02

Overview of the Medicaid Program

02

Person completing this chapter: _____

Role: _____

Date: _____

Additional Collaborative Partners for this chapter: _____

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CHAPTER CONTENTS

WHO THIS CHAPTER IS FOR:

- The primary audience for this chapter is state Title V program leaders and staff.
- If applicable, we encourage you to collaborate with colleagues in other departments within Title V or other state agencies who serve children and families that are enrolled in Medicaid.
- If you have direct contact with families about insurance coverage, you may find this chapter particularly helpful.

WHY THIS CHAPTER MATTERS:

- Medicaid is a critical source of health care coverage for children and youth with special health care needs (CYSHCN). In fact, it is the single largest payer in the U.S. for children, including CYSHCN
- State Title V programs are statutorily required to collaborate with Medicaid in different ways. Being equipped with knowledge of the state Medicaid program will allow Title V staff to engage as well-informed partners, identify opportunities for partnership, and draw on their expertise to provide tailored input to Medicaid partners

WHAT YOU WILL LEARN:

- State-Federal financing of Medicaid
- How states can change their Medicaid programs
- Medicaid Eligibility
- Medicaid Benefits
- State Options under Medicaid

Throughout this tool, we invite you to reflect on and assess Title V's role in the administration and implementation of the state Medicaid program; this chapter offers questions to help you identify potential roles for Title V related to Medicaid. As with each chapter in this tool, it is not necessary to complete every single question for the tool be useful to you.

If you would like support, the Catalyst Center is here to help. Reach out to us at cyshcn@bu.edu.

1. INTRODUCTION

The objective of the Medicaid program is to provide health coverage to low-income individuals to ensure they can access the health care services they need.[10] Medicaid is a critical source of health care coverage in the United States. It is the primary source of health insurance coverage for low-income individuals, and the largest single payer of health care services for children, including children and youth with special health care needs (CYSHCN). Medicaid is a state-federal partnership program. It is funded and implemented by both states and the federal government. In general, Medicaid accounts for a little over half of federal funds that flow into states.[11]

FOR YOUR INFORMATION:

Medicaid.gov is a great general resource where you can view your state's State Plan Amendments (SPAs) and waivers.

We encourage you to locate your state Medicaid website. You should be able to find it through a google search (type [state name] and Medicaid). Bookmark this site for easy access, and explore all of the information it contains.

FOCUS ON EQUITY:

Public insurance is intimately linked in its purpose with equity. Children in marginalized groups, whether by disability, language, income, or race/ethnicity, are more often covered by public insurance compared to other populations.

Medicaid was established as a program to support the health of the most vulnerable populations in the U.S., including children, pregnant people, seniors, and people with disabilities. Public insurance covers approximately 55% of Black, 49% of Hispanic, 28% of Asian, 23% of White, and 32% of other children nationwide.[12] It also covers the vast majority of children in the poorest households in the country (incomes below 200% of the federal poverty level).[13] Fifty-six percent of children living in families for whom English is not the primary language are covered by public insurance compared to 31% of children living in households where English is the first language.[14] CYSHCN with more complex health needs are more often covered by public insurance compared to CYSHCN with less complex health needs and non-CYSHCN (49%, 35%, and 32%, respectively).[15]

[10] Social Security Act, 42 U.S.C. § 1901 (1935). https://www.ssa.gov/OP_Home/ssact/title19/1901.htm, cited in Solomon, J., & Schubel, J. (2017, August 29). *Medicaid Waivers Should Further Program Objectives, Not Impose Barriers to Coverage and Care*. Center on Budget and Policy Priorities. https://www.cbpp.org/research/health/medicaid-waivers-should-further-program-objectives-not-impose-barriers-to-coverage#_ftn2

[11] National Association of State Budget Officers. (2020). *2020 State Expenditure Report Fiscal Years 2018-2020*. https://higherlogicdownload.s3.amazonaws.com/NASBO/9d2d2db1-c943-4f1b-b750-0fca152d64c2/UploadedImages/SER%20Archive/2020_State_Expenditure_Report_S.pdf

[12] Child and Adolescent Health Measurement Initiative. 2019-2020 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved from https://www.childhealthdata.org/browse/survey/results?q=8595&g=914&r=1

[13] Child and Adolescent Health Measurement Initiative. 2019-2020 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved from https://www.childhealthdata.org/browse/survey/results?q=8595&r=1&g=900

[14] Child and Adolescent Health Measurement Initiative. 2019-2020 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved from https://www.childhealthdata.org/browse/survey/results?q=8595&r=1&g=917

[15] Child and Adolescent Health Measurement Initiative. 2019-2020 National Survey of Children's Health (NSCH) data query. Data Resource Center for Child and Adolescent Health supported by the U.S. Department of Health and Human Services, Health Resources and Services Administration (HRSA), Maternal and Child Health Bureau (MCHB). Retrieved from https://www.childhealthdata.org/browse/survey/results?q=8595&r=1&g=922

The Federal System and Medicaid

Medicaid was established in 1965 in Title XIX of the Social Security Act, which also established Medicare. It was originally designed to increase access to health care for low-income individuals.

