

# Ex Parte Options and Recommendations for non-MAGI Medicaid Population to Reduce Churn



## QUESTION:

How can states increase the number of completed *ex parte* renewals for the non-MAGI population?

### » TAKEAWAYS:

There are strategies available for increasing the number of *ex parte* renewals for their non-MAGI population, including:

- Streamlining zero-income verification;
- Expanding the number and type of data sources used;
- Aligning MAGI and non-MAGI renewal policies; and
- Creating a unified eligibility system interface for both MAGI and non-MAGI populations

### » Additional strategies for preserving benefits for eligible non-MAGI populations include:

- Removing requirements for in-person interviews;
- Increasing continuous eligibility; and
- Sending pre-populated renewal forms to clients

## I. BACKGROUND

When conducting a Medicaid redetermination, states are required to conduct the redetermination *ex parte*, if possible, “without requiring information from the individual if able to do so based on reliable information contained in the individual’s account or other more current information available to the agency...”<sup>1</sup> States may refer to the *ex parte* process as auto renewals, passive renewals, or administrative renewals. Though this requirement applies to a state’s non-MAGI population:

- Less than 25 percent of *ex parte* renewals for the non-MAGI population are completed in most states<sup>2</sup>
- Most states currently take between one to two months to complete a non-MAGI eligibility determination<sup>3</sup>
- Most states require paper documentation for non-MAGI enrollees to verify income and assets if electronic sources are unavailable<sup>4</sup>

States should look to evaluate their efforts to reduce churn for non-MAGI enrollees and consider the following recommendations as ~10% of non-MAGI enrollees are expected to lose coverage when the Public Health Emergency (PHE) ends, primarily due to changes in income, returned mail, and changes in assets.<sup>5</sup>

<sup>1</sup> 42 CFR § 435.916(a)(2), (b). Accessed at <https://www.ecfr.gov/current/title-42/chapter-IV/subchapter-C/part-435/subpart-J/subject-group-ECFR0717d3fdf4a090c/section-435.916>

<sup>2</sup> Medicare Rights Center. [KFF Examines Post-PHE Medicaid Landscape for Older Adults and People with Disabilities](#) (July 21, 2022).

<sup>3</sup> Kaiser Family Foundation. [Medicaid Public Health Emergency Unwinding Policies Affecting Seniors & People with Disabilities: Findings from a 50-State Survey](#) (July 11, 2022).

<sup>4</sup> Kaiser Family Foundation. [Medicaid Public Health Emergency Unwinding Policies Affecting Seniors & People with Disabilities: Findings from a 50-State Survey](#) (July 11, 2022).

<sup>5</sup> Kaiser Family Foundation. [Medicaid Public Health Emergency Unwinding Policies Affecting Seniors & People with Disabilities: Findings from a 50-State Survey](#) (July 11, 2022).

## II. RECOMMENDATIONS

What are some key options and recommendations for states?

 **Streamline zero-income verification**

 **Expand the number and type of data sources used to attempt *ex parte* renewal**

 **Adjust reasonable compatibility**

 **Increase alignment for certifying MAGI and non-MAGI renewal policies**

 **Provide continuous eligibility through a 12-month renewal schedule**

 **Provide additional guardrails for continuous coverage for non-MAGI beneficiaries when *ex parte* renewal cannot confirm eligibility**

### Streamline zero-income verification

- Consider a 1902(e)(14)(A) waiver that permits *ex parte* renewals for individuals with zero-dollar income and no data returned when the last attestation of zero-dollar income was verified in the last 12 months. This waiver will remain available for states through the end of 2024, yet states can continue to streamline zero-income verification after the end of the 1902(e)(14)(A) waiver for zero income strategy. Verification for zero-income is important especially for non-MAGI individuals who are less likely to have changes in income or circumstances.
- For no income cases that receive no data returned for income from sources such as IRS or quarterly wage data, states can use SNAP data to verify no income, as it is a recently verified source used to make an eligibility determination. ([CBPP](#)) ([MACPAC](#))

