



## 101ST GENERAL ASSEMBLY

### State of Illinois

2019 and 2020

SB2021

Introduced 2/15/2019, by Sen. Heather A. Steans

#### SYNOPSIS AS INTRODUCED:

See Index

Creates the Medicaid Eligibility Determination and Renewal Reform Act. Requires the Department of Healthcare and Family Services (Department) to work with the Department of Human Services to achieve the following goals related to eligibility determinations and renewals under the Medical Assistance Program: (i) reduce procedural terminations so that no more than 10% of medical assistance beneficiaries who remain eligible for medical assistance experience any lapse in contemporaneous medical coverage; and (ii) use technology to lower administrative burdens and increase beneficiary continuity of coverage by providing real-time eligibility determination decisions for at least 75% of all medical assistance applicants, increasing automatic renewals for medical assistance beneficiaries, and offering an electronic means by which medical assistance beneficiaries can track and maintain their benefits. Provides that the goals must be met by December 31, 2020. Requires the Department to submit Medicaid and CHIP State Plan amendments to implement express lane eligibility for all beneficiaries of medical assistance and benefits under the Children's Health Insurance Program Act. Contains provisions concerning community-based enrollment and redetermination assistance; the creation of enhanced user permission; and other matters. Amends the Illinois Public Aid Code. Requires the Department to reduce administrative burdens and minimize delay utilizing its income, residency, and identity verification system; and to utilize federal or State electronic data sources to obtain certain financial, employment, and residency information. Contains provisions concerning data matching; the waiver of residency verification requirements; rulemaking authority; and other matters. Effective immediately.

LRB101 10004 KTG 55106 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning public aid.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be referred to as the  
5 Medicaid Eligibility Determination and Renewal Reform Act.

6 Section 5. Purpose. The processes currently in place for  
7 eligibility determination and renewal (also known as  
8 redetermination) under the State's medical assistance programs  
9 lead to delayed access to benefits, disruptions in care  
10 delivery, decreased quality of care, waste in spending on  
11 unnecessary administrative costs, and worse overall health and  
12 well-being for enrollees. To improve continuity of care for  
13 beneficiaries and remedy significant administrative  
14 challenges, to the benefit of both the State and beneficiaries,  
15 this Act implements improvements and efficiencies to increase  
16 accountability and transparency, minimize delay and procedural  
17 terminations, and improve the overall integrity of the State's  
18 medical assistance programs.

19 Section 10. Medicaid eligibility determination and renewal  
20 goals.

21 (a) The Department of Healthcare and Family Services shall  
22 work with the Department of Human Services, as well as other

1 stakeholders, to achieve the following goals related to  
2 eligibility determinations and renewals under the Medical  
3 Assistance Program established under Article V of the Illinois  
4 Public Aid Code:

5 (1) Reduce procedural terminations under the Medical  
6 Assistance Program so that no more than 10% of medical  
7 assistance beneficiaries who remain eligible for medical  
8 assistance experience any lapse in contemporaneous medical  
9 coverage.

10 (2) Use technology to lower administrative burdens and  
11 increase beneficiary continuity of coverage by providing  
12 real-time eligibility determination decisions under the  
13 Medical Assistance Program for at least 75% of all medical  
14 assistance applicants, increasing automatic renewals for  
15 medical assistance beneficiaries, and offering an  
16 electronic means by which a broad array of medical  
17 assistance beneficiaries can track and maintain their  
18 benefits.

19 (b) The Department of Healthcare and Family Services and  
20 the Department of Human Services shall work together with  
21 stakeholders, including, but not limited to, beneficiaries of  
22 medical assistance, consumer advocates, governmental staff,  
23 provider, and managed care organizations, to achieve the goals  
24 described in subsection (a) by December 31, 2020. The  
25 Department of Healthcare and Family Services shall provide a  
26 report to the General Assembly on the Department's progress

1 toward achieving those goals by December 31, 2019. The report  
2 shall be posted on the Department of Healthcare and Family  
3 Services' website and shall describe the policy changes the  
4 Department has made, any challenges the Department has faced,  
5 the Department's plan to achieve the goals by the deadline, and  
6 the current rate of procedural termination, data-driven  
7 renewals, and electronic portal use.

