*Presumptive Eligibility and Federally Qualified Health Centers*

# *Promising Practices #13*

NATIONAL ASSOCIATION OF Community Health Centers

## May 2014

**Introduction**

Presumptive eligibility (PE) has been used by states to provide immediate access to needed health care services while completing the application process for coverage in Medicaid and the Children's Health Insurance Program (CHIP). This state policy provides the option for training and authorizing "qualified entities" for the ability to screen for eligibility and temporarily enroll pregnant women, children, or both. "Qualified entities" can include, but is not limited to, federally qualified health centers (FQHCs), hospitals, schools, government agencies and community-based organizations. Presumptive eligibility was first extended to pregnant women in order to provide access to ambulatory prenatal care services.[1] In 1997, this state option was extended to children in Medicaid when CHIP was enacted.[2] Generally, presumptive eligibility ends the day on which full determination is made, or on the last day of the month following the month in which the provider makes PE determination. During this presumptive eligibility period, the states receive their regular federal medical assistance participation match (FMAP) or the enhanced FMAP for children determined eligible for CHIP. After the application is approved, the federal match is determined based on eligibility determination.[3]

***Why use presumptive eligibility?***

Presumptive eligibility helps connect uninsured children and pregnant women to coverage, allowing them to get care immediately, such as needed immunizations, or prenatal care. PE can be used to begin the application process for full coverage, either through the same application process, or follow-up assistance. The Children's Health Insurance Program Reauthorization Act (CHIPRA) in 2009 recognized PE as one of eight enrollment and retention "best practices" of which a state can implement five to qualify for federally funded performance bonuses.[4] In 2013, 13 states qualified for a performance bonus for meeting enrollment targets for children in Medicaid and adopting PE as one of their five "best practices": CO, CT, IL, IA, KS, MI, MT, NJ, NM, NY, OH, SC, and UT.[5]

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[1] SSA § 1920, 42 U.S.C. 1396r-1.
[2] SSA § 1920A. 42 U.S.C. 1396r-1a.
[3] Brooks, T. Presumptive Eligibility: Providing Access to Health Care Without Delay and Connecting Children to Coverage, Center for Children and Families, Georgetown University Health Policy Institute, May 2011.
[4] Sebastian, C., "Presumptive Eligibility: A Step Toward Streamlined Enrollment in Medicaid and CHIP." Families USA, September 2011.
[5] http://www.insurekidsnow.gov/professionals/eligibility/performance_bonuses.html

With the greater use of online applications and linkages to state and federal databases to determine eligibility, it is possible that PE may no longer be needed for temporary enrollment. However, there are many benefits of using presumptive eligibility and temporary enrollment by qualified entities.[6] While systems are not yet able to efficiently process all applicants, and delays and backlogs of Medicaid applications persist with the implementation of new coverage options and eligibility changes, PE will continue to be helpful. Presumptive eligibility is an effective method for connecting patients to coverage when uninsured individuals are seeking immediate or emergency care, which would prevent delays in getting necessary treatment or medications while awaiting determination. As others have noted, PE can help trusted community based organizations, such as FQHCs and other safety net providers, in connecting hard to reach populations to coverage. Presumptive eligibility can also be used to reduce gaps in coverage as a result of "churning," or moving in and out of eligibility for Medicaid due to income fluctuations or change in circumstances, and by connecting individuals who have not completed the renewal or recertification process to the appropriate program.[7]

***How does it work?***

The states are able to implement PE in different ways, such as which categories of individuals can be enrolled presumptively, what types of organizations can be qualified entities, how to train qualified entities, and what systems are used to make the determination.[8] As of January 2014, 33 states use PE for pregnant women, and 18 states have implemented it for children in Medicaid and/or CHIP.[9] (Figure A.)

