Maintenance Level

M2-RG Federal Eligibility Attestation Change

Agency Recommendation Summary Text

The Health Care Authority (HCA) requests an increase of $12,602,000 ($2,455,000 GF-State) in the 2017 Supplemental to ensure that Washington State complies with federal requirements to allow a reasonable opportunity period for all Medicaid/Children's Health Insurance Program (CHIP) applicants attesting to a qualifying immigration status. For some, the policy results in receipt of Medicaid/CHIP coverage for a longer period of time than previously received.

Fiscal Summary

Operating Expenditures	FY 2017	FY 2018	FY 2019
Fund 001-1 GF-State	$2,455,000	$2,528,000	$3,837,000
Fund 001-C GF-Medicaid	$10,096,000	$10,779,000	$12,419,000
Fund 001-7 GF-Local	$51,000	$54,000	$77,000
Total Cost	**$12,602,000**	**$13,361,000**	**$16,333,000**

Staffing	FY 2017	FY 2018	FY 2019
FTEs	0.0	0.0	0.0

Revenue	FY 2017	FY 2018	FY 2019
Fund 001-C GF-Medicaid	$10,096,000	$10,779,000	$12,419,000
Fund 001-7 GF-Local	$51,000	$54,000	$77,000
Total Revenue	**$10,147,000**	**$10,833,000**	**$12,496,000**

Object of Expenditure	FY 2017	FY 2018	FY 2019
Obj. N – Client Services	$12,602,000	$13,361,000	$16,333,000

Package Description

Prior to the implementation of the Affordable Care Act (ACA), Medicaid/CHIP applicants were required to provide proof of citizenship/immigration status to determine eligibility for state and federally funded programs. Medicaid/CHIP eligibility staff used the verification provided by the applicant, and pended a determination until additional documentation was received, if needed to establish a satisfactory status.

With the implementation of ACA and Modified Adjusted Gross Income (MAGI) rules, MAGI applicants attest to their citizenship/immigration status. In 2014, the HCA became aware of requirements to use the Department of

Homeland Security's federal electronic system, the Systematic Alien Verification for Entitlements (SAVE) program to verify the citizenship/immigration status of applicants. The federal Centers for Medicare and Medicaid Services (CMS) gave the HCA time to change its procedures, establish a connection with SAVE and discontinue the manual adjudication process.

In the Spring of 2016, the HCA learned from the CMS that in addition to using SAVE, states are required to provide applicants with a 90-day (plus five days for mailing) Reasonable Opportunity Period (ROP). This policy provides health care coverage for otherwise eligible applicants during the time-period it may take to establish a satisfactory citizenship/immigration status.

Amy Johnson, Medicaid Eligibility and Community Support: 360.725.1329 or amy.johnson@hca.wa.gov

---

Decision Package Justification and Impacts

Performance Measure Detail:

Activity Inventory

H005 National Health Reform
H007 Take Charge and Family Planning Extension
H008 HCA Children's Health Program Clients
H009 HCA State Program Clients
H010 HCA Health Options
H011 HCA All Other Clients – Fee for Service – Mandatory Services
H012 HCA All Other Clients – Fee for Service – Optional Services

What specific performance outcomes does the agency expect?

Currently, otherwise eligible applicants are approved and a request for information letter is sent allowing the applicant 10 days to respond. If no verification is received from the applicant, coverage is terminated. On average, applicants receive up to 60 days of Medicaid/CHIP coverage before ongoing eligibility is established or denied.

With the introduction of the ROP, Medicaid/CHIP recipients required to verify their citizenship/immigration status could receive up to an additional 95 days of coverage.

In a managed care environment, the added five days for mailing results in another month of coverage. The total possible days of approved coverage is 120 under this policy.

The CMS states this policy should also provide subsequent ROPs to applicants whose status was not verified during the initial 90 day ROP. The HCA has communicated to the CMS that the state of Washington's plan does not include subsequent 90 day periods. However, in its response to the state's current plan, the CMS could direct Washington to allow additional ROPs. If so, the HCA may need to request additional funds to support another caseload increase in the future.

