



Children and Adults Health Programs Group

May 22, 2024

Todd Richardson
Director, MO HealthNet
Missouri Department of Social Services
615 Howerton Court, PO Box 6500
Jefferson City, MO 65102

Dear Director Richardson:

The Centers for Medicare & Medicaid Services (CMS) is committed to working with states to ensure that their processes and procedures for determining Medicaid and Children's Health Insurance Program (CHIP) eligibility correctly and timely are consistent with federal requirements. Despite the Missouri Medicaid agency's success in addressing an application backlog in 2022 that was associated with implementation of the state's expansion of Medicaid to adults, it appears that processing times for a significant percentage of Medicaid and CHIP applications in Missouri are again exceeding regulatory limits. . The processing time reflects the number of calendar days between the date the state agency receives an initial application and the date the state agency makes a final eligibility determination. To help us better understand the state's processes, more accurately quantify the scope of the problem, and assist the state in developing necessary mitigation measures to address its application backlog and to come into compliance with federal requirements, CMS is planning to conduct a focused review of your state's Medicaid and CHIP eligibility determinations at application.

Federal regulations at 42 CFR 435.911, 435.912 and 457.340(d) require states to process applications and furnish Medicaid and CHIP coverage to eligible individuals promptly and without undue delay. Consistent with the timeliness standards described in 42 CFR 435.912(c) and 42 CFR 457.340(d), states generally must determine eligibility within 90 days for applicants who apply for Medicaid on the basis of a disability, and 45 days for all other Medicaid and CHIP applicants.

Following the state's implementation of the adult eligibility group set forth at section 1902(a)(10)(A)(i)(VIII) of the Social Security Act (new adult group) in the spring of 2021, the state experienced a significant backlog in application processing times. Medicaid and CHIP Eligibility and Enrollment Performance Indicator (PI) data submitted to CMS in April 2021 and February 2022 indicate that application processing times increased from only 1 percent of MAGI determinations at application processed in over 45 days in April 2021 to 82 percent in April 2022. In July 2022, after analyzing state-provided data, including PI data, and discussions with officials from the Missouri Department of Social Services, MoHealth Net Division (MoHealth) beginning in February of 2022, CMS requested the state submit a mitigation plan describing the state's plans and associated timelines to come into full compliance with the federal Medicaid

statutory and regulatory requirements related to application processing. Through the adoption of the strategies in the mitigation plan, which was approved by CMS, the state made significant progress in working through the application backlog. Between September 2022 and September 2023, the state processed 94 percent or more of MAGI determinations at application within the timeframes required under Medicaid and CHIP regulations.

While the state was largely successful in working down the application backlog related to implementation of the adult expansion and maintained such progress through September of 2023, and, we understand, has continued to employ the strategies approved in the July 2022 mitigation plan, the share of Missouri's MAGI determinations at application that were processed in more than 45 days began to increase in October of 2023, when PI data submitted by the state to CMS indicated that 34 percent of MAGI determinations were taking more than 45 days to process. The proportion of MAGI determinations exceeding 45 days increased to 42 percent in November 2023, 57 percent in December 2023 and 58 percent in January 2024.

CMS staff engaged with MoHealth officials in January of 2024 to understand the nature of the backlog and the steps the state was taking to comply with timeliness requirements. The state indicated that the application backlog and timeliness issues were caused by increases in the volume of applications associated with the annual Federally Facilitated Marketplace Open Enrollment period. The state also indicated that it faced shortages in eligibility staff due to the needs of other human services programs, which compete with the state's Medicaid and CHIP agency for resources.

Given the requirement to conduct renewals for the state's entire caseload after the continuous enrollment condition ended on March 31, 2023, states may be facing additional challenges that could be impacting compliance with federal application processing standards. CMS is concerned that the state's current efforts are not sufficient to achieve and sustain compliance with federal timeliness requirements for applicants, particularly given the prolonged period of the state's non-compliance.

Although we understand that the state continues to employ the strategies outlined in its July 2022 mitigation plan, due to the persistent nature of the current backlog, we believe it is critical for the state to review its current processes and adopt additional alternative strategies that will mitigate the harm being caused to applicants. CMS is committed to supporting the state in identifying strategies that will enable the state to process applications in accordance with federal timeliness standards. This is particularly important considering Medicaid Unwinding, when many individuals have lost coverage for procedural and administrative reasons even though they may otherwise meet Medicaid or CHIP eligibility criteria. As these individuals reapply for Medicaid or CHIP, taking meaningful steps to facilitate their enrollment will be essential to support their access to coverage.

In order for CMS to help identify potential policy and operational mitigation strategies to effectively address Missouri's application backlog, CMS will conduct a focused review of the

state's Medicaid and CHIP eligibility determinations at application. In particular, we have identified the following areas where we need additional information:

- **Application Data:** Please submit to CMS application processing data that includes the number of applications (Disability- and Non-Disability-related) pending and the age of those pending applications (i.e., how long they have been pending). We request the state begin reporting this data by month, starting with applications pending as of the months of January 2024, February 2024, March 2024, April 2024, and May 2024. Please continue to submit this data monthly thereafter.
- **Staffing Plan:** Please provide a staffing plan that includes the number and allocation of staff currently processing Medicaid/CHIP applications (i.e., number of staff working on Medicaid/CHIP-only applications and number that works on Medicaid and CHIP determinations from combined SNAP and Medicaid or CHIP applications).
- **Staff training plan:** Please describe the number of staff still in need of training and the timeline for completion of training in order for staff to be equipped to process Medicaid and CHIP applications.
- **Current mitigations or other strategies:** Provide an update on the effectiveness of the interventions or strategies outlined in its July 2022 mitigation plan that the state continues to implement to address the backlog identified in the PI data the state submitted for October 2023 through January 2024. This should include, as applicable, a description of operational changes to the state's application processing, system changes to the eligibility system, reallocation of staff within the Medicaid/CHIP agency, and other interventions to facilitate access to coverage during application processing delays. Please include the date the state implemented each strategy.
- **Process map for adjudicating applications:** Please describe the state's workflow for adjudicating applications. This workflow should contain a description of any automated IT system functionality, how and where worker intervention is needed, and information detailing the state's verification processes at application (Disability- and Non-Disability-related), including the state's verification policies and protocols.

We request that the state submit this information within 30 days of the date of this letter. CMS staff is available to provide clarification of this request should the state need additional information to meet this deadline and provide the requested information. Please note that failure to provide this information may result in Missouri being subject to a formal compliance action in accordance with sections 1904 and 2106 of the Social Security Act and 42 CFR 430.35 and 42 CFR 457.204, in which event we would request that the state submit a Corrective Action Plan (CAP) outlining strategies and a timeline to come into compliance with federal requirements. We appreciate your shared commitment to resolving the significant application backlog and look forward to working together to develop effective mitigation strategies to reduce the backlog and ensure that federal timeliness standards are met for application processing going forward.

If you have questions, please contact Suzette Seng, Director, Division of Enrollment Policy and Operations, at suzette.seng@cms.hhs.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sarah deLone". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Sarah deLone

Director

Children and Adults Health Programs Group
Center for Medicaid and CHIP Services