



## **Key Medicaid, CHIP, and Low-Income Provisions in H.R. 3962: The Affordable Health Care for America Act of 2009**

The Congressional Budget Office estimates that under the bill's provisions, by 2015, 94 percent of the non-elderly population would have health insurance (96 percent if undocumented immigrants are excluded from the calculation). In that year, an additional 13 million individuals (mostly childless adults and parents) would obtain coverage through Medicaid and 19 million through a new health insurance Exchange.<sup>1</sup>

Most of the bill includes a number of reforms and most would go into effect in 2013 that are outlined by others during this presentation today. The following provides an overview of some of the bill's proposed changes to Medicaid and CHIP, as well as other provisions of particular importance to low-income children and families:

### **1. Medicaid and CHIP**

Under the House bill, Medicaid serves as a cornerstone of coverage for millions of lower income adults, pregnant women, and children. Uninsured individuals and families not eligible for Medicaid would be eligible for Exchange coverage, including children currently receiving coverage through separate CHIP plans. The following provisions go into effect in 2013, unless otherwise noted.

#### ***Eligibility Changes for Adults***

- **Medicaid coverage for adults under age 65 up to 150 percent of the FPL.**<sup>2</sup> Only a handful of states provide Medicaid to childless adults and while all states cover parents, they often do so at income levels well below the poverty line. The Secretary of Health and Human Services (HHS) would establish the methodology used in determining income for childless adults (with current methodologies remaining in place for other populations).
- **Increased federal support for covering adults in Medicaid.** In 2013 and 2014, the federal government would pick up 100 percent of the cost of covering childless adults up to 150 percent of the FPL and parents between a state's current income threshold and 150 percent of the FPL.<sup>3</sup> This percentage would decrease to 91 percent in 2015 and beyond. In addition, the bill extends (from the end of 2010 until June 30, 2011) the American Recovery and Reinvestment Act (ARRA) provision that provides fiscal relief to states by temporarily increasing their federal Medicaid matching rate if they do not reduce Medicaid eligibility.
- **Maintenance-of-effort on existing Medicaid coverage above 150 percent of the FPL.** The [handful of states](#) that provide coverage to some adults above 150 percent of the FPL would be required to maintain Medicaid eligibility standards, methodologies, and procedures currently in effect. States would not receive additional financial support for these individuals. In addition, states must eliminate any asset test used to determine eligibility, except for those receiving long-term care services. Additionally, EPSDT benefits package would be maintained in the bill.
- **Five-year waiting period rules for lawfully residing immigrants remain in effect.** The bill would not change current Medicaid (and CHIP) rules that require states to establish a five-year waiting period for lawfully residing adults (retaining the state option to provide coverage for children and pregnant women within the five year waiting period). Low income lawfully residing immigrants

not eligible for Medicaid or CHIP due to this restriction would be required to seek subsidized coverage through the Exchange.

Undocumented immigrants would remain ineligible for Medicaid and CHIP, and could not obtain subsidies through the Exchange (although they can purchase unsubsidized coverage). Excludes Medicare recipients under age 65 who also receive Medicaid. States providing coverage to childless adults and parents under 150 percent of the FPL through 1115 Medicaid waivers or state funding would receive the enhanced match for these populations.

### ***Eligibility Changes for Children***

- **Medicaid coverage for children ages 0-18 up to 150 percent of the FPL, starting in 2014.** States already must provide Medicaid to children under age six with family income up to 133 percent of the FPL and those ages six through 18 with family income up to 100 percent of the FPL. In addition, all states have chosen to provide coverage above these levels through a combination of Medicaid and CHIP. In 2014, states would provide all children with Medicaid up to 150 percent of the FPL. Those children currently receiving coverage through CHIP below 150 percent of the FPL would be shifted to Medicaid. A state would receive its current CHIP matching rate to cover these children.

- **Current Medicaid coverage (including CHIP-funded Medicaid expansions) for children maintained above 150 percent of the FPL.** Today, [nearly all states including Ohio](#) provide Medicaid and/or CHIP coverage to children up to 200 percent of the FPL, with 16 covering children at or above 300 percent of the FPL. States would be required to maintain the coverage they provide to children through Medicaid above 150 percent of the FPL. This includes states that expanded Medicaid using CHIP funding. A state would continue to receive its current CHIP matching rate to cover these children.

- **Expiration of the CHIP program December 31, 2013; children in separate CHIP programs moved into Exchange plans the next day.** Beginning January 1, 2014 (a year after the Exchanges are operational), children in separate CHIP programs would be eligible for coverage through Exchange plans. Until that time, states would be required to maintain their current CHIP eligibility rules, methodologies, and procedures (although a state could establish a waiting list if its federal funding runs out) and CHIP-eligible children would be ineligible for Exchange plans. The Secretary of HHS would submit a report by the end of 2011 to Congress on how to ensure that the Exchange coverage (benefits and cost sharing) is comparable to an average CHIP plan and that appropriate transfer procedures exist.

