Medicaid, CHIP, and COVID-19

State Partner Webinar
April 7, 2020
Medicaid will be in the eye of the storm
Challenges/Opportunities

- New Families First law includes an increase in Medicaid/CHIP funding with a disenrollment freeze/MOE
  - More federal funds will likely be needed
  - Work requirements/new barriers are not permitted

- Back to basics – outreach and education on public coverage options
  - The value of coverage is clear

- Streamlining/Simplifying agenda important for state workforce as well
How can states change Medicaid/CHIP to respond to the crisis?

- Disaster Relief SPA Template/\textit{instructions} issued by CMS offers easy way to add eligibility groups; simplify eligibility and enrollment, removing copays and premiums, enhance benefits, address provider workforce issues temporarily during the public health emergency
  - CMS is posting these when approved

- Almost all states have an emergency Section 1135 waiver approved already

- Some states are also seeking emergency Section 1115a waivers
  - Public notice and comment rules are largely waived
  - Public posting by CMS is required
Medicaid and CHIP during COVID-19 Crisis

- Coverage for individuals and families losing jobs and employer-sponsored insurance, costs of COVID-19 testing and treatment for current and new beneficiaries

- Financial support for highly stressed safety net providers that rely on Medicaid

- Vital countercyclical function but will be undercut by state budget deficits
Greater Medicaid and CHIP Support in Families
First COVID-19 Response Bill

• Temporary 6.2 percentage point increase in federal Medicaid matching rate (FMAP) during public health emergency

• Because FMAP determines CHIP matching rate, temporary 4.34 percentage point increase for CHIP as well

• States will also pay less in Medicaid prescription drug “clawback” payments
Much More Medicaid and CHIP Fiscal Relief Needed

- Unemployment will likely increase far more than during Great Recession, so enrollment increases will likely be far larger

- Double whammy of higher health care costs due to COVID-19

- State budget deficits will likely be much larger than during Great Recession, well above total fiscal relief in Families First and CARES Act

- Further FMAP increases included in Take Responsibility for Workers and Families Act, endorsed by governors
Proposed Medicaid Fiscal Accountability Rule Would Undercut Benefits of Fiscal Relief

- Rule overwhelmingly opposed by states, providers, advocates and other stakeholders

- If finalized:
  - Would take away or limit existing financing sources used to pay state share of Medicaid costs, supplemental payments to hospitals, nursing homes and other providers
  - Would lead to deep Medicaid cuts, offsetting benefits of Medicaid and CHIP fiscal relief
  - Would also prevent states from using new financing sources to close budget deficits as in prior recessions

- Should be withdrawn or blocked
Families First MOE: Medicaid Only

• No new restrictive eligibility and enrollment standards, methodologies or procedures
  • All Medicaid populations
  • Look back to January 1, 2020
  • Procedures approved but not implemented

• No new or increased premiums

• Disenrollment freeze
  • Exceptions: move out-of-state; voluntary request

• No cost-sharing for COVID-19 testing or treatment
Children’s Coverage MOE Extended by Healthy Kids and Access Acts in 2018

- No new restrictive eligibility and enrollment standards, methodologies or procedures
  - For children only in Medicaid and CHIP
  - No decreases in eligibility levels below 300% FPL
  - No new burdensome requirements to enroll
  - No increases in premiums above inflation unless approved in 2010 state plan
  - In place until 2027
MOE is on the Honor System

Drawing down the 6.2 pp FMAP bump…

…is treated as attesting to compliance.
Disenrollment Freeze

• Unlikely states could implement in real-time
• System glitches may occur even in states honoring the MOE
• Need easy, prompt reinstatement process
• Promote broadly to ensure that beneficiaries, providers, and other stakeholders are aware of the policy and how to initiate reinstatement
Expand Access to Coverage

- New “uninsured individuals” group: covers testing with 100% federal match
- Medicaid expansion (14 states)
- Coverage for lawfully residing immigrant children (35 states) and pregnant women (25 states)
- Increase eligibility above current levels
- State residency flexibilities
Facilitate Enrollment and Ease Beneficiary Requirements

- Boost outreach
- Adopt or expand presumptive eligibility
- Create a simplified application
- Drop or suspend all premiums, enrollment fees, monthly contributions
- Drop or suspend beneficiary cost-sharing
Use Administrative Resources Wisely

• Suspend renewals and periodic reviews
• Drop restrictive requirements (i.e., work reporting)
• Become an FFM determination state
• Verify income post-enrollment
• Adopt broader reasonable compatibility standard
Other CHIP Strategies

• Drop or suspend CHIP waiting periods (13 states)
• Drop or suspend lockout periods for nonpayment if premiums are not waived
• Suspend renewals
• Suspend periodic checks of eligibility
Benefit Changes

• Add new benefits
  • Pediatric benefits under EPSDT are already comprehensive
  • States may need to add new benefits for other covered groups to make sure COVID-19 testing and treatment is covered

• Adjust benefits
  • Expand the types of providers that may deliver services
  • Lift limits on the number or duration of visits/treatment
  • Lift limits on the number of prescriptions
Access to Care

- Eliminate premiums and cost-sharing
- Suspend prior authorization requirements
- Open managed care networks

Telehealth
- States have broad telehealth authority already
- Theme in state plan changes is to establish payment parity across modalities
Attention: Continued Coverage for ALL

- Anyone covered on or after March 18, 2020 must remain covered for the duration of the emergency

- This includes:
  - Pregnant Women beyond the 60-day postpartum period
  - Children aging out of child group (note: must keep EPSDT)
  - Individuals losing other benefits that would typically affect Medicaid eligibility such as SSI and foster care assistance payments
Immigrant Families

• Medicaid/CHIP immigrant eligibility rules have not changed

• However, states may:

  ➢ Adopt ICHIA for children and pregnant women (take advantage of higher CHIP match!)
  ➢ Adopt CHIP “unborn” option
  ➢ Extend reasonable opportunity period beyond 90 days for citizenship status verification
  ➢ Define Emergency Medicaid to include any individual receiving treatment for symptoms related to COVID-19

For more information on immigrant eligibility for public programs during COVID-19, see https://protectingimmigrantfamilies.org/immigrant-eligibility-for-public-programs-during-covid-19/
Public Charge

- Immigrant families should seek the care they need
- CARES Act provided additional funding for Community Health Centers
- USCIS announced that testing, prevention & treatment of COVID-19 will not be used against immigrants in a public charge test
- Blocking the new public charge rule would be more effective because confusion & chilling effects are likely to persist despite the USCIS announcement
Questions?
More Resources

Coronavirus Resource Center

Keep up to date on the latest in health coverage.