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***CMCS Informational Bulletin***

**DATE:** December 18, 2023

**FROM:** Daniel Tsai, Deputy Administrator and Director, Center for Medicaid & CHIP Services

**SUBJECT: Ensuring Eligible Children Maintain Medicaid and Children’s Health Insurance Program Coverage**

The purpose of this CMCS Informational Bulletin (CIB) is to remind states about federal eligibility requirements and available flexibilities to promote continuity of coverage of children and youth enrolled in Medicaid and the Children’s Health Insurance Program (CHIP). As of March 2023, at the end of the Medicaid continuous enrollment condition, nearly 42 million children were enrolled in Medicaid and CHIP.<sup>1</sup> Together, the programs provide health coverage to over half of all children in the United States (U.S.), including millions of children and youth with special health care needs. Medicaid and CHIP cover essential services and supports for children, including visits to the pediatrician, regular screenings, mental health care, childhood immunizations, and emergency care. In addition to better short-term health and well-being, Medicaid and CHIP coverage has also been shown to provide long-term health, educational, and economic gains for children. For example, in a recent analysis, the Congressional Budget Office (CBO) found that an additional year of Medicaid coverage in childhood would lead to improved labor outcomes in adulthood, including higher earnings.<sup>2</sup>

It is crucial that states do all they can to protect children’s health coverage. The Consolidated Appropriations Act, 2023 (CAA, 2023) ended the Medicaid continuous enrollment condition on March 31, 2023, requiring states to, over time, complete full Medicaid renewals and disenroll and refer individuals to other sources of coverage if they are determined to no longer be eligible. This process is often referred to as “unwinding.” CMS is particularly concerned about children that are disenrolled for procedural or administrative reasons (e.g., missing renewal form information). Many of these children are likely still eligible for coverage otherwise.

Since the beginning of the unwinding period, enrollment in Medicaid and CHIP among children has declined by 2.2 million. While some children may have transitioned to other forms of health coverage, children have higher eligibility levels than adults, and it is likely that many children that have been disenrolled for procedural reasons or other administrative barriers are still income eligible for Medicaid and CHIP coverage. This may have devastating effects on children’s health and well-being.

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<sup>1</sup> CMS, “March 2023 Medicaid and CHIP Enrollment Data Highlights,” July 2023, available at <https://www.medicare.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html>.

<sup>2</sup> Congressional Budget Office, “Exploring the Effects of Medicaid During Childhood on the Economy and the Budget: Working Paper 2023-27,” November 1, 2023, available at <https://www.cbo.gov/publication/59231>

States have the opportunity to adopt strategies that reduce red tape to help keep eligible children covered. The Centers for Medicare & Medicaid Services (CMS) is calling upon all states to redouble their efforts to implement policies and operational processes, conduct enhanced outreach, adopt all available waivers and flexibilities, and monitor data to ensure children who remain eligible for Medicaid and CHIP do not lose coverage.

## Executive Summary

This CIB outlines federal renewal requirements and offers additional, actionable strategies that states can adopt to promote continuous coverage for children and youth who are likely eligible in Medicaid and CHIP. Key takeaways, described in further detail in the pages following, are:

- *Federal Renewal Requirements.*
  - States are required to conduct redeterminations of eligibility for *all* individuals enrolled in Medicaid and CHIP in compliance with federal requirements. States must first attempt to renew eligibility for all Medicaid Modified Adjusted Gross Income (MAGI) and non-MAGI and CHIP beneficiaries based on available data without requiring additional information from the individual (referred to as *ex parte* renewal). States must send a renewal form only if available information is insufficient to renew the individual’s eligibility on an *ex parte* basis. States must conduct renewals at the individual level, including for children in families with mixed immigration and citizenship status. In many families, children may still be eligible even if parents no longer meet Medicaid eligibility criteria and are referred to Marketplace coverage.
  - States may not deny or delay a redetermination to an otherwise eligible individual, including individuals who were initially eligible for Medicaid or CHIP as “deemed newborns,” as long as the family is attempting to obtain a social security number (SSN) for the infant.
  - States may not delay a renewal for Medicaid and CHIP pending information needed to complete a redetermination or due to other requirements for another human services program (e.g., the Supplemental Nutrition Assistance Program (SNAP)).
  - Effective January 1, 2024, all states will be required to provide 12-month continuous eligibility for children in Medicaid and CHIP.
- *Children and Youth with Special Health Care Needs.* States should identify children and youth with special health care needs and implement targeted outreach and education and operational renewal processes that help support families of these children and minimize coverage loss. This may include partnering with other entities that serve these youth and their families, deploying assisters, and leveraging Medicaid managed care plans to support renewals.
- *Supporting Seamless Transitions Across Programs.* States must support seamless transitions across Medicaid and CHIP at renewal. Specifically, when a state reviews available data sources and finds that a Medicaid-enrolled child appears to be eligible for a separate CHIP, or a separate CHIP-enrolled child appears to be eligible for Medicaid, the state must send a renewal form and give the household an opportunity to refute the information. CMS urges states to rely on data obtained by the state Medicaid or separate CHIP agency during an *ex parte* review to make the eligibility determination in the other program and minimize potential gaps in coverage. This strategy helps to facilitate transitions between the Medicaid and CHIP programs,

ensure continuous coverage for children, and avoid procedural terminations. CMS is concerned that in states that choose not to adopt this approach, children otherwise eligible for coverage are not successfully renewing their eligibility for Medicaid or CHIP.

