

Utah Summary of the CMS Final Rule on Medicaid and CHIP Eligibility, Enrollment, and Renewal and its Impact



On September 7, 2022, CMS issued a proposed rule, [Streamlining the Medicaid, Children’s Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes \[CMS-2421-P\]](#).

This proposed rule would make significant changes to Medicaid and CHIP eligibility, enrollment, and renewal processes. Specifically, the rule proposes changes to facilitate enrollment of new applicants, particularly those dually eligible for Medicare and Medicaid; align enrollment and renewal requirements for MAGI and non-MAGI members; establish new regulations around returned mail; create timeliness requirements for redeterminations of eligibility in Medicaid and CHIP; streamline transitions between Medicaid and CHIP; prohibit premium lock-out periods, waiting periods, and benefit limitations for children enrolled in CHIP; and create new recordkeeping requirements for eligibility and enrollment determinations.

On September 18, 2023 CMS released a final rule, [“Streamlining Medicaid; Medicare Savings Program Eligibility Determination and Enrollment.”](#) The final rule maintains, with some changes, the Medicare Savings Program (MSP) provisions in the proposed rule.

The remaining provisions of the proposed rule that were focused on streamlining Medicaid and Children’s Health Insurance Program (CHIP) eligibility, enrollment, and timeliness standards were made final and released on March 27, 2024, [“Streamlining the Medicaid, Children’s Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes”](#).

Provisions and Compliance Timeframe

Key Provision		Utah Impact
Compliance June 2024		
1	<p>Remove Option to Limit the Number of Reasonable Opportunity Periods (§§ 435.956 and 457.380)</p> <p><i>Eliminates state option to limit the number of reasonable opportunity periods during a coverage year</i></p>	No impact to Utah, we are currently compliant.
2	<p>Apply Electronic Verification and Reasonable Compatibility Standards for Resources (§§ 435.952 and 435.940)</p> <p><i>Clarifies that reasonable compatibility standards also apply to resource verification and that states are not allowed to request additional information when applicant or enrollee resource information is reasonably compatible with the information received from an electronic data source</i></p>	Utah currently does not have a reasonable compatibility test for resources (assets). The state is in the process of modifying asset policy, procedure, training and systems.
3	<p>Improve Transitions Between Medicaid, CHIP, and Marketplace (§§ 431.10, 435.1200, 457.340, 457.348, 457.350, and 600.330)</p> <p><i>If an individual is found ineligible for Medicaid or CHIP and potentially eligible for Marketplace coverage, but has not responded to a renewal form or request for information: 1. Transfer the individual to the appropriate other insurance affordability program (e.g., BHP, Marketplace)</i></p>	<p>Utah currently closes eligibility for Medicaid/CHIP when someone is determined ineligible and then determines eligibility for another program.</p> <p>The state is in the process of modifying policy, procedure and system to ensure an individual maintains coverage while determining eligibility for another program prior to closure.</p>

Utah Summary of the CMS Final Rule on Medicaid and CHIP Eligibility, Enrollment, and Renewal and its Impact



	Key Provision	Utah Impact
4	Option to Establish Optional Eligibility Group for Reasonable Classification of Individuals Under 21 (§ 435.223)	<p>No impact to Utah as this is optional.</p> <p>If the state chooses to adopt this option, we will need to update rules, policy, procedures and system.</p>
<i>Compliance October 2024</i>		
5	Automatically Enroll Certain Supplemental Security Income Recipients into the Qualified Medicare Beneficiary Group (§ 435.909)	<p>Utah is a group payer state and as such, we meet an exception to this rule.</p> <p>If the state chooses to adopt this option, we will need to update rules, policy, procedures and system.</p>
<i>Compliance June 2025</i>		
6	<p>Remove Access Barriers for Children (Premium Lock-Outs, Waiting Periods, and Annual or Lifetime Limits) (§§ 457.570, 600.525, 457.65, 457.340, 457.350, 457.805, 457.810, and 457.480)</p> <p><i>The final rule makes sweeping enrollment changes that will have considerable impact on ensuring continuity of coverage for CHIP and BHP-enrolled individuals.</i></p>	<p>CHIP Premiums will end June 30, 2024, therefore the lock-out does not impact Utah.</p> <p>Utah currently has a 90 day waiting period for individuals who have voluntarily terminated health insurance, with few exceptions. This will need to change to no waiting period.</p> <p>Utah currently has annual limits to dental and orthodontia benefits. This will need to be changed to remove lifetime limits.</p> <p>The state will need to modify policy, procedure, systems and contracts.</p>