8 Section 15. Express lane eligibility State Plan amendment;  
9 implementation timeline.

10 (a) As used in this Section:

11 "CHIP" means the Children's Health Insurance Program  
12 established under the Children's Health Insurance Program  
13 Act.

14 "Medicaid" means medical assistance authorized under  
15 Section 1902 of the Social Security Act.

16 (b) Federal approval for express lane eligibility. The  
17 Department of Healthcare and Family Services shall submit  
18 Medicaid and CHIP State Plan amendments to the federal Centers  
19 for Medicare and Medicaid Services to implement express lane  
20 eligibility for all Medicaid and CHIP beneficiaries as  
21 permitted by Section 203 of the Children's Health Insurance  
22 Program Reauthorization Act of 2009 (Public Law 111-3), no  
23 later than 90 days after the effective date of this Act. The  
24 Department of Healthcare and Family Services shall cooperate  
25 with the federal Centers for Medicare and Medicaid Services to

1 obtain approval, if necessary, to implement an express lane  
2 eligibility option to ensure that children eligible for  
3 Medicaid or CHIP have a fast and simplified process for having  
4 their eligibility determined or renewed to facilitate  
5 enrollment in Medicaid and CHIP.

6 (c) Content of State Plan amendment. At a minimum, the  
7 State Plan amendment shall specify that express lane  
8 eligibility shall apply to all Medicaid and CHIP beneficiaries.  
9 If federal approval is granted, the Department of Healthcare  
10 and Family Services shall seek an 1115 waiver to apply the  
11 express lane eligibility option to beneficiaries age 21 or  
12 older no later than 90 days after approval. The State Plan  
13 amendment shall identify, at a minimum, the Supplemental  
14 Nutrition Assistance Program as its express lane agency. The  
15 State Plan amendment shall also specify that the express lane  
16 eligibility option will be used for both applications and  
17 renewals. The Department of Healthcare and Family Services may  
18 select more than one express lane agency, consistent with the  
19 Centers for Medicare and Medicaid Services' rules governing  
20 express lane eligibility. The Department of Healthcare and  
21 Family Services may also elect to obtain and use information  
22 directly from State income tax records or returns, consistent  
23 with the Centers for Medicare and Medicaid Services' rules  
24 governing express lane eligibility.

25 (d) Implementation. After the Department of Healthcare and  
26 Family Services secures federal approval (if required) from the

1 Centers for Medicare and Medicaid Services, the Department  
2 shall implement express lane eligibility within 90 days after  
3 the date of federal approval.

4 Section 20. Reinstatement upon renewal.

5 (a) If an individual who failed to cooperate during the  
6 renewal process cooperates and submits all required  
7 verifications prior to the end of the third month (or 90 days  
8 if longer) following the last day of coverage, and the case  
9 remains eligible, the Department of Healthcare and Family  
10 Services shall restore assistance immediately, with no loss of  
11 coverage and back to the date of cancellation, without  
12 requiring a new application from the individual. In restoring  
13 assistance, the Department shall act to ensure that an eligible  
14 individual has the shortest time possible, if any, when his or  
15 her case shows as inactive to providers. Retroactive coverage  
16 alone does not satisfy the objective of this Section if  
17 eligible individuals still experience real-time periods of an  
18 inactive case.

19 (b) Individuals who are reinstated and who are enrolled in  
20 a managed care organization prior to initial cancellation of  
21 coverage shall be reinstated to the same managed care  
22 organization, regardless of when the individual's coverage is  
23 reinstated, and the annual HealthChoice Illinois open  
24 enrollment period for the individual shall remain the same.  
25 Managed care organizations shall be paid the appropriate per

1 member per month payment retroactively for reinstated members.