### Expand the number and type of data sources used to attempt *ex parte* renewal

- Look to additional sources outside the Federal Data Services Hub, such as the SSA, state quarterly wage data, and The Work Number.<sup>9</sup> Cases where the client has reported income, including no income, information for SNAP, is self-employed, or has income from out of state employers would benefit from additional data sources to complete an *ex parte* renewal. When multiple sources are used for verification, prioritize more recently updated sources for the timeliest data.
- Consider additional vendors to implement AVS such as Accuity, LexisNexis, or TransUnion.<sup>11</sup>
- Determine information highly unlikely to change from case records for certain populations, including non-MAGI populations.

 Medicaid and CHIP Payment and Access Commission (MACPAC) recently released reports from six states detailing data sources used in MAGI *ex parte* renewals that may be appropriate for non-MAGI data verification as well.<sup>10</sup>

<sup>6</sup> Center on Budget and Policy Priorities. [Using SNAP Data for Medicaid Renewals Can Keep Eligible Beneficiaries Enrolled](#) (2020).

<sup>7</sup> State Health & Value Strategies. [Leveraging Section 1902\(e\)\(14\) Waiver Authority Amid Unwinding](#) (August 5, 2022).

<sup>8</sup> Medicaid.gov. [COVID-19 PHE Unwinding Section 1902\(e\)\(14\)\(A\) Waiver Approvals](#) (August 5, 2022).

<sup>9</sup> Center on Budget and Policy Priorities. [Using SNAP Data for Medicaid Renewals Can Keep Eligible Beneficiaries Enrolled](#) (2020).

<sup>10</sup> Additional data sources for state consideration are listed on page 9 of the following publications prepared for MACPAC:

- Colorado report – <https://collections.nlm.nih.gov/catalog/nlm:nlmuid-101746005-pdf>
- Florida report – <https://collections.nlm.nih.gov/catalog/nlm:nlmuid-101746013-pdf>
- Idaho report – <https://collections.nlm.nih.gov/catalog/nlm:nlmuid-101746022-pdf>
- Arizona report - <https://collections.nlm.nih.gov/master/borndig/101745986/Arizona-Summary-Report.pdf>
- New York report - <https://collections.nlm.nih.gov/catalog/nlm:nlmuid-101746024-pdf>
- North Carolina report - <https://collections.nlm.nih.gov/catalog/nlm:nlmuid-101746028-pdf>

<sup>11</sup> Center on Budget and Policy Priorities. [Using Asset Verification Systems to Streamline Medicaid Determinations](#) (June 23, 2021).

## Adjust reasonable compatibility

- Use reasonable compatibility for asset verification. If both self-attested information as well as information gathered from any AVS show the applicant is below the asset limit, states are permitted to move forward with renewal. Additional information from the client is only required to make a determination when AVS results show they are above the asset limit.<sup>12</sup>
- Recent CMS guidance recommends adopting a reasonable compatibility threshold for asset verification with 20% as an example recommendation from the guidance on income.<sup>13</sup>

## Increase alignment for certifying MAGI and non-MAGI renewal policies

- Adopt renewal procedures required for MAGI beneficiaries for non-MAGI beneficiaries under [42 C.F.R. § 435.916\(b\)](#).
- Use a single eligibility system for both non-MAGI and MAGI populations to help streamline caseworker processes.

## Provide continuous eligibility through a 12-month renewal schedule

- States may elect to renew eligibility for some or all non-MAGI beneficiaries only once every 12 months. This option can reduce administrative burdens by extending timelines for renewals during the unwinding period or help align renewals with SNAP redeterminations. States must submit a SPA to elect this option.
- States can adopt income and resource disregards under the authority of section 1902(r)(2).

