



Public Health Law

Office for State, Tribal, Local and Territorial Support
Centers for Disease Control and Prevention

Hospital Presumptive Eligibility

Introduction

Hospital presumptive eligibility (PE) is a policy option that allows hospitals to provide temporary Medicaid coverage to individuals likely to qualify for Medicaid. Previously, presumptive eligibility was an option limited to children or pregnant women and available only in states that selected this option. Effective January 2014, the Affordable Care Act expanded the scope of the policy to allow hospitals to make presumptive eligibility determinations in every state for all individuals eligible for Medicaid on the basis of modified adjusted gross income.

Presumptive Eligibility Under the Affordable Care Act

For many years, states have had the option to adopt a presumptive eligibility policy that allows healthcare providers, or “qualified entities,” including hospitals, to quickly provide pregnant women and children with temporary Medicaid coverage.¹ Based on information about income and household size, qualified entities identify patients who are likely to qualify for Medicaid.² These patients are then “presumed eligible” and temporarily enrolled in Medicaid. Presumptive eligibility provides the patient with immediate access to care with payment for services guaranteed to providers. It also creates an opportunity to encourage and assist the patient in submitting a full Medicaid application. Under the Affordable Care Act, in addition to the establishment of hospital PE, states that have already implemented presumptive eligibility for children or pregnant women can now expand the program to include parents and caretaker relatives and other adults covered by the state’s Medicaid program, as well as former foster children and individuals in need of family planning services.³

¹ Presumptive eligibility for Medicaid for pregnant women was first offered as a state option in 1986, while presumptive eligibility for children became an option in 1997. The Breast and Cervical Cancer Prevention and Treatment Act of 2000 permitted states to make presumptive eligibility available for breast or cervical cancer patients. Tricia Brooks, *Presumptive Eligibility: Providing Access to Health Care Without Delay and Connecting Children to Coverage*, CENTER FOR CHILDREN AND FAMILIES, GEORGETOWN UNIVERSITY HEALTH POLICY INSTITUTE, n.2, 4 (May 2011), http://ccf.georgetown.edu/wp-content/uploads/2012/03/Presumptive_eligibility_20111.pdf.

² Qualified entities include, but are not limited to hospitals, physicians, clinics, local health departments, and elementary and secondary schools. Christine Sebastian, *Presumptive Eligibility: A Step Toward Streamlined Enrollment in Medicaid and CHIP*, FAMILIES USA (Sept. 2011), http://familiesusa.org/sites/default/files/product_documents/Presumptive-Eligibility.pdf.

³ 42 C.F.R. § 435.1103 (2013).



Hospital PE Program under the Affordable Care Act

More significantly, the Affordable Care Act requires all states to implement hospital PE, giving hospitals the opportunity to make presumptive eligibility determinations regardless of whether the state had previously adopted the presumptive eligibility option.⁴ Hospitals in every state can now use PE determinations to enroll individuals who are likely eligible under a state's Medicaid eligibility guidelines, including children, pregnant women, parents and caretaker relatives, and former foster children.⁵ Hospitals may also make PE determinations for other groups that are covered by their state Medicaid programs, including individuals with income above 133% of the federal poverty level and under age 65; individuals eligible for family planning services; and individuals needing treatment for breast and cervical cancer.⁶ At the discretion of each state, hospitals may also be allowed to make hospital PE determinations for other groups such as aged, blind, and disabled persons, as well as groups whose eligibility is established by section 1115 waivers.⁷ Hospital PE determinations are not limited to patients but can also be made for patients' families and eligible individuals from the broader community.⁸

How Hospital PE Works

At the initial visit of an individual who is not already enrolled in Medicaid, a hospital employee trained in conducting hospital PE determinations helps the individual complete a hospital PE application.⁹ This assistance includes helping the individual answer required questions and calculate monthly family income and household size.¹⁰

If an individual meets the hospital PE criteria, the hospital must provide a written eligibility notice, information about beginning and end dates of the hospital PE period, and a summary of benefits.¹¹ The employee should also encourage the individual to apply for full Medicaid, including helping the individual connect to an application counselor.¹² If presumptive eligibility is denied, the employee must

⁴ 42 C.F.R. § 435.1110(a) (2013).

⁵ *Id.*

⁶ *Id.*

⁷ MEDICAID AND CHIP FAQs: IMPLEMENTING HOSPITAL PRESUMPTIVE ELIGIBILITY PROGRAMS 5 (Jan. 2014), <http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-Implementation/Downloads/FAQs-by-Topic-Hospital-PE-01-23-14.pdf>. Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that promote the objectives of the Medicaid program. See Section 1115 Demonstrations, MEDICAID, <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/Section-1115-Demonstrations.html>.

⁸ MEDICAID AND CHIP FAQs at 6.

⁹ HOSPITAL PRESUMPTIVE ELIGIBILITY: TRAINING TEMPLATE FOR QUALIFIED HOSPITALS 15, <http://www.medicaid.gov/State-Resource-Center/MAC-Learning-Collaboratives/Learning-Collaborative-State-Toolbox/Downloads/HPE-Training-Presentation.pdf>.

¹⁰ States have the option of using a simplified methodology to identify applicant's household income. 42 C.F.R. § 435.1102(a) (2013).

¹¹ HOSPITAL PRESUMPTIVE ELIGIBILITY MODEL APPLICATION AND MEMORANDUM OF UNDERSTANDING, 24 (Feb. 20, 2014), <http://www.medicaid.gov/State-Resource-Center/MAC-Learning-Collaboratives/Downloads/Hospital-PE-Webinar-Deck.PDF>.

