DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, Maryland 21244-1850

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

CMCS Informational Bulletin

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FROM: Vikki Wachino, Director
Center for Medicaid and CHIP Services

SUBJECT: Strategies to Enroll and Retain Eligible Children in Medicaid and CHIP

The availability of new coverage, efforts to streamline Medicaid and Children's Health Insurance Program (CHIP) enrollment and renewal processes and robust outreach activities have brought the number of uninsured children in the United States to the lowest levels on record: in 2015, just 4.5 percent of children remained uninsured.[1] To continue this rate of progress and cover the remaining 4.5 million children[2], the majority of whom are eligible for Medicaid and CHIP but not yet enrolled, today, the Centers for Medicare & Medicaid Services (CMS) announced it will award $32 million in funding for cooperative agreements that will be distributed to 38 awardees across 27 states. These awards will support innovative community-based outreach and enrollment efforts targeted at enrolling vulnerable populations of uninsured children.[3]

In addition to these new outreach and enrollment efforts, there are tools available to all states to aid in the enrollment of uninsured children and to keep them eligible for as long as they qualify. We also urge states to help children aging out of eligibility for these programs to help them find coverage through the Health Insurance Marketplace and other available options. Past Medicaid and CHIP experience connecting children to coverage highlights the importance of eligibility and enrollment strategies that can efficiently identify, enroll, and retain eligible children. This Informational Bulletin generally discusses the highly effective existing tools that are available to all states to support enrollment and retention of eligible children and provides direction for how to learn more about these options.

Background

The Affordable Care Act built on success that many states had simplifying the application and renewal process for children in the years leading up to the Affordable Care Act and following

[1] Cohen RA, Martinez ME, Zammitti EP. Health insurance coverage: Early release of estimates from the National Health Interview Survey, 2015. National Center for Health Statistics. May 2016. Available from: http://www.cdc.gov/nchs/nhis/ releases.htm.
[2] Kenney, Genevieve M., Jennifer Haley, Clare Pan, Victoria Lynch, and Matthew Buettgens. *Children's Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA.* Washington, D.C.: The Urban Institute, May 2016.
[3] These awards represent the fourth cycle of outreach and enrollment grants and will build upon the successful strategies facilitated by previous grant funded initiatives with the broad goal to reduce the number of children who are eligible, but are not enrolled in Medicaid and the Children's Health Insurance Program (CHIP). Three other cycles of grants were funded under the Children's Health Insurance Program Reauthorization Act (CHIPRA) of 2009 and the Affordable Care Act of 2010.

simplifications enacted in the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). These Affordable Care Act simplifications, including the use of a single streamlined application, the ability to file an application through multiple pathways (online, over the phone, by mail and in-person), verification of eligibility through electronic data sources, data-driven renewals, the use of pre-populated renewal forms, and 12 month renewal periods have contributed to increased coverage rates, and the Affordable Care Act made many of these strategies permanent requirements for all states. The Affordable Care Act also requires effective coordination between insurance affordability programs, ensuring that young adults who lose Medicaid or CHIP eligibility due to age are assessed for Marketplace eligibility and transferred as appropriate, allowing these individuals to maintain health coverage and experience a seamless transition to Marketplace coverage. These strategies, as well the Affordable Care Act's eligibility expansions, underpin the coverage advances of the past several years, including a national rate of uninsurance for all groups of 9.1 percent and a large one year decline in the rate of uninsured children in 2014.[4]

These required strategies, along with state innovation and commitment to simplification, have also resulted in increased enrollment in both Medicaid and CHIP and rising Medicaid and CHIP participation rates for eligible children. Today, CMS is releasing new data from the CHIP Statistical Enrollment Data System showing that 45,231,315 children were enrolled in Medicaid and CHIP in federal fiscal year (FFY) 2015 – 36,833,664 children in Medicaid and 8,397,651 children in CHIP. This represents an increase of more than 1.1 million children between FFY 2014 and FFY 2015 – a growth of 2.5 percent. The Annual Enrollment Report can be found at: https://www.medicaid.gov/chip/reports-and-evaluations/reports-and-evaluations.html. Additionally, from 2013 to 2014, the national Medicaid and CHIP participation rate among eligible children rose by 2.3 percentage points, from 88.7 percent to 91.0 percent. [5,6]

Despite recent gains in coverage, more than 60 percent of the remaining 4.5 million uninsured children (2.8 million) are eligible for Medicaid or CHIP, but unenrolled. Coverage rates vary across states, income groups, age groups, and subgroups of children, including members of racial and ethnic minority groups. Medicaid and CHIP coverage in childhood has a positive impact throughout a child's lifespan – children in Medicaid become healthier adults, achieve greater academic success and have greater economic success as adults. Effective targeted strategies are needed to enroll the remaining 2.8 million eligible but uninsured children to ensure they receive the benefits of health coverage.[7] Below are examples of particularly effective strategies that states are encouraged to adopt.

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[4] Cohen, Robin A., Michael Martinez, and Emily P. Azmmitti. *Health Insurance Coverage: Early Release of Estimates from the National Health Interview Survey, 2015*. Atlanta, GA.: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Health Statistics, May 2016.