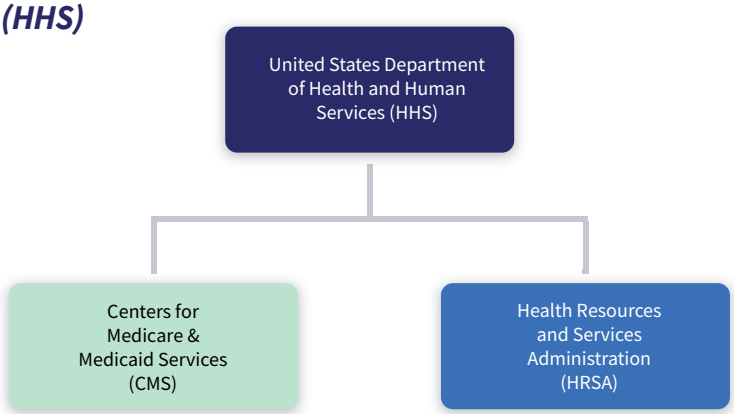
Table 1. Roles of the Federal and State Government in Medicaid

	Federal Government	State Government
Administration	Oversees state programs, provides guidance and parameters for state Medicaid programs	Direct administration and implementation of Medicaid program
Financing	Federal Medicaid Assistance Percentage (FMAP)-federal share of costs	State share of costs
	Guaranteed federal funding with no cap	Limits on source of state funds16
Program Rules and Regulations	Federal statute establishes minimum standards on eligibility, benefits, and access	Establishes optional eligibility for groups Determines which optional benefits/services are included in the Medicaid state plan
	Guaranteed enrollment for some groups	System to deliver care (e.g., fee-for-service, managed care)
	Limits on cost sharing for services for children17*	Cost Sharing allowed for certain programs18
	Specific managed care rules	Sets provider rates

**Note: See the Medicaid Benefits Section for more information on cost sharing in Medicaid.*

The Centers for Medicare & Medicaid Services (CMS) administers the Medicaid program at the Federal level. It is housed within the Department of Health and Human Services. In terms of organizational structure, CMS is led by the CMS administrator, who is appointed by the President. CMS approves state plans, amendments and waivers (see Section 4) writes rules for Medicaid and CHIP, and issues guidance to state Medicaid agencies that interprets CMS rule-making and federal legislation.

Image 1. Partial Organizational chart for the United States Department of Health and Human Services (HHS)



[16] Additional information is available at: United States Government Accountability Office. (2020). *Medicaid: CMS Needs More Information on States' Financing and Payment Arrangements to Improve Oversight*. https://www.gao.gov/products/gao-21-98

[17] Please see the following for additional information: Centers for Medicare & Medicaid Services. (n.d.-b). *Cost Sharing*. https://www.medicaid.gov/medicaid/cost-sharing/index.html; and Centers for Medicare & Medicaid Services. (n.d.-g). *Out-of-Pocket Cost Exemptions*. https://www.medicaid.gov/medicaid/cost-sharing/out-pocket-cost-exemptions/index.html

[18] Medicaid and CHIP Payment Access Commission. (n.d.-a). *Cost sharing and premiums*. https://www.macpac.gov/subtopic/cost-sharing-and-premiums/#:~:text=The%20total%20amount%20of%20premiums,family's%20monthly%20or%20quarterly%20income.&text=Up%20to%20%2420%20per%20month,under%20a%20medically%20needy%20pathway

Congress also shapes Medicaid through legislation that amends the Social Security Act. For example, the Affordable Care Act, among other things, created the option for states to expand Medicaid eligibility to nearly all low-income adults under age 65. More recently, the Families First Coronavirus Response Act established an enhanced federal matching rate for states that met specific eligibility and enrollment requirements during the course of the COVID-19 public health emergency.

The roles of the federal legislative and executive branches in Medicaid are summarized in the graphic below.

THE CHILDREN'S HEALTH INSURANCE PROGRAM

Established in 1997 specifically to address uninsurance among children, the Children's Health Insurance Program (CHIP), is a separate public payer in addition to Medicaid. Please see Section 7 of this chapter for more information about CHIP.

Federal Legislative Branch

Congress enacts legislation that authorizes programs.

Examples include:
- Title V of the Social Security Act
- Title XIX of the Social Security Act (Medicaid)
- Title XXI of the Social Security Act (CHIP)

Federal Executive Branch

Legislation gives the **Centers for Medicare and Medicaid Services** the authority to write rules for Medicaid and CHIP that are open for public comment.

Rules cover:
- Program implementation
- Oversight and monitoring
- Reporting outcomes

Federal Executive Branch

Centers for Medicaid and CHIP Services publishes guidance on these rules and regulations.

Guidance covers:
- Letters to state officials
- FAQs
- Information bulletins

The State Medicaid Program

As mentioned above in Table 1, within the parameters set by CMS, states have a great deal of flexibility in the design and implementation of their individual Medicaid programs. The legislative and executive branches of government at the state level impact Medicaid policies in a structure similar to the federal level.

The roles of the state legislative and executive branches in Medicaid are summarized in the graphic below.

State Legislative Branch

State Legislature enacts legislation that can impact the state's Medicaid and CHIP programs.

