Medicaid/CHIP Periodic Data Matching - External FAQ

Consumers who are determined eligible for or are enrolled in coverage through Medicaid or CHIP that counts as qualifying health coverage (also known as minimum essential coverage, or MEC)[1] are ineligible for advance payments of the premium tax credit (APTC) for themselves, and for income-based cost-sharing reductions (CSRs) to help pay for the cost of their Exchange plan premium and covered services.

The Federally-facilitated Exchanges and State-based Exchanges using the federal eligibility and enrollment platform (Exchange)[2] conduct periodic data matches with state Medicaid and CHIP agencies to determine whether consumers who are enrolled in Exchange coverage with APTC or CSRs (APTC/CSRs) are also enrolled in Medicaid or CHIP that counts as qualifying coverage (dually enrolled consumers). The consumers for whom a data match is conducted includes those who have validated Social Security numbers, in Exchanges that have capacity to process requests through the non-Employer-Sponsored Insurance (non-ESI) MEC check service.

The Exchange sends an **initial warning notice** to the household contact for each dually enrolled consumer, requesting that they take immediate action to respond to the notice. The notice includes the names of those consumers who have been identified as dually-enrolled and instructions on how to respond to the notice: inform the Exchange that they're not enrolled in Medicaid/CHIP, or end their Exchange coverage with APTC/CSRs. The notice is mailed and/or posted (depending on what the household contact selected as their communication preference) to the Exchange account of the household contact for the affected consumer(s). The notice includes the names of those consumers who are identified as dually-enrolled and instructions on how to respond to the notice.

- Note: Notices are not be sent to those affected consumers who have an open, Non-ESI MEC data matching issue at the time of a data match, since those consumers will have already received notices from the Exchange regarding their enrollment in Medicaid or CHIP coverage.

At least 30 days after sending the initial notice, the Exchange sends a **second, final notice** to the household contact for applications with affected consumers who did not update their Exchange application by the date on the initial warning notice to reflect that they're not enrolled in Medicaid or CHIP that counts as qualifying coverage, or end their Exchange coverage with APTC/CSRs, informing them that the Exchange will be ending their financial assistance. This notice also alerts the household contact for affected consumers that Exchange coverage for these consumers will continue without financial help and they will need to end their Exchange coverage if they no longer wish to be enrolled in that coverage at full cost. If they choose to remain in full-cost Exchange coverage, they should notify their state Medicaid or CHIP agency of their Exchange enrollment; they may no longer be eligible for CHIP. For unaffected household members, Exchange coverage will continue, and the Exchange will redetermine their eligibility for APTC/CSRs, if applicable. The Exchange sends the final notice and a new

[1] Note: Medicaid/CHIP PDM checks to see if consumers who are enrolled in Exchange coverage with APTC/CSRs are enrolled in Medicaid or CHIP coverage that counts as qualifying health coverage. For the purposes of this document, all mentions of Medicaid/CHIP coverage are in reference to Medicaid/CHIP coverage that counts as qualifying coverage, unless otherwise noted.

[2] References to the Exchange refer throughout to the Federally-facilitated Exchange and State-based Exchanges using the federal platform.

eligibility determination notice for all consumers in the household, to inform them of the change in financial help. These notices are also posted to the consumer Exchange accounts, as applicable.

The Exchange will continue to conduct regular periodic data matches with state Medicaid and CHIP agencies, send notices to consumers, and take appropriate action regarding consumers' eligibility.

General Questions about Medicaid/CHIP Periodic Data Matching

Q1: What is Medicaid/CHIP Periodic Data Matching?
A1: As described in Exchange regulations at 45 CFR 155.330(d), Periodic Data Matching (PDM) includes the process in which the Exchange periodically examines available data sources to determine whether consumers who are enrolled in Exchange coverage with APTC/CSRs are determined eligible for Medicaid or CHIP that counts as qualifying coverage.[3] The Exchange notifies these consumers that they are not eligible for financial help for their share of an Exchange plan premium and covered services if they are dually-enrolled; in this case, they should immediately end their Exchange coverage with APTC/CSRs by the date indicated in the initial warning notice. As described in Exchange regulations at 45 CFR 155.330(e), if affected consumers fail to return to the Exchange to update their Exchange application to reflect that they're not dually-enrolled or end Exchange coverage with APTC/CSRs, the Exchange ends any APTC/CSRs being paid on their behalf. The Exchange notifies the household contact for these consumers that their Exchange coverage will continue without financial help and they will need to end their Exchange coverage if they no longer wish to be enrolled in that coverage. If they choose to remain in full-cost Exchange coverage, they should notify their state Medicaid or CHIP agency of their Exchange enrollment; they may no longer be eligible for CHIP. For unaffected household members, Exchange coverage will continue, and the Exchange will redetermine their eligibility for APTC/CSRs, if applicable.

