

# Complex Case Scenarios

*Pregnancy, Prenatal Care, and Newborn Coverage Options*



**CMS**

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# Pregnancy, Prenatal Care, and Newborn Coverage Options

## Agenda

- Medicaid/CHIP Coverage for Pregnant Women, and After Pregnancy
- Marketplace Plans
- Parent's Health Insurance Plan
- Newborn Coverage Options
- Finding Coverage for the Whole Family

# Scenario: Expectant Single Mothers

## Macy, 21 years old, Expecting First Child

- Macy works as a waitress and makes \$16,200 a year. She does not have an offer of health insurance from her job.
- Macy lives with her boyfriend, Sam, who is 22 years old and works at a coffee shop and makes \$13,000 a year. Sam also doesn't have an offer of health insurance from his job.

*What health coverage options are available to Macy and Sam?*

# Scenario: Expectant Single Women Ages 19-26

## Overview of Coverage Options Available to Expectant Mothers under 26 Years Old (without employer coverage)

- Medicaid (specific eligibility rules vary from state to state)
- CHIP (in some states that elect to cover pregnant women under CHIP)
- A Marketplace Plan
- A Parent's Health Insurance Plan (if that plan offers dependent coverage)

# Scenario: Expectant Single Women

## Ages 19-26

### Medicaid/CHIP during pregnancy

- Unlike Marketplace coverage, there is no Open Enrollment period for Medicaid or CHIP. If a consumer qualifies, his or her coverage will generally be effective on the date of application. And, beneficiaries may be eligible for coverage of qualifying, unpaid medical expenses for up to three months prior to the date of the application, regardless of when they apply.
- Eligibility for Medicaid or CHIP depends on the state where a consumer is a resident, as well as income and certain demographic factors. The following table, Table 1, shows the national range of household income eligibility thresholds for Medicaid and CHIP based on some eligibility groups to which someone like Macy might belong. The national income eligibility levels can have a considerably large range, so it is important for consumers to contact their state Medicaid and CHIP offices to find out if they may be eligible for coverage based on their state's eligibility requirements.

# Scenario: Expectant Single Women Ages 19-26

Table 1:

## Medicaid and CHIP Eligibility Coverage Group and Income

	Medicaid – Pregnant Women	CHIP (Only States that Elect the Option) – Pregnant Women	Medicaid - Parent/Caretaker Status
National Range for Eligibility Threshold	133% - 375%	200% - 300%	13% - 216%

Please note that these percentages consider only states (and Washington District of Columbia) that currently allow these specific coverage groups to be covered by Medicaid/CHIP. These percentages are subject to change at any time.

Source: <https://www.medicaid.gov/medicaid-chip-program-information/program-information/medicaid-and-chip-eligibility-levels/medicaid-chip-eligibility-levels.html>

# Scenario: Expectant Single Women

## Ages 19-26

### Medicaid/CHIP during pregnancy:

- All states cover pregnant women but at different income thresholds. Since Macy is pregnant and only earns \$16,200 a year (which is 136% of the federal poverty level), she is likely, based on the national range, to be eligible for Medicaid coverage as a pregnant woman.
- States vary in the type of Medicaid coverage they provide pregnant women:
  - A state may provide all pregnant women with full Medicaid coverage, or
  - May only provide full Medicaid coverage to pregnant women below a certain income and may limit coverage for pregnant women *above* that threshold to just pregnancy-related services
- Depending on the state, pregnancy-related coverage may or may not be considered MEC. If a pregnant woman lives in a state where pregnancy-related Medicaid coverage isn't considered MEC, she may have to pay the penalty for being uninsured (unless she is eligible for an exemption). Fortunately, in our scenario, Macy lives in a state that considers pregnancy-related Medicaid coverage to be MEC, so she will not be subject to the penalty.