State Executive Branch

State Medicaid Agency creates the state's Medicaid and CHIP plans in accordance with federal and state legislation and regulations.

State Executive Branch

State Executive Branch uses their authority (given through the state Constitution or statute) to implement the Medicaid and CHIP program through:
- Development of administrative rules
- Collaboration with other state agencies such as Title V and foster care
- Contracting with Medicaid Managed Care Organizations
- Reporting to state government and CMS

State Executive Branch

State Medicaid Agency or Contracted Entity writes and maintains policies and procedures.

These include:
- Manual of operations
- Handbooks for beneficiaries
- Manuals for providers

Public Health Essential Services—Policy Development #4	Locate the organizational chart for your state Medicaid plan (tip: type "[state name] Medicaid organizational chart" in Google or your internet browser	*Link to state Medicaid organizational chart:*
	What do you notice about your state's Medicaid organization?	
	Who on the chart does Title V interact with?	
	Who could Title V interact with?	

BLOCK GRANT TIP:

Consider attaching the organizational charts you find to your state Block Grant Application (see pages 18 and 19 of the MCHB Title V Block Grant Guidance).

2. THE FEDERAL MEDICAL ASSISTANCE PERCENTAGE (FMAP)[19]

Medicaid programs are funded jointly by the state and federal government. The federal government pays states a percentage of Medicaid program expenditures. This percentage is called the Federal Medical Assistance Percentage, or FMAP. The FMAP is a statutory formula that is updated at the federal level each year. The FMAP for a state is calculated based on the state's per capita income. By law, the FMAP for a state cannot be lower than 50%. States with lower per capita income will have a higher FMAP (i.e., receive more funds from the federal government for Medicaid). The FMAP can vary for certain eligibility groups of individuals; for example, the FMAP for Medicaid expansion adults is 90% (the federal government contributes 90% of the cost of their care). The FMAP can also vary for certain services. For example, the FMAP for administrative costs is generally 50%, but the FMAP for building infrastructure (e.g., data systems) can be up to 90%.[20]

What is the FMAP for your state? Tip: You can find a list of FMAP rates here	
How does the FMAP in your state compare to two other states in your HRSA MCHB Region?	
HRSA Region:	
State 1:	
State 2:	

[19] For additional information, see: United States Office of the Assistant Secretary for Planning and Evaluation. (n.d.). *Federal Medical Assistance Percentages or Federal Financial Participation in State Assistance Expenditures (FMAP)*. https://aspe.hhs.gov/federal-medical-assistance-percentages-or-federal-financial-participation-state-assistance

[20] Medicaid and CHIP Payment Access Commission. (n.d.-b). *Matching rates*. https://www.macpac.gov/subtopic/matching-rates/

3. THE STATE MEDICAID PROGRAM

As previously mentioned, states have a large amount of flexibility in the design and implementation of their Medicaid programs.

The Medicaid state plan describes what services are covered for all Medicaid enrollees. Within the state plan, mandated benefits are those required by federal law in a state Medicaid plan—EPSDT is an example of such a benefit (see Chapter 4 for more on the child health benefit in Medicaid). Optional benefits are services that state Medicaid programs can choose to cover, but are not required by federal law.

Section 1902 of the Social Security Act outlines the federal requirements for the state plan. A few important requirements[21] are:

- 1902(a) (10) (B)—Comparability: A Medicaid-covered benefit generally must be provided in the same amount, duration, and scope to all enrollees.
- 1902(a) (23)—Freedom of choice: All beneficiaries must be permitted to choose a health care provider from among any of those participating in Medicaid.
- 1902(a) (1)—Statewideness: Statute dictates that a state Medicaid program cannot exclude enrollees or providers because of where they live or work in the state.

4. HOW DO STATES MAKE CHANGES TO THEIR MEDICAID PROGRAM?

State Medicaid agencies have two primary mechanisms for making changes to their Medicaid programs: state plan amendments (SPAs) and waivers. States design and implement their Medicaid programs under the framework of federal Medicaid laws and regulations; consequently many changes at the state level must be approved by CMS. Table 2. outlines the major characteristics and differences between SPAs and waivers.

Table 2. State Plan Amendments and Waivers

State Plan Amendment	Waiver
Can apply to any part of the state Medicaid plan	Only applies to Medicaid benefits
No cost neutrality requirement	Cost neutrality required
Permanent (does not expire)	Time-limited and must be renewed with CMS regularly
No waiting lists for services allowed	Waiting lists for services are allowed
Changes apply state-wide to all Medicaid beneficiaries	Changes do not need to apply to the entire state or all Medicaid beneficiaries

[21] Social Security Act, 42 U.S.C. § 1902 (1935). https://www.ssa.gov/OP_Home/ssact/title19/1902.htm

State Plan Amendment (SPA)

The state plan for Medicaid is an agreement between the state and the federal government that describes how the state designed and will administer its Medicaid program. The state plan also functions as an assurance that the state will adhere to federal rules and claim federal funds (FMAP) for its program activities. The state plan describes who is eligible for Medicaid coverage, what optional services the state will pay for, and how much providers will be reimbursed.

When a state would like to make a change to its Medicaid program and policies, it will submit a state plan amendment to CMS for review and approval.[22] States must submit a SPA even if the change in the program is permitted by federal laws and rules.

