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Subject: Frequently Asked Questions for Consumers Whom the Federally-facilitated Marketplace or State-based Marketplaces on the Federal Platform Refers¹ to a State Medicaid/Children’s Health Insurance Program (CHIP) Agency (SMA) and Who are Awaiting a Final Medicaid or CHIP Eligibility Determination from their SMA

The following content applies to consumers who were referred by the Marketplace as potentially eligible for Modified Adjusted Gross Income (MAGI)-based Medicaid/CHIP and were referred to their SMA, and who are *waiting for their SMA to conduct a final MAGI-based Medicaid/CHIP eligibility determination*. This can occur in households where all applicants are found by the Marketplace as potentially eligible for Medicaid/CHIP or in households where some applicants are found eligible for Marketplace coverage and others are potentially Medicaid/CHIP-eligible. Households in the latter scenario will have qualified health plan (QHP)-eligible applicants routed to enroll in coverage with the Marketplace, and applicants assessed as Medicaid/CHIP-eligible will have their application information securely electronically transferred to their SMA for final eligibility determinations and/or enrollment, if eligible. This resource can be used by agents and brokers and others assisting consumers navigating these various scenarios.

Background: States that use the Federal Marketplace platform have the flexibility to decide whether the Marketplace or the state will make the final MAGI-based Medicaid and/or CHIP eligibility determination for consumers who apply for coverage at the Marketplace. States where the Marketplace makes a preliminary assessment of MAGI-based Medicaid and/or CHIP eligibility, and the state makes a final determination of eligibility are referred to as Assessment states. In contrast, Determination states formally delegate authority to the Marketplace to make final eligibility determinations for MAGI-based Medicaid and/or CHIP, when the application information is fully-verified. The scenarios discussed in this FAQ occur in Assessment states and Determination states when the Marketplace is not able to fully verify application information.

When a consumer applies for coverage with financial assistance at the Marketplace and the Marketplace finds the consumer potentially eligible for MAGI-based Medicaid/CHIP, the Marketplace sends the consumer’s account information via secure electronic transfer to the SMA for a final Medicaid/CHIP eligibility determination. It can take time for the SMA to process referrals from the Marketplace. Per regulation 42 CFR 435.912(c)(3), SMAs have 45 days to make a determination of Medicaid/CHIP eligibility for applicants seeking eligibility on a non-disability basis, including for MAGI-based coverage. However, CMS has received reports of referrals from the Marketplace taking longer than 45 days to process.

¹ Herein referred to as Marketplace

Q: The consumer submitted a Marketplace application and was found potentially eligible for Medicaid/CHIP. What happens now?

A: The Marketplace eligibility results page and Eligibility Determination Notice (EDN) will inform the consumer if the Marketplace finds them potentially eligible for MAGI-based Medicaid/CHIP. Eligibility results will indicate that the consumer “may be eligible” for Medicaid/CHIP and that the Marketplace is sending their information to the SMA. *This is not a final determination of eligibility for Medicaid/CHIP.* In the same messaging, the consumer will be advised that they will receive a final determination of Medicaid/CHIP eligibility and, as applicable, enrollment from their SMA.

The SMA must communicate with the consumer through their elected method of communication (email, physical mail, etc.), including with a final Medicaid/CHIP eligibility determination, and if applicable, enrollment information. The SMA may also reach out to the consumer *before* making a final decision of Medicaid/CHIP eligibility, if the SMA requires additional information or documentation regarding applications, to enable the SMA to complete their eligibility determination and/or enroll coverage. CMS advises the consumer to follow instructions from the SMA and respond in a timely manner.

Q: How can a consumer check the status of their application for Medicaid/CHIP?

A: If a consumer applied at the Marketplace and was found potentially eligible for Medicaid/CHIP then they should check with the SMA for information regarding their Medicaid/CHIP application/enrollment status. Please see more detail in the paragraph above related to SMA communication to the consumer.

Consumers who contact their SMA should be prepared to provide application-related information to the SMA, if needed. The requested information will be applicant-specific but could include income information, residency information, and/or immigration information. To find contact information for a consumer’s SMA, visit the [Renew Your Medicaid or CHIP Coverage](#) page on Medicaid.gov which provides contact information for each state.

Q: A consumer was found potentially eligible by the Marketplace for MAGI-based Medicaid/CHIP and wants to enroll in Marketplace coverage while waiting for a final Medicaid/CHIP eligibility determination. Can they do that?

