What GAO Found

Four key considerations related to ELE's availability beyond 2013 include (1) the potential for administrative savings; (2) effects on enrollment of eligible, but not enrolled, children; (3) states' level of interest in using ELE particularly for implementing PPACA; and (4) uncertainty regarding the potential for erroneous excess payments for children enrolled through ELE.

- Available information regarding administrative savings associated with ELE suggests that ELE could save time and reduce administrative costs. For example, a study that compared the cost of enrolling children using ELE in Louisiana with the cost of enrolling and renewing children by using the state's traditional process estimated savings of $9.0 million to $12.9 million during the first year of implementation.
- Available information also suggests that ELE could have beneficial effects on enrollment, but the extent to which it will do so will depend on how it is implemented. For example, South Carolina renewed 65,000 children using ELE during the first 6 months of its ELE implementation.
- Stakeholders we spoke with generally believed that states currently using ELE would be interested in continuing to do so, for example, to avoid having to change their Medicaid or CHIP enrollment or renewal processes. Although current ELE authority under CHIPRA applies only to children, stakeholders noted benefits if ELE could be used for adults--a group for which Medicaid coverage is expanded under PPACA--such as the administrative savings of enrolling children and their parents at the same time or of enrolling newly eligible adults. Stakeholders also noted that some states may not have been interested in implementing ELE because they are busy implementing changes required by PPACA, or because they may be concerned about ELE's scheduled expiration.

- Whether ELE may have resulted in erroneous excess payments for children enrolled through ELE is uncertain. As of November 2012, CMS had not issued guidance on how to determine ELE errors and calculate such payments, pending other agency priorities in implementing PPACA. If the ELE option is continued, it will be particularly important that CMS issue such guidance, as questions have been raised by states and others regarding how an ELE error should be defined.

Why GAO Did This Study

Each year, millions of children do not have health insurance coverage even though they are eligible for Medicaid or the Children's Health Insurance Program (CHIP), two joint federal-state programs that provide health insurance to certain low-income individuals. Additionally, each year, some children lose Medicaid or CHIP coverage for which they are eligible and then, after a short coverage gap, reenroll--a process that is costly to the programs administratively, as well as burdensome for families. The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) provided states with new incentives and tools to simplify eligibility determinations and increase the enrollment and retention of children in Medicaid and CHIP. One of these tools is Express Lane Eligibility (ELE), which allows states to determine eligibility for children in Medicaid or CHIP by using certain information, such as information from other public-assistance programs that enroll children. Specifically, within certain limits, ELE allows a state Medicaid or CHIP agency to use another entity's findings--in other words, determinations of fact, such as the family's income--when evaluating a child's eligibility for Medicaid or CHIP, as long as those findings were made within a reasonable period. These other entities, called Express Lane Agencies, are defined to include public agencies that determine eligibility for certain assistance programs, such as the National School Lunch Program, the Supplemental Nutrition Assistance Program (SNAP, formerly called the Food

Stamp Program), the Temporary Assistance for Needy Families program (TANF), and Head Start. Under ELE, a state Medicaid or CHIP agency may rely on an Express Lane Agency's findings even if the Express Lane Agency uses a different method than Medicaid or CHIP to derive those findings.

If a state opts to implement ELE, it selects the agency from which it will obtain a finding, chooses the finding it will use (e.g., income, household size, or residency), and decides whether it will use that finding for initial eligibility determinations, renewals, or both. For example, a state may choose to evaluate a child's initial eligibility for Medicaid using the state SNAP agency's calculation of net income. Instead, CHIPRA requires states to evaluate the eligibility of children who are found ineligible through ELE using their regular Medicaid or CHIP procedures. To implement ELE, states must obtain approval from the Centers for Medicare & Medicaid Services (CMS), the agency within the Department of Health and Human Services (HHS) that is responsible for overseeing state Medicaid and CHIP programs at the federal level. To provide additional oversight of ELE, CHIPRA required that HHS conduct, by contract, grant, or interagency agreement, a comprehensive independent evaluation of ELE and report the results of this evaluation to Congress by September 30, 2012. This evaluation had not been issued as of November 29, 2012. CHIPRA also requires that states annually calculate and report on the rate of erroneous payments for children enrolled through ELE. CHIPRA authorized ELE from 2009 through September 30, 2013. Accordingly, unless reauthorized, CMS will not approve any state plan amendments for ELE after this date. Between 2009 and November 2012, 13 states received approval to implement ELE for Medicaid, CHIP, or both. Seven of these states have been approved to use ELE for less than 2 years.

Because CHIPRA's authorization for ELE is scheduled to expire on September 30, 2013, Congress may consider whether or not to reauthorize it. Congress

asked us to provide information about ELE, including whether ELE, if available, would be useful to states in implementing the Patient Protection and Affordable Care Act (PPACA). Among other things, PPACA provides for the expansion of Medicaid eligibility to certain previously ineligible adults.

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