Waivers

Medicaid waivers are state requests to CMS to ask for permission to "waive" certain requirements of the Social Security Act. Requests can be made to waive other federal rules such as statewide availability of services, freedom of choice of providers, and universal access to all benefits.

STATE SPOTLIGHT:

In September 2022, CMS approved Oregon's 2022–2027 1115 Waiver. In addition to maintaining existing provisions, this waiver includes several important new provisions. These include:

- Continuous eligibility for children up to age six
- Continuous two-year eligibility for children and adults age six and older
- Expanding the EPSDT benefit to youth with special health care needs through age 26

These provisions will ensure continuous access to health coverage and care for all young children and for CYSHCN through adolescence and into young adulthood.

Source: https://www.oregon.gov/oha/HSD/Medicaid-Policy/Documents/2022-2027-Waiver-Policy-Summary.pdf?utm_medium=email&utm_source=govdelivery

There are many different types of waivers that states can submit to CMS. Two main types of significance to CYSHCN are 1115 demonstration waivers and 1915(c) Home-and Community-Based Services waivers.

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services the authority to approve experimental, pilot, or demonstration projects that assist in promoting the objectives of the Medicaid program. In general, section 1115 waivers are approved for five years initially and states can request further five-year authorizations.

Broadly, Home- and Community-Based Services waivers are used to provide services to disabled individuals outside of an institution. States have implemented HCBS waivers that allow a family's income to be disregarded when considering a child's eligibility for Medicaid coverage and access to additional services. The topic of HCBS waivers is covered in detail in Chapter 5.

[22] To access state plan amendments since 2000, see: Centers for Medicare & Medicaid Services. (n.d.-f). *Medicaid State Plan Amendments*. https://www.medicaid.gov/medicaid/medicaid-state-plan-amendments/index.html

5. PATHWAYS TO MEDICAID COVERAGE

Children and youth with special health care needs may be eligible for Medicaid coverage via several different pathways.

• *Path one: By Income, not health status*

States establish income eligibility criteria either as a dollar threshold or as a percentage of the Federal Poverty Level (FPL). States have flexibility in establishing income-based eligibility, as long as it is not lower than the Federal limit of 138% FPL. The Federal Poverty Level (FPL) is updated every year and it is adjusted to account for inflation.

FOCUS ON EQUITY:

A 2020 Urban Institute report (Urban) stated that after more than 10 years of decline, the rate of uninsurance among children stalled and then started to increase. The authors reported that in 2018, the share of uninsured children eligible for public insurance but not enrolled was over 57%. Are the Medicaid outreach and enrollment efforts in your state equitable? How could they be more equitable?

BLOCK GRANT TIP:

Consider including the information from the table below in the "Overview of the State" section of your state Block Grant Application.

Under federal statute, Title V is required to help Medicaid with outreach and enrollment activities for Medicaid eligible people. Please see Section 8 in this chapter for more information about Title V and Medicaid partnership.

Complete the rows below with the income eligibility level for children under age 21 in your state Medicaid program.

Start at https://www.benefits.gov/categories/Healthcare%20and%20Medical%20Assistance

Filter for your state and select "Medicaid and Medicare" under the Subcategory drop down menu. You will see a list of Federal benefit programs in your state. Select your state's Medicaid program. From there, if available, use the household size drop down to complete the table below. If not, follow the link on the page to the website for your state's Medicaid program to complete the table. Insert the dollar amount followed by the %FPL this dollar amount represents.

	Annual Income (%FPL)
A household of 2	
A household of 4	
A household of 6	

• *Path Two: By Income and Functional Disability*

Individuals who are eligible for Supplemental Security Income (SSI) are eligible for Medicaid in most states.[23] Eligibility for SSI is based on income and meeting the Social Security Administration's definition of disability.[24] In many states where individuals who receive SSI are eligible for Medicaid, the Social Security Administration is permitted to enroll SSI recipients in Medicaid and sends a notice informing recipients that they are enrolled in Medicaid with the SSI award letter. In a few states, Medicaid eligibility is not aligned with eligibility for SSI. These states are known as "209(b) states."[25] This comes from Section 209(b) of the Social Security Amendments of 1972, which allows states to use more restrictive criteria (based on income and assets, disability, or both) than SSI for Medicaid eligibility.[26]

Is your state a 209(b) state? *Tip: You can find out here.*	
If yes, what is the criteria in your state for Medicaid? How is it different from the criteria for SSI?	

States can choose to include individuals with higher incomes, who have high health-related expenses through what are known as "Medicaid Buy-in" programs. The Family Opportunity Act (FOA) established such an option for states related to children with disabilities, and you can read more about it below in the State Option section.

• *Path 3: By Severe Disability (TEFRA state plan option and home- and community-based service waiver programs)*

States may choose to implement programs that allow them to enroll CYSHCN who require an institutional level of care in Medicaid regardless of family income. Each state can establish its own definition,[27] but generally "institutional level of care" means that a child needs a level of care that is typically provided in an institutional setting, such as an intermediate care facility.[28] States implement this pathway to Medicaid through a TEFRA state plan option or Home- and Community-Based Services (HCBS) waivers. See Chapter 5 for more information about this eligibility pathway.

