible under the CAA, 2023, such as:
 - Applying CE to only a subset of children, such as children under a specific age
 - Permitting a CE period shorter than 12 months
- In order to meet the January 1, 2024 effective date, states will need to submit a SPA:
 - *Medicaid*: No later than March 31, 2024
 - *CHIP*: No later than the end of the state fiscal year in which January 1, 2024 falls.
- We encourage States to consider adopting CE prior to implementation of mandatory CE in January 2024
- CMS will provide updated SPA templates for Medicaid and CHIP

Key Take Away Items

- Current CE regulations will continue to apply to CE after January 1, 2024, unless inconsistent with the CAA, 2023, such as:
 - Applying CE to only a subset of children, such as children under a specific age
 - Permitting a CE period shorter than 12 months
- We encourage States to consider adopting CE prior to implementation of mandatory CE in January 2024
- SPA submission in Medicaid and CHIP is required for all states that will be newly implementing CE, and for some states that already have CE
 - Please reach out to your Medicaid state lead or CHIP Project Officer with questions on SPA submissions
- CMS will release more detailed guidance this year on the CAA, 2023.

Resources

Medicaid.gov: Continuous Eligibility for Medicaid and CHIP

<https://www.medicaid.gov/medicaid/enrollment-strategies/continuous-eligibility-medicaid-and-chip-coverage/index.html>

CCF Continuous Eligibility Program Design and Snapshot

(July 2021) <https://ccf.georgetown.edu/wp-content/uploads/2012/03/CE-program-snapshot.pdf>

Consolidated Appropriations Act, 2023 (CAA, 2023) Section

5112 <https://www.congress.gov/bill/117th-congress/house-bill/2617/text>

Enforcement of Unwinding Data Reporting

Frequently Asked Questions (FAQs) on the Consolidated Appropriations Act, 2023 Penalty Related to Data Reporting



Questions

FAQs on a Penalty for Failure to Meet Unwinding Reporting Requirements

- The Consolidated Appropriations Act, 2023 (CAA, 2023) requires CMS to take a 0.25 percentage point reduction in the state's Federal Medical Assistance Percentage (FMAP), starting July 1, if a state fails to meet the reporting requirements outlined in Section 1902(tt)(1).
- CMS released Frequently Asked Questions (FAQs) to expand on earlier guidance:
 - States should use existing reporting processes (the Transformed Medicaid Statistical Information System (T-MSIS), Performance Indicator Data, Unwinding Data Report, etc.). CMS will pull required data from these data sources.
 - CMS defines “timely” as meeting the deadlines associated with these existing data reporting sources. If states cannot meet a deadline, states must make a good faith effort, including working with CMS to resolve any issues.
 - States that fail to report timely in one or more months in a quarter will receive the penalty for the entire quarter.
 - For states that fail to report timely in multiple quarters, the FMAP penalty will grow one quarter at a time.
- CMS will expand on this guidance in an Interim Final Rule, to be issued in the fall.