During the presumptive eligibility period, individuals will receive benefits of the eligibility group for which they are determined, and providers will get paid the regular Medicaid rates even if the individual is eventually found ineligible for Medicaid.[10] Children are eligible for all Medicaid services, and pregnant women are eligible for only ambulatory prenatal care.[11] The states may set limits on the number of PE periods within a certain time frame; pregnant women are limited to one PE period per pregnancy.[12] The state must comply with specific federal requirements, such as providing application forms, and procedures for conducting PE determinations. The state must also provide state policies and procedures to the qualified entities and oversee the program.

States can also determine which organizations can become qualified entities.[13] In order for a hospital to be a

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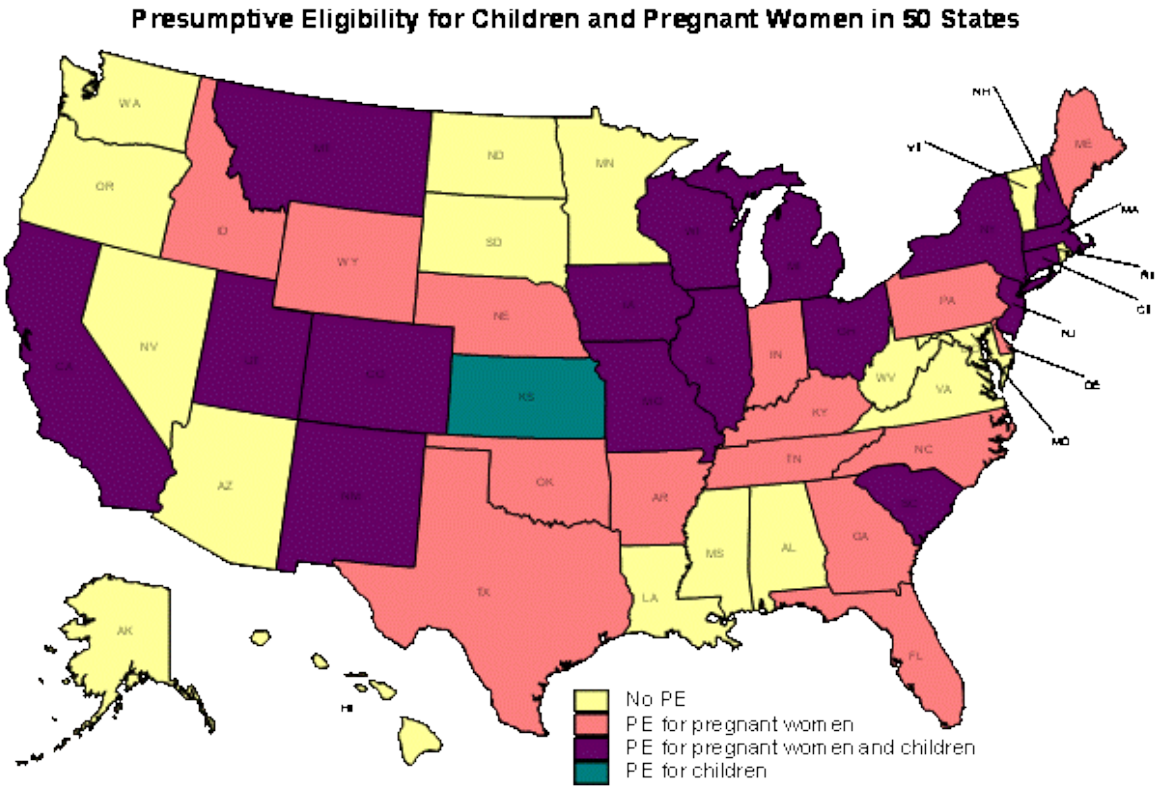
[6] Brooks, T., May 2011.
[7] Guerra, V., and McMahon, S. Minimizing Care Gaps for Individuals Churning between the Marketplace and Medicaid: Key State Considerations, Center for Health Care Strategies, Issue Brief, January 2014.
[8] McMahon, S.M., Crawford, M., Heiss, C. Implementation of the Affordable Care Act's Hospital Presumptive Eligibility Option: Considerations for States, RWJF Issue Brief, November 2013; Brooks, T., May 2011.
[9] Getting into Gear for 2014: Findings from a 50-State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP, 2012-2013. Based on a national survey conducted by the Kaiser Commission on Medicaid and the Uninsured with the Georgetown University Center for Children and Families, 2013; http://www.insurekidsnow.gov/professionals/eligibility/performance_bonuses.html
[10] Brooks, T., January 2014; http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-Implementation/Downloads/FAQs-by-Topic-Hospital-PE-01-23-14.pdf
[11] SSA § 1920, 42 U.S.C. 1396r-1.
[12] Ibid.
[13] 42 C.F.R. § 435: Subpart L – Options for Coverage of Special Groups under Presumptive Eligibility, 2013.

