
March 4, 2021

Streamlining Medicaid Renewals Through the *Ex Parte* Process

By Jennifer Wagner

The Biden Administration has stated its commitment to improving health care access, reducing racial inequity, and streamlining access to health insurance. A recent executive order on strengthening Medicaid and the Affordable Care Act (ACA) directed federal agencies to examine “policies or practices that may present unnecessary barriers to individuals and families attempting to access Medicaid or ACA coverage.”¹ To further these goals and reduce barriers to accessing Medicaid, the Centers for Medicare & Medicaid Services (CMS) should provide detailed guidance and oversight to help states improve automatic Medicaid renewals using available data, through the *ex parte* process.

State Medicaid agencies must review most enrollees’ eligibility every 12 months. This process frequently results in eligible enrollees losing coverage because they didn’t receive a renewal form or return it timely, or because the state agency failed to process the documents. Individuals then either experience a coverage gap and must reapply (a process known as churn) or go without health insurance.

Under Medicaid regulations, before a state can send out renewal documents and require enrollees to respond, it must first attempt to renew coverage *ex parte* by reviewing available data sources and trying to confirm ongoing eligibility. If it can confirm, the enrollee need not take any action. They are sent a notice informing them that their coverage has been renewed and only have to respond if they have any changes to report. If the *ex parte* process doesn’t confirm eligibility, the state follows the traditional process of sending a renewal form and requiring the enrollee to respond for coverage to continue.

Ex parte renewals have many benefits for both enrollees and state agencies. They ensure eligible individuals retain coverage, minimizing gaps in coverage that can increase costs over time. They also significantly reduce state administrative burden by automating renewals and minimizing re-applications from eligible individuals who lost coverage. Finally, successful *ex parte* renewals free

¹ “Strengthening Medicaid and the Affordable Care Act,” Executive Order 14009, January 28, 2021, <https://www.federalregister.gov/documents/2021/02/02/2021-02252/strengthening-medicaid-and-the-affordable-care-act>.

enrollees from having to respond to notices, trying to reach the agency to ask questions or get clarification, and risking loss of coverage due to administrative red tape.

Right now enrollees aren't at risk of losing coverage because, in exchange for enhanced federal funding, states are prohibited from ending coverage for most enrollees during the declared public health emergency (PHE). The Biden Administration recently announced that the PHE is expected to last at least through 2021. But even with that extension states should prepare now for the end of the PHE when they will have to begin reviewing eligibility for all enrollees. As part of that preparation, states should examine and improve their *ex parte* process to renew people's coverage whenever possible during the PHE and establish a strong system for effectively managing renewals when the PHE ends.

Background

Medicaid regulations mandate streamlined processes for determining Medicaid eligibility, shifting away from dependence on paper documentation and toward the use of reliable electronic data sources. For renewals, the regulations require Medicaid agencies to "...make a redetermination of eligibility without requiring information from the individual if able to do so based on reliable information contained in the individual's account or other more current information available to the agency..."²

While the requirement is clear, there are many decisions states must make when applying this to the real-life complexities of a Medicaid enrollee. What if an enrollee changed jobs? What about income that doesn't appear in electronic data sources, like pension income? Which data source should a state use if it finds an enrollee's income information in multiple places?

Due to these complex details, states' processes and their share of renewals done *ex parte* vary significantly. According to an annual survey of state Medicaid administrators, three states are not yet processing automated renewals and eight states are processing fewer than 25 percent of their renewals *ex parte*. But nine states are renewing 75 percent to 90 percent of cases *ex parte*, suggesting design decisions make a difference.³

Defining *ex parte*

States use different terms to describe *ex parte* renewals. Some refer to them as automated, passive, or administrative renewals. Others use the term "automated renewal" to describe a process where mailing the form is automated, but the enrollee must still return a form or take other action to maintain coverage. In this paper *ex parte* renewal describes the process where an enrollee's coverage is automatically renewed based on information in the enrollee's case or in electronic data sources and an enrollee isn't required to return a form or take any action to maintain Medicaid coverage.