[23] United States Department of Health and Human Services. (n.d.-b). *Supplemental Security Income (SSI) Disability & Medicaid coverage*. https://www.healthcare.gov/people-with-disabilities/ssi-and-medicaid/

[24] United States Department of Health and Human Services. (n.d.-b). *Supplemental Security Income (SSI) Disability & Medicaid coverage*. https://www.healthcare.gov/people-with-disabilities/ssi-and-medicaid/

[25] United States Social Security Administration. (2017). *Program Operations Manual System*. https://secure.ssa.gov/poms.nsf/lnx/0501715010

[26] Centers for Medicare & Medicaid Services. (n.d.-g). *Implementation Guide: Medicaid State Plan Eligibility More Restrictive Requirements than SSI under 1902(f) – 209(b) States*. https://www.medicaid.gov/resources-for-states/downloads/macpro-ig-more-restrictive-requirements-1902f-209bstates.pdf

[27] Catalyst Center. (2015). *Expanding Access to Medicaid Coverage: The TEFRA Option and Children with Disabilities*. https://ciswh.org/wp-content/uploads/2016/02/TEFRA-policy-brief.pdf

[28] Catalyst Center. (2016). *The TEFRA Medicaid State Plan Option and Katie Beckett Waiver for Children – Making it possible to care for children with significant disabilities at home.* https://ciswh.org/wp-content/uploads/2016/07/TEFRA.pdf

• *Path 4: Foster Care*

Children in foster care are eligible for Medicaid regardless of disability status or income level. Notably, these children also meet the HRSA definition of CYSHCN. The ACA (2010) established that children aging out of foster care are eligible for Medicaid in the state where they were in care until age 26.[29]

What are the characteristics of children in foster care in your state?

Tip: Go to the Kids Count Data Center and look at the indicators for your state. Look for the "Out of Home Placement" indicators in the topic "Safety and Risky Behaviors." You may also find data for your state on the website for the state agency responsible for children in foster care. You can find National data on foster care on the Administration for Children and Families website: https://www.acf.hhs.gov/cb/research-data-technology/statistics-research/afcars

Children 0 to 17 in foster care	
Children in foster care by age group	
• Under 1	
• 1 to 5	
• 6 to 10	
• 11 to 15	
• 16 to 20	
Children in foster care by gender	
• Male	
• Female	

Use this space to note other indicators of interest to you.

Anyone in the state has the right to apply for Medicaid or CHIP, and the state Medicaid agency must assess eligibility promptly. If a disability determination is not involved in the application, the state is required to make a decision on the application within 45 days. If a disability determination is involved as part of the application (for example, as when assessing eligibility for an FOA buy-in program), the state is required to complete the determination process within 90 days. All applicants must receive notice in writing of the eligibility decision; all applicants must also be provided the opportunity to appeal the decision if they wish.

[29] Adrienne L. Fernandes-Alcantara, & Evelyne P. Baumrucker. (2018). *Medicaid Coverage for Former Foster Youth up to Age 26*. https://sgp.fas.org/crs/misc/IF11010.pdf

BLOCK GRANT TIP:

Consider including the information from the table below in the Overview of the State and/or the State Action Plan Narrative Overview section of your Block Grant Application.

6. MEDICAID BENEFITS

Federal laws and regulations specify that state Medicaid programs must include certain benefits.[30] One of the most important mandated benefits for CYSHCN is the Early, Periodic Screening, Diagnostic and Treatment (EPSDT) benefit. You can learn more about the EPSDT benefit and its importance for CYSHCN in Chapter 4. State Medicaid programs have a great deal of flexibility regarding other services that they pay for including targeted case management and prescription drugs.

States have the option to charge premiums and to establish cost sharing requirements, including copayments, coinsurance, and deductibles, for Medicaid enrollees. However, certain population groups are exempt from cost sharing, including children under 18, with the exception of children under age 18 who are not covered under a mandatory categorically needy eligibility group or the Family Opportunity Act.[31] Cost sharing is also not allowed for any preventative service provided to children, regardless of their eligibility pathway. States, however, can charge limited premiums for some children enrolled in Medicaid, including medically needy individuals, disabled children eligible under the Family Opportunity Act, and infants with family income at or above 150% FPL.[32]

Locate your state Medicaid plan on the state Medicaid website and review the benefits covered in the state plan. Tip: if your state utilizes managed care within Medicaid, look for the Medicaid fee-for-service plan first. Medicaid Managed Care is the focus on Chapter 3.	*Link to state plan webpage:*
Locate the beneficiary Handbook for your state Medicaid program and review the benefits covered in the program. Note: if your state Medicaid program utilizes managed care models, each Medicaid Managed Care plan will have its own beneficiary/member handbook. Try to first find the beneficiary handbook for the state fee-for-service Medicaid program.	*Link to beneficiary handbook:*

[30] Centers for Medicare & Medicaid Services. (n.d.-e). *Mandatory and Optional Medicaid Benefits*. https://www.medicaid.gov/medicaid/benefits/mandatory-optional-medicaid-benefits/index.html

