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# Modernizing TANF under the ACA

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2015 State TANF Summit

September 3, 2015

# Overview of presentation

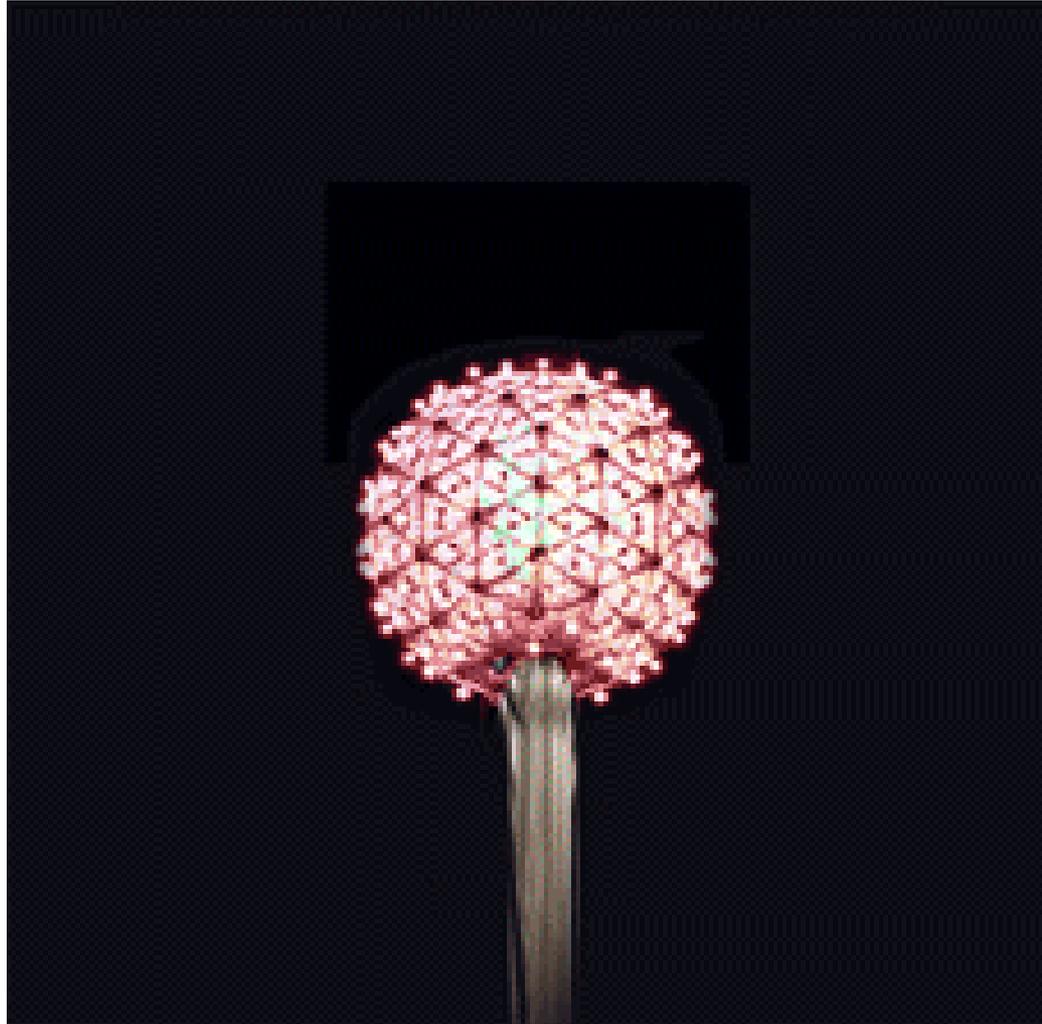
## ❖ **Modernizing TANF's eligibility systems**

- ❖ Using Medicaid data to qualify consumers for TANF
- ❖ Streamlining Medicaid enrollment and retention for TANF clients

# Federal funding for information technology (IT) development

- ❖ 90% Medicaid federal financial participation (FFP) for eligibility-side IT investments
  - Needed for ACA's data-driven eligibility
- ❖ With normal cost allocation rules, <90% match
  - Systems shared among multiple programs
- ❖ Time-limited cost-allocation exception
  - If Medicaid needs an IT investment for eligibility, no cost allocation
  - Includes states not expanding Medicaid eligibility
  - Only until 12/31/2018
    - **Money must actually be spent by then**