What alternatives were explored by the agency and why was this option chosen?

Since the HCA no longer has the option of terminating coverage once verification is not provided, there are no other alternatives to meet federal regulations. The HCA continues its negotiations with the CMS to avoid subsequent ROPs.

Washington State Health Care Authority

What are the consequences of not funding this request?

Without this funding, the HCA will not have the ability to comply with federal regulations. This could expose the state to reduction in the receipt of federal funds. The funding of this policy is necessary for preservation of the public health and safety.

How has or can the agency address the issue or need in its current appropriation level?

The HCA anticipates this change will increase the caseload above that which is forecasted by the Caseload Forecast Council.

Provide references to any supporting literature or materials:

Social Security Act Sections 1137(d), 1902(ee), 1903(x) and 42 CFR 435.406 and 956 require provision of medical assistance during a 90-day ROP. While the 90 day ROP had not yet been finalized in rule, we interpreted the rule to mean that we had to allow 90 days of coverage so long as the applicant is communicating with us on their effort to verify their immigration status.

Base Budget

If the proposal is an expansion or alteration of a current program or service, provide information on the resources now devoted to the program or service.

Individuals currently receive approximately two months of Medicaid coverage while their immigration status is being verified. Under the new federal guidelines these individuals will be potentially eligible for four month of coverage. There are no staffing level changes required. This will however have an impact on the caseload.

Expenditure, FTE and Revenue Assumptions, Calculations and Details:

The HCA anticipates an increase in expenditures of $12,602,000 ($2,455,000 GF-State) in the fiscal year 2017 Supplemental to ensure that Washington State complies with federal requirements to allow a ROP for all Medicaid/CHIP applicants attesting to a qualifying immigration status. For some, the policy results in receipt of Medicaid/CHIP coverage for a longer period of time than previously received.

Impacts to Communities and Other Agencies

Fully describe and quantify expected impacts on state residents and specific populations served.

The funding requested in this proposal shall allow the HCA to continue to provide access to quality health care in addition to maintaining compliance with federal regulations. The state's Medicaid/CHIP programs are entitlements, and therefore Washington State must provide access to such services to any resident who applies and is determined otherwise financially eligible.

This change does not adversely impact Medicaid/CHIP recipients. The result will be more eligible recipients for longer periods of time. Stakeholders include the Department of Social and Health Services (DSHS) administrations

with delegated authority to administer Medicaid/CHIP programs. Additionally, the Washington Health Benefit Exchange and its programs could be impacted by this change.

What are other important connections or impacts related to this proposal?

Does this request have:

Regional/county impacts?	Yes ☐ No ☒
Other local government impacts?	Yes ☐ No ☒
Tribal government impacts?	Yes ☐ No ☒
Other state agency impacts?	Yes ☒ No ☐

Does this request:

Have any connection to Puget Sound recovery?	Yes ☐ No ☒
Respond to specific task force, report, mandate or executive order?	Yes ☐ No ☒
Contain a compensation change?	Yes ☐ No ☒
Require a change to a collective bargaining agreement?	Yes ☐ No ☒
Create facility/workplace needs or impacts?	Yes ☐ No ☒
Contain capital budget impacts?	Yes ☐ No ☒
Require changes to existing statutes, rules or contracts?	Yes ☐ No ☒
Have any relationship to or result from litigation?	Yes ☐ No ☒

If "Yes" to any of the above, please provide a detailed discussion of connections/impacts.

Stakeholders include the DSHS administrations with delegated authority to administer Medicaid programs. Additionally, the Washington Health Benefit Exchange and its programs could be impacted by this change.

Information Technology (IT)

Does this request include funding for any IT-related costs, including hardware, software, services (including cloud-based services), contracts or IT staff?

☒ No 

☐ Yes Continue to IT Addendum below and follow the directions on the bottom of the addendum to meet requirements for OCIO review.)