Q2: What types of Medicaid and CHIP coverage are considered qualifying coverage?
A2: Most Medicaid is considered qualifying coverage; some forms of Medicaid that cover limited benefits (like Medicaid that only covers emergency care, family planning or pregnancy-related services) are not considered qualifying coverage. For more information on what Medicaid programs are considered qualifying coverage, visit: https://www.healthcare.gov/medicaid-limited-benefits/. Most CHIP coverage is considered qualifying coverage.

Q3: How often is Medicaid/CHIP PDM conducted?
A3: The Exchange conducts Medicaid/CHIP PDM at least once during the coverage year and sends notices accordingly. The future schedule of Medicaid/CHIP PDM will be determined based on various factors, including evaluations of previous rounds of Medicaid/CHIP PDM.

Q4: What functionality is being used between the Exchange and states to conduct Medicaid/CHIP PDM?
A4: The Medicaid/CHIP PDM check verifies coverage using the existing synchronous, Non-Employer Sponsored Insurance (Non-ESI) MEC service to check whether a consumer who is enrolled in Exchange coverage with APTC/CSRs is also enrolled in Medicaid or CHIP coverage. Since the Exchange utilizes existing functionality to conduct the data match, there should be no additional technological burden on the state Medicaid or CHIP agencies.

[3] The state data that is accessed through the Medicaid/CHIP PDM check includes Medicaid and CHIP enrollment data, not data regarding eligibility.

Q5: What is the impact on consumers' eligibility for financial help when they are enrolled in both Medicaid/CHIP and an Exchange plan with APTC/CSRs?

A5: Consumers who are enrolled in Medicaid or CHIP are not eligible for APTC/CSRs for their share of an Exchange plan premium and covered services. If identified as dually enrolled through the periodic data matching process, the Exchange notifies affected consumers of their dual enrollment status. If these consumers do not return to the Exchange to update their application information to show that they're not enrolled in Medicaid or CHIP, or end their Exchange coverage with APTC/CSRs by the date indicated in the initial warning notice, the Exchange ends the APTC/CSRs being paid on their behalf for their share of the Exchange plan premium and covered services, consistent with 45 CFR 155.330. If this occurs, consumers will remain enrolled in their Exchange plan without financial assistance and will be responsible for paying the full cost for their share of the Exchange plan premium and covered services. If they choose to remain in full-cost Exchange coverage, they should notify their state Medicaid or CHIP agency of their Exchange enrollment; they may no longer be eligible for CHIP.

In accordance with guidance from the Internal Revenue Service (IRS), if an Exchange makes a determination or assessment that an individual is ineligible for Medicaid or CHIP and eligible for APTC when the individual enrolls in Exchange coverage, the individual is treated as not eligible for Medicaid or CHIP for purposes of the premium tax credit while they are enrolled in Exchange coverage for that year.[4]

Q6: Are there other places besides Medicaid/CHIP PDM notices that consumers are informed that they should end their Exchange coverage with APTC/CSRs if they are also enrolled in Medicaid or CHIP?

A6: In addition to providing information on HealthCare.gov, the Exchange has published content in a number of venues to help address issues related to enrollment in an Exchange plan with APTC/CSRs once a consumer is determined eligible for Medicaid or CHIP.

- When selecting an Exchange plan with APTC/CSRs, consumers must attest that they understand their responsibility to end their Exchange coverage with APTC/CSRs if they become eligible for other qualifying coverage (including Medicaid or CHIP).
- The Exchange eligibility determination notice (EDN) that consumers receive after submitting their application for coverage includes clear language regarding consumer responsibility to actively end Exchange coverage with APTC/CSRs upon becoming eligible for other qualifying coverage.
- The Medicaid/CHIP PDM initial warning notice regarding a consumer's dual-enrollment will be available in the Application Details section of the dually-enrolled consumer's Exchange account, as applicable, with a timer to notify them of the deadline to make updates to the application or end Exchange coverage with APTC/CSRs, before the Exchange takes action to end financial assistance on the consumer's behalf.

Q7: How will consumers identify the Medicaid/CHIP PDM notices, and what do the notices say?

