STATE HEALTH POLICY

Briefing

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Coordinating Medicaid Eligibility and Enrollment with a Federally Facilitated Marketplace: Assessment vs. Determination Model

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State Health Policy Briefing provides an overview and analysis of emerging issues and developments in state health policy.

States with Partnership or Federally Facilitated Marketplaces (FFM) are coordinating closely with the federal government on Medicaid eligibility and enrollment. Each state Medicaid agency has chosen whether the Marketplace will only assess, or whether it will also determine Medicaid eligibility for individuals who apply through the Marketplace. This brief lays out the responsibilities of the SPM and FFM that remain consistent across the assessment and determination models when an individual eligible for Medicaid first goes to the SPM/FFM to apply for health coverage. It explains the differences between the two models and provides short case studies examining the rationales behind a state's choice of the assessment or determination model.

States have the flexibility to decide how they would like to coordinate Medicaid eligibility decisions with Health Insurance Marketplaces, whether they have opted for a State-Based, State-Partnership, or Federally Facilitated Marketplace.[1,2] States with a State-Partnership Marketplace (SPM) or Federally Facilitated Marketplace (FFM) are coordinating closely with the federal government on eligibility and enrollment. Each state Medicaid agency has chosen whether the Marketplace will only assess, or whether it will also determine Medicaid eligibility for individuals who apply through the Marketplace. States communicated their choices to the Centers for Medicare & Medicaid Services (CMS) by filing State Plan Amendments (SPA).[3] This brief lays out the responsibilities of the SPM and FFM that remain consistent across the assessment and determination models when an individual eligible for Medicaid first goes to the SPM/FFM to apply for health coverage. It explains the differences between the two models and provides short case studies examining the rationales behind a state's choice of the assessment or determination model.

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When an individual applies for coverage through the SPM/FFM in states that have elected not to build their own marketplaces, the SPM/FFM must always consider the individual's eligibility for Medicaid. If a state has chosen the assessment model (Figure 1), the SPM/FFM makes an initial assessment of eligibility for Medicaid, and the state Medicaid agency makes the final Medicaid eligibility determination. In states that have chosen the determination model (Figure 2), the SPM/FFM makes the final Medicaid eligibility determination and transmits this determination to the state Medicaid agency.[4]

Regardless of the model the state has chosen for determining an individual's Medicaid eligibility, the process must be streamlined with minimal burden on the applicant. The state Medicaid agency will continue to have final oversight of the accuracy of all eligibility determinations, including those made by marketplaces.[5] Each state's SPA must describe exactly how the Medicaid agency will continue to have final oversight of these determinations.[6]

In both the assessment and the determination models, the SPM/FFM uses a standard set of eligibility criteria, including selected state-specific options (such as whether a state covers noncitizen, lawfully residing children and pregnant women) and standard verification procedures.[7] In either model, the SPM/FFM receives an individual's completed application, and subsequently verifies:

- whether the applicant is enrolled in Medicaid;
- the applicant's Social Security Number, citizenship, and immigration status–through a match to federal data sources;
- the applicant's residency, age, and household composition–through self-attestation; and
- the projected annual household Modified Adjusted Gross Income (MAGI).[8]

After this stage, the models diverge.

