

Notice of Public Information
Illinois Department of Healthcare and Family Services
Section 1115 Research and Demonstration Waiver

The Illinois Department of Healthcare and Family Services (HFS) is providing public notice of its intent to submit to the Centers for Medicare & Medicaid Services (CMS) a written application to request approval of a Section 1115 Research and Demonstration Waiver and to hold public hearings to receive comments on this proposal pursuant to Title 42, Section 431.408, Code of Federal Regulations.

Program Description, Goals, and Objectives

This demonstration application seeks to improve health outcomes through the promotion of continuity of care while also promoting administrative simplifications for the Illinois Medicaid program. The following initiatives will help the Department achieve these goals:

1) Extending postpartum coverage from 60 days to 12 months

Illinois proposes to extend Medicaid coverage for women in the pregnant women category of eligibility from 60 days postpartum to 12 months postpartum. The extended postpartum coverage is for full Medicaid benefits for women up to 200% of the federal poverty level (FPL), which is the income threshold for the Medicaid pregnant women category of eligibility in Illinois.

Illinois also proposes to align continuous eligibility for the mom and baby so that both are eligible through 12 months after delivery. Additionally, if a woman applies during the 12 month postpartum period, Illinois proposes enrolling her in the pregnant women category of eligibility for the remainder of her 12 month postpartum period.

The goal of this proposal is to reduce maternal morbidity and mortality in Illinois by providing additional health care access and care coordination support to new mothers during the entire medically-vulnerable postpartum period.

2) Managed care reinstatement within 90 days

The state proposes to allow Medicaid beneficiaries to be retro-enrolled into their prior Medicaid MCO within 90 days of losing Medicaid coverage due to late submission of a renewal form. Federal requirements limit reinstatement to 60 days.

The goal of this proposal is to minimize churn between Medicaid Fee-for-Service (FFS) and managed care to increase continuity of coverage and improve MCO quality oversight. This policy will not have an impact on the number of individuals eligible for Medicaid; it only impacts the number of months Medicaid beneficiaries are enrolled in Medicaid MCOs versus Medicaid FFS.

3) Waiving Hospital Presumptive Eligibility

Illinois proposes to waive the requirement to permit hospitals to make presumptive eligibility determinations. The waiver request will include the removal of all six required Hospital Presumptive Eligibility (HPE) groups: children, pregnant women, former foster care, parent or caretaker relatives, breast and cervical cancer, and single adults made eligible under the Affordable Care Act. Removal of HPE requirements would not impact Medicaid eligibility requirements for these six groups; they all would remain eligible with the same requirements that exist today.

The goal of this proposal is to promote continuity of care with full benefit Medicaid applications and reduced processing times by avoiding the administrative complexities involved with HPE.

Healthcare Delivery System

1) Extending postpartum coverage

In Illinois, women who are eligible for Medicaid benefits under the pregnant women category generally are enrolled in Medicaid Managed Care Organizations (MCOs). Extending coverage from 60 days to 12 months postpartum gives Medicaid MCOs the ability to provide care coordination and support for both the mother and baby during the pregnancy, labor and delivery, and the entire postpartum period.

Care coordination is provided through Medicaid MCOs, but it is not a covered benefit under the Health Insurance Marketplace Qualified Health Plans. Additionally, an extension of Medicaid coverage through 12 months postpartum maximizes continuity of care by allowing women to keep seeing the doctors they saw throughout their pregnancy and the first 60 days postpartum period without a gap or transition of care during a medically vulnerable time.

2) Managed care reinstatement within 90 days

Late submissions that are not processed within 60 days currently result in Medicaid beneficiaries being reinstated in Medicaid FFS despite most of these beneficiaries being enrolled in a Medicaid MCO at the time their Medicaid eligibility terminated. This proposal prevents disruptions in care, otherwise known as “churning,” at a systemic level, which can be challenging for beneficiaries and MCOs managing individual care needs. Churning disrupts communication with care coordinators, creates potential confusion at the beneficiary and provider level over standing prior authorizations and transportation arrangements, and can create gaps in claims history for MCOs monitoring members’ care.

3) Waiving Hospital Presumptive Eligibility

HPE coverage is, at its essence, temporary coverage and does not align with Illinois’ promotion of continuity of care. The state instead wishes to encourage applications for full Medicaid coverage, allowing a client to have coverage as long as they remain eligible. While HPE applications may be followed by a full Medicaid application, the process does not incentivize the hospital or client to submit a follow-up application once the hospital stay is covered through HPE.

Eligibility Requirements

1) Extending postpartum coverage

Illinois proposes to extend Medicaid coverage for women up to 200% FPL in the pregnant women category of eligibility from 60 days postpartum to 12 months postpartum. Additionally, Illinois seeks to align continuous eligibility for the mom and baby to be 12 months after delivery. Extending continuous eligibility for the full postpartum period allows the mother’s healthcare needs to continue uninterrupted and allows Illinois to redetermine the mom and baby at the same time, creating efficiencies for caseworkers.

2) Managed care reinstatement within 90 days

This policy will not have an impact on the number of individuals eligible for Medicaid; it only impacts the number of months Medicaid beneficiaries are enrolled in Medicaid managed care in place of Medicaid FFS.

3) *Waiving Hospital Presumptive Eligibility*

Removing HPE requirements would not change Medicaid eligibility for anyone; it merely promotes the use of traditional application methods.

Benefits and Cost-Sharing Requirements

This 1115 waiver does not change the Medicaid benefit package design; there is no new cost-sharing, copayments, or coinsurance for any benefit provided under the waiver. State Plan benefits will continue to be applied in accordance with the State Plan and all eligibility groups will continue to receive all State Plan benefits.

