



# Fast Facts: The 2024 Medicaid Eligibility & Enrollment Rule Saves State Resources

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The final [Eligibility and Enrollment Rule](#), published in April 2024, simplifies and significantly improves Medicaid and the Children’s Health Insurance Program (CHIP) eligibility and enrollment procedures.<sup>1</sup> The regulations became effective on June 3, 2024 but the changes phase in over 36 months. This factsheet explains the top 5 benefits of the rule.

## 1. The Eligibility and Enrollment Rule enhances program integrity and prevents waste, fraud, and abuse

The Eligibility and Enrollment Rule is designed to enhance program integrity. For one, the new rule requires that states store their records in an electronic format, promulgate clear definitions of retained documentation, and keep records for a minimum of three years.<sup>2</sup> These requirements will enhance program integrity by enabling federal auditors to more easily verify the accuracy of eligibility determinations and provider payments.<sup>3</sup>

Second, the rule’s mandate to rely on electronic documentation increases program integrity by overall enhancing the quality of eligibility and enrollment processes and guarding more effectively against erroneous eligibility determinations. For example, electronic documents are generally more reliable than paper ones, which are more easily altered.<sup>4</sup> Using electronic data matches for eligibility verification and requiring electronic recordkeeping will help ensure that

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<sup>1</sup> Streamlining the Medicaid, Children’s Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes, 89 Fed. Reg. 22780 (Apr. 2, 2024) [hereinafter “Eligibility and Enrollment Rule”].

<sup>2</sup> 42 C.F.R. §§ 431.17, 435.914, 457.965; *see also* Ctrs. for Medicare & Medicaid Servs., *Medicaid & CHIP Eligibility and Enrollment Final Rule* (2024) <https://www.cms.gov/files/document/20240529atcslides.pdf>.

<sup>3</sup> Eligibility and Enrollment Rule at 22783.

<sup>4</sup> Eligibility and Enrollment Rule at 22791.

ineligible individuals will not mistakenly be determined eligible for services, and that eligible individuals will not mistakenly be prevented from enrolling in benefits.

Finally, the rule's establishment of maximum timeframes for eligibility determinations will improve program integrity by ensuring that benefits are not being provided to ineligible individuals, and that they are being provided to eligible individuals promptly and efficiently.<sup>5</sup>

## **2. The Eligibility and Enrollment Rule simplifies eligibility and enrollment processes for older adults and individuals with disabilities**

Most older adults and individuals with disabilities were left out of Medicaid enrollment simplifications established under the Affordable Care Act, and have been at greater risk of being denied or losing coverage for procedural reasons than other Medicaid applicants and enrollees. Recent data shows that roughly 70% of Medicaid disenrollments during the continuous coverage unwinding were for solely procedural reasons.<sup>6</sup> The Eligibility and Enrollment Rule aligns enrollment and renewal requirements for all enrollees to eliminate procedural issues and other administrative barriers to accessing coverage.

The Eligibility and Enrollment Rule requires that renewals for people whose eligibility is based on being 65 or older, or having a disability, be completed no more frequently than once every 12 months.<sup>7</sup> The Eligibility and Enrollment Rule also requires that where a redetermination cannot be made on an ex parte (electronic) basis, states must provide the enrollee with a pre-populated renewal form.<sup>8</sup> Additionally, states can no longer require in-person interviews.<sup>9</sup>

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<sup>5</sup> Eligibility and Enrollment Rule at 22801; *see also* Charly Gilfoil and Alicia Emanuel, Nat'l Health Law Prog., *New Medicaid & CHIP Eligibility and Enrollment Rule: What Advocates Need to Know* 13-19 (Apr. 17, 2024) <https://healthlaw.org/resource/new-medicaid-chip-eligibility-and-enrollment-rule-what-advocates-need-to-know/>.

<sup>6</sup> Jennifer Tolbert, Robin Rudowitz, and Patrick Drake, *Understanding Medicaid Procedural Disenrollment Rates*, KFF (Sept. 7, 2023) <https://www.kff.org/policy-watch/understanding-medicaid-procedural-disenrollment-rates/>, KFF, *Medicaid Enrollment and Unwinding Tracker* (Jan. 31, 2025) <https://www.kff.org/report-section/medicaid-enrollment-and-unwinding-tracker-unwinding-data-archived/>.

<sup>7</sup> 42 C.F.R. § 435.916(a) (Medicaid), § 457.3243 (CHIP).

<sup>8</sup> 42 C.F.R. § 435.916(B)(2)(i)(A).

<sup>9</sup> 42 C.F.R. § 435.916(B)(2)(iv).

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Changes like these eliminate cumbersome administrative steps to establish eligibility for older adults and people with disabilities that ultimately impede access to care. We expect these changes to create a smoother path for applicants and enrollees to obtain and retain Medicaid coverage and access necessary health care.