¹² HOSPITAL PRESUMPTIVE ELIGIBILITY: TRAINING TEMPLATE FOR QUALIFIED HOSPITALS at 26.

provide the reason for the denial and inform the individual of the option to submit a full Medicaid application.¹³

The PE period begins with and includes the day the hospital makes the determination.¹⁴ If the individual submits a full Medicaid application by the last day of the month after the month that PE is determined, the PE period ends the day the state makes the eligibility determination for full Medicaid, whether approved or denied. If no full application is made, the PE period ends the last day of the month following the month in which the hospital makes the determination.¹⁵ For example, if a hospital makes a PE determination on March 6, the PE period ends April 30, unless the patient submits a full Medicaid application before April 30.

Benefits are the same as those provided under the Medicaid group for which the individual is determined presumptively eligible.¹⁶ However, some exceptions apply. Pregnant women are limited to ambulatory prenatal care benefits; birthing expenses are not covered.¹⁷ The benefits for individuals seeking family planning care are limited to family planning services and supplies.¹⁸

State Implementation of the Hospital PE Program

States have flexibility in creating their hospital PE programs. For instance, a state can require citizenship and residency attestations on hospital PE applications.¹⁹ However, hospital PE determinations cannot be held up for verification of these statuses.²⁰ States do not have to use a written application for hospital PE but can simply ask the applicant for the information they need to make the determination and then record the answers.²¹ States can opt to allow hospitals to use the full Medicaid application to make hospital PE determinations, as long as the application makes it clear which questions do not have to be answered for a hospital PE determination to proceed.²² The state can also choose to have a short-form hospital PE application and then require that the hospital help the applicant fill out the full Medicaid application.²³ Individuals cannot be required to submit a full Medicaid application as a condition of receiving hospital PE.²⁴ But states may require that the hospital helps the patient complete a full application if the individual chooses to do so.²⁵ Hospitals must notify the state of approvals (and the date range for the PE period) within five or fewer days using the process outlined by the state.²⁶ Federal regulations limit pregnant women to one hospital PE period per pregnancy; for non-pregnant

¹³ *Id.* at 33. Hospital PE denials cannot be appealed, but individuals can submit a full application.

¹⁴ MEDICAID AND CHIP FAQs at 2.

¹⁵ *Id.* at 3.

¹⁶ *Id.* at 6.

¹⁷ 42 C.F.R. § 435.1103(a) (2013).

¹⁸ 42 C.F.R. § 435.1103(c)(1) (2013).

¹⁹ MEDICAID AND CHIP FAQs at 3.

²⁰ However, verification of citizenship and immigration status is required before a final Medicaid eligibility determination can be made. *Id.*

²¹ *Id.* at 3–4.

²² *Id.* at 3.

²³ *Id.*

²⁴ *Id.*

²⁵ 70 Fed. Reg. 42,177 (July 15, 2013) (to be codified at 42 C.F.R. pt. 435).

²⁶ HOSPITAL PRESUMPTIVE ELIGIBILITY: TRAINING TEMPLATE FOR QUALIFIED HOSPITALS 33.

individuals, states may limit the hospital PE period to a specified number of periods allowed in a given time span.²⁷

Although states are now required to implement hospital PE, hospital participation is optional, and states must provide a mechanism for a hospital to become qualified to conduct these determinations.²⁸ To be qualified to make hospital PE determinations, a hospital must participate in the Medicaid program, notify the state of its intention to make PE determinations by the process specified by the state, and agree to make PE determinations consistent with policies and procedures of the state.²⁹

Once a hospital is a qualified entity, any hospital employee who is properly trained can make hospital PE determinations, including employees in hospital-owned physician practices or clinics, even if those locations are off site.³⁰ Participating hospitals may not delegate PE determinations to non-hospital staff, such as third-party vendors or contractors, although hospitals may implement PE with the support of third-party contractors.³¹

The state has the authority to take corrective action against hospitals, including disqualifying hospitals from making PE determinations, if the hospital does not follow state policies or does not meet established standards.³² However, the state cannot disqualify the hospital from conducting PE determinations until after it has provided the hospital with additional training or taken other reasonable corrective action measures to address the issue.³³

States are required to provide qualified hospitals with training in all applicable policies and procedures related to hospital PE.³⁴ States had until March 31, 2014, to submit a Medicaid State Plan Amendment that outlined the state's process for implementing the hospital PE program, including information on state eligibility policies and procedures, training materials for hospitals, and the hospital PE application if the state intends to use a written application.³⁵ States have the option of requiring hospitals to administer knowledge tests to employees making hospital PE determinations.³⁶

All states must collect data on hospital performance to fulfill their oversight responsibilities, but each state can determine its own performance standards.³⁷ Potential performance metrics include a) the proportion of individuals determined presumptively eligible by the hospital who go on to submit a full application or b) the proportion of individuals who are ultimately determined eligible for Medicaid on the basis of the full application.³⁸

²⁷ HOSPITAL PRESUMPTIVE ELIGIBILITY MODEL APPLICATION AND MEMORANDUM OF UNDERSTANDING 27.

²⁸ 70 Fed. Reg. 42,176 (July 15, 2013) (to be codified at 42 C.F.R. pt. 435).

²⁹ 42 C.F.R. § 435.1110(b) (2013).

³⁰ HOSPITAL PRESUMPTIVE ELIGIBILITY: TRAINING TEMPLATE FOR QUALIFIED HOSPITALS at 15.

³¹ MEDICAID AND CHIP FAQs at 6.

³² 42 C.F.R. § 435.1110 (c)(2) (2013).

³³ 42 C.F.R. § 435.1110 (c)(3)(2013).

³⁴ 70 Fed. Reg. 42,289.

³⁵ MEDICAID AND CHIP FAQs at 2.

³⁶ *Id.* at 7.

³⁷ 70 Fed. Reg. 42,289.

³⁸ 42 C.F.R. § 435.1110(d)(1)(2013).

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