Lessons from California

Hospital Presumptive Eligibility

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THE ISSUE:

The Affordable Care Act (ACA) requires all states to implement Hospital Presumptive Eligibility (HPE) as of January 2014. Similar to presumptive eligibility for children and pregnant women, HPE allows individuals who are potentially eligible for Medicaid to apply at qualified hospitals and receive Medicaid benefits for up to two months. Once granted HPE, hospitals must provide the individual with a single, streamlined application that he or she must submit within the two months of HPE eligibility to retain benefits. HPE allows potentially eligible individuals to immediately receive services and helps identify and enroll uninsured individuals eligible for Medicaid. Although states have some flexibility as to how to implement HPE, they must comply with federal requirements and obtain approval from the Centers for Medicare and Medicaid (CMS) via a State Plan Amendment (SPA).

California's HPE program began in January 2014, with almost 300 hospitals certified as HPE providers to date. To be eligible, individuals must be state residents, attest to income eligibility, cannot have received HPE benefits in the last 12 months, and may not be "currently enrolled in an insurance affordability program." However, advocates began assisting uninsured consumers who were HPE eligible but had been incorrectly denied because they had previously been found eligible for marketplace coverage (Covered California) and premium tax credits (PTC). Although these individuals may have previously been eligible for PTC, they chose not enroll in marketplace coverage at that time and were now attesting to a lower income that made them eligible for Medicaid. Thus, contrary to the state's own guidance, individuals who were otherwise eligible and not "currently enrolled" in other coverage were denied HPE.

ADDITIONAL RESOURCES

42 C.F.R. § 435.1110

CMS HPE Toolkit for states

CMS January 2014 FAQ on HPE

Promising HPE Practices (Families USA)

STRATEGY AND ACTIONS:

Advocates provided examples of these denials to California's Medicaid agency, the California Department of Health Care Services (DHCS), hoping for a policy clarification. However, DHCS asserted that the HPE denials were valid because the individual had once been found eligible for an insurance affordability program, even if not currently enrolled, and thus was not eligible for HPE. NHeLP concluded that DHCS was not complying with federal law and its own guidance. In addition, California's web-based HPE eligibility IT system could not verify whether an individual was currently enrolled in a Covered California plan but rather could only verify that the individual had previously applied and had been found eligible at one time. Due to DHCS' refusal to correct the problem, NHeLP drafted a demand letter and raised the state's violation with CMS, who had yet to approve California's HPE SPA.

Fortunately, as a condition of approving California's HPE SPA, CMS required DHCS to submit a mitigation plan and grant HPE to currently uninsured, eligible individuals, regardless of any previous eligibility determination, and to make necessary IT system changes no later than December 31, 2015. In the interim, DHCS is required to develop a manual workaround no later than April 2015 and re-determine eligibility for all individuals who had been incorrectly denied HPE in the past. DHCS has since decided to implement the IT fixes by April 2015, rather than create a manual workaround and delay the IT changes. DHCS also agreed to re-train HPE providers via a provider bulletin that advocates will be able to review. NHeLP and advocates will monitor the system changes and ensure DHCS re-determines eligibility for all those who were incorrectly denied HPE in the past year.

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