



## **101: Maintenance of Effort (MOE) Requirements for Children in Medicaid and CHIP Fact Sheet**

In early 2018, Congress passed the Helping Ensure Access for Little Ones, Toddlers, and Hopeful Youth by Keeping Insurance Delivery Stable Act (HEALTHY KIDS Act) and the Advancing Chronic Care, Extenders, and Social Services (ACCESS) Act, which together appropriated federal funds for the Children’s Health Insurance Program (CHIP) through federal fiscal year (FFY) 2027. Included in the HEALTHY KIDS and ACCESS Acts is a requirement that states maintain certain coverage levels for children enrolled in Medicaid and CHIP, called the maintenance of effort (MOE). The following provides background information about MOE and the current federal MOE requirements for children enrolled in Medicaid and CHIP.

### **Background**

To help address reduced state revenues due to the 2007-2009 Great Recession, the American Recovery and Reinvestment Act (ARRA) of 2009 contained a temporary increase in the Federal Medical Assistance Percentage (FMAP) for Medicaid. To receive these funds, states were required to keep in place the same eligibility standards, methodologies, and procedures in their Medicaid programs through June 30, 2011.<sup>1</sup>

The Affordable Care Act (ACA), enacted March 23, 2010, also contained MOE provisions similar to the ARRA’s provisions and were designed to help ensure coverage stability for individuals enrolled in Medicaid and CHIP. Specifically for children, the ACA’s MOE provisions require states to maintain through Sept. 30, 2019 their Medicaid and CHIP eligibility levels for children under age 19 that were in place as of March 23, 2010.<sup>2</sup> Further, the MOE provisions do not permit states to restrict eligibility for children in Medicaid and CHIP through measures such as enrollment caps or freezes, or other policies designed to reduce enrollment.

### **The MOE Requirement for Children under the HEALTHY KIDS and ACCESS Acts**

Through the ACA, the MOE for children was set to expire at the end of FFY 2019, but the HEALTHY KIDS and ACCESS Acts extend the MOE requirements for children in CHIP and Medicaid through FFY 2027. However, beginning Oct. 1, 2019, states are only required to implement the MOE for children in families with income up to 300 percent of the federal poverty level (FPL). This means that states with eligibility levels above 300 percent of FPL will have flexibility beginning in FFY 2020 to either maintain eligibility levels in their programs or lower them to 300 percent of FPL,<sup>3</sup> but all other states must keep current eligibility levels in place.

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<sup>1</sup> Congressional Research Service. “Medicaid and CHIP Maintenance of Effort (MOE): Requirements and Responses.” November 30, 2011.

[https://www.everycrsreport.com/files/20110525\\_R41835\\_c75b1ef727c7eff5d61dd24e230143381725c951.pdf](https://www.everycrsreport.com/files/20110525_R41835_c75b1ef727c7eff5d61dd24e230143381725c951.pdf)

<sup>2</sup> Centers for Medicare & Medicaid Services. State Medicaid Director Letter (SMDL) #11-001, Re: Maintenance of Effort. February 25, 2011. <https://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD11001.pdf>

<sup>3</sup> Centers for Medicare & Medicaid Services. State Health Official (SHO) Letter #18-010, Re: Key Provisions of Legislation Extending Federal Funding for the Children’s Health Insurance Program. October 5, 2018.

<https://www.medicaid.gov/federal-policy-guidance/downloads/sho18010.pdf>