The Assessment Model

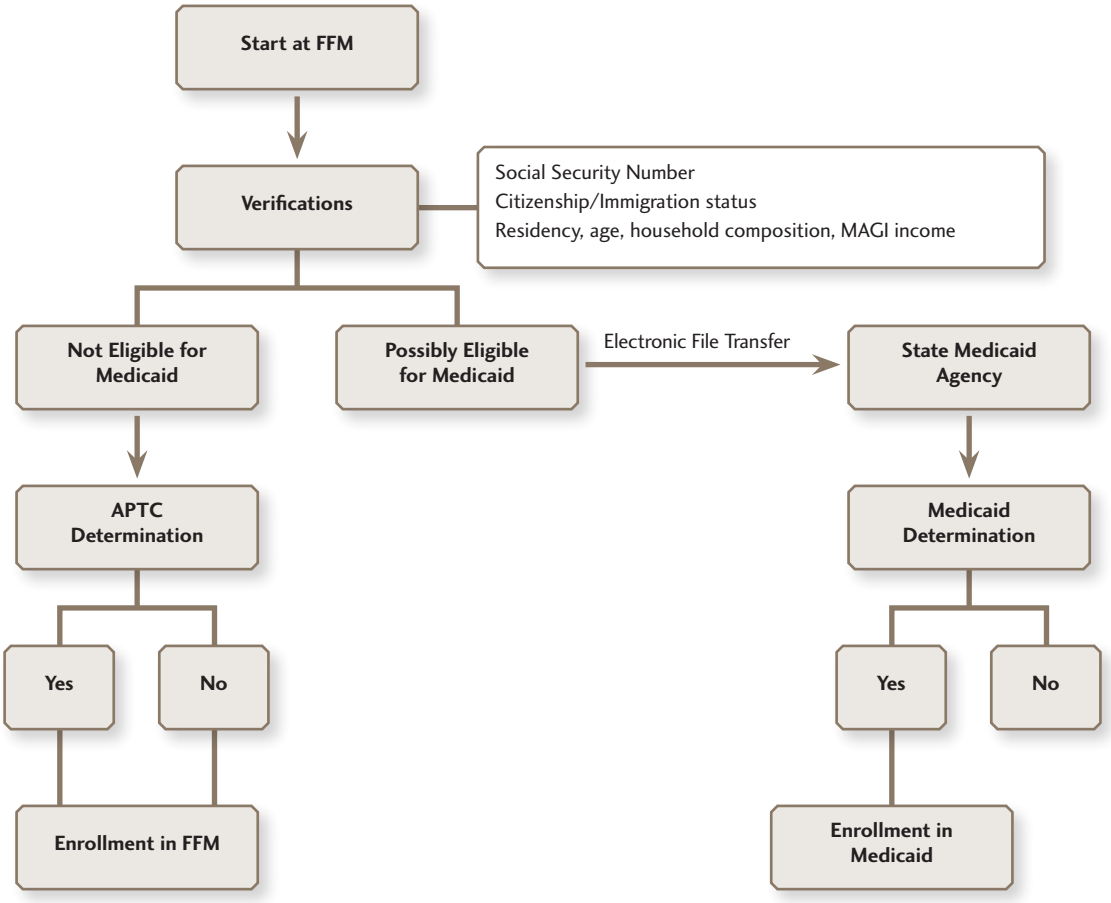
If the SPM/FFM assesses that the applicant is potentially eligible for Medicaid, it electronically transfers the applicant's file to the state Medicaid agency to complete the eligibility review according to its own rules.[9] The Medicaid agency notifies the SPM/FFM that it has received the applicant's account information.[10] The state may require additional verification of information provided by the applicant, but cannot ask for information the applicant already provided to the SPM/FFM and cannot request a new application. The Medicaid agency then determines the individual's eligibility in accordance with standard procedures.[11]

If the SPM/FFM assesses that the applicant is potentially ineligible for Medicaid, it proceeds by considering the applicant's eligibility for Advanced Premium Tax Credits (APTC) and Cost-Sharing Reductions (CSR). At this stage, the applicant has the opportunity to withdraw his or her original application and to request a full Medicaid eligibility determination. If this occurs, the SPM/FFM transfers all of the applicant's information to the Medicaid agency for a full determination.

Assessment Model Case Study: Arizona

In Arizona, the state has opted for the FFM to assess rather than determine Medicaid eligibility because of the state's experience and strong track record of success with accurate Medicaid eligibility determinations and an eligibility system that is integrated with other social service programs. The Medicaid agency is building a new eligibility system that is rules driven, highly automated, and will rely primarily on the state data hub for verification of eligibility. Arizona is also completely integrating the Medicaid eligibility process with eligibility determinations for other social service programs, such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). This integration allows the state to connect individuals and families to other services while they are enrolling in Medicaid. Having the state make the final Medicaid determination also presents Arizona with the opportunity to continue to use the state's residency and income verification processes given its unique location with five state borders and an international border. The training of the Medicaid eligibility staff in Arizona will be an ongoing process as the system goes live in October 2013. Arizona staff has been involved in various federal work groups and actively communicates with CMS and other states in an effort to best prepare for open enrollment.

Figure 1: Assessment Model



The Determination Model

In states that chose to have the SPM/FFM make eligibility determinations for Medicaid, the state accepts the SPM/FFM's verification of MAGI-based eligibility (for children, pregnant women, parents, and the newly eligible adult group) as a final Medicaid determination. If the SPM/FFM determines an individual eligible for Medicaid, the state Medicaid agency will enroll the individual as soon as it receives the electronic file transfer from the SPM/FFM.