- *Additional Strategies States Can Adopt to Promote Continuity of Coverage.* States should adopt available federal authorities and flexibilities to maximize Medicaid and CHIP coverage retention for eligible individuals. Specifically, these strategies allow states to:
  - **Increase *ex parte* renewal rates** by adopting Express Lane Eligibility for children, and/or the Targeted Supplemental Nutrition Assistance Program (SNAP)/Temporary Assistance for Needy Families (TANF) Strategy, the Beneficiaries with No Income Renewal Strategy, and the Beneficiaries with Low Income Renewal Strategies for children and adults. (For additional information and examples, see CMS’ Available State Strategies to Minimize Terminations for Procedural Reasons During the COVID-19 Unwinding Period).<sup>3</sup> States with low *ex-parte* rates can also adopt additional strategies to modify how they use available data to significantly increase the success rate of *ex-parte* renewals, thereby keeping more eligible kids enrolled.
  - **Strengthen outreach and renewal assistance by partnering with Medicaid and CHIP managed care plans** to share data on upcoming member renewals, conduct targeted outreach and provide renewal assistance to families.
  - **Maintain continuity of coverage by providing multi-year continuous eligibility** for children through section 1115 demonstration authority.
  - **Maximize CHIP retention by eliminating or suspending premiums or enrollment fees and removing premium lock-out periods.** States can also eliminate waiting periods and implement alternative strategies to monitor substitution of coverage.
  - **Increase retention by temporarily delaying or pausing procedural disenrollments** for beneficiaries for one or more months while the state conducts targeted renewal outreach. This strategy allows beneficiaries who would otherwise lose coverage for procedural reasons, such as failure to return a renewal form, additional time to submit their renewal form or other necessary information and provides states with additional time to conduct outreach.<sup>4</sup>

CMS recently granted waiver authority to two states to extend renewals for children for up to 12 months, to prevent procedural disenrollments of eligible children. Additional states interested in adopting this strategy are encouraged to contact CMS. Further, to support states’ efforts to establish and update income and eligibility determination systems that protect beneficiaries by maximizing states’ ability to ensure that eligible individuals retain coverage, CMS will extend all unwinding-related waivers provided

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<sup>3</sup> CMS, “Available State Strategies to Minimize Terminations for Procedural Reasons During the COVID-19 Unwinding Period,” June 2023, available at <https://www.medicaid.gov/sites/default/files/2023-06/state-strategies-to-prevent-procedural-terminations.pdf>.

<sup>4</sup> <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/state-option-to-delay-procedural-disenrollments/index.html>.

under 1902(e)(14)(A) of the Act through December 31, 2024, unless later date has been approved by CMS. States may also continue to request new waiver authorities for implementation through December 31, 2024. CMS continues to assess the impact of these waivers to determine which may be implemented under other authorities. Additional guidance on the continued availability of these strategies is forthcoming.

- *Outreach to Families and Strengthening Community Partnerships.* State Medicaid and CHIP agencies are encouraged to collaborate with other family-facing state agencies and community partners, such as schools and community-based organizations, to ensure families have up-to-date information about the redetermination process, including what is required to keep eligible children enrolled in coverage. This may include working with schools to include messaging about Medicaid and CHIP renewals and engaging managed care plans.
- *Reporting and Monitoring.* States are required to submit monthly reports to demonstrate state progress towards restoring timely application processing and initiating and completing renewals of eligibility for all Medicaid and CHIP beneficiaries. In addition to these unwinding-specific reports, states must also continue to meet existing monthly reporting requirements, including submitting timely data through the Medicaid and CHIP Eligibility and Enrollment Performance Indicator (“Performance Indicator”) dataset and data submissions through the Transformed Medicaid Statistical Information System (T-MSIS) dataset. States are also encouraged to supplement their federal reporting with their own state-specific data analysis.

CMS is supporting states by making flexibilities available to reduce coverage loss for eligible children and offering policy and operational technical assistance. CMS is also monitoring states’ activities to ensure that children have access to the coverage and care they need during the Medicaid unwinding period and beyond. CMS will continue to use the enforcement and oversight levers at its disposal to ensure state compliance with federal requirements (and implement approved mitigation strategies when out of compliance) intended to protect eligible children from losing coverage.

**CMCS Informational Bulletin**

Ensuring Eligible Children Maintain Medicaid and Children’s Health Insurance Program Coverage During the Unwinding Period and Beyond

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## I. Federal Renewal Requirements

States are required to conduct redeterminations of eligibility for all individuals enrolled in Medicaid and CHIP in compliance with federal requirements at 42 C.F.R. §§ 435.916 and 457.343 and as outlined in the CIB, “Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements.”<sup>5</sup> While this informational bulletin provides a general overview of the renewal requirements, states should refer to the federal requirements at 42 C.F.R. §§ 435.916 and 457.343 and the CIB, “Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements,” for a complete understanding of the renewal requirements. CMS is also available to provide technical assistance to states.

At renewal, states are required to first attempt to renew eligibility for all MAGI and non-MAGI Medicaid and CHIP beneficiaries based on reliable information available to the state agency without requiring information from the individual.<sup>6</sup> Such renewals are referred to as *ex parte* renewals.<sup>7</sup> If the agency is able to renew eligibility based on available reliable information, the agency must provide notice of the determination and basis for eligibility,<sup>8</sup> and the individual may not be required to sign and return the notice if all information is accurate.<sup>9</sup> If information is insufficient to renew or redetermine eligibility on an *ex parte* basis, the state Medicaid agency must send a renewal form and request only the information necessary to redetermine eligibility.<sup>10</sup> Renewal forms must be prepopulated for MAGI-based Medicaid and CHIP beneficiaries, and states are encouraged to use prepopulated renewal forms at their option for non-MAGI Medicaid beneficiaries.<sup>11</sup> The agency is encouraged to provide a prepopulated renewal form for non-MAGI beneficiaries.<sup>12</sup> States must provide MAGI beneficiaries a minimum of 30 days to return the prepopulated renewal form and any requested information;<sup>13</sup> non-MAGI beneficiaries must be provided with a reasonable period of time to return their renewal form and any required information.<sup>14</sup> The agency must provide clear instructions for all beneficiaries on how to complete the form and correct any inaccurate prepopulated information, how the form and other documentation can be returned, and the timeframe in which the individual must respond.<sup>15</sup> Renewal forms and notices must be accessible to individuals with limited English proficiency and persons with disabilities.<sup>16</sup> The agency must continue to furnish Medicaid to beneficiaries who have returned their renewal form and all requested documentation unless and until they are determined to be ineligible.<sup>17</sup> States may not delay a renewal for Medicaid and CHIP pending

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<sup>5</sup> 42 C.F.R. § 435.916; CMS, CIB, “Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements,” December 4, 2020, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf>.