Enrollment and Expenditures

1) *Extending postpartum coverage*

HFS estimates that extending coverage through the full 12 month postpartum period with continuous eligibility will result in coverage of an additional 55,788 postpartum member months per year for U.S. Citizens, an additional 1,211 postpartum member months qualified immigrants who meet the five year waiting period, and an additional 5,933 postpartum member months for qualified immigrants in their five year waiting period.

Costs for U.S. Citizens and qualified immigrants who meet the five year waiting period are considered hypothetical per the August 22, 2018 State Medicaid Director Letter (SMD #18-009). Qualified immigrants in their five-year waiting period are currently covered in the pregnant women category of eligibility 60 days postpartum using Health Services Initiative (HSI) funding. Illinois seeks to use HSI funding to extend coverage for qualified immigrants in their five-year waiting period from 60 days to 12 months postpartum; the total estimated new liability is about \$2.1 million.

Additionally, because U.S. Citizens and qualified immigrants who lose Medicaid coverage after 60 days postpartum are currently eligible for Premium Tax Credits (PTCs) on the Marketplace, a Medicaid postpartum extension will result in savings to the federal government in addition to increasing continuity of care and providing continued access to care coordination support. In 2019, the average Marketplace PTC in Illinois was \$525 per month. In contrast, the weighted 2019 MCO rate for women ages 14 through 44 was \$279 per month. If Medicaid coverage is extended through 12 months postpartum, mothers eligible for the extended coverage would no longer be eligible for Marketplace PTCs due to an offer of alternative minimum essential coverage (Medicaid), resulting in aggregate savings to the federal government.

2) *Managed care reinstatement within 90 days*

This policy will not have an impact on the number of individuals enrolled in Medicaid coverage; it only impacts the number of months Medicaid beneficiaries are enrolled in Medicaid MCOs instead of Medicaid FFS. Costs are considered hypothetical per SMD #18-009.

3) *Waiving Hospital Presumptive Eligibility*

Removing HPE requirements would not change Medicaid eligibility for anyone; it merely promotes the use of traditional application methods. Additionally, because Illinois has yet to implement HPE, waiving the implementation and administration of a new HPE program prevents new Medicaid costs for Illinois. Costs are considered hypothetical per SMD #18-009.

Hypotheses and Evaluation

Overview of the hypotheses and goals associated with each waiver policy.

Goal 1: Reduce maternal morbidity and mortality in Illinois.

Hypothesis: Extending eligibility for pregnant women from 60 days to 12 months postpartum will reduce maternal morbidity and mortality by 1) providing continued MCO care coordination and continuity in provider networks at a medically vulnerable time, and 2) allowing HFS to leverage its MCO performance management infrastructure to improve health outcomes for postpartum women.

Goal 2: Minimize churn between Medicaid MCOs and FFS to increase continuity of coverage and improve MCO quality oversight.

Hypothesis: Allowing a 90 day reinstatement period will 1) increase continuity of care by preventing gaps in MCO coverage with care coordination support, and 2) allow for more complete MCO quality measurement through HEDIS reporting.

Goal 3: Promote continuity of care through full benefit Medicaid applications and improved application processing times.

Hypothesis: Waiving HPE will promote full Medicaid benefit coverage by 1) continuing to promote hospitals assisting with full benefit Medicaid applications, and 2) allowing HFS to continue to improve application processing times by preventing the need for duplicative HPE applications.

Waiver and Expenditure Authorities

The State requests the following waivers:

1. Waiver of § 1902(a)(10)(A) and 1902(e)(5) and (6), to the extent necessary, to extend eligibility for pregnant women from 60 days postpartum to 12 months postpartum and to implement continuous eligibility for the entire postpartum period.
2. Waiver of § 1902(e)(2), to the extent necessary, to reinstate Medicaid beneficiaries into their prior Medicaid MCO within 90 days of losing Medicaid coverage due to late submission of Medicaid redetermination paperwork.
3. Waiver of § 1902(a)(47), to the extent necessary, to waive hospital presumptive eligibility and apply streamlined eligibility redetermination rules.

The State requests expenditure authority for women up to 200% FPL in the pregnant women category of eligibility through the full 12 month postpartum period.

Public Notice and Input

The draft waiver application is available for public review at the Public Notices link located on the HFS web site: <http://www.illinois.gov/hfs/>. Copies of the draft waiver application will also be available at the location provided below.

Written comments concerning these proposed changes will be accepted on or before December 27, 2019. Comments may be sent to:

Illinois Department of Healthcare and Family Services
Division of Medical Programs
Bureau of Program and Policy Coordination
201 South Grand Avenue East
Springfield, IL 62794
Email address: hfs.bpra@illinois.gov

The State will host two public hearings and will provide interested stakeholders the opportunity to learn about and provide input into HFS's proposed Section 1115 Demonstration.

Monday, December 9, 2019

10:00 AM to 12:00 PM

Illinois Department of Healthcare and Family Services
1st Floor Video Conference Room
401 S. Clinton Street
Chicago, IL 60607

There will be a conference line option for this meeting. Call-in information will be posted with the waiver information at the web site and link provided above

Tuesday, December 10, 2019

10:00 AM to 12:00 PM

Memorial Center for Learning and Innovation
2A Curtis Theatre Classroom
228 W. Miller Street
Springfield, IL 62702

Written comments will be accepted at the public hearings. The outcome of this process and the input provided will be summarized for CMS upon submission of the demonstration application. A summary of comments will be posted for public viewing at <http://www.illinois.gov/hfs/> along with the waiver application when it is submitted to CMS.