



State of Louisiana
Louisiana Department of Health
Bureau of Health Services Financing

December 2, 2024

James G. Scott, Director
Division of Program Operations
Medicaid & CHIP Operations Group
601 East 12th Street, Room 0300
Kansas City, Missouri 64106-2898

RE: LA SPA TN 24-0005 CHIP Continuous Eligibility

Dear Mr. Scott:

Please refer to our proposed CHIP State Plan amendment submitted under transmittal number (TN) 24-0005 with a proposed effective date of January 1, 2024. The purpose of this SPA is to amend the provisions governing CHIP eligibility to require the State to provide 12 months of continuous eligibility (CE) for children under the age of 19 in CHIP.

We are providing the following in response to your request for additional information (RAI) dated August 9, 2024:

1. Louisiana indicated in its response to our informal questions that for children transitioning from a separate CHIP to Medicaid, the state currently maintains the child's enrollment in Medicaid until the end of their original CHIP CE period. States are required to start a new 12-month CE period at the time a child transitions from CHIP to Medicaid. Section 1902(e)(12) of the Act requires that states provide a child with a 12-month CE period based on the date they were determined eligible for Medicaid, even if that child is transitioning to Medicaid from CHIP. CMS is currently revising State Health Official Letter #23-004 to reflect this policy.

Please provide the date by which Louisiana will be able to update its policy and make system upgrades to begin a new CE period for a child who transitions from separate CHIP to Medicaid.

LDH Response:

The State will be able to update its policy and implement a data fix to begin a new CE period for children who transition to Medicaid from a separate CHIP by September 30, 2024, and make system enhancements by May 31, 2025. These dates are subject to change.

Please also clarify whether Louisiana will be able to institute a manual work around in the interim period prior to implementation of a permanent systems change.

LDH Response:

A manual workaround will not be possible prior to implementation of the data fix.

CMS Follow-up on 10/2:

Did Louisiana begin providing a new 12-month CE period for children moved from a separate CHIP to Medicaid on September 30, 2024? If not, please provide a date certain for this change, in order for CMS to move forward with processing this SPA.

LDH Response:

Louisiana is not providing a new 12-month CE period for children transitioned from CHIP to Medicaid. Louisiana will make this change by May 31, 2025.

2. We held a call with Louisiana on May 21, 2024, to provide technical assistance to the state on removing the non-payment of premium exception to the CE period. It is our understanding that the state no longer terminates children for failure to pay premiums during the CE period. During the call, the also state said it would like additional technical assistance on the option of terminating children at the end of the CE period and how that interacts with CHIP noticing, premium lock-out, premium grace and renewal rules. Louisiana has also expressed concern with making related eligibility and enrollment system changes. The state indicated that at the end of the CE period, it is interested in requiring “individuals who have unpaid premiums, which are at least 60 days past due at the end of the CE period, to pay for the first month’s premium of the new CE period. Failure to meet the first premium requirement of the new CE period would result in termination.” In order to better understand the state’s proposal, please:
 - a. Clarify whether the state is currently terminating children at the end of the CE period for premiums that are at least 60 days past due.

LDH Response:

Currently, the State does not terminate CHIP for failure to pay premiums during the CE period or at the end of the CE period for premiums that are at least 60 days past due.

- b. Provide CMS with scenarios of what Louisiana is currently doing at the end of a child’s CE period and what the state is proposing to do at the end of a CE period when a premium is at least 60 days past due. Please describe the process in detail, including the various actions, such as noticing, application of the premium lock-out period, grace period, disenrollment, and what is required to reenroll in the program. Please also specify the timing of each action.

LDH Response:

Currently, a child with outstanding premiums at the end of the CE period will go through the renewal process and, if eligible, renewed for a new eligibility period and a new CE period. If no longer eligible due to factors other than non-payment of CHIP premiums at least 60 days past due, CHIP will terminate after advance notice.