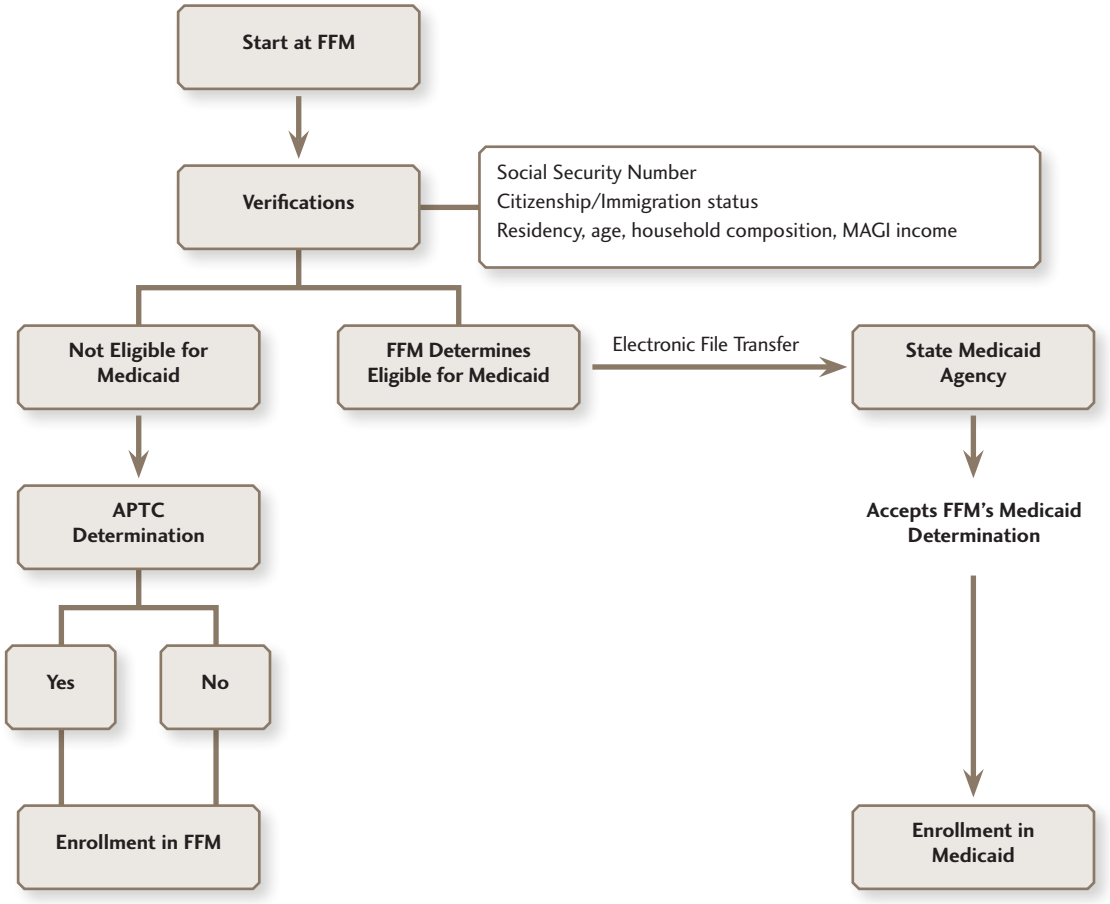
In a determination model, the state Medicaid agency must ensure seamless enrollment based on the SPM/FFM's eligibility determination.[12] The Medicaid agency must be able to receive secure transmissions of electronic accounts of the determinations, confirm successful receipt of files from the SPM/FFM,[13] and comply with all eligibility requirements that apply to Medicaid agencies (including timeliness standards).

In a determination model, some eligibility functions remain the purview of the state. For example, the SPM/FFM does not determine eligibility for non-MAGI Medicaid.[14]

Determination Model Case Study: West Virginia

West Virginia conducted cost benefit analyses to examine long-term effects on the state and guide the decision about whether the SPM would assess or determine eligibility for the state's Medicaid program. These analyses focused not only on the cost to the state, but also on the experience of the consumer. West Virginia wants to facilitate a process that is as simple and integrated as possible for consumers while placing minimal burden on state staff. Thus, West

Figure 2: Determination Model



Virginia decided to have the SPM determine Medicaid eligibility. A team from West Virginia, consisting of the Commissioner of Medicaid, representatives of the CHIP program, Medicaid eligibility workers, and IT experts, will continue to evaluate what is best for citizens from both a cost and service perspective. If the team determines that an assessment model would better serve West Virginians in the future, the state is open to transitioning to an assessment model at that time. West Virginia will be providing ongoing training about enrollment options to various eligibility personnel statewide leading up to and following open enrollment in October 2013.

