

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850



State Demonstrations Group

June 28, 2024

Kelly Cunningham
Medicaid Administrator
Illinois Department of Healthcare and Family Services
201 South Grand Ave. East
Springfield, IL 62763-0002

Dear Director Cunningham:

The Centers for Medicare & Medicaid Services (CMS) approved Illinois' Evaluation Design for the Children's Health Insurance Program (CHIP) COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "Continuity of Care and Administrative Simplification" (Project No: 11-W-00341/5). We sincerely appreciate the state's commitment to efficiently meeting the requirement for an Evaluation Design as was stipulated in the approval letter for this amendment dated November 3, 2022, especially under these extraordinary circumstances.

In accordance with 42 CFR 431.424(c), the approved Evaluation Design may now be posted to the state's Medicaid website within 30 days. CMS will also post the approved Evaluation Design on [Medicaid.gov](https://www.Medicaid.gov).

Consistent with the approved Evaluation Design, the draft Final Report will be due to CMS no later than one year after the end of the COVID-19 section 1115 demonstration authority.

We sincerely appreciate the state's commitment to evaluating the CHIP COVID-19 PHE amendment under these extraordinary circumstances. We look forward to our continued partnership on the Illinois Continuity of Care and Administrative Simplification section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Danielle Daly
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Danielle Daly -S
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Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Courtenay Savage, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

State of Illinois

COVID-19 Public Health Emergency Medicaid Section 1115 Demonstration

Project Number 11-W-00341/5

Revised Evaluation Design

Submitted to CMS June 17th, 2024

General Background Information

On March 13, 2020, pursuant to section 1135(b) of the Social Security Act, the Secretary of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences of the COVID-19 pandemic, to the extent necessary, as determined by the Centers for Medicare & Medicaid Services (CMS), to ensure that sufficient health care items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.

Due to the COVID-19 pandemic, Illinois submitted a COVID-19 Public Health Emergency amendment to The Illinois Continuity of Care and Administrative Simplification Section 1115(a) Demonstration (Project Number 11-W-00341/5).

The goal and objective of the Illinois request is to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19. Under standard eligibility rules, children in the Children's Health Insurance Program (CHIP) who turn 19 would age out of the program, as all CHIP-eligible participants by definition have income levels that exceed the 133% Medicaid eligibility threshold for Affordable Care Act (ACA) expansion adults. While the maintenance of effort provisions of the public health emergency (PHE) applied to Medicaid beneficiaries, they did not apply to CHIP beneficiaries. Therefore, the State requested continuous coverage for individuals aging out of CHIP, as these young adults would be at risk of poor access to medical care and treatment without coverage during the COVID-19 pandemic.

CMS approved the demonstration for continuous coverage for individuals aging out of CHIP and expenditures to provide continued eligibility for CHIP enrollees who turned 19 during the PHE and, absent the demonstration, would have lost eligibility for CHIP due to age.

The State understands that the Department of Healthcare and Family Services (HFS) must monitor and evaluate the waiver and expenditures authorized under the COVID-19 PHE amendment. The State appreciates that, given the time-limited nature of the Emergency 1115 Demonstration waiver, CMS does not expect the State to undertake data collection efforts that are unduly burdensome and will allow qualitative methods and descriptive data to address evaluation questions that will seek to support understanding of the demonstration successes, challenges, and impacts. The State understands that an evaluation plan must be submitted to CMS for approval, followed by a final report that will consolidate monitoring and evaluation reporting requirements for this demonstration authority.

This demonstration is effective for section 1115(a)(2) expenditure populations eligible for and enrolled in the 1115 demonstration who attain their 19th birthday between March 1, 2020 and May 31, 2024. In the original Demonstration application, HFS projected approximately 27,000 individuals would retain eligibility and coverage under this provision during the demonstration period, and the total projected aggregate expenditures under the demonstration were estimated to be \$134,000,000.

This evaluation plan was submitted to CMS on February 28, 2023. In response to CMS feedback, HFS added Hypothesis 4 and resubmitted the evaluation plan to CMS in June of 2024. The State must submit the Final Report no later than one year after the end of the COVID-19 section 1115 demonstration authority.

Overall Demonstration Goals

The goal of this demonstration is to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 pandemic. Specifically, this demonstration is meant to enable continuous eligibility for

individuals who would otherwise age out of the CHIP program when turning 19, in order to preserve access to critical healthcare services throughout the PHE. This demonstration will allow impacted individuals to retain coverage and therefore access to medical assistance that protects their health safety and welfare. The evaluation will determine whether the continuous coverage demonstration resulted in individuals retaining coverage and access medical assistance.

In this demonstration, individuals enrolled in CHIP who reach their 19th birthday will not be disenrolled. They will be granted continuous eligibility for the duration of the demonstration period. The demonstration amendment is intended to assist in promoting the objectives of the Medicaid statute because it is expected to help the State furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19.

Continuous Eligibility: Hypotheses and Evaluation Questions

Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will lead to members retaining coverage during the demonstration period.