² 42 U.S.C. §435.916(a)(2)

³ Tricia Brooks *et al.*, "Medicaid and CHIP Eligibility, Enrollment, and Cost-Sharing Policies as of January 2020: Findings from a 50-state survey," Kaiser Family Foundation, March 26, 2020, Table 10, <http://files.kff.org/attachment/Table-10-Medicaid-and-CHIP-Eligibility-as-of-Jan-2020.pdf>.

Improving the *Ex Parte* Process

A high rate of *ex parte* renewals provides continuity of care for eligible enrollees and significantly decreases state workload, prioritizing caseworker time for more complex cases. To increase the rate of *ex parte* renewals and make other improvements, states can:

1. Review their eligibility system design documents (which direct how the system is programmed) and data.
2. Take advantage of all useful data sources.
3. Check how they implement “reasonable compatibility.”
4. Adopt principles to maximize *ex parte* success.
5. Improve how they tackle complex scenarios.

Step 1: Reviewing the Eligibility System’s Design Documents and Data

The *ex parte* process is typically an automated function performed by a state’s Medicaid eligibility system with changes requiring modifications to that system. While such changes are often time-consuming and may be costly, they can yield great dividends as even a small increase in the percentage of automatically renewed cases can mean a substantial decrease in both churn and caseworker burden. Further, states can access substantial federal matching funds that offset much of the cost of the system changes.⁴

The first step to improving the Medicaid renewal process is understanding what the system is doing and why it doesn’t renew some cases *ex parte*. The rules for when a case can and can’t be renewed *ex parte* are often not written in the policy manual but are contained in design documents that direct how the system is programmed. Policy staff in coordination with the eligibility system vendor developed these documents, in many cases during ACA implementation. States should review these documents and examine the criteria for when cases can be renewed *ex parte*. These documents will likely contain additional useful information, such as what data sources the system accesses during the renewal process and how the system applies reasonable compatibility (more on this below).

Next, states should gather data on why cases were unable to be renewed *ex parte*. The eligibility system can generate a report showing which criteria a case that failed the *ex parte* process was unable to meet. For example, some cases will fail the process because the household’s income couldn’t be verified electronically or because a caseworker action was pending when the renewal process was run. States can use these reasons for failure, which typically correspond with a requirement in the design documents, to focus efforts on which parts of the process they should examine more closely.

⁴ Medicaid and CHIP Payment and Access Commission, “Federal Match Rates for Medicaid Administrative Activities,” <https://www.macpac.gov/federal-match-rates-for-medicaid-administrative-activities/>.

Step 2: Taking Advantage of All Useful Data Sources

Successful *ex parte* renewals require key information such as income to be verified through electronic data sources. To maximize the *ex parte* renewal rate, a state should take advantage of all federal, state, and commercial data sources that are reliable and relevant.

Many states rely on the federal Renewal and Redetermination Verification (RRV) service through the data services hub CMS runs for purposes of determining Medicaid and marketplace eligibility when conducting renewals to obtain updated data, including information from the Social Security Administration and Equifax's Work Number. The Work Number is a commercial database that provides current wage information for many employees of large businesses. If a state doesn't access the hub, it should have a separate contract with the Work Number to take advantage of its timely and reliable income information.

States agencies can access Internal Revenue Service (IRS) tax data through the hub, though they must implement stringent security measures to do so. Most IRS information is not helpful to Medicaid eligibility determinations due to the age of the data, but it can be useful to verify income for self-employed individuals who file taxes.

States should access not just federal but relevant state data sources. Most states access quarterly wage data and unemployment information through their state labor department. To increase income verification in states with a high number of residents working in bordering states, agencies should consider connecting with neighboring states to access their wage and unemployment systems as some states have done.

