

Implementation Guide: Medicaid State Plan Eligibility Deemed Newborns

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Deemed Newborns

POLICY CITATION

Statute: 1902(e)(4) and 2112(e)

Regulation: 42 C.F.R. §435.117

BACKGROUND

Overview

This reviewable unit (RU) describes the eligibility group for infants born to women receiving Medicaid or CHIP. It provides the criteria under which newborns are covered under this group, and the options for extending coverage to additional newborns with somewhat higher income.

The Deemed Newborns eligibility group under 42 C.F.R. §435.117 consolidates the statutory requirements described in sections 1902(e)(4) and 2112(e) of the Social Security Act (the Act).

Characteristics

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) expanded deemed newborn eligibility to assure that children born to women covered by Medicaid or CHIP (as targeted low-income pregnant women) are automatically enrolled in Medicaid or CHIP for their first year of life. Previously, deemed newborn eligibility continued only as long as the child was a member of the birth mother's household and the birth mother remained Medicaid eligible (or would have remained eligible if pregnant). CHIPRA removed these limitations. A child is now eligible based on the birth mother's coverage for the date of birth, even if the child does not return home with her (e.g., because the child is adopted), does not remain in her household the whole year (e.g., because the child lives with someone else), or the birth mother does not remain Medicaid eligible.

Eligibility as a deemed newborn is mandatory for two groups of children:

1. Children whose birth mothers were covered under the Medicaid state plan for the date of the child's birth. The birth mother does not have to be eligible in the Pregnant Women group; she may be covered under any Medicaid eligibility group. This includes coverage of the birth mother during a period of retroactive eligibility, coverage as medically needy, and coverage limited to services necessary to treat an emergency medical condition as defined in section 1903(v)(3) of the Act.
2. Children whose birth mothers were covered as a targeted low-income pregnant woman under the CHIP state plan for the date of the child's birth, provided that the pregnant woman's household income was at or below the Medicaid income standard for infants described in the **Infants and Children Under Age 19** RU. This requirement applies only to those states that have elected to cover targeted low-income pregnant women in their CHIP state plans.

As described in section 1902(e)(4) of the Act, children who meet the eligibility requirements for this group are “deemed to have applied for medical assistance and to have been found eligible.” Therefore, families cannot be required to complete an application for Medicaid deemed newborn coverage, including if the birth mother was covered under CHIP.

Coverage in the Deemed Newborns eligibility group continues until the child turns one year of age regardless of changes in circumstances. As with all other eligibility groups, if the child dies or ceases to be a resident of the state, the child would no longer be eligible for coverage. And a child’s representative always has the option to request a voluntary termination of eligibility.

Before the year of deemed newborn eligibility ends, the state must, in accordance with 42 C.F.R. §435.916, determine whether the child remains Medicaid-eligible under any other eligibility groups. Many deemed newborns transition to the mandatory children’s group under 42 C.F.R. §435.118 at age one.

Coverage Options

As described at 42 C.F.R. §435.117(b)(2), states have the option to provide deemed newborn eligibility to the following:

- Children whose birth mothers were eligible for and receiving Medicaid in another state for the date of the child’s birth. States that elect this option recognize the deemed newborn status of a child from any other state for purposes of enrolling such children without the need for a new application. Please note that the income standards in the state initially conferring deemed newborn status (i.e., the state that covered the birth mother) may be different from the income standards for pregnant women and children in the state electing this option.
- Children whose birth mothers were covered as a targeted low-income child under the CHIP state plan for the date of the child’s birth, provided that the pregnant woman’s household income was at or below the Medicaid income standard for infants described in the **Infants and Children Under Age 19** RU.
- Children whose birth mothers were covered as a targeted low-income child or pregnant woman under another state’s CHIP state plan for the date of the child’s birth, provided that the pregnant woman’s household income was at or below the Medicaid income standard for infants. Please note that the income standard used to determine eligibility in such cases is the standard of the state electing this option. This standard is described in the **Infants and Children Under Age 19** RU.
- Children whose birth mothers were covered under an 1115 Medicaid or CHIP demonstration project for the date of the child’s birth, provided that the pregnant woman’s household income was at or below the Medicaid income standard for infants described in the **Infants and Children Under Age 19** RU.

Financial Eligibility

There is no income test for deemed newborns whose birth mothers were covered under the Medicaid state plan for the date of the child's birth. When determining the eligibility of a deemed newborn whose birth mother was not covered under the Medicaid state plan for the date of the child's birth, an income standard is applied. The pregnant woman's household income, for the date of the child's birth, must be at or below the income standard for infants in the Infants and Children under Age 19 eligibility group.

MAGI-based income methodologies are used to determine household income for this eligibility group. Separate RUs, **MAGI-Based Methodologies** (for states) and **MAGI-Based Methodologies – Territories** (for territories), describe the methodologies used by the state or territory.

INSTRUCTIONS

A. Characteristics

There are statements describing the characteristics of this eligibility group.

If you wish to view the income standard established for infants under age one, select the *View Infants and Children under Age 19* link.

- The appropriate **Infants and Children under Age 19** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: "There is no approved version of this reviewable unit in MACPro available to display."
- Select the *Deemed Newborns* link to return to the **Deemed Newborns** RU.

B. Optional Individuals Covered

At **B.1.**, indicate, *Yes* or *No*, if the state extends coverage to other newborns besides the children described in section **A**.

- If *Yes* is selected, choose one or more of the four options that are presented at **B.2.a.** through **B.2.d.** to describe the additional children covered.
 - If **B.2.d** is selected, provide a name and a description of the **1115 demonstration**. To do this:
 - Select the *Add* button.
 - Enter the name of the 1115 demonstration in the text box that is provided.
 - Enter a description of the 1115 demonstration in the text box that is provided.
 - Additional 1115 demonstrations may be added by selecting the *Add* button again, repeating the above steps, and selecting the *Save* button.
 - To delete an 1115 demonstration select the *X* in the *Delete* column next to the demonstration's name and description.

C. Financial Methodologies

There is a statement that MAGI-based methodologies are used in calculating household income for this eligibility group. A separate RU, **MAGI-Based Methodologies** (or **MAGI-Based Methodologies-Territories**), describes the MAGI-based methodologies used by the state.

- If you wish to view the approved methodologies, select the *View approved version of MAGI-Based Methodologies* link.
- The appropriate **MAGI-Based Methodologies** RU will appear if there is an approved version in the MACPro system.
- If there is no approved version of the RU in MACPro, a screen will appear with the following message: “There is no approved version of this reviewable unit in MACPro available to display.”
- Select the *Deemed Newborns* link to return to the **Deemed Newborns** RU.

D. Period of Eligibility

There are statements describing the period of eligibility for this eligibility group.

E. Additional Information (Optional)

Except in limited circumstances, this field remains blank. Please consult with CMS before adding any additional information concerning this RU.

REVIEW CRITERIA

If B.2.d. is selected, the name of the 1115 demonstration must clearly identify the state’s demonstration which includes women with household income at or below the standard for infants under age one in the infants and children under age 19 eligibility group.