A7: The subject of the initial warning notice reads *"Warning: Members of your household may lose financial help for their Marketplace coverage."* The notice lists the dually-enrolled consumers, and provides instructions to either end their Exchange coverage with APTC/CSRs, or update their Exchange application to tell the Exchange that they're not enrolled in Medicaid or CHIP. The notice informs consumers who choose to remain in full-cost Exchange coverage that they should notify their state

[4] https://www.irs.gov/Affordable-Care-Act/Individuals-and-Families/Questions-and-Answers-on-the-Premium-Tax-Credit, question 29

Medicaid or CHIP agency of their Exchange enrollment. The notice also provides instructions for consumers who want more information about Medicaid or CHIP, who aren't sure if their Medicaid or CHIP coverage counts as qualifying coverage, or who aren't sure whether they're enrolled in or have been determined eligible for Medicaid or CHIP.

The subject of the final notice reads *"IMPORTANT: Members of your household are still enrolled in a Marketplace plan but will no longer get financial help for it."* The notice lists the dually-enrolled consumers who did not take action by the date in the initial warning notice, tells them the date that Exchange coverage without financial assistance becomes effective, and alerts the impacted consumers that they should end Exchange coverage immediately if they don't want to pay full cost for their share of the Exchange plan premium and covered services. The notice informs consumers who choose to remain in full-cost Exchange coverage that they should notify their state Medicaid or CHIP agency of their Exchange enrollment. The notice also provides instructions for consumers who want more information about Medicaid or CHIP, who aren't sure if their Medicaid or CHIP coverage counts as qualifying coverage, OR who aren't sure whether they're enrolled in or eligible for Medicaid or CHIP, and tells the consumer to refer to their final EDN for information on how to submit an appeal to the Exchange if a consumer believes their financial assistance was ended incorrectly.

Copies of both notices are available in English and Spanish.

Q8: Are there estimates of how many beneficiaries are impacted by Medicaid/CHIP PDM?
A8: At this time, CMS does not provide numbers regarding the number of consumers impacted by Medicaid/CHIP PDM.

Q9: Can a consumer who is eligible for Medicaid or CHIP coverage keep their Exchange plan?
A9: Yes, if otherwise eligible for Exchange coverage, such a consumer may keep their Exchange plan. If a consumer still wants an Exchange plan after being determined eligible for Medicaid or CHIP, they will not be eligible for any financial assistance to reduce the cost of their Exchange plan. Consumers who choose to remain in full-cost Exchange coverage should notify their state Medicaid or CHIP agency of their Exchange enrollment. Those consumers who choose to remain enrolled in full-cost Exchange coverage may no longer be eligible for CHIP.

Q10: If a consumer is enrolled in an Exchange plan with APTC/CSRs and is determined eligible for Medicaid or CHIP that does not count as qualifying coverage, can they remain enrolled in an Exchange plan with APTC/CSRs?
A10: Consumers who are determined eligible for or enrolled in Medicaid or CHIP that counts as qualifying coverage are not eligible for APTC/CSRs to help pay for an Exchange plan premium and covered services. If a consumer is enrolled in Medicaid or CHIP coverage that is not considered qualifying coverage, they may enroll/remain enrolled in an Exchange plan with APTC/CSRs, if otherwise eligible.

Q11: If a consumer is enrolled in Exchange coverage with APTC/CSRs and is eligible for Medicaid medically-needy coverage with a spend down, do they need to end their Exchange coverage with APTC/CSRs?

A11: Individuals who qualify for comprehensive medically-needy Medicaid coverage only after they meet a spend down amount will not receive coverage that is recognized as qualifying coverage. Individuals who meet a state's medically-needy income level without a spend down requirement will have comprehensive coverage that is recognized as qualifying coverage, if the state has elected to provide comprehensive medically-needy Medicaid coverage. In states that do not provide medically-needy coverage that is comprehensive, medically-needy individuals will not receive coverage that counts as qualifying coverage, regardless of whether they have to meet a spend down amount. Consumers who are enrolled in Exchange coverage with APTC/CSRs and Medicaid that does not count as qualifying coverage do not need to end their Exchange coverage with APTC/CSRs.

Q12: What if a consumer who receives the Medicaid/CHIP PDM initial warning notice does not believe they are enrolled in Medicaid or CHIP?