Other benefit programs, like the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps), are an exceptionally reliable state data source for *ex parte* renewals. SNAP information is typically current and thoroughly verified. Whether a state has integrated or separate administration of SNAP and Medicaid, it can use SNAP information to complete a Medicaid renewal through one of three ways:⁵

- **The specific income information recorded on the SNAP case can be used** to verify ongoing Medicaid eligibility. This typically includes both the type of income and to whom the income is attributed, allowing the Medicaid agency to only pull countable income for members of the Medicaid household.
- **The facilitated enrollment state plan option** lets a Medicaid agency identify a subset of SNAP cases certain to be eligible for Medicaid. If the enrollee is enrolled in SNAP and within this certainly eligible subset, the agency can renew Medicaid based on the person's receiving SNAP.
- **Express lane eligibility (ELE)** lets a Medicaid agency use the income findings of another program in determining Medicaid eligibility. While ELE is limited to children, an agency can use it to renew Medicaid for children receiving SNAP.

⁵ Center on Budget and Policy Priorities, "Using SNAP Data for Medicaid Renewals Can Keep Eligible Beneficiaries Enrolled," September 9, 2020, <https://www.cbpp.org/research/health/using-snap-data-for-medicaid-renewals-can-keep-eligible-beneficiaries-enrolled>.

Using multiple data sources increases the chance that an enrollee's income can be verified electronically. However, it may also lead to conflicting information when the same income source is found in multiple sources but the amounts differ due to different time periods. States should establish a hierarchy to determine which information to use when it finds a match in more than one data source. For example, a state may use information from the Work Number over quarterly wage data from the same employer since it is more current and detailed. States must carefully program systems to ensure they identify duplicate hits and don't count income from the same job twice.

Step 3: Checking How Reasonable Compatibility Is Implemented

Reasonable compatibility policy lets Medicaid agencies accept an enrollee's income or asset attestation if both the attestation and the data source are below the eligibility threshold, meaning the difference doesn't affect eligibility.⁶ This reduces the need for clearly eligible applicants and enrollees to submit verification documentation and streamlines eligibility determinations.

With *ex parte* renewal an enrollee isn't actively making a new income or asset attestation, but the principle of reasonable compatibility still applies. An enrollee should be renewed *ex parte* as long as the information from the data sources indicates they remain eligible.

In practice, this means states should add up income information from all available data sources. As long as the total income is below the eligibility threshold, the agency should complete an *ex parte* renewal. There is no need to compare a case's information to the data sources and require an exact match for each income source. Employment may have changed during the eligibility period and will be reflected in the data source.

For example, an enrollee may have been working at Walmart when they first applied for benefits, and those wages were verified through a data source at that time. At renewal, the data sources no longer show income from Walmart, but now reflect income from Target. The state should conclude that the enrollee is no longer working at Walmart and is now working at Target, and compare the income from Target against the eligibility threshold. There is no need to conduct a paper-based renewal simply because the employer has changed. As long as the income from the new employer indicates continued eligibility, the case should be renewed *ex parte*.

Step 4: Adopting Principles to Maximize Ex Parte Success

When establishing policies around *ex parte* renewals, applying some general principles and considerations will maximize the success rate:

- **Only verify eligibility factors subject to change.** Citizenship or eligible immigration status is unlikely to change and should not be re-verified at renewal.

⁶ For more information, see Jennifer Wagner, "Reasonable Compatibility Policy Presents an Opportunity to Streamline Medicaid Determinations," Center on Budget and Policy Priorities, August 16, 2016, <https://www.cbpp.org/research/reasonable-compatibility-policy-presents-an-opportunity-to-streamline-medicaid>.