# Scenario: Expectant Single Women Ages 19-26

## Medicaid/CHIP during pregnancy – different levels of coverage:

- Typically, the states that only provide pregnancy-related care will cover all costs related to pregnancy, labor, and delivery, any complications that may occur during pregnancy, and postpartum care for 60 days after giving birth.
- It is important to note, however, that a consumer who lives in a state that only provides pregnant women coverage for pregnancy-related services **may still be eligible for full Medicaid coverage** as part of a different coverage group (like as a disabled consumer, for example).
- Again, eligibility standards and benefits for pregnant women vary depending on the state, so consumers should contact their state Medicaid and CHIP offices for more information



# Scenario: Expectant Single Women

## Ages 19-26

- For more information about Medicaid eligibility, please click on the following link: [www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/eligibility.html](http://www.medicaid.gov/medicaid-chip-program-information/by-topics/eligibility/eligibility.html)
- For more information about CHIP eligibility for pregnant women, please click on the following link: <https://www.medicaid.gov/chip/eligibility-standards/chip-eligibility-standards.html>
- Consumers can learn more about how Medicaid/CHIP coverage works in their state at: <https://www.medicaid.gov/medicaid-chip-program-information/by-state/by-state.html>. This page includes state-specific tables that can offer consumers a general idea of what coverage options might be available to them.
- Information about Medicaid and CHIP is also available on HealthCare.gov here: <https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/>, along with information for what consumers should do if they have Marketplace coverage and later qualify for Medicaid or CHIP: <https://www.healthcare.gov/medicaid-chip/cancelling-marketplace-plan/>

# Scenario: Expectant Single Women

## Ages 19-26

### Medicaid/CHIP (continued)

After pregnancy ends:

- Macy will remain eligible for pregnancy-related Medicaid through the end of month in which the 60-day postpartum period ends.
- **May lose eligibility:** Macy may no longer be eligible for Medicaid coverage after the postpartum period because she is no longer pregnant and: (1) her income is too high to qualify for Medicaid under the new adult group in a state that has expanded Medicaid; or (2) her state has not expanded Medicaid and she is not found eligible under another group.
- **May remain eligible:** Once her Medicaid coverage comes to an end as a pregnant woman, she should inform the Medicaid agency and they may find she is eligible under a different status. Even if Macy does not live in a state that has expanded Medicaid to individuals with household incomes at or below 138% of FPL, she may still qualify for Medicaid coverage (as, for example, a parent with dependents or as a person with a disability). Eligibility requirements for Medicaid vary from state to state, so she should check with her state's Medicaid agency.

# Scenario: Expectant Single Women

## Ages 19-26

### Marketplace Plan

- The Open Enrollment Period for 2016 coverage ended on January 31, 2016. Consumers will not be able to enroll again until November 1, 2016, when the Open Enrollment period for 2017 coverage begins, unless they qualify for a special enrollment period (SEP).
- After the birth of a child, either Sam or Macy may be eligible for an SEP because they have added a new dependent to their household
- Macy may qualify for an SEP based on a loss of her MEC Medicaid.
- Macy or Sam would have 60 days from the day of birth to report gaining a dependent and Macy would have 60 days for her to report a loss of MEC.
- Macy has two options **for reporting a loss of MEC** to qualify for the loss of MEC SEP:
  1. She can report her loss of coverage up to **60 days in advance** by starting an application for Marketplace coverage and indicating that she will lose MEC; or
  2. She can report her loss of coverage **after her Medicaid coverage ends**; if she chooses this option, she has up to 60 days after her coverage ends to enroll in coverage through the Marketplace.

# Scenario: Expectant Single Women

## Ages 19-26

### Preventing a gap in coverage when transitioning from Medicaid to Marketplace coverage

- To prevent a gap in coverage, Macy should be aware of when her Medicaid coverage will end and when her Marketplace plan will begin.
- If Macy loses her Medicaid coverage, she may want to report her loss of coverage and enroll in a Marketplace plan prior to her coverage ending in order to be sure to avoid having a gap in her coverage. She can report her loss of MEC and select a Marketplace plan **up to 60 days before the coverage ends**.
- Once Macy selects a Marketplace plan, her Marketplace coverage will be effective the first of the month after she enrolls in a plan, assuming Macy effectuates her coverage by paying her share of the plan premium. For example, if Macy knows her Medicaid coverage is ending on July 31 and she selects a Marketplace plan on July 16 and effectuates her coverage by paying her share of the plan premium, then her Marketplace coverage will begin on August 1.

