



Express Lane Eligibility: What Is It, and How Does It Work?



The concept of “express lane eligibility”—using data from existing government databases and other means-tested programs to expedite and simplify eligibility determinations for Medicaid and the Children’s Health Insurance Program (CHIP)—has been around for at least a decade.¹ More than 70 percent of uninsured, low-income children live

in families who participate in the Supplemental Nutrition Assistance Program (SNAP, formerly called food stamps), the National School Lunch Program, or the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC), so tapping into these programs’ databases can be an effective way to identify uninsured children who are likely to be eligible for Medicaid or CHIP.²

But until 2009, when the CHIP Reauthorization Act (CHIPRA) was enacted, federal law limited how much states could rely on such information to make an eligibility determination for health coverage. Several states use information from other means-tested programs such as Temporary Assistance for Needy Families (TANF) and SNAP to help complete applications for Medicaid and CHIP or to help seamlessly renew eligibility.

However, changes in federal law as a result of CHIPRA allow states to take Express Lane Eligibility even further, to help get more uninsured children covered. Moreover, the Patient Protection and Affordable Care Act (Affordable Care Act) places particular emphasis on simplifying enrollment in Medicaid, CHIP, and premium tax credits, in part, by building on principles of Express Lane Eligibility: minimizing the amount of information a consumer must provide to apply for coverage and maximizing states' ability to obtain information from existing state and federal databases. The lessons learned from implementing Express Lane Eligibility for children will also have direct relevance to the enrollment policies that are adopted as part of health reform implementation.

The Express Lane Eligibility provisions in CHIPRA allow states for the first time to “borrow” findings from another public agency to actually determine that a child is eligible for enrollment in or renewal of Medicaid or CHIP—even if the other program(s) calculate income differently. Public agencies that can make Express Lane Eligibility determinations include, but are not limited to, the state’s school lunch program, SNAP, Head Start, and the state tax agency. What’s more, children cannot be ruled ineligible for Medicaid or CHIP based on an Express Lane Eligibility finding; CHIPRA requires states to conduct a traditional eligibility determination for children who are found ineligible through Express Lane Eligibility. The Centers for Medicare and Medicaid Services (CMS) issued guidance on the Express Lane Eligibility provisions in CHIPRA in February 2010.³ In the guidance, the public agencies authorized to make Express Lane Eligibility determinations are referred to as “Express Lane agencies.”

How Does Express Lane Eligibility Work?

States can use Express Lane agency findings for the following:

- to simplify a Medicaid or CHIP application, or
- as a source for all the information necessary to make an eligibility or renewal determination.

States that do the latter can use these findings to automatically enroll a child (or renew coverage) in Medicaid or CHIP. The automatic enrollment option allows states to initiate an application or renewal and determine eligibility for a child without a signed Medicaid or CHIP application—as long as a family member gives consent for the child to be enrolled. This consent can be given in writing, by phone, orally, by electronic signature, by signature on an Express Lane agency application, or by other means approved by CMS. The state must also inform the family about the program and its requirements, such as the benefits package, premiums and cost-sharing, and the renewal process.

■ Screening Requirements

States that use Express Lane Eligibility are still required to verify citizenship, but CHIPRA permits states to conduct these verifications electronically by matching the information a family provides with information available in Social Security Administration databases, thus expediting the citizenship documentation process (see Families USA's issue brief, *Streamlining Citizenship Documentation: States Can Make Documenting Citizenship and Identity Easier*, available online at <http://www.familiesusa.org/assets/pdfs/Streamlining-Cit-Doc.pdf>). States must enroll a child in Medicaid or CHIP while citizenship is being verified if all other eligibility requirements have been met.

The CHIP “screen and enroll” requirement is also maintained under Express Lane Eligibility. Screen and enroll requires that children applying for coverage be screened for eligibility in both Medicaid and CHIP and that they be assured enrollment in the proper program. CHIPRA gives states that operate separate CHIP programs two options for adhering to the screen and enroll requirement in Express Lane Eligibility:

1. **Establish a Screening Threshold:** States can set a screening threshold at least 30 percentage points above the highest Medicaid income eligibility level.⁴ This is to take into account the income disregards that would be factored in if the child went through the traditional Medicaid eligibility determination process.⁵ Children with household income less than this threshold are deemed income-eligible for Medicaid, and those with household income above it are income-eligible for CHIP. Before children are enrolled in CHIP, the family must be informed of potential eligibility for Medicaid and the differences between the programs. The family must be given the opportunity to reapply for a determination under standard Medicaid rules.
2. **Temporary Enrollment in CHIP:** Alternatively, states can temporarily enroll children into CHIP if they appear to be eligible based on an Express Lane agency's findings. The state then uses simplified procedures to conduct a full eligibility determination, minimizing the amount of information the family has to provide. The state receives the CHIP matching rate for any services provided during this temporary enrollment period, even if the child is ultimately found eligible for Medicaid instead of CHIP.