# Once-in-a-lifetime opportunity to modernize eligibility systems



# How can the exception be used?

## ❖ Narrowly

- Buying or developing eligibility components that serve Medicaid and other programs
- Building an interface between Medicaid and a human services program

## ❖ Broadly

- Lower net state cost of building an integrated eligibility system for multiple programs

## ❖ Pragmatically. If Medicaid agency is overloaded:

- Medicaid agency must lead APD, but

# Overview of presentation

- ❖ Modernizing TANF's eligibility systems
- ❖ **Using Medicaid data to qualify consumers for TANF**
  - What's the point?
  - How to address three key challenges
- ❖ Streamlining Medicaid enrollment and retention for TANF clients

# What's the point?

- ❖ Medicaid will be a huge data repository
  - In expansion states, Medicaid will have more enrollees than any other program
  - Modeling shows that all TANF clients qualify for Medicaid under expansion
- ❖ Why use Medicaid data or findings to determine TANF eligibility?
  - Not more TANF recipients
  - Administrative cost savings
  - Fewer burdens on clients
    - Less time off work reduces job risks

\*[http://aspe.hhs.gov/sites/default/files/pdf/76961/rpt\\_integrationproject.pdf](http://aspe.hhs.gov/sites/default/files/pdf/76961/rpt_integrationproject.pdf)

# Challenge #1: legal access to data

## ❖ Social Security Act 1137(a)(4)(A)

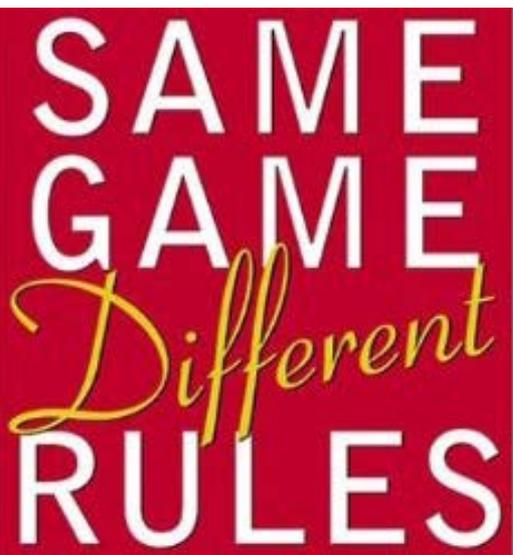
- Medicaid and TANF agencies must “exchange with each other information in their possession which may be of use in establishing or verifying eligibility or benefit amounts under any other such program.”
- Data use agreements needed

## ❖ Federal data hub

- Source agencies limit use of data or conclusions drawn from data



## Challenge #2: different income rules



- ❖ Medicaid's Modified Adjusted Gross Income (MAGI) applies federal income tax law
  - Household definition
  - Income disregards vs. tax deductions
- ❖ Possible strategies
  - Non-financial eligibility
  - Deemed eligibility, using Medicaid FPL
  - TANF rules incorporate MAGI
    - Can retain household definitions
    - TANF disregards can lower MAGI



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- ❖ Using Medicaid data to qualify consumers for TANF
- ❖ **Streamlining Medicaid enrollment and retention for TANF clients**

# Streamlining Medicaid enrollment

## ❖ Targeted enrollment

- Special Medicaid waivers
- New Medicaid option, without waiver
  - Identify TANF categories that are logically certain to be financially eligible for Medicaid
- Other Medicaid requirements apply

## ❖ Verify applicant attestations

- Standard: use particular facts from TANF file
- Option: use simple TANF eligibility
  - Modeling showed that all TANF beneficiaries

# Streamlining Medicaid retention

- ❖ Medicaid administrative renewal based on “reliable evidence” of continued eligibility
- ❖ What is administrative renewal?
  - State sends notice to beneficiary explaining basis for renewal
  - Beneficiary obliged to make necessary corrections
  - Coverage continues, so long as state doesn't hear from beneficiary



# Conclusion

- ❖ Rapid action needed to benefit from cost-allocation exception
- ❖ Using Medicaid data for TANF eligibility
  - Some administrative cost savings
  - Some lessening of client burdens
- ❖ TANF clients should qualify for Medicaid if they are
  - Children or
  - Adults in Medicaid expansion states