A: If a consumer was found potentially eligible for MAGI-based Medicaid/CHIP by the Marketplace and wants to enroll in Marketplace coverage while they wait for their SMA to make a final Medicaid/CHIP eligibility determination, then it is important to consider two things. First, a consumer in this scenario cannot enroll in a Marketplace plan with financial assistance. The consumer may choose to enroll in a Marketplace plan without financial assistance, which means they will have to pay full price for their share of the Marketplace plan without premium tax credits or other cost savings. To apply for full cost Marketplace coverage, the consumer will need to call the Marketplace Call Center (1-800-318-2596, TTY: 1-855-889-4325) to submit a non-financial assistance application.

Second, a consumer applying for Marketplace coverage outside of Open Enrollment (OE) will need to qualify for a Special Enrollment Period (SEP) to enroll in Federally-facilitated Marketplace (FFM) coverage. For examples of SEPs, please see: <https://www.healthcare.gov/coverage-outside-open-enrollment/special-enrollment-period/>. The consumer can submit an FFM coverage application to see if they qualify for a SEP to enroll in Marketplace coverage. If the consumer does not have coverage while they wait to hear from their state about a final eligibility determination or enrollment in Medicaid/CHIP, then they can be directed to community care resources for health services. To locate a community health center, visit: <https://findahealthcenter.hrsa.gov/>.

Q: What happens to a consumer’s QHP coverage if they’re enrolled in Marketplace coverage — and, after updating their FFM application — are found by the Marketplace to be potentially eligible for Medicaid/CHIP?

A: If a consumer who is already enrolled in a QHP with financial assistance updates their Marketplace application (e.g., to report a change in address, income, or something else), and is found by the Marketplace as potentially eligible for Medicaid/CHIP, the Marketplace *may* end the consumer’s QHP coverage at that time. This happens particularly in situations where the potentially Medicaid/CHIP eligible consumer is enrolled in a QHP with financial assistance with other consumers who remain eligible for Marketplace financial assistance. During the application process, if the consumer proceeds through plan compare to confirm the plan selection for the consumers who remain eligible for Marketplace coverage, the Medicaid/CHIP assessed eligible consumer’s Marketplace coverage will end.

If the consumer is ultimately found by the SMA to be *ineligible* for MEC Medicaid/CHIP then the consumer might be able to enroll in QHP coverage with APTC/CSRs with a retroactive coverage effective date (for the period when the SMA was processing the Medicaid/CHIP referral from the Marketplace); for more information, see question/answer below.

Alternatively, a consumer who is awaiting a final Medicaid/CHIP eligibility determination may choose to keep Marketplace coverage, but they will not be eligible for financial assistance for that coverage, which means the consumer would have to pay full price for their share of the Marketplace plan without premium tax credits or other cost savings. To apply for full cost Marketplace coverage, the consumer will need to call the Marketplace Call Center (1-800-318-2596, TTY: 1-855-889-4325) to submit a non-financial assistance application. A consumer who chooses to enroll in full-cost Marketplace coverage and who is ultimately determined by their SMA to be eligible for MEC Medicaid/CHIP should notify their SMA of their QHP enrollment; they may no longer qualify for CHIP.

Alternatively, if a consumer is assessed as potentially eligible for Medicaid/CHIP and the Marketplace does not end coverage at the time the of the assessment, then the consumer *should not take action to end their QHP coverage unless they receive notification from their SMA that they have been determined eligible for MEC Medicaid/CHIP*. For more information on when and how to end Marketplace coverage for consumers who get Medicaid/CHIP, visit <https://www.healthcare.gov/medicaid-chip/cancelling-marketplace-plan/>.

Q: Will the Marketplace automatically end a consumer's existing QHP coverage with financial assistance if the state ultimately determines the consumer eligible for Medicaid/CHIP?

A: No. If a consumer receives a final determination from their SMA that they are eligible for MEC Medicaid/CHIP then they should take action to end their QHP with financial assistance. For more information on when and how to end Marketplace coverage for consumers who get Medicaid/CHIP, visit <https://www.healthcare.gov/medicaid-chip/cancelling-marketplace-plan/>.

Q: A consumer was found by the Marketplace to be potentially eligible for Medicaid/CHIP and the consumer was referred to the SMA, but the SMA determined the consumer ineligible for that coverage. What should they do next if they want Marketplace coverage with financial assistance?

