

Health Headlines

March 26, 2012

CMS Issues Final Rule on Medicaid Eligibility Determinations

On March 16, 2012, CMS issued a final rule establishing procedures for states to use in determining eligibility and enrolling Medicaid applicants beginning on January 1, 2014, when the Affordable Care Act's expansion of the Medicaid program takes effect. The final rule, which adopts most of the provisions in the August 17, 2011 proposed rule, implements several Affordable Care Act provisions relating to Medicaid eligibility, enrollment, and coordination with state insurance exchanges and the Children's Health Insurance Program (CHIP).

Specifically, the final rule:

- Extends eligibility to individuals between ages 19 and 64 with income up to 133 percent of the federal poverty level (currently \$14,856 for an individual and \$30,656 for a family of four). In addition, children will be eligible for Medicaid or CHIP at higher income levels based on eligibility standards already in place in their state.
- Streamlines the process for enrolling Medicaid and CHIP applications by basing eligibility on a single "Modified Adjusted Gross Income" (MAGI) and by consolidating eligibility categories into four main groups – adults, children, parents, and pregnant women. In addition, the final rule instructs states to use electronic data sources to verify eligibility, including information located on a "federal data services hub."
- Emphasizes coordination across state insurance exchanges, Medicaid, and CHIP. For example, the final rule provides states with two options for performing Medicaid eligibility evaluations. The state insurance exchange can either complete the eligibility determination process as well as determine eligibility for premium tax credits, or the exchange can make a preliminary eligibility assessment and rely on the state Medicaid program for a final eligibility determination.
- Provides for 100 percent federal funding for newly eligible Medicaid enrollees from 2014 through 2016, and 90 percent federal funding by 2020.

The final rule is located [here](#).

Reporter, *Jennifer Simmen Lewin*, Atlanta, + 1 404 572 3569, jlewin@kslaw.com.

Health Headlines – Editor:

Dennis M. Barry
dbarry@kslaw.com
+1 202 626 2959

The content of this publication and any attachments are not intended to be and should not be relied upon as legal advice.