Proposed process

Scenario 1:

- CHIP child has an eligibility/CE period of January 2023 through December 2024.
- October 20, 2024 Ex-parte renewal process determines child continues to be CHIP eligible.
- There exists non-payment of CHIP premiums for August, September, and October 2024. Premiums are due the 10th of each month. August premium is over 60 days past due.
- Decision notice is generated on October 20, 2024
 - Informs of the eligibility decision-contingent upon payment of the first premium in the new eligibility/CE period;
 - Explains that child will not have access to benefits after December 31, 2024, due to past due premiums; and
 - Explains that the January 2025 premium is required before the child is able to access benefits in the new coverage period.
- January premium collected on January 10
- Access to benefits restored with no gap in coverage.

CMS Follow-up on 10/2:

Can the state please clarify whether in both scenarios 1 above and 2 below, January 2023 is a typo, and the state means January 2024?

LDH Response:

Louisiana will withdraw the request for CMS to consider in earnest this precedent setting approach.

Scenario 2:

- CHIP child has an eligibility/CE period of January 2023 through December 2024
- November 10, 2024 standard renewal process determines child continues to be CHIP eligible
- There exists non-payment of CHIP premiums for August, September, and October 2024. November premium is due the 10th. August premium is over 60 days past due
- Decision notice is generated on November 20, 2024
- First month's premium is not collected by January 31, 2025
- CHIP is terminated effective February 1, 2025

CMS Follow-up on 10/2:

For background purposes, children may be disenrolled at the end of the 12-month continuous eligibility period if they have any unpaid premium balance, provided that the state has provided the family with a minimum 30-day premium grace period and notice no later than 7 days after the first day of the grace period that failure to make a premium payment within the grace period will result in termination of coverage, as required under section 2103(e)(3)(C) of the Act. The state also must provide the family with a termination notice, which must comply with the requirements specified in 42 CFR § 457.340(e), including the requirement in §457.340(e)(1)(ii)(B) for the notice to include information on the family's right to a review process, in accordance with § 457.1180.

In conducting the renewal due at the end of the child's CE period, states must ensure that the family has an opportunity to pay any outstanding premium balance before the end of the CE period, such that coverage can continue without interruption if the child continues to meet all eligibility requirements.

Under this scenario, please specify in detail what currently happens after the child is terminated on February 1, 2025. What is needed for the child to re-enroll in CHIP?

Please also confirm our understanding that the state has already eliminated its premium lock-out period. We are assuming this is the case because the state is not currently terminating coverage for late premiums.

LDH Response:

Louisiana will withdraw the request for CMS to consider in earnest this precedent setting approach.

For children who are determined at renewal to remain eligible in the CHIP program but have an unpaid premium balance, will be provided a notice and 30-day grace period for premium payment. Failure to make the premium within the grace period will result in termination following the termination notice. Payment of outstanding premiums will not be a condition of reenrollment after termination for non-payment of premiums.

- c. Clarify whether the state is envisioning charging the initial premium *only* to children who had past due premiums during the first CE period, or to *all* children who are applying to (or re-enrolling in) CHIP.

LDH Response:

The State envisions only requiring the initial premium for children who are in non-pay status and at least 60 days past due at the time of the annual renewal of CHIP.

CMS Follow-up on 10/2:

Louisiana's proposed approach (requiring a specific subset of children pay their premium prior to re-enrollment in CHIP) would be precedent setting in CHIP. Please clarify whether the state is requesting this approach be considered in earnest by CMS. If this is the case, we will need to explore this proposal with our leadership.

LDH Response:

Louisiana will withdraw the request for CMS to consider in earnest this precedent setting approach.

3. In response to our questions related to the from-conception-to-end-of-pregnancy (FCEP) population, the state responded that eligibility and enrollment system changes are needed "to screen FCEP newborns for Medicaid and, if eligible, begin a new 12-month CE period or, if not eligible for Medicaid, maintain coverage in CHIP for the duration of the 12-month CE period." The state also indicates that all newborns are deemed eligible in Medicaid. We have the following questions about these statements.
 - a. Our understanding is that Louisiana is deeming all infants into Medicaid, but that CHIP is paying for labor and delivery per its CS27 submission. Is this correct?

LDH Response:

Yes, that is correct.