2 (c) Providers serving individuals in the State's  
3 fee-for-service system may submit prior approval requests to  
4 the Department of Healthcare and Family Services for review and  
5 retroactive processing for medical assistance provided during  
6 the reinstatement period. Providers serving individuals  
7 enrolled in managed care may have their prior approval requests  
8 submitted and processed retroactively for medical assistance  
9 provided during the reinstatement period, provided that  
10 appropriate member attribution and associated payment are also  
11 made to the managed care organization for the reinstated  
12 coverage period.

13 Section 25. Community-based enrollment and redetermination  
14 assistance.

15 (a) The Department of Healthcare and Family Services shall  
16 create and support agency-associated permission and enhanced  
17 user permission within the Department's integrated eligibility  
18 system to provide authorized access to client cases to better  
19 enable providers and community-based organizations to support  
20 applicants and clients enrolling in, renewing, or otherwise  
21 maintaining their benefits.

22 (b) Creation of agency-associated permission.

23 (1) The Department of Healthcare and Family Services  
24 shall authorize, create, support, and administer a process  
25 by which a provider or community-based organization can

1 access each client case that is associated with that  
2 provider or community-based organization in the  
3 Department's integrated eligibility system for each  
4 client, provider, and community-based organization that  
5 seeks such access, and cooperates with the Department's  
6 screening, training, and security protocols. Such access  
7 shall enable the provider or community-based organization  
8 to assist its clients with their benefits cases.

9 (2) A client must authorize the Department of  
10 Healthcare and Family Services to associate his or her case  
11 with one or more particular providers or community-based  
12 organizations before the provider or organization may  
13 access the client's case. Such authorization must be given  
14 in writing and may be revoked in writing by the client,  
15 provider, or community-based organization at any time. The  
16 permission to access the case shall be granted to the  
17 provider or community-based organization as a whole and not  
18 specific to any particular employee or staff member. The  
19 Department of Healthcare and Family Services shall process  
20 all requests to associate a case or revoke an association  
21 with particular providers or community-based organizations  
22 promptly.

23 (3) For each provider and community-based organization  
24 that seeks such access, the Department of Healthcare and  
25 Family Services shall authorize and create  
26 agency-associated permission within the Department's



1 integrated eligibility system to view the specific case for  
2 each client associated with the provider or  
3 community-based organization. This agency-associated  
4 permission shall permit staff authorized by the provider or  
5 community-based organization to access and interact with  
6 all client cases associated with the provider or  
7 community-based organization in ways that are otherwise  
8 accessible to the client. The provider or community-based  
9 organization shall identify and supervise authorized  
10 staff. Such agency-associated permission shall enable the  
11 provider or community-based organization to access all  
12 client-facing aspects of the case for each client  
13 associated with the provider or community-based  
14 organization who has authorized such access.

15 (4) The Department of Healthcare and Family Services  
16 shall ensure that the provider or community-based  
17 organization has been granted permission within the  
18 Department's integrated eligibility system (or other  
19 electronic systems) to receive and view notifications and  
20 alerts for all associated client cases, and to perform  
21 certain actions in associated client cases. Permitted  
22 actions shall include, but are not limited to: (i) viewing  
23 notifications, (ii) uploading documentation such as  
24 spend-down verifications and renewal forms, and (iii)  
25 initiating contact with and continuing communication with  
26 Department staff.

1 (c) Administration of agency-associated permission.

2 (1) The Department of Healthcare and Family Services  
3 shall develop criteria and policies for granting  
4 permission to providers and community-based organizations  
5 that seek agency-associated permission.

6 (2) The Department of Healthcare and Family Services  
7 shall create criteria and policies to ensure that  
8 agency-associated permission is granted only for accounts  
9 where the authorized user has agreed to (i) obtain the  
10 written consent of the individual, (ii) act in the best  
11 interest of the individual, (iii) maintain the integrity of  
12 the Department's programs, and (iv) act in compliance with  
13 applicable State and federal law.

14 (3) Agency-associated permission shall be authorized  
15 by the Department of Healthcare and Family Services in  
16 accordance with the criteria and policies to be developed  
17 by the Department under this Act.