<sup>6</sup> 42 C.F.R. §§ 435.916 (a)(2) and (b) and § 457.343.

<sup>7</sup> An *ex parte* renewal is sometimes referred to as auto renewal, passive renewal, or administrative renewal.

<sup>8</sup> Notice must be provided consistent with 42 C.F.R. § 435.917, Part 431, subpart E, and 457.340(e), as applicable.

<sup>9</sup> 42 C.F.R. §§ 435.916(a)(2)(i) and (ii) and 435.916(b), 435.917, and 457.343.

<sup>10</sup> 42 C.F.R. §§ 435.916(a)(3), 435.916(b), 435.916(e), and 457.343.

<sup>11</sup> 42 C.F.R. §§ 435.916(a)(3)(i)(A) and 457.343.

<sup>12</sup> 42 C.F.R. § 435.916(b).

<sup>13</sup> 42 C.F.R. §§ 435.916(a)(3)(i)(B) and 457.343.

<sup>14</sup> 42 C.F.R. § 435.952.

<sup>15</sup> 42 C.F.R. §§ 435.905(b) and 457.340; CMS, CIB, “Medicaid and Children’s Health Insurance Program (CHIP) Renewal Requirements,” December 4, 2020, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf>.

<sup>16</sup> 42 C.F.R. § 435.916(g).

<sup>17</sup> 42 C.F.R. § 435.930(b).

information needed to complete a redetermination or other requirements for another human services program (e.g., the Supplemental Nutrition Assistance Program (SNAP)).

States must determine and redetermine Medicaid and CHIP eligibility on an individual basis.<sup>18</sup> When multiple members of a household are enrolled in Medicaid or CHIP, the state may process renewals for an entire household or multiple members of a household at the same time if their eligibility periods are aligned. However, the state must conduct the renewal for each individual consistent with 42 C.F.R. §§ 435.916 and 457.343, including renewing eligibility on an *ex parte* basis for each individual in the household, if able to do so, and only requesting information necessary to redetermine eligibility for those individuals who the state cannot redetermine on an *ex parte* basis.

Income and other eligibility requirements vary by eligibility group in Medicaid and CHIP, and eligibility levels for children are generally higher than those for adults. As a result, at renewal, even when a parent or guardian is no longer eligible for Medicaid, a child may remain eligible, due to higher income limits. The median upper income limit for children in Medicaid and CHIP is 255 percent of the federal poverty level (FPL) compared to 133 percent of the FPL for adults. Nearly all states have established children’s eligibility levels for Medicaid-expansion or separate CHIP programs at or above 200 percent of the FPL.

In instances where states are unable to renew eligibility for a parent or guardian on an *ex parte* basis, states must still renew eligibility on an *ex parte* basis for children or other members of the household for whom the state has sufficient information to determine continued eligibility. States may only request information needed to determine eligibility for those family members for whom the state does not have sufficient information to renew eligibility on an *ex parte* basis. States may not require household members whose eligibility may be renewed on an *ex parte* basis to return a renewal form simply because the state must provide another member of the household a renewal form. For additional information and examples, see CMS State Medicaid Director Letter (SMDL), “Ensuring Compliance with Requirements to Conduct Medicaid and CHIP Renewal Requirements at the Individual Level,” Attachment B.<sup>19</sup>

Important reminders for conducting redeterminations of eligibility at the individual level for Medicaid- and CHIP-enrolled children:

- States must determine and redetermine Medicaid and CHIP eligibility on an individual basis, including for children in households with at least one adult enrolled in Medicaid and for children in families with mixed immigration and citizenship status.
- In instances where states are unable to renew eligibility for a parent or guardian on an *ex parte* basis, states must still renew eligibility on an *ex parte* basis for children for whom the state has sufficient information to determine continued eligibility.

<sup>18</sup> 42 C.F.R. §§ 435.911(c), 435.926, 457.343, and 457.350(b)(1).

<sup>19</sup> CMS, SMDL, “Ensuring Compliance with Requirements to Conduct Medicaid and CHIP Renewal Requirements at the Individual Level,” August 30, 2023, available at <https://www.medicaid.gov/media/162301>, and § 5112 of the Consolidated Appropriations Act, 2023 (CAA, 2023) (P.L 117-328 ), available at <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>.



- States may not require household members whose eligibility may be renewed on an *ex parte* basis to return a renewal form simply because the state must provide another member of the household a renewal form.

*a. Children in Families with Mixed Immigration and Citizenship Status*

In some cases, children are eligible for Medicaid or CHIP even if their parents are ineligible due to their immigration or citizenship status, and the immigration or citizenship status of a parent should not preclude an eligible child from enrolling in or maintaining Medicaid or CHIP.