A12: If a consumer receives a Medicaid/CHIP PDM initial warning notice, but doesn't think that they are enrolled in Medicaid or CHIP, the consumer should contact the state Medicaid or CHIP agency as soon as possible to confirm their enrollment status. If the consumer is not eligible for or enrolled in Medicaid or CHIP, the consumer should return to the Exchange to update their application information to reflect that they are not enrolled in Medicaid or CHIP. As the consumer updates their application, the Exchange will check again with the state Medicaid or CHIP agency in real time to confirm whether they are enrolled in Medicaid or CHIP. If the state Medicaid or CHIP agency tells the Exchange that the consumer is enrolled in Medicaid or CHIP, a data matching issue will be generated and the consumer will be asked on their Eligibility Determination Notice to send in documentation proving they are not enrolled in Medicaid or CHIP. This may include a Medicaid termination notice. The consumer will have a period of 90 days to send in that documentation or risk losing APTC/CSRs.

If the consumer learns from the state Medicaid/CHIP agency that they are eligible for Medicaid or CHIP, they should end their Exchange coverage with APTC/CSRs immediately. If affected consumers do not take action by the date on the notice (i.e., within 30 days from the date of the notice), the Exchange will end any APTC/CSRs being paid on their behalf for their share of an Exchange plan premium and covered services, and redetermine eligibility for APTC/CSRs for remaining consumers on the application, as appropriate. Consumers who choose to remain in full-cost Exchange coverage and Medicaid or CHIP should notify their state Medicaid or CHIP agency of their Exchange enrollment. Those consumers who choose to remain enrolled in full-cost Exchange coverage may no longer be eligible for CHIP.

Q13: What if a consumer was not notified of their enrollment in Medicaid or CHIP because the state did not participate in Medicaid/CHIP PDM, but believes that they may be dually-enrolled?

A13: If a consumer is enrolled in an Exchange plan with APTC/CSRs and believes they are also enrolled in Medicaid or CHIP (or vice versa) but has not received a confirmation of Medicaid or CHIP enrollment or Exchange plan enrollment, or a Medicaid/CHIP PDM initial warning notice, they should contact the state Medicaid or CHIP agency and the Exchange. If they are enrolled in both Medicaid or CHIP and Exchange coverage with APTC/CSRs, the consumer should visit healthcare.gov/medicaid-chip/cancelling-marketplace-plan/ or contact the Marketplace Call Center at 1-800-318-2596 for instructions on how to end Exchange coverage with APTC/CSRs. If the consumer learns from the state Medicaid or CHIP agency that they have been determined eligible for Medicaid or CHIP but is not enrolled in that coverage, the state agency will help the consumer complete enrollment. If the consumer learns from the Exchange that they are not enrolled in an Exchange plan, the consumer may enroll in Exchange coverage, if otherwise eligible. Consumers who are enrolled in full-cost Exchange coverage and Medicaid or CHIP should notify their state Medicaid or CHIP agency of their Exchange enrollment. Those consumers who choose to remain enrolled in full-cost Exchange coverage may no longer be eligible for CHIP.

Q14: What if a consumer is enrolled in Medicaid or CHIP and Exchange coverage with APTC/CSRs, but believes they are actually eligible to remain enrolled in Exchange coverage with APTC/CSRs?
A14: A consumer who's enrolled in Exchange coverage with APTC/CSRs and Medicaid or CHIP may believe they are eligible to remain enrolled in Exchange coverage with APTC/CSRs if they experience a change in household or income that makes them no longer eligible for Medicaid/CHIP. The consumer should contact the state Medicaid/CHIP agency to inform them of these circumstances. If the state Medicaid or CHIP agency informs the consumer that they are no longer eligible for Medicaid or CHIP, the consumer should update their Exchange application to state that they are not enrolled in Medicaid or CHIP; they can remain in their Exchange coverage with APTC/CSRs, if otherwise eligible.

Q15: What obligation do consumers have to notify their State Medicaid or CHIP agency of changes in circumstances mid-year?
A15: Consumers enrolled in Medicaid/CHIP coverage are required to report any material changes they have affecting their eligibility for Medicaid/CHIP, and states have an obligation to act on reported changes in a timely manner. Different states have different ways of effectuating this policy. The regulations regarding reporting of changes can be found at 42 CFR 435.916. In addition, consumers who choose to remain in full-cost Exchange coverage and Medicaid or CHIP that counts as qualifying coverage should notify their state Medicaid or CHIP agency of their Exchange enrollment. Those consumers who choose to remain enrolled in full-cost Exchange coverage may no longer be eligible for CHIP.