■ Ensuring Accuracy

CHIPRA provides states with certain protections against enrollment errors made through Express Lane Eligibility. Children whose eligibility is determined through Express Lane Eligibility are not included as part of the sample for the Medicaid Eligibility Quality Control (MEQC) or Payment Error Rate Measurement (PERM) reviews. Instead, states are required to perform a full Medicaid eligibility review on a sample of Express Lane Eligibility cases to determine an eligibility error rate. If the error rate for this population is greater than 3 percent, then CMS will reduce federal payments only for the specific erroneous payments identified in the sample. CMS will not punish the state for errors made in Express Lane Eligibility. More information will be available in future guidance CMS will issue on Express Lane Eligibility error rates.

■ Performance Bonuses

In addition to helping target low-income children who are eligible for Medicaid or CHIP but not enrolled, Express Lane Eligibility also serves as one of the best practices states can follow in order to qualify for the CHIPRA performance bonuses. Performance bonuses are awarded to states that see significant enrollment increases among the lowest-income children (those who are eligible for Medicaid) and that meet five out of eight outreach/enrollment/retention best practices.

To meet the benchmark for Express Lane Eligibility, states must use their program to enroll or renew eligibility in both Medicaid and CHIP. Only Express Lane Eligibility programs that offer an alternative to existing Medicaid or CHIP enrollment processes qualify for this effort.⁶ Having an enrollment system or application that is integrated with other programs, such as TANF, is not sufficient if it is the only way children enroll in Medicaid or CHIP.⁷ No state was recognized for meeting the Express Lane Eligibility benchmark in 2009; however, this is something to look for in the coming years as states continue to experiment with their Express Lane Eligibility programs.

To date, four states have received CMS approval to take up the Express Lane Eligibility option in Medicaid: Alabama, Iowa, Louisiana, and New Jersey.⁸ Alabama has also received approval to take up the option in CHIP. Four other states have submitted state plan amendments to do Express Lane Eligibility in Medicaid and/or CHIP: Arizona, Maryland, Oregon, and Pennsylvania.

Designing Express Lane Eligibility: Options for States

CHIPRA grants states a large amount of flexibility in how they design their Express Lane Eligibility programs. When deciding what type of Express Lane Eligibility program to implement, a state should consider the following:

- Whether to create an Express Lane Eligibility program for Medicaid, for CHIP, or for both;
- Which Express Lane agency/agencies to collaborate with;
- Whether to use Express Lane Eligibility for eligibility determinations, renewals, or both;
- Whether to implement the automatic enrollment provision; and
- Which screen and enroll process to use.

In the State Health Official letter on Express Lane Eligibility, CMS explicitly encourages states to experiment with their program design and adapt it to best fit their needs.⁹ Each of the four states that have already received CMS approval for Express Lane Eligibility—Alabama, Iowa, Louisiana, and New Jersey—has a unique approach to this new policy option (see Families USA's forthcoming issue brief, *Express Lane Eligibility: Lessons from CHIPRA for Health Reform*).

Endnotes

¹ See *Archive of Past Federal Express Lane Legislation*, from The Children's Partnership, available online at http://www.childrenspartnership.org/Content/NavigationMenu/Programs/EHealthAgendaforChildren/ExpressLaneEligibility/LawandGuidance/Archive_of_Past_Legi.htm.

² Stan Dorn, *Express Lane Eligibility and Beyond: How Automated Enrollment Can Help Eligible Children Receive Medicaid and CHIP* (Washington: Urban Institute, April 2009).

³ *State Health Official Letter No.10-003*, "Re: Express Lane Eligibility Option" (Baltimore: Centers for Medicare and Medicaid Services, February 4, 2010).

⁴ States can set the threshold higher than 30 percentage points above the Medicaid eligibility level if they justify this in their State Plan Amendment. States can also set different thresholds for different age groups (since states' Medicaid eligibility levels for children commonly vary by age).

⁵ Beginning in January 2014, the Affordable Care Act requires states to use Modified Adjusted Gross Income (MAGI) when conducting eligibility determinations for CHIP and for most categories of Medicaid eligibility. States will no longer be permitted to use income disregards for these groups. State-specific disregards will be replaced with a uniform 5 percent income disregard.

⁶ *State Health Official Letter No.10-008*, "Re: CHIPRA Performance Bonus Payments" (Baltimore: Centers for Medicare and Medicaid Services, October 1, 2010).

⁷ Hawaii's Express Lane Eligibility program that uses SNAP findings to automatically enroll children into the Medicaid and CHIP program was denied benchmark status by CMS in 2009.

⁸ Personal communication between Jennifer Sullivan, Families USA, and Tanya Schwartz, CMS, September 29, 2010.

⁹ *State Health Official Letter No.10-003*, op. cit.

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