- b. Is the state automatically enrolling infants previously covered under the FCEP population into the Deemed Newborn eligibility group in Medicaid or is there a separate eligibility group for these newborns? If the state is enrolling these infants into the Deemed Newborn eligibility group, is the state verifying their citizenship?

LDH Response:

The State is automatically enrolling the infants into the Deemed Newborn eligibility group. The newborn is a U.S. citizen by birth; a person born in the U.S. The State receives proof of the birth, most commonly from the hospital where the child was delivered, prior to enrolling the infant into the Deemed Newborn eligibility group.

- c. Is the state currently beginning a new 12-month CE period when children are deemed eligible to Medicaid?

LDH Response:

The State provides the newborn child Medicaid coverage from birth until the child's first birthday, regardless of changes in circumstances unless the child dies, ceases to be a resident of the state, or the child's representative requests voluntary termination of eligibility.

- d. The state indicates that it "needs system changes to implement CE policies for the FCEP related newborn population. Those changes are currently projected to be

completed by March 2025.” Please describe what system changes the state intends to make related to the FCEP population.

LDH Response:

The State intends to screen the FCEP newborn for potential eligibility for Medicaid at birth. System changes are required to add the newborn information to the system and complete a screening based on information available to the State without contacting the individual. If the newborn were to be added to the system today as a new family member who is requesting coverage, there isn’t anything in place to prevent the child from being determined ineligible or prevent requests for information from being created.

System changes are required to maintain the newborn coverage in CHIP for the duration of the 12-month CE period if the newborn is not eligible for Medicaid. Currently only the newborn’s mother is in the system as CHIP eligible. Her eligibility must terminate, and the newborn must be added to the system as the CHIP eligible individual for the remainder of the CE period.

CMS Follow-up on 10/2:

To clarify, the newborn child is the covered CHIP beneficiary (rather than the mother) and was receiving services through the FCEP coverage. Upon birth of the child, they should be screened for coverage in Medicaid. In Louisiana, it is our understanding that the FCEP population is covered up to 209% FPL while Medicaid is 212% and CHIP is 250%. As a result, when the newborn is born, the child would likely be eligible for Medicaid and shouldn’t remain in CHIP. If the state has verified income used at the time of eligibility for FCEP, then no additional screening information should be necessary.

1. Can the state please provide a scenario in which the newborn may not be eligible for Medicaid?

LDH Response:

The family reports increased income (above 212 percent of the FPL) after initial enrollment.

2. What would the screening process find?

LDH Response:

The screening process would look for the latest income record.

3. Based on the response above, does the state want to change its current process of deeming the newborns eligible for Medicaid or is it trying to satisfy the screening process?

LDH Response:

Louisiana does not want to change the current process, but wants to satisfy the screening requirement.

Louisiana’s interpretation of the guidance in SHO #23-004 is that it must change the current process for deeming the newborn’s (no checks other than

verifying; 1) mother is still eligible at time of birth, and 2) the child's name and date of birth from the provider) in order to satisfy the screening process.

According to CMS guidance, State action depending on the result of the screening is as follows:

- a. *The screening identifies potential eligibility for Medicaid.* The State must transition the newborn to Medicaid. As CMS clarified previously, states are required to start a new 12-month CE period at the time a child transitions from CHIP to Medicaid. Section 1902(e)(12) of the Act requires that states provide a child with a 12-month CE period based on the date they were determined eligible for Medicaid, even if that child is transitioning to Medicaid from CHIP. CMS is currently revising State Health Official Letter #23-004 to reflect this policy.**
- b. *The screening does not indicate potential eligibility for Medicaid.* The State must maintain the newborn's coverage in CHIP for the duration of the 12-month CE period (beginning on the effective date of coverage under the FCEP option).**

Please consider this as a formal request to begin the 90-day clock. As always, we appreciate the assistance and guidance CMS has provided in resolving these issues. We trust this RAI response will result in the approval of the pending SPA. If additional information is required, you may contact Marjorie Jenkins via email at Marjorie.Jenkins@la.gov or by phone at (225) 342-3881.

Sincerely,

Kimberly Sullivan, J.D.
Medicaid Executive Director

KS:MJ:KC