Q16: What is the difference between a Data Matching Issue (DMI) notice and a Medicaid/CHIP PDM notice?
A16: A data matching issue, or DMI, occurs when a consumer completes an Exchange application and the Exchange cannot immediately verify information provided by the consumer or it finds that Exchange data sources conflict with information provided by the consumer. For example, a DMI is generated if the Exchange finds that a consumer who is otherwise eligible for APTC and attests that they are not enrolled in other qualifying coverage is enrolled in Medicaid or CHIP. When a DMI is generated in this situation, the Exchange requests that a consumer submit documentation within 90 days to prove that they are not enrolled in Medicaid or CHIP. During the 90 days, a consumer will be able to enroll (or remain enrolled) in Exchange coverage with APTC/CSRs, if otherwise eligible. If consumers do not submit sufficient documentation to resolve their DMI within the timeframe, the Exchange will end their APTC/CSRs and they will remain enrolled in coverage through the Exchange without financial help.

Medicaid/CHIP PDM is a process the Exchange uses at various times during the coverage year to identify, notify, and reduce the number of consumers who are enrolled in Exchange coverage with APTC/CSRs *and* Medicaid or CHIP. Consumers who receive a Medicaid/CHIP PDM initial warning notice and are enrolled in Medicaid or CHIP should immediately end their Exchange coverage with APTC/CSRs. If consumers do not take action by the date on the notice (within 30 days from the date of the notice), the Exchange will end any APTC/CSRs being paid on their behalf for their share of an Exchange plan premium and covered services, and redetermine eligibility for APTC/CSRs for remaining consumers on the application, as appropriate.

Q17: Do coordination of benefits and third party liability (COB/TPL) apply during the time that the consumer was dually enrolled in Medicaid and Exchange coverage with APTC/CSRs?
A17: State Medicaid or CHIP agencies should follow their normal COB/TPL practices for Medicaid. Medicaid should remain the payer of last resort.

Q18: Will consumers who are notified that they are dually-enrolled be able to retroactively terminate their Exchange coverage with APTC/CSRs?
A18: The Exchange generally will not provide retroactive terminations for Exchange coverage for dually-enrolled consumers. We urge consumers who are determined eligible for or enrolled in Medicaid or CHIP to end their Exchange coverage with APTC/CSRs immediately.

Q19: What happens if a consumer takes no action after receiving a Medicaid/CHIP PDM initial warning notice? Does the Exchange automatically end their APTC/CSRs?
A19: Yes. The Exchange ends any APTC/CSRs being paid on behalf of dually-enrolled consumers who do not take appropriate action by the date on the Medicaid/CHIP PDM initial warning notice; affected consumers are notified via a final notice from the Exchange. For anyone in the same household who is not listed in the final notice and still enrolled in an Exchange plan, their Exchange coverage continues and the Exchange redetermines their eligibility for APTC/CSRs, as applicable. The Exchange sends an updated eligibility determination notice to inform consumers of changes to their financial assistance.

Note that for consumers who successfully responded to the initial warning notice by the date listed in the notice, by either ending their Exchange coverage with APTC/CSRs or updating their Exchange application to reflect that they are not enrolled in Medicaid/CHIP, the Exchange does not end APTC/CSRs on their behalf and they will not receive a final notice.

Q20: What should a consumer do if they disagree with the Exchange's decision to end their APTC/CSRs as part of Medicaid/CHIP PDM?
A20: In many cases, consumers can appeal the Exchange's decision about their household's eligibility for health coverage, including eligibility for APTC and CSRs. Generally, consumers have 90 days from the date of the final notice notifying them that they are no longer eligible for APTC/CSRs to request an appeal with the Exchange. They can represent themselves or appoint a representative to help them with their appeal. This person can be a friend, relative, lawyer, or someone else. They can ask to keep their eligibility during their appeal. If they were previously eligible for Exchange coverage or financial assistance and their eligibility is changed, they can appeal this change. In this case, they may be able to keep their previous eligibility during their appeal. The outcome of an appeal could change the eligibility of other members of their household even if they don't ask for an appeal. Information regarding a consumer's right to appeal and instructions on how to do so are included in the EDN they are sent.

Q21: Will Medicaid/CHIP PDM detect dual enrollment in an Exchange plan with APTC/CSRs and Medicare that counts as qualifying coverage?
A21: Medicaid/CHIP PDM is a process the Exchange uses periodically during the coverage year to identify, notify and reduce the number of consumers who are enrolled in Exchange coverage with APTC/CSRs and Medicaid or CHIP. It does not involve a check for dual enrollment in Exchange coverage with APTC/CSRs and Medicare that counts as qualifying coverage (that is, Part A or Part C). Dual enrollment with Medicare that counts as qualifying coverage would also make an enrollee ineligible for financial help through the Exchange; this issue is addressed periodically during the year through a separate Medicare PDM process.