Individuals may apply for Medicaid, CHIP, or Marketplace coverage on behalf of their family members, regardless of their own eligibility statuses.<sup>20</sup> States must ensure that eligibility is determined separately for each member of the household and that inability to verify immigration status for one or more household members does not impede the initial eligibility determination or ability for a state to complete a renewal, including on an *ex parte* basis, for another household member.<sup>21</sup>

For individuals, including children, enrolled in Medicaid, state Medicaid agencies may not reverify citizenship at renewal, unless the individual reports a change in citizenship or the agency has received information indicating a potential change in the individual's citizenship.<sup>22</sup> Similarly, an individual's immigration status does not need to be reverified if it is not likely to change (e.g., Lawful Permanent Resident status) unless the individual reports such a change has occurred.<sup>23</sup>

*b. Deemed Newborns*

States must deem infants born to pregnant individuals who are eligible for and received covered services in Medicaid or CHIP as continuously eligible from birth until the child's first birthday without requiring an application.<sup>24</sup> When the infant who was deemed Medicaid or CHIP eligible at birth is due for renewal after the first year, states must first attempt an *ex parte* renewal prior to requesting additional information, if needed, and may not require the family to reapply for the infant to retain coverage. Individuals who were initially eligible for Medicaid or CHIP as "deemed newborns" are considered to have provided satisfactory documentation of citizenship and identity (by virtue of being born in the U.S.) and are not required to further document citizenship or nationality in any subsequent Medicaid or CHIP redetermination.<sup>25</sup> States must assist families with applying for an SSN if they do not have one or with verifying an SSN if they cannot recall the number.<sup>26</sup> An agency may not deny or delay a redetermination to an otherwise

<sup>20</sup> United States Department of Health and Human Services, "Health Coverage Options for Immigrants," July 2022, available at <https://www.hhs.gov/guidance/sites/default/files/hhs-guidance-documents/Health-Coverage-Options-Immigrants-2022.pdf>.

<sup>21</sup> 42 C.F.R. § 435.911.

<sup>22</sup> 42 C.F.R. § 435.956(a)(4).

<sup>23</sup> CMS, CIB, "Medicaid and Children's Health Insurance Program (CHIP) Renewal Requirements," December 4, 2020, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/cib120420.pdf>.

<sup>24</sup> Section 1902(e)(4) and 2112(e) of the Act; 42 C.F.R. §§ 435.117 and 457.360. In CHIP, states must provide deemed newborn coverage to children born to pregnant individuals who were eligible for CHIP coverage as "targeted low-income pregnant women." States may also elect to provide deemed newborns coverage for infants born to pregnant targeted low-income children.

<sup>25</sup> Section 1903(x)(2)(D) of the Act.

<sup>26</sup> 42 C.F.R. §§ 435.910(e), 435.956, and 457.340(b).

eligible individual pending issuance or verification of the SSN, as long as the family is attempting to obtain an SSN for the infant.<sup>27</sup>

## II. Children and Youth with Special Health Care Needs

Medicaid covers more than one-third (36.6 percent) of children and youth with special health care needs, and these youth may depend on Medicaid and CHIP daily for life-sustaining treatment, including medications, durable medical equipment, home care, and medical care.<sup>28</sup> States should consider deploying strategies specifically focused on mitigating coverage loss for children and youth with special health care needs (CYSHN)<sup>29</sup>.

Identifying CYSHN enables Medicaid and CHIP agencies to better support retention of eligible high-risk individuals during renewal and on an ongoing basis. States can identify CYSHN in a number of ways, including based on:

- Eligibility group, including children and youth enrolled in eligibility categories for individuals with disabilities, or former foster care youth;
- Receipt of specialized or high-risk care for physical or behavioral health needs, including through state plan benefits (such as targeted case management or health homes), demonstration projects under section 1115 of the Social Security Act (the Act), home and community-based services waivers; and
- Claims and encounter data to identify children and youth in an active course of treatment for a complex illness (e.g., children or youth receiving cancer treatment).

To minimize loss of coverage and promote continuity of care for eligible children, state agencies are strongly encouraged to:

- Partner with other entities, including Title V and other state programs providing support to CYSHCN and their families, to ensure that those entities have clear information to support families through the redetermination process;
- Adopt special redetermination processes, such as providing longer timeframes for individuals to respond to requests for information to complete the renewal process, following up with multiple outreaches through alternate modalities for beneficiaries who do not respond to renewal forms and requests for additional information, and/or offering enhanced outreach and renewal assistance through state or regional eligibility offices;
- Require Medicaid managed care plans to conduct targeted assistance with completing renewals; and
- Fund Navigators and/or application assisters or embed assisters into settings with high volumes of beneficiaries who are CYSHCN to facilitate renewals and/or seamless transitions to other coverage.

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<sup>27</sup> 42 C.F.R. §§ 435.910(f), 435.956, and 457.340(b).

<sup>28</sup> Medicaid and CHIP Payment and Access Commission, “Medicaid Access in Brief: Children and Youth with Special Health Care Needs,” March 2023, available at <https://www.macpac.gov/wp-content/uploads/2023/03/Medicaid-Access-in-Brief-Children-and-Youth-with-Special-Health-Care-Needs.pdf>.

<sup>29</sup> CMS, “Medicaid Unwinding: An All-Hands-On-Deck Strategy to Support Outreach to Children and Families,” August 2023, available at <https://www.medicare.gov/media/161661>.

### III. Supporting Seamless Transitions Across Programs

Medicaid and CHIP agencies must have renewal processes in place that ensure children who are no longer eligible can seamlessly transition between coverage programs. If a state Medicaid agency determines that an individual is ineligible for full-benefit Medicaid coverage under all bases, it must determine potential eligibility for other insurance affordability programs (e.g., separate CHIP or Marketplace coverage) and transfer that individual’s electronic account to such program, as appropriate.<sup>30</sup> Similarly, if a state determines that a separate CHIP beneficiary is no longer eligible, it must screen the individual for eligibility in other insurance affordability programs, including Medicaid (on all bases) and Marketplace coverage.<sup>31</sup> If the child is determined potentially eligible for another coverage program, the state must transfer the child’s account to that program.<sup>32</sup>

At renewal, when a state reviews available data sources and finds that a Medicaid-enrolled child appears to be eligible for a separate CHIP, or a separate CHIP-enrolled child appears to be eligible for Medicaid, the state must send a renewal form and give the household an opportunity to refute the information.<sup>33</sup> If the family does not return the form, the state should complete an eligibility determination based on available information and enroll the child in the other program for which such information indicates they are eligible. States must maintain the child in the current coverage program prior to executing any adverse action (i.e., terminating coverage under either program).

