

MEDICAID/CHIP CONTINUOUS ELIGIBILITY

LEGISLATOR NOTICE

The Legislative Services Division is required to offer a brief history on the subject matter of a bill draft request prior to drafting. (5-4-105, MCA; [Chapter 309, Laws of 2017](#)) The history must include related legislation introduced over the last five sessions and hyperlinks to the bill, hearing information, and fiscal notes. The links below open to the page showing the status and history of bills introduced on this topic in the past. The bill text and any related fiscal notes can be accessed through the link at the top of that page.

Legislation can be complex and this history is not intended to be exhaustive. Please contact the drafter of the requested bill for more information.

Background Materials and Research

Topic Summary: Since 1997, federal laws governing Medicaid and the Children's Health Insurance Program (CHIP) have allowed for low-income children to be covered by the programs for a full 12 months at a time, even if a family's income increases above the eligibility standards for the programs. States could opt to offer that so-called "continuous eligibility" or could require more frequent renewal periods. Montana has opted to offer continuous eligibility for children in those programs.

Federal Medicaid regulations require that eligibility be redetermined no more frequently than every 12 months for people who qualify for Medicaid based on their modified adjusted gross income (MAGI) – unless a person reports a change in income or other eligibility criteria. At that time, the person could be determined ineligible for coverage before the 12-month period concludes. Most Medicaid enrollees in Montana are in the MAGI-eligible groups.

Federal Medicaid law also allows states to seek a waiver of the eligibility laws so they can offer continuous eligibility to certain groups of adults even if their income does change during the 12-month period. That option is offered under what is known as a Section 1115 waiver, which allows states to try out new ideas for their Medicaid programs. Montana has tested the idea of continuous eligibility through these waivers for research and demonstration projects, to see whether the long-term eligibility improves people's health by reducing the gaps in coverage that may occur if they have to move into and out of coverage repeatedly as their income changes. The state also says the continuous eligibility may reduce administrative costs and streamline administration of the program. The state currently has three waivers that provide continuous eligibility for the following groups of people, even if their income changes:

- the Medicaid expansion waiver, which covers adults ages 19 to 64 without dependent children and with incomes at or below 138% of the federal poverty level. About 90,000 people are covered by this waiver.

MEDICAID/CHIP CONTINUOUS ELIGIBILITY

- the Plan First waiver, which covers women ages 19 through 44 with income up to 211% of the federal poverty level who are not otherwise eligible for Medicaid. The waiver covers only family planning services. Up to 4,000 women can be enrolled in this waiver program; currently, it covers about 1,500 women.
- the Waiver for Additional Services and Populations (WASP), which covers about 59,500 people in the following groups:
 - adults with dependent children receiving a specific package of Medicaid benefits;
 - blind, disabled, or elderly adults who qualify for the regular Medicaid program but receive an extended dental benefit; and
 - adults with severe disabling mental illness (SDMI) with incomes at or below 150% of the federal poverty level. The waiver allows coverage of up to 3,000 people in this SDMI group; about 1,110 people are currently enrolled.

Background Materials:

- [42 CFR 435.916: Periodic Renewal of Medicaid Eligibility](#)
- [Continuous Eligibility for Medicaid and CHIP Coverage](#), Centers for Medicare and Medicaid Services
- [Medicaid: Compliance with Eligibility Requirements](#), Testimony of Judith Solomon, Center on Budget and Policy Priorities, Before the Senate Finance Subcommittee on Health Care
- [Health Affairs Article: Continuous Eligibility Policies Stabilize Medicaid Coverage For Children And Could Be Extended To Adults With Similar Results](#), September 2013

DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES MATERIALS

- [Medicaid Expansion/Health and Economic Livelihood Partnership \(HELP\) Waiver Legislative Summary](#), November 2020
- [Plan First Demonstration Waiver Legislative Summary](#), November 2020
- [Waiver for Additional Services and Populations \(WASP\) Legislative Summary](#), November 2020

Introduced Legislation

No legislation has been introduced on this topic in the past 5 sessions. Continuous eligibility has instead been proposed by the Department of Public Health and Human Services in its waiver applications. The Centers for Medicare and Medicaid Services (CMS) has approved the applications.

However, CMS did reduce the federal match for the Medicaid expansion population slightly, noting that under continuous eligibility, some members of that group were likely to continue receiving Medicaid even though their incomes will increase above the eligibility level at some point during the 12-month period. Rather than paying the enhanced federal match of 90% for all expansion enrollees, the federal government is paying the regular matching rate of about 66% for 2.6% of the medical costs incurred by expansion enrollees.

Prepared By:

Sue O'Connell, Research Analyst
Office of Research and Policy Analysis
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