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Final Rule on Medicaid Eligibility Changes under the Affordable Care Act

On March 16, CMS issued final rules on implementing provisions of the Affordable Care Act that relate to eligibility and enrollment for Medicaid and the Children's Health Insurance Program (CHIP). The rule retains many of the provisions included in the proposed rule that are intended to simplify eligibility and enrollment, expand access to coverage, and help create a coordinated system of coverage across insurance programs. At the same time, there are several major changes from the proposed rule to the final rule. Major changes include provisions regarding eligibility for people with disabilities and those needing long-term care. The final rule provides that individuals who meet the eligibility requirements for coverage based on Modified Adjusted Gross Income (MAGI) standards may still be determined eligible for optional Medicaid eligibility groups based on disability or long-term care needs.

The final rule can be viewed at:

[http://www.ofr.gov/\(X\(1\)S\(j0wr05igbkguqpej1ig0l4n3\)\)/OFRUpload/OFRData/2012-06560_PI.pdf](http://www.ofr.gov/(X(1)S(j0wr05igbkguqpej1ig0l4n3))/OFRUpload/OFRData/2012-06560_PI.pdf)

Details on Final Rule on Medicaid Eligibility Changes

On March 16, CMS issued final regulations implementing provisions of the Affordable Care Act that relate to eligibility and enrollment for Medicaid and the Children's Health Insurance Program (CHIP). Several provisions of the final rule are being issued as interim final with an opportunity for comment. The rule finalizes a proposed rule published on August 17, 2011, and codifies policy and procedural changes to Medicaid and CHIP related to eligibility, enrollment, renewals, and coordination across insurance affordability programs.

The rule retains many of the provisions included in the proposed rule that are intended to simplify eligibility and enrollment, expand access to coverage, and help create a coordinated system of coverage across insurance affordability programs. At the same time, there are several major changes from the proposed rule to the final rule. There are also areas where CMS indicates that additional rulemaking will be forthcoming.

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Another significant change allows Medicaid agencies to delegate eligibility determinations to

nongovernmental Insurance Exchanges for MAGI populations, and strengthens safeguards that must be in place when eligibility is delegated to public or private entities. Of significance to human service agencies, the final rule clarifies that states are permitted to develop alternative multi-benefit applications, and notes that CMS looks forward to working with states interested in developing streamlined multi-benefit applications.

With respect to eligibility verification, the final rule provides that states will develop verification plans that describe verification policies and procedures. For additional information on changes in the final rule, see CMS' summary at:

<http://www.medicaid.gov/AffordableCareAct/Provisions/Downloads/Medicaid-Eligibility-and-Enrollment-Final-Rule-Section-by-Section-Summary.pdf>.

As noted above, the final rule identifies areas where guidance will be issued. For example, CMS will provide detailed guidance on the treatment of all types of income under MAGI-based methodologies. The secretary of HHS will provide additional guidance on timeliness and performance standards for eligibility determinations.

Additionally, the provisions in the proposed rule regarding federal medical assistance percentages (FMAP) for newly eligible individuals and expansion states have been removed from the final rule and will be addressed in future rulemaking. The final rule also identifies several areas where states may be able to use an existing demonstration authority such as Section 1115 waiver authority to test approaches. For example, as noted in the rule, a state could seek to convert standards for MAGI-excepted groups to MAGI-based methods through a demonstration under Section 1115.

These final regulations are effective on January 1, 2014. Certain provisions of the rule are issued on an interim final basis with comments due 45 days from publication. These provisions include certain sections of the rule relating to safeguarding information on applicants and beneficiaries, timeliness and performance standards for Medicaid, coordinated eligibility and enrollment among insurance affordability programs, timeliness standards for CHIP, and coordinated eligibility and enrollment among CHIP and other insurance affordability programs.

The final rule can be viewed at:

[http://www.ofr.gov/\(X\(1\)S\(j0wr05igbkquqpej1ig0l4n3\)\)/OFRUpload/OFRData/2012-06560_PI.pdf](http://www.ofr.gov/(X(1)S(j0wr05igbkquqpej1ig0l4n3))/OFRUpload/OFRData/2012-06560_PI.pdf)

For more information, visit

<http://www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html>.

Comment Date: As highlighted above, certain provisions of this final rule are being issued as interim final. HHS will consider comments from the public on the following provisions: Sec. 431.300(c)(1) and (d), Sec. 431.305(b)(6), Sec. 435.912, Sec. 435.1200, Sec. 457.340(d), Sec. 457.348 and Sec. 457.350(a), (b), (c), (f), (i), (j), and (k).