

Agencies Call on Group Health Plan Sponsors to Extend Special Enrollment Period for Medicaid Redeterminations

EBIA Weekly (August 3, 2023)

CMS, Treasury, and DOL Letter to Employers, Plan Sponsors, and Issuers (July 20, 2023)

Available at <https://www.cms.gov/files/document/esi-letter-final.pdf>

The Centers for Medicare & Medicaid Services (CMS), Treasury, and the DOL have posted a letter encouraging group health plan sponsors to extend special enrollment periods for individuals losing coverage under Medicaid and the Children's Health Insurance Program (CHIP). As background, group health plans are required to provide HIPAA special enrollment periods for individuals losing eligibility for other health coverage. During the COVID-19 public health emergency, state agencies generally did not terminate individuals' Medicaid or CHIP coverage, but that "continuous enrollment condition" ended on March 31, 2023, and the special enrollment period for individuals losing Medicaid or CHIP coverage was extended to 60 days after the end of the COVID-19 "outbreak period."

The letter emphasizes that, because state agencies are reviewing and terminating coverage for individuals that are no longer eligible for the first time in three years, many employees may not be aware that Medicaid redeterminations are resuming and could miss notices from their state agency that they lost coverage until they try and access care. It cites a recent HHS report projecting that the resumption of Medicaid redeterminations would cause 38 million people to lose insurance, and notes that CMS has separately announced a temporary Exchange special enrollment period for individuals to enroll in coverage anytime between March 31, 2023, through July 31, 2024. The letter asks employers and plan sponsors to consider similarly extending their group health plan special enrollment periods for individuals losing this coverage. The letter also encourages group health plan sponsors to promote continuity of coverage by educating employees about Medicaid renewals and reminding them to update contact information with their state agency if they are eligible; assisting employees in transitioning to employer-sponsored coverage; and reminding employees of the availability of Exchange coverage.

EBIA Comment: Group health plan sponsors will need to determine whether they want to adopt this extended special enrollment period immediately, since Medicaid redeterminations are currently ongoing. Plan sponsors that decide to do so will need to coordinate this decision with their insurers, service providers, and (for self-insured plans) stop-loss carriers and will need to communicate the changes to employees and amend plan documents accordingly. For more information, see EBIA's HIPAA Portability, Privacy & Security manual at Section X ("Special Enrollment Rights"). See also EBIA's Self-Insured Health Plans manual at Section XVI.C.4 ("Special Enrollment Periods Required Under HIPAA") and EBIA's Cafeteria Plans manual at Section XIV.K ("HIPAA Special Enrollment Rights").

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