- **Automatic enrollment of uninsured infants into Medicaid.** The provision builds on the existing requirement that babies born to mothers on Medicaid be automatically enrolled. The federal government would provide an increased matching rate (100 percent in 2013 and 2014, 91 percent in 2015 and beyond) for enrolling uninsured newborns for 60 days, while their eligibility is determined. Those children without acceptable coverage at the end of 60 days would be deemed eligible for Medicaid (with states receiving their regular matching rate).

### ***Enrollment and Administrative Procedures***

- **A 12-month guarantee of coverage for CHIP children in states with separate CHIP plans.** Until termination of CHIP on December 31, 2013, stand-alone CHIP programs would be required, effective January 1, 2010, to implement 12-months continuous eligibility for children with family income below 200 percent of the FPL. States would receive the matching rate level they currently

receive for CHIP, but the payments would be made under Medicaid. Prohibits states from establishing waiting periods in their CHIP programs for children who are under age 2, in families losing private health coverage due to unemployment, or in families that pay more than 10 percent of income for coverage.

- **Medicaid enrollment out-stationing expanded to all hospitals and locations other than state/county offices.**

- **Addition of preventive services for adults to Medicaid package.** Requires states, beginning July 1, 2010, to provide adults with new preventive services, which could not be subject to cost sharing. States would receive their regular matching rate to provide the new coverage.

- **New federal funding for medical home pilot programs, including in Medicaid.** Under a five-year pilot program, states could operate a medical home model for beneficiaries, including medically fragile children, and receive enhanced administrative funding.

- **Other provisions impacting coverage and access to care.** The House bill also allows states to provide optional Medicaid coverage to low-income HIV-infected individuals (through 2013), expands state flexibility to provide family planning coverage, allows Medicaid to cover nurse home visitation services for first-time pregnant women and mothers with children under two, and provides a 75 percent federal matching rate for translation and interpretation services provided to Medicaid-eligible adults for whom English is not the primary language. In addition, the bill would reduce Medicaid Disproportionate Share Hospital (DSH) payments to states.

## **Medicaid, CHIP, and Low-Income Provisions in Senate Finance Mark Up**

### ***Eligibility Changes for Adults***

- **Medicaid coverage for adults under age 65 up to 150 percent of the FPL.** Only a handful of states provide Medicaid to childless adults and while all states cover parents, they often do so at income levels well below the poverty line.

- **Increased federal support for covering adults in Medicaid.** Through 2015 federal government would pick up 100 percent of the cost of covering the newly eligible childless adults up to 150 percent of the FPL and parents between a state's current income threshold and 150 percent of the FPL. In addition, the bill extends (from the end of 2010 until June 30, 2011) the American Recovery and Reinvestment Act (ARRA) provision that provides fiscal relief to states by temporarily increasing their federal Medicaid matching rate if they do not reduce Medicaid eligibility.

- **Maintenance-of-effort on existing Medicaid coverage above 150 percent of the FPL.**

The [handful of states](#) that provide coverage to some adults above 150 percent of the FPL would be required to maintain Medicaid eligibility standards, methodologies, and procedures currently in effect. States would not receive additional financial support for these individuals. In addition, states must eliminate any asset test used to determine eligibility, except for those receiving long-term care services.

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- **Expiration of the CHIP program December 31, 2013; children in separate CHIP programs moved into Exchange plans the next day. Ohio has a combined Medicaid/CHIP program.** Beginning January 1, 2014 (a year after the Exchanges are operational), children in separate CHIP programs would be eligible for coverage through Exchange plans. Until that time, states would be required to maintain their current CHIP eligibility rules, methodologies, and procedures (although a state could establish a waiting list if its federal funding runs out) and CHIP-eligible children would be ineligible for Exchange plans.

- **Automatic enrollment of uninsured infants into Medicaid.** The provision builds on the existing requirement that babies born to mothers on Medicaid be automatically enrolled. The federal government would provide an increased matching rate (100 percent in 2013 and 2014, 91 percent in 2015 and beyond) for enrolling uninsured newborns for 60 days, while their eligibility is determined. Those children without acceptable coverage at the end of 60 days would be deemed eligible for Medicaid (with states receiving their regular matching rate).

#### ***Enrollment and Administrative Procedures***

- **Standards and Protocols to promote interoperability of federal program enrollment systems.** The Senate bill establishes standards and protocols to promote interoperability of federal program enrollment systems, including linkages between public programs, data matching and the submission of documents electronically.

- **Updates administrative simplification standards.** The Senate bill requires new technical standards to provide common technical standards to provide a common technical platform for administration of health care and means for timely updating of standards for electronic data interchange.

[Voices for Ohio's Children is the non-partisan voice of Ohio's nearly 3 million children. With more than 100 collaborative partners, we impact the changes in public policy that improve the health, safety, education, family stability and childcare of Ohio's children and their families.](#)

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