18 (4) The Department of Healthcare and Family Services  
19 shall not unreasonably restrict or limit agency-associated  
20 permission.

21 (d) Creation of enhanced user permission.

22 (1) The Department of Healthcare and Family Services  
23 shall authorize, create, support, and administer an  
24 enhanced user permission under which particular  
25 individuals have authority to manually verify information  
26 and work around error messages in the Department's

1 integrated eligibility system. Individuals who are  
2 associated with navigators, providers, or community-based  
3 organizations may apply for such access, and the Department  
4 shall grant enhanced user permission in compliance with  
5 this Section to those who cooperate with the Department's  
6 screening, training, and security protocols.

7 (2) Enhanced user permissions shall permit individuals  
8 to work in the integrated eligibility system with enhanced  
9 permissions beyond the consumer-facing portal. Such  
10 enhanced permissions shall include, but not be limited to,  
11 addressing common challenges, including (i) resolving  
12 common error codes, (ii) manually verifying data in the  
13 integrated eligibility system, and (iii) performing  
14 identity verification for the purposes of eligibility  
15 determination in accordance with requirements set forth by  
16 State and federal law. Nothing in this Act shall be  
17 interpreted as changing program eligibility or renewal  
18 criteria.

19 (e) Administration of enhanced user permission.

20 (1) Providers and community-based organizations shall  
21 nominate and supervise individual staff that serve as  
22 assisters, navigators, or who are otherwise proficient  
23 with Manage My Case to be granted enhanced user permissions  
24 by the Department of Healthcare and Family Services.

25 (2) The Department of Healthcare and Family Services  
26 shall develop criteria and policies for granting enhanced

1 user permission.

2 (3) The Department of Healthcare and Family Services  
3 shall provide support and training to individuals granted  
4 enhanced user permission.

5 (4) The Department of Healthcare and Family Services  
6 shall maintain and publish online a list of providers and  
7 community-based organizations that employ staff who have  
8 been granted enhanced user permission, to help individuals  
9 and families looking for assistance enrolling in and  
10 maintaining benefits.

11 (5) The Department of Healthcare and Family Services  
12 shall create criteria and policies to ensure that  
13 individuals with enhanced user permission agree to (i)  
14 obtain the written consent of the individual, (ii) act in  
15 the best interest of the individual, (iii) maintain the  
16 integrity of the Department's programs, and (iv) act in  
17 compliance with applicable State and federal law.

18 (6) Enhanced user permission shall be authorized by the  
19 Department of Healthcare and Family Services in accordance  
20 with the criteria and policies to be developed by the  
21 Department under this Act.

22 (7) The Department of Healthcare and Family Services  
23 shall not unreasonably restrict or limit enhanced user  
24 permission.

25 Section 30. The Department shall adopt any rules or

1 policies necessary to implement this Act.

2 Section 35. The Illinois Public Aid Code is amended by  
3 changing Section 11-5.2 as follows:

4 (305 ILCS 5/11-5.2)

5 Sec. 11-5.2. Income, Residency, and Identity Verification  
6 System.

7 (a) The Department shall ~~ensure that its proposed~~  
8 ~~integrated eligibility system shall~~ include the computerized  
9 functions of income, residency, and identity eligibility  
10 verification to verify eligibility, eliminate duplication of  
11 medical assistance, ~~and~~ deter fraud, reduce administrative  
12 burdens on the Department and the applicant or recipient, and  
13 minimize delay. ~~Until the integrated eligibility system is~~  
14 ~~operational, the Department may enter into a contract with the~~  
15 ~~vendor selected pursuant to Section 11-5.3 as necessary to~~  
16 ~~obtain the electronic data matching described in this Section.~~  
17 ~~This contract shall be exempt from the Illinois Procurement~~  
18 ~~Code pursuant to subsection (h) of Section 1-10 of that Code.~~

19 (b) Prior to awarding medical assistance at application  
20 under Article V of this Code, the Department shall, to the  
21 extent such databases are available to the Department, conduct  
22 data matches using the name, date of birth, address, and Social  
23 Security Number of each applicant or recipient or responsible  
24 relative of an applicant or recipient through one or more

1 federal or State electronic data sources including ~~against~~ the  
2 following:

3 (1) Income tax information.