qualified entity, it must participate in the Medicaid program, notify the state of its decision to make PE determinations, and agree to make PE determinations consistent with state policies or procedures. States can also authorize other types of organizations to become qualified entities, such as FQHCs, Medicaid and CHIP providers, State or Tribal offices, elementary or secondary schools, WIC programs, or other entities deemed by the State and approved by CMS.[14] Qualified entities elect the option for providing PE and are required to follow up with the regular application, and inform individuals about their coverage and eligibility determination.[15]

**Figure A. Where the States stand on PE (Kaiser Commission on Medicaid and the Uninsured with the Georgetown University Center for Children and Families, as of January 2013; supplemented with data from http://www.insurekidsnow.gov and personal communication with PCAs)**

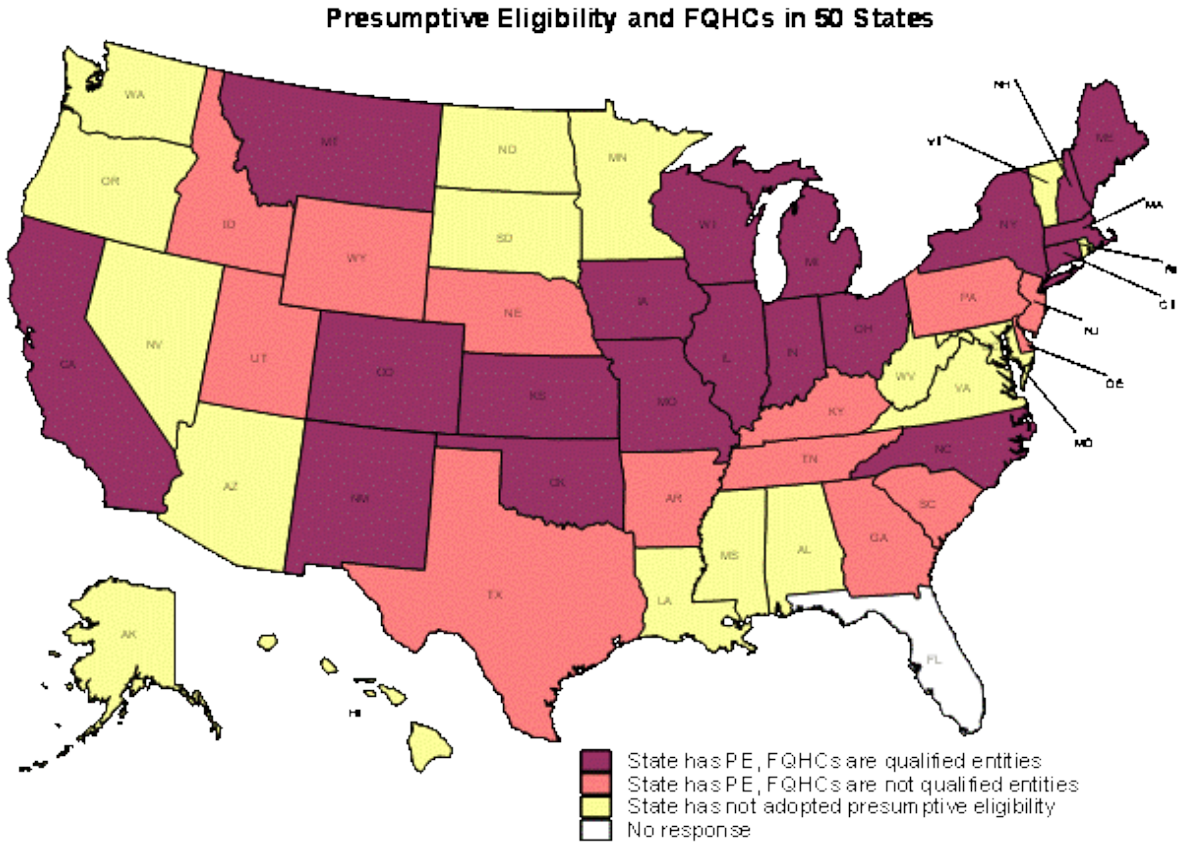



According to a survey of primary care associations (PCAs) in 2013 and personal communication, of the 34 states that have PE, 19 PCAs responded that FQHCs were qualified entities in their states.[16] That is, they are able to do PE for pregnant women, children, or both. (Figure B.) Fourteen of the 16 states that have elected the option to use PE for pregnant women and/or children responded that FQHCs are not qualified entities.

[14] 42 C.F.R. § 435.1101 - Presumptive eligibility for children; 42 C.F.R. § 435.1103.
[15] Center for Health Care Strategies, Fact Sheet: Hospital Presumptive Eligibility, February 2014.
[16] NACHC conducted a survey of PCAs in 50 states and the District of Columbia in June 2013. Thirty-nine PCAs responded to questions on presumptive eligibility. Respondents included PCA Directors and staff responsible for outreach and enrollment.

Two states did not respond. The remaining 17 states have not elected to use PE for pregnant women and children.[17]