# Scenario: Expectant Single Women

## Ages 19-26

### Eligibility for a Marketplace plan with financial assistance

- In most cases, consumers must have a household income between 100% and 400% of FPL to be eligible for financial assistance through the Marketplace. Certain immigrant consumers may be eligible for financial assistance through the Marketplace even if they have income under 100% FPL, if they are not eligible for Medicaid due to their immigration status.
- As long as Macy's household income is between 100% and 400% (for a household of two, this range is from \$16,020 to \$64,080) and meets the other eligibility criteria, she may qualify for financial assistance through the Marketplace.
  - Consumers can learn more about how to calculate and report their income accurately on HealthCare.gov, on the section that covers “How to count income & household members”: <https://www.healthcare.gov/income-and-household-information/>.

# Scenario: Expectant Single Women

## Ages 19-26

### Marketplace Plan Benefits Related to Pregnancy and Prenatal Care

- All Marketplace plans must provide coverage for essential health benefits, which includes certain services for pregnant women. Just some of these required services are:
  - Maternity and newborn care
  - Preventive and wellness services and chronic disease management (which can include prenatal care)
  - Breastfeeding support, supplies, and consultation services (often with no cost sharing)
- Consumers should keep in mind that the scope of coverage concerning pregnancy-related services (and all EHBs for that matter) is determined based on a benchmark approach that differs between states, and not all prenatal, maternal, newborn, or preventive services are required to be covered.
- Consumers who are pregnant or plan to become pregnant should review a plan's Summary of Benefits and Coverage for an overview of the plan's covered benefits and cost sharing.

# Scenario: Expectant Single Women

## Ages 19-26

### Parent's Health Insurance Plan

- Job-based coverage for dependents usually ends during the month of the child's 26<sup>th</sup> birthday but some plans may extend dependent coverage beyond then. Some states may require that plans extend coverage beyond the age of 26.
- Families who have a dependent who is turning 26 should check with the employer's plan, the employer's benefits manager, or the insurance company to find out exactly when the coverage will end.
- If the dependent is covered under their parent's Marketplace plan, the dependent can stay on their parent's plan until coverage ends December 31, 2016, even if the dependent turns 26 mid-year.
- *Keep in mind* that parents don't need to claim a young adult child as a tax dependent in order to enroll that young adult child in their job-based coverage.
- Dependent coverage most likely will not cover grandchildren, though consumers can check with the plan to make sure that this is the case.
- Consumers who lose coverage that they've had through a parent's plan because they've turned 26 may qualify for an SEP to enroll in Marketplace coverage.

# Scenario: Expectant Single Women

## Ages 19-26

### Coverage for Newborns: Medicaid/CHIP Coverage

- Babies like Ava who are born to pregnant women receiving Medicaid on the date of delivery are automatically eligible for Medicaid (these babies are known as "deemed newborns"). Medicaid eligibility continues until the child's first birthday. Citizenship documentation is not required for these children to be eligible for Medicaid.
- If for some reason Macy was not receiving Medicaid on the date of Ava's birth, Macy and Sam can still apply for Medicaid coverage for Ava, and she will likely be eligible because of her household income.
- After Ava turns 1, she may still be eligible for Medicaid or CHIP based on her parents' household income; the state Medicaid agency will re-determine her eligibility.
- In general, the income threshold for children's eligibility in Medicaid and CHIP is higher than for adults, so Ava may be eligible for Medicaid or CHIP even if her parents aren't eligible for Medicaid.



