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June 30, 2022

Sarah deLone, Director
Children and Adults Health Programs Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

Dear Ms. deLone:

Upon the end of the Public Health Emergency, Illinois will have a large volume of eligibility and enrollment actions to complete. Illinois anticipates operational and systems challenges in the timely completion of these eligibility and enrollment actions in large part due to an unprecedented caseload of renewals that the state will need to process, coupled with hiring and staffing challenges that the state continues to work through.

The March 3, 2022 Centers for Medicare & Medicaid Services (CMS) State Health Official (SHO) letter #22-001, "*Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency,*" describes strategies states may request to assist in addressing the challenges states may face as part of a transition to routine operations. CMS can authorize these strategies under Section 1902(e)(14)(A) of the Social Security Act ("1902(e)(14)(A) strategies").

During this transition period, Illinois is requesting that CMS approve the 1902(e)(14)(A) strategies outlined below to protect beneficiaries from inappropriate terminations and reduce state administrative burden:

1. *Renewal for Individuals Based on SNAP Eligibility*

Illinois requests to temporarily renew Medicaid eligibility for individuals under 65 years of age who are receiving benefits under the Supplemental Nutritional Assistance Program (SNAP), despite the differences in household composition and income-counting rules. Under this authority, Illinois seeks to renew Medicaid eligibility for SNAP participants whose gross income as determined by SNAP is under the applicable MAGI threshold for Medicaid eligibility without conducting a separate MAGI-based income redetermination. This authority is needed to address the extraordinarily high volume of renewals and other eligibility and enrollment actions that we will need to conduct during the unwinding period.

Illinois requests that this authority be effective July 1, 2022 and remain effective for renewals initiated through the end of our 12-month unwinding period, as defined in SHO #22-001.

2. **Facilitating Renewal for Individuals with no Asset Verification System (AVS) Data Returned within a Reasonable Timeframe**

Illinois requests that CMS grant time-limited authority to assume there has been no change in resources that are verified through the AVS when no information is returned through the AVS or when the AVS call is not returned within a reasonable timeframe, and to complete an *ex parte* renewal process without any further verification of assets. This authority is needed to address the extraordinarily high volume of renewals and other eligibility and enrollment actions that we will need to conduct during the unwinding period. We anticipate staffing challenges will make completion of timely redeterminations very challenging while performing other eligibility processing.

If the state receives information from the AVS indicating potential ineligibility after a beneficiary has received notice that their coverage has been renewed, the state will treat such information as a change in circumstances that may affect eligibility and redetermine the beneficiary's eligibility in accordance with 42 C.F.R. § 435.916(d). The state also assures that it will notify individuals whose eligibility is renewed using this authority that they must inform the agency if any of the information relied upon by the state is inaccurate, consistent with 42 C.F.R. § 435.916(a)(2)(ii), and that it will redetermine the beneficiary's eligibility in accordance with 42 C.F.R. § 435.916(d) if the individual informs the agency of any such inaccuracies that may impact eligibility.

Illinois requests that this authority be effective July 1, 2022 and remain effective for renewals initiated through the end of our 12-month unwinding period, as defined in SHO #22-001.

3. **Partnering with Managed Care Plans to Update Beneficiary Contact Information**

Illinois requests to temporarily permit the acceptance of updated enrollee contact information from managed care plans without additional confirmation from the individual. Under this authority, the state would treat updated contact information confirmed by and received from the plan as reliable and update the beneficiary record with the new contact information without first sending a notice to the beneficiary address on file with the state. This request is based on identified system issues that prevent Illinois from implementing the policy to first contact the beneficiary to confirm the accuracy of updated contact information received from managed care plans prior to entering the updated contact information received into its system as the address of record. Our systems issue is that Illinois' eligibility system does not have room for two separate addresses. Given that Illinois would not be able to partner with managed care plans to update beneficiary contact information without this authority, Illinois seeks this authority to protect beneficiaries in the aggregate by reducing the risk of procedural terminations for many beneficiaries. Illinois requests that this authority apply to both Medicaid and CHIP populations.

