

Medicaid & Dual Enrollment Likely Boosted

CMS Proposal Benefits MCOs & Reduces Burdens for States, Patients

CMS quietly released a new guidance late yesterday (here) that reduces red tape and boosts enrollment in Medicaid and the Children's Health Insurance Plan (CHIP). The proposed rule responds to President Biden's January 2021 and April 2022 Executive Orders to strengthen access to affordable, quality health coverage.

- **The proposal would limit renewals to every 12 months, good news for health plans (CNC, MOH, UNH, ELV), but lawsuits may ensue from this administrative action.** Medicaid payers also typically operate in the Marketplace and therefore would benefit from those who pivot off Medicaid and onto an Exchange plan. 14.5 M Americans are currently enrolled in marketplace plans.
- **The Children's Health Insurance Plan (CHIP) program would no longer allow lifetime limits.** Rules also do away with pre-enrollment waiting periods, a hallmark of any other type of health coverage, allowing for children to access healthcare more efficiently.
- **The proposed rule streamlines eligibility and enrollment policies, promising to expand coverage.** Rule (1) requires pre-populated renewal paperwork, (2) gives applicants a minimum of 30 days to reply to information requests, eliminates in-person interviews, and (3) reconsideration of eligibility if information is returned within 90 days. It also establishes a standardized and clear renewal process across states.
- **More continuous coverage for Medicaid, CHIP and Basic Health Plan.** Eligibility individuals based on being age (65+) or a disability are excluded by some ACA requirements, leaving them extra particularly vulnerable to losing coverage due to administrative requirements. Also, the rule eliminates requirements for individuals to apply for other benefits to be eligible for Medicaid, to decrease administrative barriers. CMS is expanding protections for more than 88 M people enrolled in Medicaid, CHIP, and the Basic Health Program (BHP).
- **The guidance makes changes to QMB enrollment.** New rules ensure automatic enrollment of SSI recipients into Qualified Medicare Beneficiary (QMB). States have the option of renewing QMB eligibility more frequently than once every 12 months, but not more than once every 6 months.
- **Additional protections for Medicaid beneficiaries.** If the State learns of a change in income status for a Medicaid beneficiary, the state may verify the information and may not terminate coverage or provide an adverse action against the individual.
- **Medicare Savings Program (MSP) access would be made clearer (see link).** There are no current regulations that ensure consumers have access to an efficient and streamlined enrollment process for the Medicare Savings Programs (MSPs), through which Medicaid covers the cost of Medicare premiums and/or cost sharing for Medicare enrollees highly likely or certain to be eligible for the MSPs based on receipt of other program benefits (e.g., extra help for Medicare Part D). As a result, millions of eligible individuals are not enrolled.
- **OUR TAKE & NEXT STEPS:** The rules enhance enrollment for Medicaid health plans such as CNC, MOH, UNH, and ELV, as well as others. Rules also expand protections and coverage for Medicaid and CHIP beneficiaries. We believe the rules may have been released in advance of the end of the PHE, as States begin the redetermination process, so as not to leave individuals without

coverage. CMS seeks comments on the proposed rules. There is a 60-day comment period, with all comments due to no later than November 7, 2022. A final rule will ensue and we think will largely be finalized as is. We could see lawsuits emerge if the 12 month eligibility policy (see bullet one above) is finalized.