[5] Kenney, Genevieve M., Jennifer Haley, Clare Pan, Victoria Lynch, and Matthew Buettgens. *Children's Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA*. Washington, D.C.: The Urban Institute, May 2016.

[6] CMS is offering this resource for informational purposes only, and this fact should not be construed as an endorsement of the host organization's programs or activities.

[7] Ibid.

1. Express Lane Eligibility

Express Lane Eligibility (ELE) allows states to rely on findings for income, household size, or most other factors of eligibility from "Express Lane" agencies to efficiently enroll and renew eligible children in Medicaid and CHIP. States are currently using information from the Supplemental Nutrition Assistance Program (SNAP), School Lunch programs, Temporary Assistance for Needy Families, Head Start, and the Women, Infant, and Children's program (WIC) to streamline and simplify the application and renewal process for children. States can also use state income tax data to determine Medicaid and CHIP eligibility for children. States have flexibility to develop ELE policies that suit their individual state circumstances; and ELE has the potential to increase enrollment in Medicaid and CHIP, reduce administrative burden for states and families, and simplify the renewal process. As of June 2016, 11 states have adopted ELE for Medicaid and 7 states for CHIP. Visit our Express Lane Eligibility page to learn more about states that have adopted this strategy.

2. Presumptive Eligibility

States have had the option to use presumptive eligibility (PE) to enroll pregnant women and children into Medicaid and CHIP. Presumptive eligibility allows children to obtain access to Medicaid or CHIP services without having to wait for their application to be fully processed. Under PE, states authorize “qualified entities,” which can include health care providers, community-based organizations, schools, and other entities to screen for Medicaid and CHIP eligibility based on preliminary information provided by the family and immediately enroll children who appear to be eligible. As of June 2016, 18 states have elected to provide presumptive eligibility for children in Medicaid and 12 states have elected to provide it in CHIP.

Under the Affordable Care Act, all states are required to implement hospital PE (HPE) for Medicaid. Through HPE, hospitals are able to immediately enroll patients who are likely eligible under a state’s Medicaid MAGI eligibility rules for a temporary period of time while a single streamlined application is completed and eligibility is determined. While this requirement was not extended to CHIP, states may designate hospitals as a qualified entity for conducting presumptive eligibility for CHIP. This would enable hospitals to serve all children, regardless of whether they are ultimately determined eligible for Medicaid or for CHIP. We also encourage states who have only implemented hospital PE to adopt the broader Medicaid and CHIP PE authority for children and pregnant women, as it assures timely access to care while a final eligibility determination is made and promotes enrollment and ongoing coverage in Medicaid and CHIP. Visit our Presumptive Eligibility page to learn more and access our Medicaid and CHIP Learning Collaborative Toolbox to help states implement hospital PE.

3. Continuous Eligibility

Since 1997, states have the option to guarantee a full year of coverage to children in their Medicaid and CHIP programs by providing 12 months of continuous eligibility. Under this option, children retain coverage for 12 months regardless of changes in family circumstances, such as income or household size. Guaranteeing stable, ongoing coverage ensures that children get appropriate care without disruption and helps providers develop relationships with children and their families. This option is especially helpful to eliminate cycling on and off of coverage during the year as eligible people disenroll and re-enroll when they lose coverage due to slight fluctuations in income or other reasons. Continuous eligibility also reduces administrative burden associated with termination and reenrollment of the same children. To keep eligible children enrolled, 24 states now use continuous eligibility in Medicaid and 28 states use continuous eligibility in CHIP.

4. Lawfully Residing Immigrant Children and Pregnant Women

States may provide Medicaid and CHIP coverage to children (up to age 19 for CHIP or up to age 21 for Medicaid) and pregnant women who are lawfully residing in the United States, including those within their first 5 years of having certain legal status. Previously, federal law required a 5-year waiting period before many legal immigrants could enroll in Medicaid and CHIP, although many states offered health coverage to these populations with state-only funds. Title XXI match is available for all of these children under Medicaid. As of June 2016, 30 states and territories have adopted this option in Medicaid for children and pregnant women, and 22 states have adopted this option in CHIP.

5. Expanding to Adults

Expanding Medicaid to cover more low-income adults is an effective strategy for increasing children's enrollment and access to care. Research shows that children are likely to share the same insurance status as their parents – uninsured parents are likely to have uninsured children – and that expanding coverage for adults increases enrollment for their children. The Affordable Care Act's expansion of Medicaid coverage to adults earning up to 133 percent of the federal poverty level (FPL) is associated with increased enrollment for children who were previously eligible but not enrolled in Medicaid or CHIP.[8] The Affordable Care Act and implementing regulations acknowledged the critical role that parents play in obtaining health coverage for their children by requiring that adults eligible for the new adult group with dependent children must have coverage for their children in order to be able to enroll in Medicaid.

[8] Alker, Joan, and Alisa Chester. *Children's Health Insurance Rates in 2014: ACA Results in Significant Improvements.* Washington D.C.: Georgetown University Health Policy Institute Center for Children and Families, October, 2015.