# Scenario: Expectant Single Women

## Ages 19-26

Table 2:  
**Medicaid and CHIP Eligibility by Age and Income**

	Medicaid Ages 0-1	Medicaid Ages 1-5	Medicaid Ages 6-18	CHIP Ages 0-18
National Range for Household Income Eligibility Threshold (based off of FPL)	139% - 375%	133% - 319%	133% - 319%	170% - 400%

\*Please note that these percentages consider all 50 states and the Washington District of Columbia. These percentages are subject to change at any time.

\*Source: <https://www.medicaid.gov/medicaid-chip-program-information/program-information/medicaid-and-chip-eligibility-levels/medicaid-chip-eligibility-levels.html>

- No matter which parent claims Ava, Ava will likely be eligible to receive Medicaid/CHIP coverage after she turns 1 (assuming that Macy and Sam's incomes do not change significantly in that time).
- If Ava is no longer eligible for Medicaid or CHIP once she turns 1, a Marketplace plan could be a good option. Consumers who lose qualifying coverage, such as most Medicaid coverage, can qualify for an SEP to enroll in Marketplace coverage, as we discussed previously.

# Scenario: Expectant Parents

## Coverage for Newborns: Marketplace Coverage

- If Macy is enrolled in Medicaid coverage, she has until 60 days after she loses her Medicaid coverage to enroll herself into a Marketplace plan. This loss of MEC coverage will allow Macy to enroll in a Marketplace plan through an SEP. Since Macy was enrolled in Medicaid when she gave birth to Ava, Ava will remain eligible for Medicaid/CHIP because of her status as a deemed newborn.
- Sam would also need an SEP to enroll in Marketplace coverage if applying outside of the Open Enrollment period. If Macy uses a loss of MEC SEP, this leaves Sam free to report the birth of the new child and enroll himself and Ava in a Marketplace plan.
- **However**, if Macy and Sam decide to take advantage of Ava's status as a deemed newborn and keep her enrolled in Medicaid, without eligibility for another SEP, Sam will not be able to enroll in a Marketplace plan until the next Marketplace Open Enrollment period in November. If Sam doesn't find another coverage option, he will have to pay the penalty for not being insured (unless he qualifies for an exemption).

# Scenario: Expectant Father

## Should Sam Enroll with Ava in a Marketplace plan?

- After Macy gives birth to baby Ava, Sam may be able to qualify for an SEP if he chooses to cover Ava under his health plan.
- **The upside** to claiming Ava as a dependent and enrolling her on his plan would be that Sam could qualify for an SEP and enroll in a Marketplace plan before the next Open Enrollment period. This way, the entire family would be able to sign up for health insurance. If Macy and Sam choose to keep Ava enrolled in Medicaid, Sam would not be eligible for the birth of a child SEP by enrolling himself and Ava in a Marketplace plan and would have to wait until the next Open Enrollment period to enroll in a Marketplace plan, unless he qualifies for another SEP.
- **The downside** of this situation would be the financial cost. If Ava is born while Macy is enrolled in Medicaid, Ava will be considered a deemed newborn. This eligibility for Medicaid means that Ava is eligible for MEC Medicaid until the age of 1 (and possibly after depending on her state's eligibility requirements). Since she is eligible for MEC Medicaid, Ava would not be eligible to receive any financial assistance through the Marketplace. If Sam does decide to add Ava to his plan and qualifies for the SEP, he may still be able to qualify for financial assistance to help pay for the cost of coverage for himself, just not for Ava.

# Scenario: Expectant Father

## When can Sam and Ava's coverage start?

- If Sam chooses to enroll himself and Ava in a Marketplace plan together, he will have up to 60 days to report the birth of the child to the Marketplace and enroll himself and his child in coverage.
- Sam and Ava's coverage can start either:
  - On the day of the baby's birth, or
  - By contacting the Marketplace Call Center, Sam can request that:
    - Their coverage starts on the first of the month following the date of birth, or
    - Their coverage starts following regular, prospective coverage effective dates (sometimes referred to as the "15<sup>th</sup> of the month rule"). Please refer to the end of slide 13 for details.