**Figure B. Presumptive eligibility at FQHCs (2013 Survey of PCAs in 39 states, and personal communication)**




***What's new?***

Beginning 2014, under the Affordable Care Act (ACA), hospitals now have the option to use PE for newly eligible adults, in addition to pregnant women and children, regardless of whether the state has previously adopted this policy.[18] (See Box 1.) As indicated by CMS, all states must implement hospital PE to include all qualifying hospitals willing to abide by state policies and procedures. However, states have flexibility in how they implement hospital PE. The states will be able to structure the training program, develop policies and procedures as well as performance standards for qualified providers.[19]

[17] Kaiser Commission on Medicaid and the Uninsured with the Georgetown University Center for Children and Families, 2013
[18] Brooks, T., Health Policy Brief, Hospital Presumptive Eligibility. Health Affairs, January 9, 2014.
[19] 42 C.F.R. § 435.1110 Presumptive eligibility determined by hospitals

Furthermore, the ACA gives states that use presumptive eligibility for children or pregnant women the option of authorizing qualified entities to extend PE to parents and other adults who are eligible for Medicaid.[20] (See Box 2.) As with other PE groups, the regular FMAP would apply until the individual has been determined eligible for the new adult group.[21]

**Presumptive Eligibility Options for FQHCs:**

1. **Get FQHCs added as qualified entities to make PE determinations for pregnant women and/or children in states that have not already done so.** Currently, 34 states allow PE determinations for pregnant women and/or children for qualified entities such as hospitals, or county agencies. However, 19 of those states are able to deem FQHCs as qualified entities. Other states may consider authorizing FQHCs to become qualified entities where individuals may be already seeking care and staff conduct effective outreach and enrollment activities in their communities.

2. **Work with hospitals that conduct PE to effectively connect individuals with coverage and services.** As of January 2014, hospitals are able to make PE determinations for pregnant, women, children, and other Medicaid-eligible adults, and this is not limited to patients of the hospital.[22] Benefits for these individuals will be the same as those under the eligibility group for which they are determined, and individuals would be able to receive those services from other Medicaid providers, including a FQHC.