## Provide additional guardrails for continuous coverage for non-MAGI beneficiaries when *ex parte* renewal cannot confirm eligibility

- Forego in-person interview requirements and/or permit phone-based interviews.
- Send beneficiaries pre-populated renewal forms when there isn't sufficient information available to determine continued eligibility.
- Have strong agency oversight of automatic terminations, which can cause someone to lose coverage when they are still eligible because of data errors, such as ending undeliverable mail policies that would cause someone's case to be terminated when a pre-populated form was mailed but could not be delivered.
- Reinstate coverage retroactively for enrollees who respond during the 90-day reconsideration period.<sup>14</sup>
- Enact smooth eligibility and enrollment transitions for individuals who become dually eligible for Medicaid and Medicare to prevent churn.

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<sup>12</sup> Center on Budget and Policy Priorities. [Using Asset Verification Systems to Streamline Medicaid Determinations](#) (June 23, 2021).

<sup>13</sup> Center for Medicare & Medicaid Services. [Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations](#). (November 2021).

<sup>14</sup> Kaiser Family Foundation. [Medicaid Retroactive Coverage Waivers: Implications for Beneficiaries, Providers, and States](#) (November 10, 2017).

### III. STATE EXAMPLES

Several states have implemented administrative and legislative changes to streamline verifications and renewals for non-MAGI Medicaid populations.

#### Arizona<sup>15</sup>



- Uses single online eligibility system for MAGI and non-MAGI groups (except long-term care services)
- All applicants can use the same portal to apply for Medicaid, and dynamic functionality avoids asking non-MAGI applicants unnecessary questions
- No in-person interview or asset test required (except long-term care services)
- Most non-MAGI applicants can complete applications online
- Provides an aligned benefit package, eliminating need for choice counseling to pursue a non-MAGI determination if MAGI eligible
- Renewals are the same procedure for both MAGI and non-MAGI, simplified verification without the asset test, and a pre-populated renewal form is mailed if *ex parte* cannot be
- In 2022, Arizona noted that DMV records were particularly helpful for verifying residency.<sup>16</sup>

#### Utah<sup>17</sup>



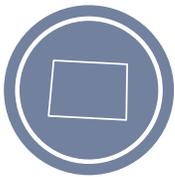
- Fully integrated eligibility system for Medicaid for both MAGI and non-MAGI
- Non-MAGI populations can use online portal for their application, and can electronically sign their application
- No in-person interview required for any non-MAGI population
- Same verification process for both MAGI and non-MAGI groups
- Same reasonable compatibility standard for MAGI and non-MAGI groups
- Relies on “E-find” tool, a state data hub that links with various electronic databases to verify eligibility such as citizenship, income, vehicle information
- If *ex parte* cannot be completed with available information verified electronically, applicant receives a checklist of additional information needed for determination

#### Illinois<sup>18</sup>



- In June 2022, Illinois passed bill HB4343 to implement the following streamlining improvements for non-MAGI beneficiaries:
  - 12-month continuous eligibility for all adults on Medicaid
  - Direction for Dept. Of Health and Family Services (DHFS) to seek a State Plan Amendment (SPA), including allowing those without income to be considered for *ex parte* renewal when there is no non-income related disqualifying information
  - Requires monthly reporting on the percentage of Medicaid recipients who are renewed via *ex parte* by DHFS

#### Colorado<sup>19</sup>



- The Colorado Department of Health Care Policy and Financing (HCPF) has created a one-door portal for multiple types of assistance, including Medicaid for both MAGI and non-MAGI individuals. While real-time determinations are only made for MAGI populations at the time of this report, officials noted they were working towards real time determinations for the non-MAGI population
- Leverages data sources in addition to the Federal Hub including Division of Motor Vehicles to verify identity, State Verification Exchange System for Social Security Numbers, state Income Eligibility and Verification System to verify income, and federal Public Assistance Reporting Information System database to show if applicants are receiving benefits in another state
- Utilizes online portal to text enrollees and applicants, directing them to check messages on their account to verify any missing information, and can provide information through their online account
- State officials noted working to streamline enrollment for Medicaid enrollees turning 65 and potentially non-MAGI eligible by leveraging data already available in their database

<sup>15</sup> Medicaid and CHIP Learning Collaborative. [Streamlined Eligibility and Enrollment for non-MAGI Populations](#) (June 22, 2015).

