FAQ: WHAT DOES COFA MEDICAID RESTORATION MEAN?

On December 21, 2020, Congress passed an omnibus COVID relief bill that corrected a nearly 25-year error that unjustly excluded Compact of Free Association (COFA) citizens residing in the U.S. from Medicaid.[1] The omnibus bill was signed by President Trump on December 28 and is now law. The exclusion dates back to the 1996 Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA), commonly referred to as welfare reform, which changed the categories of persons eligible for certain federal safety-net programs including Medicaid. As a result, COFA citizens were stripped of their ability to qualify for these programs. In the aftermath of PRWORA, some states continued to provide health care services to COFA citizens using their own funds, recognizing the contributions and health needs of COFA citizen populations in their states.

This FAQ is part of a series answering questions about implementation of Medicaid for eligible COFA persons and advocacy opportunities at the federal, state and local levels.[2]

1. Are COFA citizens living in the United States now eligible for Medicaid?

Yes, COFA citizens who live in the 50 U.S. states and District of Columbia and who meet *all other Medicaid eligibility rules* are now eligible for Medicaid. Prior to December 28, 2020, COFA citizens were ineligible due to their immigration status. Enactment of the COVID relief bill eliminated that restriction.

Medicaid operates as a federal state program.[3] To participate in Medicaid, states must cover certain groups of individuals and those include low-income families, certain pregnant women and children and persons receiving Supplemental Security Income (SSI). The Affordable Care Act (ACA) expanded Medicaid eligibility to nearly all low-income persons with incomes at or below 138 percent of poverty ($12,760 for an individual in 2020) under the age of 65. As of January 2021, 39 states (including DC) have expanded Medicaid, while 12 have not.[4]

COFA citizens living in the 50 U.S. states and District of Columbia who wish to enroll in Medicaid must meet financial eligibility criteria based on their income and other non-financial eligibility criteria (state residency, status as COFA citizen, etc.). COFA citizens living in states that have *not* expanded Medicaid under the ACA have limited Medicaid options as those states have more strict income limits, rendering most childless adults ineligible for Medicaid.[5]

2. Are COFA citizens living in the U.S. Territories now eligible for Medicaid?

Maybe. COFA citizens living in the U.S. territories (American Samoa, Guam, the Northern Mariana Islands, Puerto Rico, and the U.S. Virgin Islands) may be eligible for Medicaid if the Governor of the territory in which they reside has elected to take this option. Because Medicaid in the U.S. territories operates differently than the 50 states and DC, the law required the governor to certify to the Centers for Medicare and Medicaid Services (CMS) that the territory wishes to cover COFA citizens under their Medicaid program. If the governor makes this certification, COFA citizens who meet *all other Medicaid eligibility rules* will be eligible. COFA advocates are working with territorial governments to assess what steps must be taken and which territories may take up this option, creating a new coverage opportunity for COFA citizens residing in their borders.

3. How can COFA citizens living in the 50 U.S. States/District of Columbia enroll in Medicaid?

COFA citizens living in the 50 U.S. States or District of Columbia may enroll in Medicaid at any time, as there is no "open enrollment period" for Medicaid.[6] COFA citizens may apply for Medicaid in two main ways:
1) by completing an application at the Health Insurance Marketplace, Healthcare.gov[7] or 2) by contacting their State Medicaid Agency.

Once a person is determined to be eligible for Medicaid, their coverage will be effective either on the date that they submitted their application or the first day of the month of application. Medicaid *may* also provide retroactive coverage for up to three months prior to the month of application, if the individual would have been eligible during that period had they applied. However, some states have waivers that allow them to waive retroactive eligibility for certain populations.

A COFA citizen who wishes to apply for Medicaid will have to provide certain information about their income, date of birth, lawful residence, proof of immigration status (FAS passport), proof of residence and other documentation as part of the application process. States are required to verify this information prior to or after enrollment.

States may still be learning about the restoration of Medicaid to COFA citizens and adjusting their enrollment and verification systems. As a result, States may have questions about how to verify the status of COFA citizens. In some instances, States may initially deny Medicaid coverage due to lags in recognizing the new eligibility for COFA citizens established by the COVID relief bill or delays in updating systems. During this time, States may accept *attestation* of COFA status while they try to verify that status through the SAVE[8] system.[9] This means that a COFA citizen will be eligible for Medicaid coverage (called a *reasonable opportunity period*) while the State verifies their status. States may also extend the reasonable opportunity period for good cause, including the current COVID-19 public health emergency.

4. What kind of services will Medicaid cover and do I have to pay for them?

Medicaid services vary by state and by the basis of eligibility but must meet certain minimum federal guidelines to provide comprehensive coverage.[10] Mandatory benefits include hospital services, physician services, laboratory and x-ray services, federally qualified health center services, family planning, home health services and transportation to medical care.[11]

In addition, states have the choice of covering certain other optional benefits. Optional benefits include prescription drugs, dental, eyeglasses, physical therapy and occupational therapy.[12]

States can impose certain types of out-of-pocket spending, through copayments, coinsurance or deductibles for Medicaid benefits that may vary based on the State and a person's income. Any questions regarding a State's covered services or financial obligations should be directed to the State Medicaid Agency.

5. What should my state be doing to make sure COFA citizens can enroll in Medicaid?

State Medicaid agencies play an important role in administering their Medicaid program and managing outreach, education and enrollment. States should take immediate steps to publicize the change in the law through culturally and linguistically accessible communications to ensure that COFA citizens know about their coverage options. In addition, State Medicaid agencies should update their enrollment systems and train/educate enrollment staff to ensure that staff understand the change in law and are prepared for COFA citizens to enroll. COFA advocates can work with their states to provide guidance on how states can effectively outreach to COFA citizens who may now be eligible and encourage COFA citizens to enroll.

1 https://www.apiahf.org/resource/cofa-medicaid-factsheet/.

2 Thanks to the National Health Law Program for their technical assistance and leadership on Medicaid advocacy.

3 https://www.medicaid.gov/medicaid/eligibility/index.html.

4 https://www.kff.org/medicaid/issue-brief/status-of-state-medicaid-expansion-decisions-interactive-map/.

5 https://www.kff.org/medicaid/issue-brief/the-coverage-gap-uninsured-poor-adults-in-states-that-do-not-expand-medicaid/.

6 Note that Medicaid programs may be called by different names depending on the state. https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/.

7 https://www.healthcare.gov/medicaid-chip/getting-medicaid-chip/.

8 https://save.uscis.gov/web/media/resourcesContents/CFA_MIS.pdf.

9 See discussion related to verification of immigration status. https://ccf.georgetown.edu/2020/04/14/medicaid-and-chip-eligibility-verification-flexibili-ties-help-states-keep-up-with-increased-application-volume-due-to-covid-19/.

10 https://www.medicaid.gov/medicaid/benefits/index.html.

11 https://www.medicaid.gov/medicaid/benefits/mandatory-optional-medicaid-benefits/index.html.

12 https://www.medicaid.gov/medicaid/benefits/mandatory-optional-medicaid-benefits/index.html.