Implementing Expanded Medicaid Eligibility and MAGI Under ACA: State Perspectives

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To be eligible, an individual must fit into a category: parent/caretaker relative, child, pregnant woman, aged, blind, or disabled.

- Strong links to welfare/entitlement programs
- Eligibility determined on a case-by-case basis by comparing monthly income and assets to standards and verifying other requirements, such as residency
- States must use methodologies of AFDC or SSI cash assistance programs for determining household composition and financial eligibility.
Expands Medicaid eligibility to 133% FPL (plus 5% disregard) for non-elderly adults not previously categorically eligible

Parents must enroll children

Provides benchmark benefit package to those made eligible via this expansion

Provides increased FFP for those “newly eligible” as of December 2009
Mandates that eligibility for most individuals be determined using modified adjusted gross income (MAGI) as defined in the Internal Revenue Code

Requires “income conversion” - conversion of states’ current net income standards, including disregards, into equivalent MAGI income standard
  - No asset test

Requires simplified and coordinated eligibility system between all insurance affordability programs
  - Single, streamlined application
  - No wrong door
  - Data matching
- Apply income conversion to establish equivalence at the aggregate, versus individual, level
- Give more flexibility to states to handle income changes
- Use IRS definitions for household, family size, and income, with some exceptions
- Extend coverage month to coordinate coverage through the exchange
Mandate that states obtain and use **reasonably compatible** Federal data from Federal data hub

Require states to use single, streamlined application developed by HHS, or own application with supplemental forms as approved by HHS

Permit Medicaid agency to delegate Medicaid and MAGI eligibility determinations (but not policy or oversight) to government-operated exchanges

Expect use of shared eligibility system to place most individuals in insurance affordability programs

Solicit comments on approaches to identify newly eligible
State Feedback

- April 14 SHARE Webinar “Medicaid Eligibility Determination under the ACA: Challenges for States”

- May 21 SHARE-sponsored workshop included Medicaid and CHIP eligibility directors, national policy experts, IRS representative, and Mathematica researchers
  - Discussed scenarios presented by states

- Follow-up telephone conversations and in-person meetings with state officials
State Challenges

- Uncertainty regarding ACA law and implementation
- Perform and receive approval for income conversion
- Select methodology for determining newly eligible
- Enhancement of automated systems
- Establishment of organization, delegation, coordination, and oversight
- Production of new application/outreach materials
- Some individuals no longer eligible
- Some individuals with lesser benefit package
Implications

- Insurance affordability programs system would further Medicaid’s delinking from traditional welfare programs
- Investment in systems would yield future benefits
- Development of data culture could enrich enterprises
Medicaid has undergone significant eligibility changes in the program’s 46 year history:
- SSI
- Welfare reform – delinkage from cash assistance
- CHIP

Implementation assistance includes:
- Income conversion evaluation/TA contract
- Enroll UX 2014
- Learning Collaboratives to Support the Development of a High-Performing State Health Coverage Program
- Increased Federal funding for eligibility determination systems through 2015
For More Information

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