[31] Centers for Medicare & Medicaid Services. (n.d.-g). *Out-of-Pocket Cost Exemptions*. https://www.medicaid.gov/medicaid/cost-sharing/out-pocket-cost-exemptions/index.html

[32] Centers for Medicare & Medicaid Services. (n.d.-b). *Cost Sharing*. https://www.medicaid.gov/medicaid/cost-sharing/index.html

7. STATE PLAN OPTIONS UNDER MEDICAID

States have a large amount of flexibility in the design and implementation of their Medicaid programs. There are many policies that have been approved at the federal level that are options for states to adopt and include in their Medicaid programs. In order to implement one of these options, a state Medicaid agency writes a State Plan Amendment (SPA) and submits it to CMS for approval. Sometimes, in addition to a SPA, a state will also need to pass legislation in order to fully implement a state plan option. Below are some state plan options that are related to the system of care for CYSHCN.

Medicaid Expansion

The Affordable Care Act of 2010 originally required states to expand Medicaid eligibility to all adults with incomes up to 138% FPL. After this policy was contested in the courts, the policy became optional for states. While the Medicaid expansion policy applies only to adults, research has established a parental "welcome mat" effect in which health coverage among children already eligible for Medicaid or CHIP increases when their parents become eligible as well.[33]

Use this resource from the Kaiser Family Foundation to answer the following questions. https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/

Public Health Essential Services—Policy Development #5	Is your state a Medicaid Expansion state?	
	If not, is there activity in your state towards adopting Medicaid expansion? Describe.	

Family Opportunity Act (FOA)

The FOA was passed as part of the Deficit Reduction Act in 2005. It offers states the opportunity to create a buy-in program to extend Medicaid coverage to children who meet SSI disability criteria, but whose family incomes are too high to be eligible for SSI. Per the legislation, family incomes must still fall below 300% FPL for them to be eligible. Under this state option, state Medicaid programs are allowed to charge premiums to families whose children with disabilities are enrolled in Medicaid through the FOA.

A buy-in program allows both uninsured and underinsured children to be eligible to enroll in Medicaid. Medicaid, especially the EPSDT benefit, can play a crucial role in filling gaps in coverage for CYSHCN covered by commercial insurance. When a child is enrolled in both private coverage and Medicaid, the private insurance is their primary

33 Hudson, J. L., & Moriya, A. S. (2017). Medicaid Expansion For Adults Had Measurable 'Welcome Mat' Effects On Their Children. *Health Affairs*, *39*(9). https://www.healthaffairs.org/doi/10.1377/hlthaff.2017.0347

coverage. Services can be covered under EPSDT after all options under the commercial insurance have been exhausted. Please see the EPSDT chapter for more information on children with a combination of Medicaid and private insurance.

Public Health Essential Services—Policy Development #5 and 6	Does your state have a Medicaid Buy-in Program?	
	Reflection Question:	
	How would the CYSHCN in your state potentially benefit from a FOA buy-in program?	

TEFRA

This state plan option is named for the legislation that contains it, the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982. As described above in the Pathways to Medicaid section, this state plan option allows state Medicaid programs to extend Medicaid eligibility to children who require an "institutional level of care." Being eligible for Medicaid mean that these individuals can receive care in the home and community (Home- and Community-Based Services) instead of being restricted to living in an institution. Family income is disregarded when determining eligibility for Medicaid via this pathway. Read more about TEFRA in Chapter 5.

Health Homes[34]

The state Health Home option was created in Section 2703 of the Affordable Care Act. Health Homes provide a system of comprehensive care coordination to Medicaid beneficiaries who have chronic conditions. Notably, this state option is not specific to children or CYSHCN. Under Section 2703, a state can limit enrollment in health homes

STATE SPOTLIGHT:

"In December 2016, New York launched a pediatric-centered health home model, the Health Homes Serving Children (HHSC) program, through a SPA under Section 2703 of the ACA. The HHSC program is a component of the broader New York State Health Home Program, which provides statewide comprehensive care coordination and case management for Medicaid-enrolled individuals. Eligible individuals have two or more chronic conditions or one single qualifying chronic condition and are assessed by providers as being appropriate for the intense level of care provided by a health home. As of October 2019, approximately 27,000 children and youth were enrolled in the HHSC program."

(Excerpted from Improving Care Coordination for Children with Medical Complexity: Exploring Medicaid Health Home State Options)

[34] For additional information about Health Homes, please see: Centers for Medicare & Medicaid Services. (n.d.-d). *Health Homes*. https://www.medicaid.gov/medicaid/long-term-services-supports/health-homes/index.html and Thompson, V., & Honsberger, K. (2021). Improving Care Coordination for Children with Medical Complexity: Exploring Medicaid Health Home State Options https://ciswh.org/wp-content/uploads/2021/03/Medicaid-Health-Home-State-Options-Brief.pdf

to certain geographic areas, but they are not allowed to exclude Medicaid beneficiaries by age, delivery system (e.g., fee-for-service or managed care), or dual-eligibility status (Medicaid and Medicare). States are allowed to determine health home provider eligibility, and some states use this discretion to design health homes that specifically serve CYSHCN. Examples include children with medical complexity (CMC) served by pediatric specialists, or children with serious mental illness served by behavioral health providers.

