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# **Implementing Expanded Medicaid Eligibility and MAGI Under ACA: State Perspectives**

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**MATHEMATICA  
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# Pre-ACA Medicaid and CHIP Eligibility

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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**

# Eligibility-Related ACA Provisions

Mandatory as of January 1, 2014

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- **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**

# Eligibility-Related ACA Provisions

Mandatory as of January 1, 2014

- **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

# August 17, 2011 Proposed Rules

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- **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**

# August 17, 2011 Proposed Rules

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- **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

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- **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

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- **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

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- **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**

# Outlook

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- **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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