A: If a consumer receives a final determination from their SMA that they are not eligible for minimum essential coverage (MEC) Medicaid/CHIP then they can update and resubmit their original Marketplace application to see if they're eligible to enroll in a QHP with financial assistance. To see if the consumer is eligible for the Medicaid/CHIP denial SEP, and to be evaluated for QHP coverage with financial assistance, the consumer should return to the Marketplace immediately after they hear from their SMA that they've been determined ineligible for Medicaid/CHIP and update their existing Marketplace application, attest to a recent denial of Medicaid/CHIP (as applicable), and resubmit their application.

To qualify for the Medicaid/CHIP denial SEP, a consumer must:

- Have initially applied for coverage at the Marketplace during OE or through a SEP due to a Qualifying Life Event (QLE), such as a move; **and**
- Been referred to the SMA because they were found to be potentially eligible for Medicaid/CHIP; **and**
- Been ultimately determined ineligible for Medicaid/CHIP by the SMA outside of OE or the SEP; **and**
- Been otherwise eligible for Marketplace coverage.

If the consumer qualifies for a Medicaid/CHIP denial SEP to enroll in Marketplace coverage, the SEP provides a prospective and accelerated coverage start date, effective the first of the month after the consumer selects a plan (e.g., if they select a plan on 11/16, coverage will start 12/1). Alternatively, the consumer can call the Marketplace Call Center (1-800-318-2596) to request retroactive coverage back to the effective date they would have received if the Marketplace had originally determined them eligible for QHP coverage with financial assistance (that is, the period when the SMA was processing the Medicaid/CHIP referral from the Marketplace).

A consumer may also be able to enroll in Marketplace coverage during the annual Open Enrollment Period or if they are eligible for another SEP due to a qualifying life event, such as a move or income less than 150% of the federal poverty level (FPL). Consumers would receive the coverage effective date applicable for that SEP, which may not be retroactive. For more information on SEPs, please visit: <https://www.healthcare.gov/coverage-outside-open-enrollment/special-enrollment-period/>.

Q: A consumer was found potentially eligible by the Marketplace for Medicaid/CHIP, and the SMA determined the consumer eligible for Medicaid/CHIP. Will the consumer have health care coverage for the period when the SMA was processing the application?

A: If a consumer is determined eligible for Medicaid/CHIP, per 42 CFR § 435.915(b) and 42 CFR § 457.340(g), then their effective date of coverage may be based on the date the application was submitted or the first day of the month of application if the individual is eligible at any time during that month. Some individuals may be eligible to receive retroactive Medicaid or CHIP coverage—the specifics vary by state and consumer circumstance. CMS recommends consumers contact their state Medicaid/CHIP agency if they have questions about their coverage start date or help with unpaid medical bills. For more information, visit

<https://www.medicaid.gov/medicaid/eligibility/index.html>

Q: If a consumer is found ineligible for Medicaid/CHIP coverage but thinks they are eligible for that coverage, how can I assist them?

A: If you or a consumer you're assisting believes the *SMA* erroneously determined the consumer ineligible for Medicaid/CHIP, the consumer can file an appeal with the SMA. More information must be made available on the eligibility denial letter issued by the SMA. This letter must include directions on how to appeal the state's decision including the timeframe to file an appeal. To find the specific state's contact information, visit:

<https://www.healthcare.gov/downloads/appeals-contacts.pdf>.

If you or a consumer you're assisting believes the *Marketplace* erroneously determined the consumer to be ineligible for Medicaid/CHIP, the consumer can file an appeal through HealthCare.gov. For more information visit: <https://www.healthcare.gov/marketplace-appeals/>.²

Q: A consumer received a notice from their SMA about reapplying for or renewing Medicaid/CHIP coverage. How can I assist them?

A: In the notice from the SMA, there should be information regarding the consumer's Medicaid/CHIP coverage/application and anything the SMA needs the consumer to provide, so that the SMA can complete a redetermination of eligibility for Medicaid/CHIP. Consumers should provide the SMA with the requested information as soon as possible to expediently process the renewal/redetermination and avoid a potential gap in coverage. Agents and brokers and others assisting consumers with their application should encourage consumers to have their paperwork/documents ready to apply for Marketplace coverage if the SMA determines the consumer ineligible for Medicaid/CHIP.

² Please note, this is specific to consumers who applied for coverage in Alabama, Alaska, Louisiana, Missouri, Montana, North Carolina, West Virginia, or Wyoming as of publication of this resource.