Despite having lower child uninsured rates to start, expansion states are seeing greater declines in the number of uninsured children. In 2014, states that expanded Medicaid saw the number of uninsured children decline by 21.9 percent, while states that did not expand coverage to adults saw the uninsured rate for children decline by 11.6 percent.[9] Gains in the Medicaid and CHIP participation rates for children were higher in expansion states as well. Between 2013 and 2014, the Medicaid and CHIP participation rate increased by 3 percent, to 92.9 percent, in expansion states. In non-expansion states, the participation rate increased by 1.8 percent, to 89.0 percent.[10] Adult expansion is having a positive impact on children's coverage.

6. Expanding Coverage in CHIP to Dependents of State Employees

Prior to the passage of the Affordable Care Act, dependents of public employees with access to coverage under a state employee health plan were not eligible for CHIP, even if they met all other eligibility criteria. In many states, this resulted in children of state employees not having access to comprehensive coverage options that were affordable to their families. The Affordable Care Act permits states to extend CHIP eligibility to dependents of state employees who are otherwise eligible under CHIP providing that one of two specific conditions are met. A state must demonstrate that either it has maintained it contributions for dependent health coverage since 1997 (adjusted for inflation) or that the coverage currently available through the public employee system poses a financial hardship for low income families. Additional information on this option is described in a State Health Official Letter 11-002 # issued on April 4, 2011, and can be found at: https://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO11002.pdf. Currently, 18 states have taken up to the option to extend CHIP coverage to dependents of public employees.

7. Ensuring Seamless Transitions for Young Adults

In 2015, more than 42% of insured children were enrolled in public health coverage[11], however, when children become young adults – a group with historically high rates of uninsurance – and lose eligibility for Medicaid or CHIP, the risk of becoming uninsured is high. To ensure that young adults experience seamless transitions to other coverage options, the Affordable Care Act requires effective coordination between insurance affordability programs. Young adults who age out of Medicaid or CHIP should be assessed for Medicaid eligibility in other categories. In states that have expanded Medicaid, many young adults may be eligible for coverage under the new adult group. If ineligible for Medicaid, states are

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[9] Ibid.

[10] Kenney, Genevieve M., Jennifer Haley, Clare Pan, Victoria Lynch, and Matthew Buettgens. *Children's Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA.* Washington, D.C.: The Urban Institute, May 2016.

[11] Cohen RA, Martinez ME, Zammitti EP. Health insurance coverage: Early release of estimates from the National Health Interview Survey, 2015. National Center for Health Statistics. May 2016. Available from: http://www.cdc.gov/nchs/nhis/ releases.htm.

required to assess eligibility for a Qualified Health Plan through the Marketplace and transfer as appropriate.

To maximize continuity of coverage for beneficiaries and reduce administrative burden, there are multiple steps that states can take. State-based Marketplaces with integrated eligibility systems can seamlessly transition individuals from Medicaid to Marketplace coverage. Managed care organizations that provide Medicaid and Qualified Health Plans in the Marketplace can help states minimize disruption by helping individuals understand their options as they transition between coverage. States can also enlist application assisters and Navigators to help young adults with the renewal process and potential transition to the Marketplace. As a result of the new coverage options available, young adults have seen substantial gains in insurance coverage since enactment of the Affordable Care Act, and state commitment to achieving seamless transitions between insurance affordability programs will help to ensure that young adults continue to receive the benefits of health coverage into adulthood.

Outreach Tool Library

In addition to these strategies, the Connecting Kids to Coverage National Campaign has produced numerous resources to help state and local organizations facilitate enrollment and retention in Medicaid and CHIP. The Connecting Kids to Coverage National Campaign works with outreach grantees and a variety of partners—including government agencies, community organizations, health care providers, schools and others—throughout the nation, with a focus on reaching children and teens who are eligible for Medicaid and CHIP, but are not enrolled. A wide range of outreach materials and strategies, including customizable materials like posters and social media messages and images, are available in the "Outreach Tool Library" on the Insure Kids Now website at https://www.insurekidsnow.gov/library/index.html .

Building on Success and Moving Coverage Efforts Forward

Children's coverage efforts were the precursors for many policies now required by the Affordable Care Act and as a result, 91 percent of all children eligible for Medicaid and CHIP are now enrolled.[12] However, two-thirds of uninsured children, 2.8 million, remain eligible but unenrolled, so there is more work to be done.[13] CMS staff are available to discuss the above options with states in more depth. We are also open to discussing additional ideas for enrolling and retaining eligible children in Medicaid and CHIP. We encourage your creativity and partnership as we work together to ensure the delivery of high-performing Medicaid and CHIP programs that serve the needs of families, individuals and the nation. For more information, please contact Amy Lutzky at 410-786-0721 or Amy.lutzky@cms.hhs.gov.

[12] Kenney, Genevieve M., Jennifer Haley, Clare Pan, Victoria Lynch, and Matthew Buettgens. *Children's Coverage Climb Continues: Uninsurance and Medicaid/CHIP Eligibility and Participation Under the ACA.* Washington, D.C.: The Urban Institute, May 2016.
[13] Ibid.