- **Assume no change to household composition or tax filing status.** An agency shouldn't re-verify household composition unless the state has received other information suggesting a change.⁷
- **Maximize the universe of cases eligible to go through the *ex parte* process.** Some states unnecessarily exclude entire categories of cases from the *ex parte* process, such as Medicaid cases also receiving SNAP. While coordinating SNAP and Medicaid renewals is challenging, it can be done in a way that meets the *ex parte* requirement for Medicaid and leverages SNAP information.⁸
- **Include seniors and people with disabilities in *ex parte* renewals.** Federal regulations require *ex parte* renewals for seniors and people with disabilities (known as non-MAGI cases⁹), but many states conduct few, if any, non-MAGI *ex parte* renewals. This leaves a particularly vulnerable group subject to loss of coverage and gaps in care. While the income in a non-MAGI household is often stable and can be electronically verified (usually through the Social Security Administration), most non-MAGI cases have an asset test. All states are now required to have an asset verification system in place that connects with banks and other institutions to provide information about an individual's assets. States should incorporate the use of this system into their *ex parte* process to automatically renew coverage for the non-MAGI population wherever possible.
- **Don't disregard a data source because of its age.** Some data sources, such as quarterly wage data, may be a few months old. Tax information from the IRS may be even older. While more recent information should be used if available, these data sources are considered reliable and should be used to verify ongoing eligibility.¹⁰
- **Assume a "worst case" scenario.** Sometimes data sources lack complete information, such as the reason for a garnishment of Social Security or an adjustment to unemployment benefits. These reasons may affect how much income is countable, and states may choose to exclude such cases from the *ex parte* process to allow caseworkers to investigate further. Instead, states should assume a "worst case" scenario and count all of the income, and if the case is still below the eligibility threshold, it should be renewed *ex parte*. If not, the case should go through the manual process where a caseworker can review and the enrollee can provide additional information. Similarly, if a case's income deductions can't be verified through available data sources, an agency should attempt to renew the case without including the income deductions.

⁷ Medicaid and CHIP Learning Collaboratives, "Medicaid/CHIP Renewals: State Practices, Lessons Learned & Opportunities," August 13, 2015, <https://www.medicaid.gov/state-resource-center/mac-learning-collaboratives/downloads/coveragec-medicaid-chip-renewals.pdf>.

⁸ Jennifer Wagner and Alicia Huguélet, "Opportunities for States to Coordinate Medicaid and SNAP Renewals," Center on Budget and Policy Priorities, February 5, 2016, <https://www.cbpp.org/research/health/opportunities-for-states-to-coordinate-medicaid-and-snap-renewals>.

⁹ For "modified adjusted gross income."

¹⁰ The preface to the regulations implementing the Affordable Care Act specifically addresses quarterly wage data. "The time lag in the availability of quarterly wage data would not justify a State concluding that such data is not useful to verifying income eligibility and routinely relying instead on documentation provided by the individual." See 77 FR 17175, <https://www.federalregister.gov/d/2012-6560/p-412>.

If the enrollee is eligible even without the deductions, states should complete the *ex parte* renewal.

- **Don't focus on employer names.** Employer names can vary in different data sources, such as when a parent company is listed or punctuation is captured differently (“McDonalds” vs. “McDonald’s”). Requiring an exact match between the case and data sources, or among data sources, will unnecessarily decrease the success rate of *ex parte* renewals.
- **Watch for cases that fail the *ex parte* process for reasons other than income verification.** A case may fail to renew through the *ex parte* process for reasons other than income verification, such as a pending case action or a missing Social Security number. States should analyze the root cause of these reasons for failure and see if issues can be resolved before the *ex parte* process begins, such as by prioritizing work on pending tasks or improving the process for adding Social Security numbers for newborns.
- **Eliminate unnecessary interview requirements.** Some states require interviews at renewal, most often for the non-MAGI population. This is unnecessary and prevents *ex parte* renewals. Requiring both a paper-based renewal process and completion of an interview significantly increases the likelihood eligible people will lose coverage due to confusion, not receiving a renewal notice, or not being able to complete the interview.