Another Health Home option for states was established by the Advancing Care for Exceptional (ACE) Kids Act in 2019. The ACE Kids Act allows states to develop health homes targeted to children with medical complexity starting October 1, 2022. CMS is in the process of releasing guidance to state Medicaid programs and interested parties about this state option.

Public Health Essential Services—Policy Development #5 and 6	Does your state have a Health Home under Section 2703 of the ACA?	
	Reflection Questions:	
	How would the CYSHCN in your state potentially benefit from such a program?	
	Is your state Medicaid agency planning to pursue a Health Home for children with medical complexity (CMC) through the Section 1945A state option?	
	How would the CMC in your state potentially benefit from such a program?	

Reimbursement for Expanded School-based Health Services[35]

In 1997, CMS implemented what was known as the "Free Care Rule", which limited the ability of education systems to bill Medicaid for student health care services. CMS reversed this policy in 2014, creating an opportunity for state education systems to expand reimbursement for school-based health services provided to Medicaid beneficiaries, including CYSHCN.

Public Health Essential Services—Policy Development #5 and 6	*Use this resource to find information about your state: https://docs.google.com/document/d/1u0j1so-se8ohhyl7AcHaaXlGX5l3s0PN2cuIDejXZQw/edit*	
	Has your state taken action to align its Medicaid policy with the reversal of the "Free Care" policy?	
	Reflection Question:	
	How would the CYSHCN in your state potentially benefit from expanding reimbursement for school based health services?	

8. THE CHILDREN'S HEALTH INSURANCE PROGRAM

This workbook focuses on Medicaid. However, the Children's Health Insurance Program (CHIP) is also an important source of coverage for uninsured children and is referenced periodically within this resource. Like Medicaid, CHIP is jointly financed by federal and state dollars, and is administered by each state. CHIP provides health care coverage to uninsured children up to age 19 whose family income is too high for Medicaid, but less than state-specific income eligibility limits.[36] The maximum eligibility level that states can set and still receive the higher federal matching rate that CHIP provides is 300% of the federal poverty level (FPL). In 2019, the median allowed income for eligibility for separate CHIP programs was 255% FPL.[37]

[35] Catalyst Center. (2022). *The Role of Title V Programs in Increasing Access to School-Based Health Services: Opportunities for Bolstering Medicaid Reimbursement*. https://ciswh.org/wp-content/uploads/2022/04/Free-Care-Rule-Explainer.pdf

[36] Centers for Medicare & Medicaid Services. (n.d.-a). *CHIP Eligibility*. https://www.medicaid.gov/chip/eligibility/index.html

[37] Kaiser Family Foundation. (2022, January 1). *Medicaid and CHIP Income Eligibility Limits for Children as a Percent of the Federal Poverty Level*. https://www.kff.org/health-reform/state-indicator/medicaid-and-chip-income-eligibility-limits-for-children-as-a-percent-of-the-federal-poverty-level/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D

Within broad federal guidelines, each state determines the design of its program, eligibility groups, benefit packages, reimbursement rates, and administrative and operating procedures. Federal law allows states to choose from three different program designs for their CHIP programs:[38]

1. Separate CHIP—States design their programs within the statutes of the CHIP program.
2. Medicaid Expansion CHIP (also referred to as CHIP-funded Medicaid)—States cover CHIP-eligible children through their Medicaid program.
3. Combination CHIP—States use elements of the separate CHIP and Medicaid expansion models.

Use the website below to find out what CHIP model your state uses. See the section "State Options for Designing the CHIP Program": https://www.medicaid.gov/chip/state-program-information/index.html	
Using the web page below, indicate the upper income limit for CHIP eligibility in your state. There may be different numbers for different ages if your state uses a CHIP-funded Medicaid model. You can find eligibility data here.	

9. TITLE V AND MEDICAID PARTNERSHIP

Statutory Requirements

Interagency coordination is a statutory requirement for both state Title V and Medicaid programs. This collaboration can take different forms in different states, and is described to varying degrees in each state's interagency agreement (sometimes also known as a Memorandum of Understanding (MOU). Title V's expertise working with CYSHCN and their families as a population and its focus on direct, enabling, and public health services are assets for informing the content of effective interagency agreements. Statutory requirements for collaboration as described by the Maternal and Child Health Bureau include:[39]

- "Medicaid reimburses Title V for services Title V provides to Medicaid-enrolled children (statutorily required: 42 CFR 431.615(c)(3) and (4)).
    - *Example: Check out the Catalyst Center issue brief "Medicaid Reimbursement of Title V Care Coordination Services" (available here: https://ciswh.org/wp-content/uploads/2022/06/CareCoordination-brief-6.27.22.pdf) to learn more. The example from Iowa in particular describes how that state leveraged their EPSDT benefit to reimburse for care coordination services.*

[38] Centers for Medicare & Medicaid Services. (n.d.-b). *CHIP State Program Information*. https://www.medicaid.gov/chip/state-program-information/index.html