As described in CMS’ guidance on “Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States,” data obtained by the state Medicaid or separate CHIP agency during an *ex parte* review may be used to make the eligibility determination in the other program.<sup>34</sup> This helps to facilitate transitions between Medicaid and CHIP to ensure continuous coverage for children and avoid procedural terminations when the state finds the child eligible using available and reliable data.

In order to mitigate coverage loss for eligible children transitioning between coverage programs if a family does not respond to a renewal form, CMS recommends that :

- (1) Medicaid agencies use the data obtained by CHIP during the *ex parte* review to make a determination of eligibility and enroll the child in Medicaid (if eligible) without requesting additional information to confirm Medicaid eligibility; and
- (2) CHIP agencies use the data obtained by the Medicaid agency during the *ex parte* review to make a determination of eligibility and enroll the child in CHIP without requesting additional information to confirm CHIP eligibility.

<sup>30</sup> 42 C.F.R. § 435.916(f).

<sup>31</sup> 42 C.F.R. § 457.350(b).

<sup>32</sup> 42 C.F.R. §§ 435.1200(e)(1) and 457.351

<sup>33</sup> 42 C.F.R. §§ 435.916 and 457.343.

<sup>34</sup> CMS, “Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States,” December 12, 2022, available at <https://www.medicaid.gov/resources-for-states/downloads/supporting-medicaid-chip-transitions.pdf>.

For children whose household income is above CHIP eligibility levels, states are required to seamlessly transfer the child’s account to a Basic Health Program, the Federally-Facilitated or State-Based Marketplace (whichever is applicable) for a determination of eligibility.<sup>35</sup>

#### IV. Additional Strategies to Promote Continuity of Coverage

States are encouraged to adopt available federal authorities and flexibilities to maximize retention in Medicaid and CHIP and help ensure smooth transitions to other health care coverage for children leaving the programs. Strategies that may ensure continuity of coverage among children are detailed below.

##### a. Leveraging Section 1902(e)(14)(A) Waivers

To support states in their efforts to successfully resume normal eligibility and enrollment operations following the end of the Medicaid continuous enrollment condition, CMS has made available a number of authorities under Section 1902(e)(14)(A) of the Act.<sup>36</sup> Section 1902(e)(14)(A) of the Act, added by Section 2002 of the Affordable Care Act, allows for waivers “as are necessary to ensure that states establish income and eligibility determination systems that protect beneficiaries.” To support states’ efforts to establish and update income and eligibility determination systems that protect beneficiaries by maximizing states’ ability to ensure that eligible individuals retain coverage, CMS will extend all unwinding-related waivers provided under 1902(e)(14)(A) of the Act through December 31, 2024, unless a later date has been approved by CMS. States may also continue to request new waiver authorities for implementation through December 31, 2024. CMS continues to assess the impact of these waivers to determine which may implemented under other authorities. Additional guidance on the continued availability of these strategies is forthcoming.

Several section 1902(e)(14)(A) strategies can help states increase *ex parte* rates and enhance the *ex parte* process for children and youth, in effect minimizing loss of coverage. Since *ex parte* renewals rely on verifying eligibility using available and reliable information, the renewal can be completed without requiring the beneficiary to return a renewal form or provide other information and/or documentation. As such, the risk of coverage loss for procedural reasons among beneficiaries who meet the substantive eligibility criteria is significantly reduced.

Examples of strategies authorized using waiver authority under section 1902(e)(14)(A) strategies that enhance the *ex parte* process and reduce risk of procedural terminations for eligible children and other beneficiaries include but are not limited to:

- *Targeted SNAP/TANF Strategy*, which allows states to renew Medicaid eligibility based on financial findings from SNAP, TANF, or other means-tested programs. This flexibility can also be applied to CHIP in states where the SNAP or other means-tested program eligibility levels are higher than the Medicaid level and below the CHIP levels.

<sup>35</sup> 42 C.F.R § 457.350.

<sup>36</sup> CMS, “COVID-19 PHE Unwinding Section 1902(e)(14)(A) Waiver Approvals,” October 2023, available at <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/covid-19-phe-unwinding-section-1902e14a-waiver-approvals/index.html>.

- *Beneficiaries with No Income Renewal Strategy*, which allows states to renew eligibility on an *ex parte* basis for MAGI and non-MAGI individuals with \$0 income when no data is returned.
- *Beneficiaries with Low Income Renewal Strategy*, which allows states to renew eligibility on an *ex parte* basis for MAGI and non-MAGI individuals with income at or below 100 percent of the FPL when no data is returned. This strategy helps reduce the administrative burden on families and the state, particularly when verifying complex self-employment income.

CMS also recently granted waiver authority to two states to extend renewals for children for up to 12 months, to support retention for children, conduct outreach, and minimize procedural disenrollments of eligible individuals. Other states interested in adopting this strategy are encouraged to contact CMS.

As of December 2023, CMS has approved nearly 400 waivers under section 1902(e)(14) of the Act, but there are many more strategies that states may adopt. States may request authority to implement one or more of these strategies by contacting their CMS state lead. CMS is available to provide technical assistance and can provide sample language the state can use to craft a letter requesting the waiver authority.

*b. Partnering with Managed Care Plans*

States that deliver services through Medicaid and CHIP managed care should consider partnering with managed care plans to support coverage retention, particularly for children enrolled in managed care. States are strongly encouraged to work with managed care plans for targeted outreach. States may send lists to managed care plans of individuals who are due for renewal in order for the plans to conduct outreach to remind parents/guardians to respond to renewal packets. In addition, states may utilize managed care plans to conduct additional outreach to families who lost coverage for procedural reasons, so that families may return their renewal form to have their eligibility reconsidered. Managed care plans can also utilize multiple modalities to reach families (e.g., phone call, email, text). States should have managed care plans partner with pediatricians and other children’s providers to support coverage retention and work with families to maintain enrollment.

