



Summary of the Maintenance of Effort Requirements for Medicaid and CHIP in Health Care Reform

Background

The Patient Protection and Affordable Care Act was signed into law on March 23, 2010 and included a maintenance of effort (MOE) requirement for states in regards to the Medicaid and Children's Health Insurance Programs (CHIP). This means that Illinois must maintain their current eligibility standards for these two programs or forgo all of their federal Medicaid funding, including that for children, parents, pregnant women, adults with disabilities and seniors. This MOE requirement went into effect on March 23, 2010 and will apply to adults until January 1, 2014, when the major components of health care reform go into effect, and for children until September 30, 2019.

What Illinois Cannot Do:

- Scale back income eligibility for Medicaid programs.
- Eliminate coverage for an entire eligibility category for Medicaid.
- Eliminate portions of the All Kids Program that are funded by Medicaid or CHIP.
- Scale back eligibility for children in the All Kids Program that are funded by Medicaid or CHIP.
- Drop lawfully-residing immigrants from coverage.
- Reduce or eliminate an income or asset disregard.
- Impose a new paperwork requirement.

All Kids eligibility changes, despite the MOE requirement of health care reform:

- * Limited eligibility to children with family incomes of up to 300% of FPL starting 7/1/11;
- * Will require one month of pay stubs to prove eligibility (instead of just one pay stub).

What Illinois Can Do:

- Further expand eligibility to adults not currently covered by FamilyCare or other Medicaid programs.
- Cut All Kids and Medicaid programs in other ways (such as reducing provider reimbursement rates or eliminating optional benefits).

Changes under Illinois' Medicaid Reform Legislation:

- Instituted a two-year moratorium on program expansions beyond anything in place on January 1, 2011 with the exception of anything that would jeopardize the federal Medicaid match if it was not implemented.
- Will now require one month of pay stubs, verification of Illinois residency, and annual re-certification by Medicaid enrollees

The MOE applies only to policies that were "in effect" on March 23, 2010.

Illinois cannot scale back coverage they had in effect on that date, which means "actual standards, methodologies or procedures [Illinois was] utilizing..." Therefore any cuts passed by state legislatures is prior to March 23, 2010 that had not yet gone into effect are likely to be considered an MOE violation.

*Information compiled from the [Georgetown Center for Children and Families](#)
(last updated 3-15-11)*