It is our hypothesis that enabling CHIP members who turn 19 to be continuously eligible for CHIP coverage during the demonstration period will result in those individuals remaining enrolled in the program. We will evaluate whether enrolled members did in fact retain coverage after their 19th birthday.

Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?

Hypothesis 2: CHIP members who retain eligibility will have access to medical services in the demonstration period.

It is our hypothesis that individuals who remain in CHIP due to the continuous eligibility authorized under this demonstration will continue to have access to medical assistance services. We will evaluate whether individuals were able to access services.

Research Question: Did CHIP members with continuous eligibility following their 19th birthday access medical services?

Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately \$134,000,000.

It is our hypothesis that continuous eligibility for CHIP members who reach age 19 during the demonstration period will cost approximately \$134,000,000.

Research Question: What were the total expenditures for CHIP members with continuous eligibility after reaching their 19th birthday?

Hypothesis 4: Administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday are addressed.

It is our hypothesis that the State will address any administrative challenges associated with ensuring access to care for members with continuous eligibility beyond their 19th birthday.

Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did the State take to address these challenges?

Methodology

The analysis will be based on quantitative data from multiple sources. Enrollment and eligibility data will be utilized to determine how many individuals remained enrolled after their 19th birthday. These data will also provide insight into the reasons for CHIP program disenrollment of anyone age 19 or above. Information about utilization of medical assistance services will be obtained from fee-for-service and encounter claims data. Information about total expenditures for the demonstration population will be obtained from fee-for-service and capitation payment records. The analyses will use additional qualitative data obtained from semi-structured interviews with HFS staff with knowledge of CHIP operations during the demonstration period, i.e., key informants.

The analysis will be conducted on the experience corresponding with the approved demonstration period, March 1, 2020 through May 31, 2024. The analysis will be descriptive in nature. Analysis will be focused on CHIP enrolled individuals who reach their 19th birthday in the demonstration period.

Hypothesis and Evaluation Questions			
Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday will lead to members retaining coverage during the demonstration period.			
Research Question	Measures	Data Sources	Analytic Methods
Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19 th birthday?	<p>Measure 1: The number of individuals who reached age 19 were retained in coverage for the demonstration period.</p> <p>Measure 2: The number of individuals who reached the age of 19 were disenrolled from coverage during the demonstration period.</p>	Eligibility and Enrollment System	Descriptive Analysis, Trend Analysis
Hypothesis 2: CHIP members who retain eligibility will have access to medical services in the demonstration period.			
Research Question	Measures	Data Sources	Analytic Methods
Research Question: Were CHIP members with continuous eligibility following their 19 th birthday able to access medical services?	<p>Measure 1: Percent of members aged 19 or above who received at least one state plan service in the demonstration period.</p> <p>Measure 2: Percent of members aged 19 or above who did not receive at least one state plan service in the demonstration period.</p>	Medicaid fee-for-service and encounter claims records	Descriptive Analysis
Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately \$134,000,000.			
Research Question	Measures	Data Sources	Analytic Methods
Research Question: What were the total expenditures for CHIP members with continued coverage after reaching their 19 th birthday?	Measure 1: Total expenditures for fee-for-service claims and capitation payments for those covered by continuous eligibility in the demonstration period.	Capitation payment records	Descriptive Analysis

Hypothesis 4: Any administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday were able to be addressed.

Research Question	Measures	Data Sources	Analytic Methods
Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19 th birthday and what actions did the State take to address these challenges?	<p>Measure 1: Description of challenges (if any) related to extending CHIP coverage to members beyond their 19th birthdays, including any challenges related to ensuring access to age-appropriate care.</p> <p>Measure 2: Description of actions taken to address the challenges related to extending CHIP coverage to members beyond their 19th birthday.</p> <p>Measure 3: Description of how the actions described in Measure 2 were or were not successful.</p>	Staff interviews	Qualitative analysis

Methodological Limitations

Measuring Access: A goal of this demonstration is to assure that members can access medical services. The measure of access based on member claims and HFS staff interviews is a limited view of the member’s ability to obtain services. These measures will assess whether a service was obtained. The assessments will not factor in complexities including whether needed services were not delivered, how long a member waited to obtain a service, or how difficult it was to obtain a service. Additionally, for members who did not access services, we will not be able to determine whether this lack of obtaining care was due to a lack of access, member preference, or other factors.

Final Report

The final report will consolidate Monitoring and Evaluation reporting requirements for the demonstration. The State will submit the final report no later than one year after the end of the COVID-19 section 1115 demonstration authority. The final report will capture data on demonstration implementation, evaluation measures, and interpretation, and lessons learned from the demonstration, per the approved evaluation design. The State will track separately all expenditures associated with the demonstration, including, but not limited to, administrative costs and program expenditures. The annual report content and format will follow CMS guidelines. The State’s final evaluation report is expected to include, where appropriate, items required under 42 CFR § 431.428.