Illinois assures the following during implementation of this option:

- The managed care plans will only provide updated contact information received directly from or verified with the beneficiary, an adult who is in the beneficiary's household or family, or the beneficiary's authorized representative recognized by the health plan.
- Illinois will not accept contact information provided to the plan by a third party or other source if not independently verified by the plan with the beneficiary, an adult who is in the beneficiary's household or family, or the beneficiary's authorized representative recognized by the health plan; and
- The beneficiary contact information provided by the managed care plan is more recent than the information on file with the state. Illinois will compare the date received from the managed care plan to the date we have on file in our eligibility system before changing the record.

Illinois requests that this authority be effective July 1, 2022 and remain effective until 14 months after the end of the month in which the public health emergency for COVID-19, as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. § 247d), ends.

4. Extending Automatic Reenrollment into Medicaid Managed Care Plans up to 120 Days

Illinois requests to temporarily auto reenroll beneficiaries into their managed care plan for individuals who are reenrolled into Medicaid after a loss of Medicaid coverage for 120 days. Under current policy, consistent with the state's approved 1115 waiver, Medicaid managed care contracts must provide for automatic enrollment for individuals who are reenrolled into Medicaid after a loss of coverage for 90 days or less. Illinois requests to extend this automatic reenrollment period to 120 days. Illinois requests that this authority apply to both Medicaid and CHIP populations.

In implementing this option, Illinois will comply with 42 C.F.R. § 438.56(c)(2)(iii), which requires that enrollees subject to automatic reenrollment under 42 C.F.R § 438.56(g), be permitted to request disenrollment without cause if the temporary loss of Medicaid eligibility has caused the beneficiary to miss their annual disenrollment opportunity.

Illinois requests that this authority be effective July 1, 2022, and remain effective until 17 months after the end of the month in which the public health emergency for COVID-19, as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. § 247d), ends.

5. Use USPS Mail Forwarding Service to Update Beneficiary Contact Information

Illinois requests to temporarily permit the acceptance of updated enrollee contact information from the United States Postal Service (USPS) without additional confirmation from the individual. Under this authority, the state would treat updated contact information received from the USPS as reliable and update the beneficiary record with the new contact information without first sending a notice to the beneficiary address on file with the state. This request is based on identified operational issues in anticipation of a high volume of returned mail. Illinois seeks this authority to protect beneficiaries in the aggregate by reducing the risk of procedural terminations for many beneficiaries. Illinois requests that this authority apply to both Medicaid and CHIP populations.

Illinois requests that this authority be effective July 1, 2022 and remain effective until 14 months after the end of the month in which the public health emergency for COVID-19, as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. § 247d), ends.

6. Extended Timeframe to Take Final Administrative Action on Fair Hearing Requests

Illinois requests to temporarily extend the timeframe permitted for the state to take final administrative action on fair hearing requests from 90 to 180 days, excluding requests for an expedited fair hearing in accordance with 42 C.F.R. § 431.224. As part of this request, Illinois assures that it will:

- Provide benefits pending the outcome of a fair hearing decision (including reinstating benefits), regardless of whether or not a beneficiary has requested a fair hearing prior to the date of the adverse action or whether the beneficiary has requested benefits pending;
- Not extend the timeframe to take final administrative action for a fair hearing request where benefits cannot be provided pending the outcome of the fair hearing, such as an appeal of denial of eligibility for a new applicant;
- Not recoup the cost of benefits pending from the beneficiary, regardless of whether the fair hearing ultimately upheld the agency's determination; and
- Not use this authority as a justification to delay taking final action, and only use this authority to the extent to which the state is unable to take final agency action on a given fair hearing.

In the last five months of 2021, Illinois lost most of its hearing officers due to attrition. We have only one experienced ALJ now, two started in April 2022 and two in May 2022. It takes a couple of months to train the hearing officers before they are up to speed. We now have a small backlog of cases and expect an increase in hearings during the unwinding period. These factors slow down processing time and without this authority Illinois is at risk of being unable to take final administrative action on the extraordinarily high volume of fair hearings that we anticipate during the unwinding period within the maximum 90-day time limit allowed under 42 C.F.R. 431.244.

Illinois requests that this authority be effective at the beginning of the PHE and remain effective until the end of the 23rd month after the end of the month in which the public health emergency for COVID-19, as declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. §247d), ends.

Illinois looks forward to your review and approval of this request. If you have any questions or concerns, please contact Tracy Keen, Acting Administrator of the Division of Eligibility, at 217-720-0497 or Tracy.Keen@illinois.gov.

Sincerely,



Theresa Eagleson, Director
Illinois Department of Healthcare and Family Services