4 (2) Employer reports of income and unemployment  
5 insurance payment information maintained by the Department  
6 of Employment Security.

7 (3) Earned and unearned income, citizenship and death,  
8 and other relevant information maintained by the Social  
9 Security Administration.

10 (4) Immigration status information maintained by the  
11 United States Citizenship and Immigration Services.

12 (5) Wage reporting and similar information maintained  
13 by states contiguous to this State.

14 (6) Employment information maintained by the  
15 Department of Employment Security in its New Hire Directory  
16 database.

17 (7) Employment information maintained by the United  
18 States Department of Health and Human Services in its  
19 National Directory of New Hires database.

20 (8) Veterans' benefits information maintained by the  
21 United States Department of Health and Human Services, in  
22 coordination with the Department of Health and Human  
23 Services and the Department of Veterans' Affairs, in the  
24 federal Public Assistance Reporting Information System  
25 (PARIS) database.

26 (9) Residency information maintained by the Illinois

1 Secretary of State.

2 (10) A database which is substantially similar to or a  
3 successor of a database described in this Section that  
4 contains information relevant for verifying eligibility  
5 for medical assistance.

6 (c) (Blank).

7 (c-5) Financial information shall be data matched by first  
8 using the electronic data source with the most recent data. The  
9 most recent data source shall be accepted as a reliable  
10 electronic data source for determining reasonable  
11 compatibility with the applicant's or recipient's attestation  
12 or records. The Department may use a less recent data source  
13 only if it will maximize accuracy, minimize delay, and meet  
14 other applicable requirements.

15 (d) If information provided by or on behalf of an  
16 individual (on the application or renewal form or otherwise) is  
17 reasonably compatible with the information obtained by the  
18 Department in accordance with subsection (b), the Department  
19 must determine or renew eligibility based on such information  
20 without making additional requests for verification,  
21 information, or documentation to the individual. "Reasonable  
22 compatibility" means an allowable difference or discrepancy  
23 between the income reported by an applicant or recipient and  
24 the income reported by an electronic data source. a discrepancy  
25 results between information provided by an applicant,  
26 recipient, or responsible relative and information contained

1 ~~in one or more of the databases or information tools listed~~  
2 ~~under subsection (b) of this Section or subsection (c) of~~  
3 ~~Section 11-5.3 and that discrepancy calls into question the~~  
4 ~~accuracy of information relevant to a condition of eligibility~~  
5 ~~provided by the applicant, recipient, or responsible relative,~~  
6 ~~the Department or its contractor shall review the applicant's~~  
7 ~~or recipient's case using the following procedures:~~

8       (1) Income information obtained through an electronic  
9 data source shall be considered reasonably compatible with  
10 income information provided by or on behalf of the  
11 individual if both are either above or at or below the  
12 applicable income threshold. ~~If the information discovered~~  
13 ~~under subsection (b) of this Section or subsection (c) of~~  
14 ~~Section 11-5.3 does not result in the Department finding~~  
15 ~~the applicant or recipient ineligible for assistance under~~  
16 ~~Article V of this Code, the Department shall finalize the~~  
17 ~~determination or redetermination of eligibility.~~

18       (1.5) Income information is reasonably compatible if  
19 the discrepancy between the information provided by or on  
20 behalf of the individual is within 10% of the federal  
21 poverty level (above or below) of the information from the  
22 electronic data source. "Federal poverty level" means the  
23 poverty guidelines updated periodically in the Federal  
24 Register by the U.S. Department of Health and Human  
25 Services. These guidelines set poverty levels by family  
26 size.



1           (1.6) The reasonable compatibility standard for  
2           financial information shall also be met when the  
3           information provided by or on behalf of the individual is  
4           zero income or income that is below the program's  
5           applicable income standard, or when no income data is  
6           available from electronic data sources.

