



Center for Medicaid and State Operations

SHO # 09-009
CHIPRA # 5

August 31, 2009

Dear State Health Official:

This letter is one of a series that provides guidance on the implementation of the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA), Public Law 111-3. CHIPRA includes several provisions that are designed to ensure immediate coverage for newborn babies born to mothers who are enrolled in Medicaid or the Children's Health Insurance Program (CHIP). These new provisions can be found at sections 111, 113, and 211 of CHIPRA and are described in detail below. The effective date for these provisions was **April 1, 2009**. The Centers for Medicare & Medicaid Services (CMS) provided general information on the eligibility of such newborns in its May 11, 2009, letter to State Health Officials (SHO #09-006). This letter and enclosure provide further guidance on the eligibility of deemed newborns to help States effectively implement this provision.

Taken together, these new provisions, along with provisions in place prior to CHIPRA, are designed to assure that babies born to women covered by Medicaid or CHIP are automatically enrolled in Medicaid or CHIP for 1 year. The new provisions under CHIPRA:

- Extend deemed newborn eligibility under Medicaid or CHIP to children born to mothers receiving CHIP coverage.
- Eliminate the Medicaid requirement that, in order to receive coverage under Medicaid, newborns coming home from the hospital must live with the mother, remain a member of the mother's household, and that the mother remain eligible for Medicaid (or would remain eligible if still pregnant).
- Amend the citizenship documentation requirements added by the Deficit Reduction Act of 2005 (DRA) to provide that children who were initially eligible for Medicaid or CHIP as deemed newborns shall be considered to have provided satisfactory documentation of citizenship and identity when their eligibility is renewed on their first birthday.

These changes are discussed in greater detail below.

Background

Prior to CHIPRA, the Medicaid statute (section 1902(e)(4) of the Social Security Act (the Act)) provided for deemed eligibility of children born to mothers covered by Medicaid for the date of the child's birth. There were certain limiting conditions, including that the newborn must return from the hospital with the mother and remain a member of the woman's household, and that the

woman must remain Medicaid-eligible (or would remain Medicaid-eligible if still pregnant). The duration of such deemed eligibility was 1 year following birth, during which period the Medicaid identification number for the mother could also serve as the identification number for the child. Before passage of the CHIPRA legislation, deemed newborn eligibility status applied only to the Medicaid program.

CHIPRA Changes Related to Deemed Newborn Eligibility

CHIPRA requires that newborns are deemed eligible for Medicaid or CHIP if their mother was enrolled in CHIP for the date of the child's birth, including through a retroactive eligibility determination. The newborn is deemed eligible for Medicaid or CHIP until age 1 without a separate application being filed on the child's behalf and without an eligibility determination for the child.

- **Adds Coverage of Newborns Born to CHIP Pregnant Women (CHIPRA Section 111)** - New section 2112 of the Act provides States the option to provide coverage to low-income, uninsured pregnant women through an amendment to the CHIP State child health plan. Section 2112(e) of the Act requires automatic enrollment in Medicaid or CHIP, as appropriate, of children born to targeted low-income pregnant women covered under section 2112 for the date of the child's birth. This requirement applies regardless of whether the newborn's mother was covered under CHIP as a pregnant woman or a child, so long as the mother had family income above 185 percent of the Federal poverty level and not exceeding the income level elected by the State for eligibility of targeted low-income pregnant women. The newborn is deemed to have applied and been determined eligible for Medicaid or CHIP on the date of birth. The child remains eligible until attaining the age of 1. At that point, the State would need to redetermine the child's eligibility under its usual procedures (except, as noted below, documentation of citizenship would not be required).
- **Clarifies Use of Identification Numbers for Newborns (CHIPRA Sections 111 and 211)** - New section 2112(e) of the Act and existing section 1902(e) of the Act specify that the mother's Medicaid or CHIP eligibility identification number may serve as the child's identification number for the deemed newborn eligibility period in order to assure immediate coverage and prompt payment. All claims will be submitted and paid for the newborn under that number unless the State issues a separate identification number for the child. However, as noted below, section 1902(e)(4) was amended to provide that, upon notification of the birth of a child to a mother who was eligible only for Medicaid coverage of labor and delivery as emergency medical services pursuant to section 1903(v) of the Act, the State shall immediately issue a separate identification number for such a child.
- **Eliminates Medicaid Requirements for Remaining Part of Mother's Household and Mother's Continued Eligibility (CHIPRA Section 113)** - Section 1902(e)(4) of the Act was amended to eliminate the previous requirements for deemed newborn Medicaid eligibility that the newborn must come home from the hospital to live with the mother, remain a member of the mother's household, and that the mother remain eligible for Medicaid, or would remain eligible if still pregnant. We intend to amend Federal regulations at 42 CFR 435.117 and delete 42 CFR 435.301(b)(1)(iii) to reflect these statutory changes. Removing