# Scenario: Expectant Father

## Sam's Eligibility for Medicaid Coverage

- If Sam lives in a state that expanded Medicaid to cover non-elderly adults without dependent children with an income of 138% FPL or less, he may be able to qualify for coverage based on his income.
- If Sam lives in a state that did not expand Medicaid to cover the new adult group, he may not be eligible unless he belongs to a different eligibility group, like as a parent/caretaker relative if he lives together with his child. However, please note that the income thresholds under this eligibility group are quite low in some states. For example, adults with dependent children living in Texas can only be eligible for Medicaid coverage under the parent/caretaker relative group if they have incomes at or below 15% of the FPL.
- Because Medicaid eligibility rules vary so significantly from state to state, Sam should contact his state Medicaid agency to understand his state's different eligibility requirements.

# Summary

## Medicaid/CHIP

- In 2010, the Affordable Care Act gave states new opportunities to expand Medicaid coverage to non-pregnant adults under age 65 with household incomes at or below 138% of the federal poverty level (generally \$16,394 for individuals and \$33,534 for a family of four in 2016). This expansion included non-elderly adults without dependent children, who have not previously been eligible for Medicaid in most states. Some states have not expanded Medicaid to cover this new eligibility group.
- There is no open enrollment period for Medicaid or CHIP. If a consumer qualifies, his or her coverage will generally be effective on the date of application, and under Medicaid, beneficiaries may be eligible for coverage up to three months prior to the date of the application, regardless of when they apply.

# Summary

- Eligibility for Medicaid or CHIP depends on state residency, as well as income and certain demographic factors. Income eligibility standards vary greatly between states.
- All states provide Medicaid coverage to pregnant women to at least 138% of the federal poverty level. Most states provide all enrollees in the pregnant women category with full Medicaid benefits. Some states have chosen to provide more limited pregnancy-related services to higher-income enrollees in the pregnant women category.
- Medicaid coverage for pregnant women lasts until the end of the month two months after the pregnancy ends. Afterwards, consumers will have to qualify for Medicaid in a different category (such as the parent/caretaker coverage group) or will have to enroll in alternative coverage, such as a Marketplace plan.
- If a mother gives birth to a child while she is enrolled in Medicaid coverage, the child is considered a “deemed newborn” and automatically enrolled in Medicaid until its first birthday. Citizenship documentation is not required for these children to be eligible for Medicaid.

# Summary

## Marketplace

- Consumers will not be able to enroll in the Marketplace Insurance Plans until November 1, 2016, when the Open Enrollment Period for 2017 coverage begins, unless they qualify for a special enrollment period (SEP).
- Typically, consumers must have a household income between 100% and 400% of FPL to be eligible for financial assistance through the Marketplace. Certain immigrant consumers may be eligible for financial assistance through the Marketplace even if they have income under 100% FPL, if they are not eligible for Medicaid due to their immigration status.
- “Deemed Newborns” would not be able to qualify for financial assistance through the Marketplace.



# Summary

## Parent's Health Insurance Plan

- The Affordable Care Act (ACA) requires insurance companies that provide for child dependent coverage to allow children to enroll or remain enrolled in their parent's health plan until they are 26 years old.
- Job-based coverage for dependents usually ends during the month of the child's 26<sup>th</sup> birthday. However, families who have a dependent who is turning 26 should check with the employer's plan, the employer's benefits manager, or the insurance company to find out exactly when the coverage will end.
- *Keep in mind* that parents don't need to claim a young adult child as a tax dependent in order to enroll that young adult child in their job-based coverage.
- Dependent coverage most likely will not cover grandchildren, though consumers can check with the plan to make sure that this is the case.
- Consumers who lose coverage that they've had through a parent's plan because they've turned 26 may qualify for a special enrollment period (SEP) to enroll in Marketplace coverage.