[39] Items in this list adapted from: Rosenthal, J., Henderson, M., Dolatshahi, J., Hess, C., Tobias, C., Bachman, S., Comeau, M., Dworetzky, B., & Wilson, K. (2017). *Public Insurance Programs and Children with Special Health Care Needs: A Tutorial on the Basics of Medicaid and the Children's Health Insurance Program (CHIP)*. http://ciswh.org/resources/Medicaid-CHIP-tutorial; and United States Health Resources and Services Administration. (n.d.-a). *Early Periodic Screening, Diagnosis, and Treatment*. Retrieved August 2, 2022, from https://mchb.hrsa.gov/programs-impact/programs/early-periodic-screening-diagnosis-treatment

- Assist with coordination of EPSDT to ensure programs are carried out without duplication of effort. (Section 505 [42 U.S.C. 705] (a)(5)(F)(i) and Section 509 [42 U.S.C. 709] (a)(2))
- Assist in coordination with other federal programs, including supplement food programs, related education programs, and other health and developmental disability programs. (Section 505 [42 U.S.C. 705] (a)(5)(F)(iii))
- Provide, directly or through contracts, outreach, and assistance with applications and enrollment of Medicaid-eligible children and pregnant women. (Section 505 [42 U.S.C. 705] (a)(5)(F)(iv))
- Provide a toll-free number for families seeking information about Title V or Medicaid providers or services. (Section 505 [42 U.S.C. 705] (a)(5)(E))
- Projects designed to increase the participation of obstetricians and pediatricians under Title V or Medicaid. (Section 501 [42 U.S.C. 705] (a)(3)(B))
- Share data collection responsibilities, particularly related to services provided for pregnant women and infants eligible for Medicaid or CHIP. (Section 505 [42 U.S.C. 705] (a)(3)(D))"

STATE SPOTLIGHT:

The Title V program in the District of Columbia collaborates with their Medicaid agency to address disparities in access to EPSDT services. As part of a quality improvement initiative, the two agencies collaborated with DC Public Schools to implement a memorandum of understanding that allows for data sharing to identify Medicaid-enrolled students who have not submitted required health forms and for whom related Medicaid claims have not been filed.* Schools then conduct outreach to families to provide information about preventive services available through Medicaid.

Sources: http://ciswh.org/resources/Medicaid-CHIP-tutorial; and United States Health Resources and Services Administration. (n.d.-a). Early Periodic Screening, Diagnosis, and Treatment. Retrieved August 2, 2022, from https://mchb.hrsa.gov/programs-impact/programs/early-periodic-screening-diagnosis-treatment

As described in the introduction, the 10 Essential Public Health Services are a key framework underpinning this workbook. Complete the table below to assess your state Title V program's level of activity related to the state Medicaid program and level of capacity to collaborate with the state Medicaid agency.

The table below is adapted from State Title V Roles in Health Reforms Including the Affordable Care Act: A Title V State Access to Care Assessment Tool*, A product of the National MCH Workforce Development Center.*

1 – Not applicable 2 – No activity/capacity 3 – Low activity/capacity 4 – Moderate activity/capacity 5 – Strong activity/capacity

Essential Public Health Service	Current Activity and Capacity	Comments
Assess and monitor population health status, factors that influence health, and community needs and assets	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Investigate, diagnose, and address health problems and hazards affecting the population	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Communicate effectively to inform and educate people about health, factors that influence it, and how to improve it	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Strengthen, support, and mobilize communities and partnerships to improve health	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Create, champion, and implement policies, plans, and laws that impact health	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Utilize legal and regulatory actions designed to improve and protect the public's health	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Assure and effective system that enables equitable access to the individual services and care needed to be healthy	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Build and support a diverse and skilled public health workforce	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Improve and innovate public health functions through ongoing evaluation, research, and continuous quality improvement	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	
Build and maintain a strong organizational structure for public health	Activity ☐1 ☐2 ☐3 ☐4 ☐5 Capacity ☐1 ☐2 ☐3 ☐4 ☐5	

10. RESOURCES

- Catalyst Center. Public Insurance Programs and Children with Special Health Care Needs: A Tutorial on the Basics of Medicaid and the Children's Health Insurance Program (CHIP). https://ciswh.org/resources/Medicaid-CHIP-tutorial
- Title XIX of the Social Security Act—ssa.gov, govinfo.gov (tip: search Title XIX Social Security Act)
- Title 42, Chapter IV, Code of Federal Regulations, https://www.ecfr.gov/current/title-42/chapter-IV; https://www.law.cornell.edu/cfr/text/42/chapter-IV
- The Center for Medicaid and CHIP Services (CMCS) within Centers for Medicare and Medicaid Services (CMS). Agency of the U.S. Department of Health and Human Services (HHS). https://www.medicaid.gov/
- Medicaid and CHIP Payment and Access Commission (MACPAC).
  - Annotated Title XIX and Title XXI
  - Reference Guide to Federal Medicaid Laws and Regulations
- Keeping Medicaid's Promise: Strengthening Access to Services for Children and Youth with Special Health Care Needs (2017, Manatt) https://www.manatt.com/insights/white-papers/2019/keeping-medicaids-promise-strengthening-access-to
- Children's Health Insurance Program. Medicaid.gov. https://www.medicaid.gov/chip/index.html
- National Academy of State Health Policy (NASHP). State CHIP Fact Sheets. https://www.nashp.org/all-states-chip-fact-sheets/