the link between deemed newborn eligibility and the mother’s continuing eligibility effectively eliminates medically needy coverage of deemed newborns. This means that all newborns born to women covered by Medicaid for the child’s birth are now covered as mandatory categorically needy.

- **Clarifies Requirements for Newborns of Mothers Receiving Emergency-Only Services (CHIPRA Section 211)** - Section 1903(x) of the Act was amended to clarify that Medicaid deemed newborn eligibility applies to a child born in the United States to a mother covered by Medicaid for labor and delivery as emergency medical services under section 1903(v) of the Act. The newborn is deemed Medicaid eligible for the first year of life. As noted above, this section also amended section 1902(e)(4) to clarify that the State must immediately issue a separate Medicaid eligibility identification number for such a child upon notification that a delivery occurred. In this instance, the child receives full Medicaid coverage and may not be covered under the mother’s identification number because the mother is only covered by Medicaid for emergency medical services.
- **Eliminates Citizenship Documentation Requirements for Deemed Newborns (CHIPRA Section 211)** - Section 1903(x) of the Act was also amended to provide that individuals who are initially eligible for Medicaid or CHIP as deemed newborns are considered to have provided satisfactory documentation of citizenship and identity (by virtue of being born in the United States) and will not be required to further document citizenship or identity at any subsequent Medicaid or CHIP eligibility redetermination. Prior to CHIPRA, a child enrolled as a deemed newborn was required to provide documentation of citizenship and identity at the point of Medicaid eligibility redetermination when the child turned 1 year old, in accordance with the DRA.

If you have questions regarding this guidance, please contact Ms. Dianne E. Heffron, Acting Director, Family and Children’s Health Programs Group, who may be reached at (410) 786-5647. We look forward to working with the States to implement these important provisions.

Sincerely,

/s/

Cindy Mann
Director

Enclosure

cc:

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Enclosure

Questions and Answers Regarding Deemed Newborn Coverage

Question 1: CHIPRA requires that children born to a targeted low-income pregnant woman be deemed to have applied and found eligible for coverage under CHIP or Medicaid. How do we know which program to enroll them in without an application?

Answer: Newborn babies born to low-income pregnant women receiving Medicaid or CHIP benefits are automatically eligible for CHIP or Medicaid. States should not require a new application or complete a new eligibility determination for such children. In determining the appropriate program to enroll the child, States should use available information to first screen for Medicaid eligibility. Available information includes information on income and family size contained on the mother's application for Medicaid or CHIP.

Question 2: Does deemed eligibility for newborns also apply to non-State plan pregnant women (including those covered under a section 1115 demonstration)? Can all of these newborns be enrolled in CHIP?

Answer: The new provision applies to children born to targeted low-income pregnant women receiving benefits under the CHIP State plan. Whether the provision would apply to children born to women receiving benefits under a CHIP demonstration may depend on the terms of the demonstration. In light of Congressional intent and the value of assuring uninterrupted coverage of newborns, we will be working with States that are currently providing coverage to pregnant women under 1115 demonstrations to include a newborn deemed eligibility provision.

Question 3: If a woman is receiving prenatal care through CHIP but her labor and delivery costs are paid for by Medicaid Federal Emergency Services, under which program should the child be deemed eligible?

Answer: Babies born to mothers whose labor and delivery services are paid for through emergency Medicaid should be automatically eligible for Medicaid coverage until their first birthday. Such children should not be enrolled in CHIP.