**Box 1.**
**Section 435.1110 Presumptive eligibility determined by hospitals.**

(a) *Basic rule.* The agency must provide Medicaid during a presumptive eligibility period to individuals who are determined by a qualified hospital, on the basis of preliminary information, to be presumptively eligible in accordance with the policies and procedures established by the State consistent with this section and Sections 435.1102 and 435.1103 of this part, but regardless of whether the agency provides Medicaid during a presumptive eligibility period under such sections.

**Box 2.**
**Section 435.1103 Presumptive eligibility for other individuals.**

(b) If the agency provides Medicaid during a presumptive eligibility period to children under Section 435.1102 or to pregnant women under paragraph (a) of this section, the agency may also apply the terms of Sections 435.1101 and 435.1102 to the individuals described in one or more of the following sections of this part, based on the income standard established by the state for such individuals and providing the benefits covered under that section: Sections 435.110 (parents and caretaker relatives), 435.119 (individuals aged 19 or older and under age 65), 435.150 (former foster care children), and 435.218 (individuals under age 65 with income above 133 percent FPL).

[20] 42 C.F.R. § 435.1103 Presumptive eligibility for other individuals
[21] http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-Implementation/Downloads/FAQs-by-Topic-Hospital-PE-01-23-14.pdf
[22] Ibid.

3. **Enhance programs in states by allowing PE determination for other Medicaid-eligible adults at FQHCs.** The state may now consider allowing other qualified entities, in addition to hospitals, to make PE determinations for Medicaid-eligible individuals age 19 to 64 with income at or below 133% FPL, as long as the state has PE for pregnant women and/or children under age 19.

**Experiences From Ohio: Presumptive Eligibility Determination at FQHCs**

In Ohio, full applications for Medicaid coverage can be submitted online, by mail, by telephone, or in-person at a local county job and family services office. Medicaid application and review can be a complex and time-consuming process that can take up to 60 days after application to receive full determination of eligibility.[23] Outreach and application assistance is provided at the 43 Health Center Program grantees and FQHC Look-Alikes in Ohio which serve over 550,000 patients statewide.[24]

Ohio implemented presumptive eligibility for children in 2010 in local county offices as a part of CHIPRA, through which Ohio was able to apply for federally funded bonus payments for instituting 5 out of 8 best practices, of which PE is one.[25] In 2013, Ohio implemented a pilot program followed by an incremental rollout of the program to expand presumptive eligibility to pregnant women and to include other qualified entities such as public hospitals and FQHCs, which was authorized in the state's biennial budget bill in 2012 and through a state plan amendment (SPA).[26] Under the new provisions of the Affordable Care Act, in 2014, hospitals are able to make PE determination for all who are eligible for Medicaid. Ohio has adopted this provision, and also added FQHCs as qualified entities. New training materials and guidelines were launched in March 31, 2014, and were disseminated statewide to qualified entities.[27]

Presumptive eligibility determination and enrollment is accomplished through a web portal that can be accessed by all qualified entities (once they have been successfully deemed by the state). Applications can also be electronically submitted through a single streamlined application to receive full determination. Results from PE determination for children and pregnant women has shown to have over 90% success rate in getting individuals fully enrolled in the appropriate program.[28] The increased efficiency of this process has allowed FQHCs to provide coverage to previously uninsured patients that are presumed eligible and immediately bill, while also ensuring they receive access to other needed services and medications without delay.

[23] http://medicaid.ohio.gov/FOROHIOANS/GetCoverage/HowtoApplyforMedicaid.aspx
[24] http://www.ohiochc.org/
[25] http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=HWhHz9kIHYk%3D&tabid=136; Personal communication with J. DiRossi-King, Ohio Association of Community Health Centers, April 2014.
[26] http://www.healthtransformation.ohio.gov/LinkClick.aspx?fileticket=IRMjKBkfYss%3d&tabid=117
[27] Personal communication with J. DiRossi-King, Ohio Association of Community Health Centers, April 2014.
[28] Ibid.

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