During unwinding, states also have expanded opportunities to work with managed care plans using strategies authorized using waiver authority under section 1902(e)(14)(A) of the Act to:

- Accept updated beneficiary contact information provided by managed care plans without taking an additional step to verify the new information; and
- Direct managed care plans to provide assistance to parents/guardians and their households to complete Medicaid and CHIP renewal forms.

For more information on how states may work with managed care organizations, states can review CMS’ “Strategic Approaches to Engaging Managed Care Plans to Maximize Continuity

of Coverage as States Resume Normal Eligibility and Enrollment Operations.”<sup>37</sup>

*c. Providing Continuous Eligibility for Children*

Pursuant to the CAA, 2023, beginning January 1, 2024, all states will be required to provide children enrolled in Medicaid and CHIP with 12 months of continuous eligibility, even if the family experiences a change in circumstances during the year that would otherwise impact the child’s eligibility, such as a change in income or household size.<sup>38</sup> Continuous eligibility promotes continuity of coverage and helps provide children consistent access to needed health care services.<sup>39</sup> For additional information, see CMS State Health Official Letter (SHO) #23-004, “Section 5112 Requirement for all States to Provide Continuous Eligibility to Children in Medicaid and CHIP under the Consolidated Appropriations Act, 2023.”<sup>40</sup>

To further strengthen continuity of coverage for children, states also may consider providing multi-year continuous eligibility for children (e.g., continuous eligibility up to age six, 24 months of continuous eligibility) through Section 1115 demonstration authority.<sup>41</sup>

*d. Implementing Express Lane Eligibility*

To streamline enrollment and renewals for children, states should consider adopting the Express Lane Eligibility state plan option described at sections 1902(e)(13) and 2107(e)(1) of the Act. The Express Lane Eligibility option permits states to rely on findings (including related to income) from an entity designated by the state as an Express Lane Agency to determine a child’s eligibility for Medicaid or CHIP.<sup>42</sup> States may use this option when determining eligibility for children at application and/or renewal. To adopt this option, states must submit a SPA.<sup>43</sup>

*e. Modifying CHIP Premium Policies*

Research has shown that roughly one in five children experience a gap in coverage when transitioning from Medicaid to CHIP, and premiums are a known barrier both to enrollment and seamless transitions.<sup>44</sup> To mitigate loss of coverage among children due to failure to pay

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<sup>37</sup> CMS, “Strategic Approaches to Engaging Managed Care Plans to Maximize Continuity of Coverage as States Resume Normal Eligibility and Enrollment Operations,” January 2023, available at <https://www.medicaid.gov/resources-for-states/downloads/health-plan-strategy.pdf>.

<sup>38</sup> Section 5112 of the CAA (P.L. 117-328), available at <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>.

<sup>39</sup> ASPE, “Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic,” April 12, 2021, available at <https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>.

<sup>40</sup> CMS, SHO #23-004, “Section 5112 Requirement for all States to Provide Continuous Eligibility to Children in Medicaid and CHIP under the Consolidated Appropriations Act, 2023,” September 29, 2023, available at <https://www.medicaid.gov/sites/default/files/2023-09/sho23004.pdf>.

<sup>41</sup> See for example, “CMS Demonstration Approval Letter, Oregon Health Plan,” September 28, 2022, available at <https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/2022-2027-1115-Demonstration-Approval.pdf>, and “CMS Demonstration Approval Letter, Washington Medicaid Transformation Project,” April 14, 2023, available at <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/wa-stc-ca-04142023.pdf>.

<sup>42</sup> Express Lane Agencies may include SNAP, TANF, School Lunch, Head Start, National School Lunch Program, and Women, Infants, and Children, among others. For more information see, CMS, “Opportunities to Support Unwinding Efforts for States with Integrated Eligibility Systems and/or Workforces,” September 2022, available at <https://www.medicaid.gov/resources-for-states/downloads/opp-unwind-eff-st-integ-elig-sys-workforce.pdf>.

<sup>43</sup> For more information on Express Lane Eligibility and SPA templates, see CMS SHO #10-003, “Express Lane Eligibility Option,” February 2010, available at <https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/downloads/SHO10003.PDF>.

<sup>44</sup> Medicaid and CHIP Payment and Access Commission, “Updated Analysis of Churn and Coverage Transitions,” April 7, 2022, available at <https://www.macpac.gov/publication/updated-analyses-of-churn-and-coverage-transitions/>.



monthly premiums, states may elect to permanently eliminate or temporarily suspend premiums during the unwinding period. In addition, CMS' proposed rule published in September 2022 proposed to eliminate premium lock-out periods.<sup>45</sup> Premium lock-out periods have permitted states to specify a period of time that an individual must wait after non-payment of premiums until being allowed to reenroll in CHIP. Applicable states are encouraged to either eliminate premium lock-out periods permanently or suspend this policy during the unwinding period. CMS encourages states that are constrained in their ability to eliminate such cost-sharing to instead establish affordable annual enrollment fees rather than collecting monthly premium payments. Affordable enrollment fees encourage continued enrollment throughout the year and eliminate the possibility of disenrollment for failure to pay monthly premiums. Where states maintain premiums, to help prevent missed or late premium payments, states could deploy targeted outreach and enhanced notice strategies.

Many states have a tiered premium structure based on a child's household income. Upon review of available data sources during an *ex parte* renewal, a state may find that a CHIP-enrolled child appears subject to either a higher or lower premium amount than their current premium band. Under these circumstances, states are strongly encouraged to adopt the following premium assignment principles:<sup>46</sup>

- *Lower Cost Premium Band*: If available data shows the child is eligible for a lower cost premium band, the state should move the child to the lower cost premium band and send a notice to the household informing them of the change and the basis for the determination. No additional action is needed by the beneficiary.
- *Higher Cost Premium Band*: If the available data shows the child may be subject to a higher cost premium band, the state should maintain the child in the same premium band and give the household an opportunity to refute the information that was obtained from data sources. If a beneficiary provides documentation/additional information in response to a request for information, the state should revise the premium band based on that documentation/information. If the beneficiary does not respond to the request for information, the state should not terminate coverage but rather assign the premium band based on the available data.