<sup>16</sup> Families USA. [Case Study: Strategies for States to Maximize Medicaid Ex Parte Renewals and Limit Coverage Losses](#) (May 2022).

<sup>17</sup> Medicaid and CHIP Learning Collaborative. [Streamlined Eligibility and Enrollment for non-MAGI Populations](#) (June 22, 2015).

<sup>18</sup> Illinois Public Act 102-1037 (passed June 2, 2022). Accessed at <https://www.ilga.gov/legislation/publicacts/102/102-1037.htm>

<sup>19</sup> Urban Institute. [Medicaid Real-Time Eligibility Determinations and Automated Renewals: Lessons for Medi-Cal from Colorado and Washington](#) (August 2018).

## IV. INTERACTION WITH THE END OF THE PUBLIC HEALTH EMERGENCY

### How are states using *ex parte* renewals generally and at end of PHE?

In a recent Kaiser Family Foundation 50-State Survey, respondents reported nearly all states are using electronic asset verification systems (AVS) for non-MAGI pathways, forty percent use electronic data matching for financial eligibility, and most states are processing *ex parte* eligibility renewals for non-MAGI enrollees but only complete one-quarter of non-MAGI renewals via *ex parte*.<sup>20</sup>

In November 2021, in recognition of the challenges the end of the PHE presents to states in unwinding the continuous coverage requirement, CMS stated a number of recommendations to address the unwinding at the end of the PHE, including maximizing *ex parte* renewals. These recommendations can be found in Appendix B.

It is worth noting that in recent Center for Medicare & Medicaid Services (CMS) guidance, states that have elected “to retain the eligibility period associated with the *ex parte* renewal completed during the PHE must do so for all such renewals through the end of the PHE; states may not implement the option on a case-by-case basis.”<sup>21</sup>

## V. PERSPECTIVE OF A MEDICAID MEMBER

According to a recent survey conducted by the Center for Popular Democracy:<sup>22,23</sup>



**1 in 4 Medicaid recipients** reported having **challenges renewing their coverage** because of an **income change**



**1 in 3 of respondents** reported **losing Medicaid coverage** for a variety of reasons, such as challenges navigating the re-application process or errors from the Medicaid office



**6 in 10 respondents** nationwide **experienced challenges** when applying for or renewing their coverage



**Half of survey respondents** have a chronic **illness or disability**

Additionally, Medicaid recipients shared in interviews some of the challenges they’ve encountered during their renewal process

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*You have to reapply every year and every year they manage to lose the original paperwork and I lose benefits until I go down and sit in the office for up to 8 hours to get it dealt with.*

”

“

*I reapplied and was accepted, however the process was so stressful! It was lengthy, confusing and makes me feel bad every time...Overall I found the application to be too extensive, too personal, vague, and confusing because some of the questions didn't really apply to my situation, and a lot more complicated than it used to be.*

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*Medicaid requires so much paperwork when you apply and reapply it's difficult to get all the paperwork together in the time allotted. I feel like I'm giving some of the same information every year. At 67 it gets frustrating.*

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<sup>20</sup> Kaiser Family Foundation. [Medicaid Public Health Emergency Unwinding Policies Affecting Seniors & People with Disabilities: Findings from a 50-State Survey](#) (July 11, 2022).

<sup>21</sup> Centers for Medicare & Medicaid Services. SHO# 22-001. [Re: Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program \(CHIP\), and Basic Health Program \(BHP\) Upon Conclusion of the COVID-19 Public Health Emergency](#) (March 3, 2022).

<sup>22</sup> The Center for Popular Democracy. [Sick of Waiting: Barriers to Medicaid Keep Healthcare Out of Reach](#) (January 2022).

<sup>23</sup> The Center for Popular Democracy. [More Medicaid, Better Medicaid: Dismantling Barriers to Healthcare in the United States](#) (July 2022).