Conclusion

Whether the SPM/FFM is assessing or determining Medicaid eligibility, individuals and families must be able to complete and submit a single streamlined application developed by CMS[15] for all Insurance Affordability Programs (IAPs) online, via telephone, through the mail, or in-person to the SPM/FFM—or to any agency administering an IAP.[16] It will be extremely important for state Medicaid agencies and marketplaces to ensure close coordination of all activity to guarantee that no one slips through the cracks. Coordination is especially important in transferring an individual's electronic file between an SPM/FFM and Medicaid.[17]

The same issues that arise during initial enrollment will arise again at redetermination, making Medicaid and SPM/FFM coordination pertinent not just for open enrollment but on an ongoing basis. States will want to closely monitor the consumer experience under the assessment and determination models and make adjustments as needed to ensure individuals and families are enrolled in the appropriate health coverage programs.

1. ACA § 2201; 42 CFR §§ 431.10, 431.11, 435.1200
2. As of September 2013, 15 states and DC have been conditionally approved for a State-Based Marketplace for 2014; six states conditionally approved for a State-Partnership Marketplace for 2014; two states will have a state SHOP and Federally Facilitated individual Marketplace; and 27 states will have a Federally Facilitated Marketplace in 2014. Source: "Map: Where States Stand on Exchanges." State Refor(u)m. September 9, 2013. Available: https://www.statereforum.org/where-states-stand-on-exchanges.
3. "Affordable Care Act: State Resources FAQ." April 25, 2013. Available: http://www.medicaid.gov/state-resource-center/FAQ-medicaid-and-chip-affordable-care-act-implementation/downloads/Affordable-Care-Act-FAQ-enhanced-funding-for-medicaid.pdf.
4. 42 CFR § 435.1200(b)(3)
5. Alice M. Weiss, Abigail Arons, Julien Nagarajan. "States' Medicaid ACA Checklist for 2014." *State Health Reform Assistance Network: Charting the Road to Coverage*. April 2013. Available: http://www.statenetwork.org/resource/states-medicaid-aca-checklist-for-2014/.
6. Ibid.
7. Tricia Brooks. "Tech Tuesday: Medicaid Assessment or Determination by the Federal Marketplace." Georgetown University Health Policy Institute: Center for Children and Families. June 4, 2013. Available: http://ccf.georgetown.edu/all/tech-tuesday-medicaid-assessment-or-determination-by-the-federal-marketplace/.
8. "Coordination of Eligibility and Enrollment Between Medicaid/CHIP and the Exchange: An Overview of the Rules Applicable to the 'Assessment' Model." *Manatt*. November 2012. Available: http://www.childrenspartnership.org/storage/documents/Publications/manatt_assessment_rules.pdf.
9. 42 CFR 435.1200(d)
10. Alice M. Weiss, Abigail Arons, Julien Nagarajan. "States' Medicaid ACA Checklist for 2014." *State Health Reform Assistance Network: Charting the Road to Coverage*. April 2013. Available: http://www.statenetwork.org/resource/states-medicaid-aca-checklist-for-2014/.
11. 42 CFR 435.911
12. 42 CFR § 435.1200(c)
13. Tricia Brooks. "Tech Tuesday: Medicaid Assessment or Determination by the Federal Marketplace." Georgetown University Health Policy Institute: Center for Children and Families. June 4, 2013. Available: http://ccf.georgetown.edu/all/tech-tuesday-medicaid-assessment-or-determination-by-the-federal-marketplace/.
14. Ibid.
15. ACA §1413(b)(1)(A); 45 CFR 155.405; 42 CFR 435.907(b)
16. ACA §§ 1413(b)(1)(A) and 2201; 45 CFR 155.405; 42 CFR 435.907(a)
17. Tricia Brooks. "Tech Tuesday: Medicaid Assessment or Determination by the Federal Marketplace." Georgetown University Health Policy Institute: Center for Children and Families. June 4, 2013. Available: http://ccf.georgetown.edu/all/tech-tuesday-medicaid-assessment-or-determination-by-the-federal-marketplace/.

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