*f. Modifying Policies for Substitution of Coverage in Separate CHIP*

Unlike Medicaid, separate CHIP requires children to be uninsured to be eligible for coverage,<sup>47</sup> except if a state elects to provide premium assistance through its separate CHIP.<sup>48</sup> States with separate CHIPs are required to use reasonable methods to ensure that separate CHIP coverage is not substituting for group health plan coverage.<sup>49</sup> One method some states use to implement this requirement is applying a waiting period, which is a period of uninsurance (not to exceed 90

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<sup>45</sup> CMS, "Proposed Rule: Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes," September 7, 2022, available at: <https://www.federalregister.gov/documents/2022/09/07/2022-18875/streamlining-the-medicaid-childrens-health-insurance-program-and-basic-health-program-application>.

<sup>46</sup> CMS, "Supporting Seamless Coverage Transitions for Children Moving Between Medicaid and CHIP in Separate CHIP States," December 12, 2022, available at <https://www.medicaid.gov/resources-for-states/downloads/supporting-medicaid-chip-transitions.pdf>.

<sup>47</sup> Section 2101(a) of the Act and 42 C.F.R. §§ 457.1, 457.2 and 457.10.

<sup>48</sup> Section 2105(c)(10) of the Act.

<sup>49</sup> 42 C.F.R. § 457.805(a).

days) after an individual has disenrolled from group health plan coverage, Medicaid, or CHIP before they can enroll/re-enroll in CHIP.<sup>50</sup> CMS encourages states to eliminate such waiting periods to reduce potential barriers or delays for otherwise eligible children to enroll in CHIP. States may adopt alternative methods for addressing concerns about substitution of group health plan coverage, such as monitoring. Examples of common substitution monitoring strategies include adding questions to health coverage applications about enrollment in private coverage and conducting database checks to ensure CHIP beneficiaries do not have other coverage.

*g. Delaying Procedural Disenrollments for Children to Enhance Outreach*

One of the key strategies offered by CMS is the state option to delay procedural disenrollments for beneficiaries for one or more months while the state conducts targeted renewal outreach. This strategy allows beneficiaries who would otherwise lose coverage for procedural reasons, such as failure to return a renewal form, additional time to complete their renewal form or provide other necessary information and gives states additional time to conduct outreach. This strategy can be targeted to specific populations at risk of losing coverage, including children. This strategy is available for states to implement throughout the unwinding period, or on an ad hoc basis for cohorts of renewals based on certain defined criteria (e.g., if the percent of anticipated procedural disenrollments exceeds a specified threshold). States must use the additional time to conduct targeted outreach to encourage beneficiaries to return renewal forms.

States seeking to elect this strategy should request concurrence for an exception to timely determinations of eligibility per regulations at 42 C.F.R. § 435.912(e). States interested in implementing this strategy should send an email requesting concurrence to the CMS unwinding mailbox ([CMSUnwindingSupport@cms.hhs.gov](mailto:CMSUnwindingSupport@cms.hhs.gov)) and note the use of this strategy in their unwinding plans.

**V. Outreach to Families and Strengthening Community Partnerships**

Children may lose coverage if their parents or guardians believe they or their children no longer meet the eligibility requirements and do not respond to renewal forms and/or requests for information. Families may not realize their children may still be eligible for coverage through Medicaid or CHIP due to higher income thresholds for children. In addition, families with young children enrolled in Medicaid and CHIP may have never had to complete a renewal before (e.g., if their child was a “deemed newborn” and/or if their child was enrolled just before or while the continuous enrollment condition was in effect).

CMS encourages state Medicaid and CHIP agencies to collaborate with other state agencies and community partners to ensure families have up-to-date information about the redetermination process—including what is required to keep children in coverage.

State Medicaid and CHIP agencies can:

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<sup>50</sup> 42 C.F.R. § 457.805(b)(2).



- Encourage parents or guardians to fill out renewal forms for their children who cannot be renewed on an *ex parte* basis, even if the parents or guardians are no longer eligible.
- Work with other family-facing state agencies to share up-to-date information about renewals, and request that they engage directly with families.
- Promote consistent messaging by distributing communication materials, such as flyers, social media graphics, and articles. (Messages and materials specific to parents/guardians and children may be found on the CMS Communications Page).<sup>51</sup>
- Engage community-based organizations to play a role in educating and informing families (e.g., Navigators/assisters, hospitals, community health centers, faith-based organizations and leaders, community centers, youth sports programs, barbershops, nail salons, beauty salons and public libraries). Community-based organizations can engage directly with Medicaid and CHIP families about the importance of renewing their coverage. These organizations have strong relationships with families and can serve as trusted messengers to communicate information in culturally and linguistically appropriate ways.
- Ask schools, early childhood programs, and summer camps to include messaging about Medicaid and CHIP renewals. Schools should use existing modes of communication (e.g., email, text, calls, backpack flyer/postcards) to get the word out to families. Schools should also include messages about redetermination in all back-to-school paperwork or emails that are required to be completed at the start of the school year.
- Have managed care plans work directly with pediatric providers to track renewal dates and support families with assistance to fill out renewal forms.

For communication, outreach and education resource materials please see the CMS webpage, “Medicaid and CHIP Renewals Outreach and Educational Resources.”<sup>52</sup>

## VI. Reporting and Monitoring

In March 2022, CMS released an Unwinding Eligibility and Enrollment Data Reporting Template that states must use to submit the “CMS Monthly Unwinding Report” during a state’s unwinding period in accordance with the CAA, 2023,<sup>53</sup> and the guidance released in SHO #22-001, “Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP)

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<sup>51</sup> CMS, “Medicaid and CHIP Renewals Outreach and Educational Resources,” available at <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/medicaid-and-chip-renewals-outreach-and-educational-resources/index.html>.