# APPENDIX A: ADDITIONAL RESOURCES

- [Ex Parte Renewal: Strategies to Maximize Automation, Increase Renewal Rates, and Support Unwinding Efforts](#) (2022)
- [Improving Ex Parte Renewal Rates: State Diagnostic Assessment Tool](#) (2022)
- [Periodic renewals of Medicaid Eligibility](#) (CFR 2022)
- [Leveraging Section 1902\(e\)\(14\) Waiver Authority Amid Unwinding](#) (2022)
- [Medicaid Public Health Emergency Unwinding Policies Affecting Seniors & People with Disabilities: Findings from a 50-State Survey](#) (2022)
- [Ex Parte Renewals and Medicaid/SNAP Coordination Webinar](#) (2022)
- [Medicaid and CHIP Renewals and Redeterminations](#) (2021)
- [Case Study: Strategies for States to Maximize Ex Parte Renewals and Limit Coverage Losses](#) (2022)
- [Medicaid and CHIP Learning Collaborative: Medicaid/CHIP Renewals State Practices, Lessons Learned, and Opportunities](#) (2015)
- [Department of Vermont Health Access Case Study: Integrated Eligibility & Enrollment](#) (2020)
- [Medicaid and CHIP Learning Collaborative: Streamlined Eligibility and Enrollment for Non-MAGI Populations](#) (2015)

# APPENDIX B: CMS GUIDANCE TO STRENGTHEN RENEWAL PROCESS

Excerpt taken from pages 3-4. See the full text [here](#).<sup>24</sup>

Increase the percentage of *ex parte* renewals completed for modified adjusted gross income (MAGI) and non-MAGI populations:

- Expand the number and types of data sources used for renewal (e.g., use both the Internal Revenue Service (IRS) and quarterly wage data; leverage unemployment income data sources)
- Leverage data from other means-tested programs, like the Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF), for Medicaid eligibility renewals
- Create a data source hierarchy to guide verification, prioritizing the most recent and reliable data sources (e.g., leverage SNAP data that is updated every six months; first ping IRS data and if not reasonably compatible, then ping quarterly wage data) and verify income when data source in the hierarchy confirms reasonable compatibility
- Use a reasonable compatibility threshold (e.g., 10%) for income for MAGI and non-MAGI populations and a reasonable compatibility threshold for assets for non-MAGI populations, if not already used
- Assess and adjust the current reasonable compatibility threshold for income (e.g., increase to 20%)
- Streamline, increase levels for, or eliminate asset requirements for some or all non-MAGI populations
- Automate data checks

Streamline renewals that **cannot** be completed via an *ex parte* process:

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<sup>24</sup> Center for Medicare & Medicaid Services. [Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations](#). (November 2021).

- Ensure that individuals can submit requested information to the agency over the phone, via mail, online, and in-person, consistent with federal requirements
- Ensure renewal forms are pre-populated for individuals enrolled in Medicaid, CHIP, and BHP on a MAGI basis, consistent with federal requirements
- Pre-populate renewal forms for individuals enrolled on a basis other than MAGI, including those that are eligible on the basis of being aged, blind, or disabled
- Revise instructions on pre-populated form to make clear requests for additional information as well as the process and timeframe for returning documents/ information
- Extend the deadline for responding to requests for additional information (e.g., increase time individuals have to respond to a renewal form from 30 days to 45 days)
- Provide a 90-day (or longer) reconsideration period for individuals enrolled on a non-MAGI basis who do not respond to the renewal form, as is required for MAGI populations
- Implement a reconsideration period after termination due to a change in circumstances for all individuals enrolled in Medicaid and CHIP (on both a MAGI and non-MAGI basis)
- Update verification plans to accept reasonable explanations of inconsistencies or to allow for self-attestation of certain eligibility criteria for which documentation may be difficult for individuals to obtain
- Create specialized units to process complex/time-consuming redeterminations (e.g., renewals for households with self-employment income or individuals without a fixed address)

*For additional information, please reach out to Benefit Data Trust's Policy Analyst, Miriam Lipschutz, at [mlipschutz@bdtrust.org](mailto:mlipschutz@bdtrust.org), or Healthcare Policy Manager, Jamila McLean, at [jmclean@bdtrust.org](mailto:jmclean@bdtrust.org).*

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