Step 5: Improving Approaches to Complex Scenarios

Medicaid agencies face many complex enrollee scenarios when determining whether a case is eligible for *ex parte* renewal. Sometimes the available information is not clear or complete. However, Medicaid eligibility does not require calculating income down to the dollar. As long as the household's income is below the eligibility threshold, the individual remains eligible. *Ex parte* processes should focus on that cutoff rather than attempting to calculate an exact amount of income. Applying the principles above, here is how states should approach the following complex scenarios.

- **Cases without countable income.** Some Medicaid enrollees have no countable income since they have health conditions that prevent them from working, can't find work, or rely on income that's not countable for Medicaid, like child support. For these cases, there will likely be no matches in data sources. Medicaid agencies should assume that this means the enrollee has no income and complete the *ex parte* renewal. Pushing these cases to the manual process and requiring these enrollees to sign and return a renewal form stating they have no income adds little value while introducing substantial risk that the enrollee will not receive or return the form, leaving vulnerable individuals without coverage. Informal guidance from the Trump Administration instructed states to require a signed form for these enrollees, leading a decrease in *ex parte* renewals in some states.¹¹
- **Employment changes.** Many low-wage workers experience frequent employment changes, starting, switching, or losing jobs. Eligibility systems should not focus on comparing employment information recorded in the case file to the electronic data and cause cases to fail the *ex parte* process because someone who previously didn't have income now has income or

¹¹ Lexi Churchill, “The Trump Administration Cracked Down on Medicaid. Kids Lost Insurance.” ProPublica, October 31, 2019, <https://www.propublica.org/article/the-trump-administration-cracked-down-on-medicaid-kids-lost-insurance>.

vice versa. Rather, the system should look at wages in the data sources and determine if the total income from the job(s) is under the eligibility threshold. If so, the case should be renewed *ex parte*.

- **Income that can't be electronically verified.** Some Medicaid enrollees have income that can't be verified electronically, such as income from a private pension or alimony. While an enrollee may be required to verify this income at application, they shouldn't have to re-verify it every year as it is unlikely to change significantly. States could even presume an increase in the income by some inflationary factor every year for purposes of the *ex parte* determination. But in most cases, the total income will be significantly below the eligibility threshold and the case will be eligible for an *ex parte* renewal. States could treat interest and dividend income in a similar way, or apply a threshold when the income is small (for example, under \$100) when it doesn't need to be re-verified.
- **Electronic data that indicate a change to higher premiums or cost sharing.** In some cases, the electronic data will indicate the enrollee remains eligible for Medicaid, but in coverage with higher premiums or cost sharing. If a state chooses to not renew these cases *ex parte* and revert to the traditional paper-based process to ensure they have complete information, the risk is great that the enrollee will lose coverage altogether due to not receiving the renewal form or timely completing it. Instead, a state should determine the enrollee eligible for the coverage with higher premiums or cost sharing. The notice sent to all enrollees renewed *ex parte* should make it clear that if the income used to determine eligibility was inaccurate, the enrollee can provide updated information, their eligibility will be re-evaluated, and premiums or cost sharing will be adjusted as appropriate. This ensures the individual stays enrolled while allowing for accurate calculation of premiums or cost sharing.

Establish Strong Practices for When a Case Can't Be Renewed *Ex Parte*

Even with a strong *ex parte* process, some enrollees will still have to complete the traditional renewal process. The federal regulations require states to:

- Use a renewal form pre-populated with information such as the enrollee's name, household members, and most recently reported income;
- Provide the enrollee 30 days to return the form and any required verification;
- Permit enrollees to submit their renewal online, by telephone, by mail, or in person; and
- Reopen the case without requiring a new application if the beneficiary contacts the agency within 90 days of loss of benefits.¹²

States can do even more to ensure eligible individuals retain coverage at renewal by:

- Keeping addresses updated through coordination with the U.S. Postal Service, other programs like SNAP, and managed care organizations to increase the chance the enrollee will receive the renewal form;
- Contacting the enrollee in multiple ways to inform them their renewal is due including via text, robocalls, and emails;

¹² 42 C.F.R. §435 916(a)(3)

- Revising renewal notices to make them clear and user-friendly;
- Making it easy for enrollees to submit completed forms, such as by taking a picture of the form with their phone and uploading it to a benefits portal; and
- Minimizing requests for follow-up information by relying on data sources and self-attestation.