<sup>52</sup> CMS, “Medicaid and CHIP Renewals Outreach and Educational Resources,” available at <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/medicaid-and-chip-renewals-outreach-and-educational-resources/index.html>.

<sup>53</sup> CMS, “Unwinding Eligibility and Enrollment Data Reporting Template,” available <https://www.medicaid.gov/sites/default/files/2022-03/unwinding-data-rprt.xlsx>.

Upon Conclusion of the COVID-19 Public Health Emergency.”<sup>54</sup> The required metrics outlined in the Unwinding Eligibility and Enrollment Data Reporting Template are designed to demonstrate states' progress towards restoring timely application processing and initiating and completing renewals of eligibility for all Medicaid and CHIP beneficiaries. In addition to these unwinding-specific reports, states must also continue to meet existing reporting requirements, including submitting timely data through the Performance Indicator dataset on the 8<sup>th</sup> of each calendar month, and data submissions through the T-MSIS dataset before the end of the subsequent calendar month.<sup>55</sup> States aggregate reporting for adults and children through the Performance Indicator dataset, allowing for more comprehensive Medicaid and CHIP program monitoring. States report T-MSIS data at the individual-level, providing more granular data on the impact of unwinding on specific eligibility groups.

CMS is closely monitoring states' data submissions and encourages states to supplement required federal reporting with additional state-specific data. Specifically, CMS encourages states to track, analyze, and report publicly the following state-specific metrics during the unwinding period:

- Monthly Medicaid/CHIP terminations among children in household units with parents who were disenrolled from Medicaid/CHIP (to identify opportunities for targeted outreach).
- Monthly transition outcomes<sup>56</sup> between coverage programs, including:
  - The number of individuals whose accounts are transferred from Medicaid to separate CHIP; and, of these, the number individuals who subsequently enroll in separate CHIP.
  - The number of individuals whose accounts are transferred from CHIP to Medicaid; and, of these, the number of individuals who subsequently enroll in Medicaid.

As a best practice, state-specific data monitoring strategies should also include a breakdown of unwinding data by Medicaid eligibility group, the basis for eligibility (e.g., MAGI vs. non-MAGI), and demographic characteristics (e.g., age, race, ethnicity, language). This supplemental data analysis will enable states to track renewal outcomes more closely for Medicaid- and CHIP-enrolled children and deploy targeted strategies to address those outcomes.

CMS continues to closely monitor changes in Medicaid and CHIP enrollment and is working directly with states to identify instances where the data indicate individuals may have lost coverage in violation of the Medicaid or CHIP renewal requirements.

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<sup>54</sup> CMS, SHO #22-001, “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, available at <https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf>.

<sup>55</sup> CMS, CIB, “Key Dates Related to the Medicaid Continuous Enrollment Condition Provisions in the Consolidated Appropriations Act, 2023,” January 5, 2023, available at: <https://www.medicaid.gov/federal-policy-guidance/downloads/cib010523.pdf>.

<sup>56</sup> Section 5131 of the CAA, 2023 requires states to report to CMS monthly data on the number of individuals whose accounts are received by the Marketplace (or Basic Health Program) and related outcomes (e.g., qualified health plan eligibility, selection), and on the number of individuals enrolled in a separate CHIP. § 5131 of the CAA, 2023, (P.L 117-328) available at <https://www.congress.gov/117/bills/hr2617/BILLS-117hr2617enr.pdf>.

As described in SHO #22-001, CMS continues to monitor states' compliance with reporting required data and meeting timelines related to initiating and completing required eligibility and enrollment actions during the state's unwinding period.<sup>57</sup> Where reported data or other information indicates that states are not meeting unwinding timelines as laid out in the SHO #22-001 and subsequent guidance, or that states have other persistent compliance issues resulting in erroneous disenrollment of eligible beneficiaries, states may be required to provide additional data and/or report information more frequently. As described in the CMS SHO #23-002 and CMS' Interim final rule on the enforcement of state compliance with requirements under section 1902(tt) of the Act, states that do not resolve their pending actions within the timelines specified may be required to submit a corrective action plan to CMS outlining strategies and a timeline to come into compliance with federal requirements.<sup>58,59</sup>

## VII. Closing

As states restore routine eligibility and enrollment operations during the unwinding period, CMS shares states' goals of ensuring that eligible children remain enrolled in Medicaid or CHIP and that children who are no longer eligible transition seamlessly to other coverage options, including Marketplace coverage. CMS is committed to providing states with updated guidance and resources, as appropriate, as well as ongoing technical assistance, to better enable states to ensure continuity of coverage for Medicaid and CHIP eligible children. For additional information and resources, states are encouraged to review guidance and other information available at [Medicaid.gov/Unwinding](https://www.Medicaid.gov/Unwinding). States may also submit questions and request technical assistance by contacting their state lead or emailing [CMSUnwindingSupport@cms.hhs.gov](mailto:CMSUnwindingSupport@cms.hhs.gov).

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<sup>57</sup> CMS, SHO #22-001, "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, available at <https://www.Medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf>.

<sup>58</sup> CMS, SHO #23-002, "Medicaid Continuous Enrollment Condition Changes, Conditions for Receiving the FFCRA Temporary FMAP Increase, Reporting Requirements, and Enforcement Provisions in the Consolidated Appropriations Act," January 27, 2023, available at: <https://www.Medicaid.gov/federal-policy-guidance/downloads/sho23002.pdf>.

<sup>59</sup> CMS, "Medicaid; CMS Enforcement of State Compliance With Reporting and Federal Medicaid Renewal Requirements Under Section 1902(tt) of the Social Security Act." December 6, 2023, available at: <https://www.federalregister.gov/documents/2023/12/06/2023-26640/Medicaid-cms-enforcement-of-state-compliance-with-reporting-and-federal-Medicaid-renewal>