7           (1.7) If information provided by or on behalf of the  
8           individual is not reasonably compatible with information  
9           obtained through an electronic data match, the Department  
10           shall provide written notice to the applicant or recipient  
11           which shall describe in sufficient detail the  
12           circumstances and sources of the discrepancy, the  
13           information or documentation required, the manner in which  
14           the applicant or recipient may respond, and the  
15           consequences of failing to take action. The applicant or  
16           recipient shall have 10 business days to respond.

17           (2) If the information from both the electronic data  
18           source and the applicant or recipient discovered results in  
19           the Department finding the applicant or recipient  
20           ineligible for assistance, the Department shall provide  
21           notice as set forth in Section 11-7 of this Article.

22           (3) (Blank). ~~If the information discovered is~~  
23           ~~insufficient to determine that the applicant or recipient~~  
24           ~~is eligible or ineligible, the Department shall provide~~  
25           ~~written notice to the applicant or recipient which shall~~  
26           ~~describe in sufficient detail the circumstances of the~~

1 ~~discrepancy, the information or documentation required,~~  
2 ~~the manner in which the applicant or recipient may respond,~~  
3 ~~and the consequences of failing to take action. The~~  
4 ~~applicant or recipient shall have 10 business days to~~  
5 ~~respond.~~

6 (4) If the applicant or recipient does not respond to  
7 the notice, the Department shall deny assistance for  
8 failure to cooperate, in which case the Department shall  
9 provide notice as set forth in Section 11-7. Eligibility  
10 for assistance shall not be established until the  
11 discrepancy has been resolved.

12 (5) If an applicant or recipient responds to the  
13 notice, the Department shall determine the effect of the  
14 information or documentation provided on the applicant's  
15 or recipient's case and shall take appropriate action.  
16 Written notice of the Department's action shall be provided  
17 as set forth in Section 11-7 of this Article.

18 (6) Suspected cases of fraud shall be referred to the  
19 Department's Inspector General.

20 (e) Excepting citizenship and satisfactory immigration  
21 status, the Department may waive its verification requirements  
22 for exceptional circumstances, including: ~~The Department shall~~  
23 ~~adopt any rules necessary to implement this Section.~~

24 (1) homelessness;

25 (2) domestic violence;

26 (3) instances where a noncustodial parent refuses to

1 release documentation germane to verification of one or  
2 more eligibility factors;

3 (4) natural disaster; and

4 (5) other circumstances as identified on a  
5 case-by-case basis and approved by the Department,  
6 including, but not limited to, when documentation does not  
7 exist at the time of application or renewal or is not  
8 reasonably available.

9 (f) The Department shall ensure the integrated eligibility  
10 system shall include an applicant portal that allows electronic  
11 submission of eligibility documentation, updating of family  
12 and demographic information, tracking application status, and  
13 receiving electronic notifications from the Department. The  
14 Department shall actively promote the use of this portal  
15 through materials provided at Family and Community Resource  
16 Centers, staff communications with applicants, and electronic  
17 and print media. The portal and materials used to promote the  
18 portal must be available, at a minimum, in English, Spanish,  
19 and the next 4 most commonly used languages. The portal shall  
20 be available to all applicants and recipients of medical  
21 assistance provided they satisfy electronic identity  
22 verification requirements through one of the following  
23 processes:

24 (1) Providing personally identifying credit history  
25 information.

26 (2) Providing requested personally identifying

1 documentation to the Department.

2 (3) Completing an email, text, or mobile phone  
3 verification where a message is sent to the email or phone  
4 associated with the account and the applicant or recipient  
5 must respond to that message.

6 (4) Completing any alternative process developed by  
7 the Department for ensuring the electronic security of  
8 applicants and recipients.

9 (g) The Department shall adopt any rules necessary to  
10 implement this Section.

11 (Source: P.A. 97-689, eff. 6-14-12; 98-756, eff. 7-16-14.)

12 Section 99. Effective date. This Act takes effect upon  
13 becoming law.

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Statutes amended in order of appearance

3

New Act

4

305 ILCS 5/11-5.2