Federal Guidance Needed

The federal government can take many actions to promote *ex parte* renewals and further the Administration’s goals of reducing barriers to Medicaid. First, CMS should reverse the Trump Administration’s guidance that a paper-based renewal process is required when no electronic data are available at renewal. This usually occurs among very vulnerable households without any countable income; requiring them to return a renewal form puts their health coverage at unnecessary risk.

Next, CMS should issue detailed guidance about the many complex scenarios and situations states face. Some states may be hesitant to make changes to their eligibility systems if they are uncertain that CMS will approve their decisions. Just as CMS put out volumes of valuable information when the ACA was implemented, it should share detailed information with states on the situations where an *ex parte* renewal is allowable and encouraged. It should also provide technical support and facilitate cross-state collaboration on best practices for improving the renewal process.

Finally, CMS should work closely with states that are conducting no or few *ex parte* renewals. It should provide support and corrective action as needed to help the state improve their processes and ensure eligible enrollees retain their coverage.

TABLE 1

Percent of Renewals Completed *ex parte* by State

State	Conducting <i>ex parte</i> renewals	Percent completed
Alabama	Yes	75% - 90%
Alaska	Yes	Not Reported
Arizona	Yes	50% - 75%
Arkansas	Yes	75% - 90%
California	Yes	50% - 75%
Colorado	Yes	75% - 90%
Connecticut	Yes	50% - 75%
Delaware	Yes	Not Reported
District of Columbia	Yes	75% - 90%
Florida	Yes	25% - 50%
Georgia	Yes	25% - 50%
Hawai’i	Yes	50% - 75%
Idaho	Yes	75% - 90%
Illinois	Yes	25% - 50%
Indiana	Yes	50% - 75%
Iowa	Yes	50% - 75%

TABLE 1

Percent of Renewals Completed *ex parte* by State

State	Conducting <i>ex parte</i> renewals	Percent completed
Kansas	Yes	25% - 50%
Kentucky	Yes	50% - 75%
Louisiana	Yes	50% - 75%
Maine		Not Reported
Maryland	Yes	50% - 75%
Massachusetts	Yes	0 - 25%
Michigan	Yes	75% - 90%
Minnesota	Yes	25% - 50%
Mississippi	Yes	25% - 50%
Missouri	Yes	0 - 25%
Montana	Yes	25% - 50%
Nebraska	Yes	0 - 25%
Nevada		Not Reported
New Hampshire	Yes	0 - 25%
New Jersey	Yes	0 - 25%
New Mexico	Yes	25% - 50%
New York	Yes	25% - 50%
North Carolina	Yes	75% - 90%
North Dakota	Yes	Not Reported
Ohio	Yes	75% - 90%
Oklahoma	Yes	25% - 50%
Oregon	Yes	50% - 75%
Pennsylvania	Yes	25% - 50%
Rhode Island	Yes	75% - 90%
South Carolina		Not Reported
South Dakota	Yes	25% - 50%
Tennessee	Yes	Not Reported
Texas	Yes	0 - 25%
Utah	Yes	50% - 75%
Vermont	Yes	25% - 50%
Virginia	Yes	50% - 75%
Washington	Yes	50% - 75%
West Virginia	Yes	0 - 25%
Wisconsin	Yes	0 - 25%
Wyoming		Not Reported

Source: Tricia Brooks *et al.* "Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey," Kaiser Family Foundation, March 26, 2020, <http://files.kff.org/attachment/Table-10-Medicaid-and-CHIP-Eligibility-as-of-Jan-2020.pdf>.