Utah Summary of the CMS Final Rule on Medicaid and CHIP Eligibility, Enrollment, and Renewal and its Impact



	Key Provision	Utah Impact
7	<p>Remove the Requirement to Apply for Other Benefits (§§ 435.608 and 436.608)</p> <p><i>This will eliminate the requirement that individuals apply for other benefits for which they may be entitled to as a condition of medicaid eligibility (e.g. Social Security Disability Insurance and retirement benefits, unemployment compensation).</i></p>	<p>The state will need to modify policy, procedure, and systems.</p>
<i>Compliance December 2025</i>		
8	<p>Act on Updated Address Information from reliable third-party data sources (§§ 435.919 and 457.344)</p>	<p>The state currently acts on updated address information on returned mail with a United States Postal Service (USPS) forwarding address and when information is received from a contracted managed care plan.</p> <p>This was a temporary flexibility and needed to become permanent with the final rule.</p> <p>Need to establish a link to the National Change of Address (NCOA) database and add automatic searches in the eREP system.</p>
<i>Compliance April 2026</i>		
9	<p>Facilitate Enrollment in the Medicare Savings Programs Using Part D Low-Income Subsidy Data (42 CFR §§ 435.4, 435.601, 435.911, and 435.952)</p>	<p>The state currently uses LIS lead data to initiate a Medicare Cost Sharing (MSP) application. Several processes will need to be updated to match the rule. The state will need to modify policy and procedure to complete Medicaid determination for LIS lead data.</p>

Utah Summary of the CMS Final Rule on Medicaid and CHIP Eligibility, Enrollment, and Renewal and its Impact



	Key Provision	Utah Impact
		The state will also need to modify MSP asset policy to align with LIS income and asset criteria if the state chooses to pick up the option of aligning targeted income and resource disregards.
10	Facilitate QMB Enrollment by Making the QMB Effective Date Earlier in Group Payer States (§ 406.21)	This new rule has an exception for group payer states. Utah is a group payer state and as such we are not required to implement. If the state chooses to adopt this option, we will need to modify policy and procedure for the QMB start date. Members will not have to request this to happen.
<i>Compliance June 2026</i>		
11	Facilitate Enrollment by allowing medically needy individuals to deduct prospective medical expenses (§§ 435.831 and 436.831)	No impact to Utah. We do not reconcile for budget periods with institutional or non-institutional Medically Needy populations.
12	Maintain Records Electronically (§§ 431.17, 435.914, and 457.965)	No impact to Utah. Utah has an indefinite period of retention for the required records in the CFR.
13	Accept Additional Forms of Electronic Verification of Citizenship (§ 435.407) <i>The final rule further simplifies Medicaid citizenship and identity verification processes to ensure access to coverage for eligible individuals.</i>	No impact to Utah.

Utah Summary of the CMS Final Rule on Medicaid and CHIP Eligibility, Enrollment, and Renewal and its Impact



	Key Provision	Utah Impact
<i>Compliance June 2027</i>		
14	<p>Align Modified Adjusted Gross Income (MAGI) and Non-MAGI Enrollment/Renewal Requirements (§§ 435.907 and 435.916) <i>The final rule extends certain MAGI enrollment and renewal simplifications to non-MAGI populations. While alignment will significantly reduce administrative barriers due to age or disability, it will require a heavier operational and IT systems lift from states.</i></p>	<p>The state will need to modify rules, policy, procedures, and systems.</p>
15	<p>Act on Changes in Circumstances (§§ 435.916, 435.919, 457.344, and 457.960) <i>The final rule clarifies expectations for state Medicaid and CHIP agencies when they receive information from an enrollee or a third-party data source about a potential change in circumstances.</i></p>	<p>The state will need to modify policy, procedure and systems to allow for a 90 day reconsideration period.</p>
16	<p>Meet New Timeliness Requirements at Application, at Renewal, and Upon Changes in Circumstances (§§ 435.907, 435.912, 457.340, and 457.1170) <i>The rule adds requirements related to submission of additional information in the application process and timeframes for determinations at application, at renewal, and upon changes in circumstances.</i></p>	<p>The state will need to modify policy, procedure and systems to allow for a 90 day reconsideration period and 45 or 90 days to complete renewals.</p>