The Eligibility and Enrollment Rule's administrative improvements stand to financially benefit states as well. Once states incur the initial investment to update their eligibility and enrollment systems and perform training to align with the new rule, states will begin to see savings from the reduced administrative burden.<sup>10</sup> For example, limiting renewals to once every 12 months reduces the burden on states associated with performing more frequent eligibility determinations. This means less time and effort spent making contact with and obtaining information from enrollees. These changes will reduce the burden on state Medicaid workers by eliminating administrative redundancies in requesting paperwork that lead to costly waste and churn (see below). These changes will also enable states to more easily free up resources for audits and appeals of eligibility determinations.

### **3. The Eligibility and Enrollment Rule reduces churn on and off Medicaid and CHIP**

The Eligibility and Enrollment Rule, by simplifying eligibility and enrollment processes, reduces the risk of procedural terminations and therefore, will likely reduce churn on and off Medicaid and CHIP.<sup>11</sup>

Reducing churn will likely reduce the administrative and financial burden on states. When enrollees lose eligibility for procedural reasons, state Medicaid workers end up processing multiple applications for individuals who were eligible but still lost their eligibility and cycled off. This increases the administrative burden and costs for states.<sup>12</sup> By reducing churn, the

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<sup>10</sup> Eligibility and Enrollment Rule at 22783.

<sup>11</sup> "Churn" is the process by which individuals lose Medicaid and/or CHIP and re-enroll within a short period of time, often due to administrative barriers. As a result, these individuals have gaps in coverage and disrupted access to care.

<sup>12</sup> See, e.g., Laura Summer and Cindy Mann, The Commonwealth Fund, *Instability of Public Health Insurance Coverage for Children and Their Families: Causes, Consequences, and Remedies* 8-9 (June 2006)

[https://www.commonwealthfund.org/sites/default/files/documents/media\\_files\\_publications\\_fund\\_report\\_2006\\_jun\\_instability\\_of\\_public\\_health\\_insurance\\_coverage\\_for\\_children\\_and\\_t](https://www.commonwealthfund.org/sites/default/files/documents/media_files_publications_fund_report_2006_jun_instability_of_public_health_insurance_coverage_for_children_and_t)

Eligibility and Enrollment rule indirectly provides state Medicaid workers more time to complete renewals and help people who are eligible to get on, and stay on, coverage.

Less churn also reduces the financial burden on hospitals and providers. Hospitals and providers are less likely to administer costlier, more intensive care to address health problems that developed and became exacerbated by disrupted care. One study found that unstable Medicaid coverage increased emergency department use, office visits, and hospitalizations between 10 and 36% and decreased use of prescription medications by 19%, compared to individuals with consistent Medicaid coverage.<sup>13</sup> Less churn may also reduce the burden of medical debt on Medicaid and CHIP enrollees, as well as reduce the burden of non-payment on providers and hospitals. Finally, less churn reduces coverage gaps and has the potential to improve continuous access to care for Medicaid and CHIP enrollees.<sup>14</sup> This allows enrollees to maintain better health.<sup>15</sup>

#### **4. The Eligibility and Enrollment Rule eliminates barriers to CHIP enrollment that can be detrimental to child health and development**

The Eligibility and Enrollment Rule makes significant changes that strengthen children's coverage in the Children's Health Insurance Program (CHIP). The rule eliminates barriers to coverage that are not allowed in any other insurance affordability program. As of the rule's effective date, it eliminates lockout periods for nonpayment of premiums and waiting periods

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[heir families causes consequence summer instabilitypubhltinschildren 935 pdf.pdf](#) (discussing increased administrative workload and costs associated with more frequent renewals of Medicaid and CHIP eligibility).

<sup>13</sup> *Id.*

<sup>14</sup> Aviva Aron-Dine and Matt Broaddus, *Record Low Uninsured Rate Offers Roadmap to Long-Term Coverage Gains*, Ctr. on Budget & Pol'y Priorities (Sept. 14, 2023) <https://www.cbpp.org/blog/record-low-uninsured-rate-offers-roadmap-to-long-term-coverage-gains>.

<sup>15</sup> U.S. Dep't of Health & Hum. Servs., Off. of the Assistant Sec'y for Plan. & Evaluation, *Medicaid Churning and Continuity of Care: Evidence and Policy Considerations* (2021) <https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>.

to enroll in a separate CHIP program.<sup>16</sup> The rule also eliminates annual and lifetime limits on CHIP benefits by June 2025.<sup>17</sup>

The result of these CHIP changes is that children will likely experience fewer gaps in coverage that can be detrimental to their health. When children have mandated uninsurance periods, they may be unable to access routine preventive care that helps them reach development milestones.<sup>18</sup> We also expect to see reduced administrative burden on states as a result of the changes, since states will not have to use valuable resources to verify coverage at frequent junctures for children whose eligibility for the program is unlikely to have changed.<sup>19</sup>

## 5. The Eligibility and Enrollment Rule eliminates unnecessary barriers to coverage to reduce the burden on states

The Eligibility and Enrollment Rule eliminates barriers to Medicaid and CHIP enrollment so that eligible individuals are able to get on, and stay on, coverage. The rule requires that state Medicaid agencies accept applications and renewals through multiple modalities (online, phone, email, and in-person) so that individuals have flexibility in how they provide information to the state. Additionally, the rule requires that states establish processes to proactively update individuals' contact information, and to contact individuals before taking any adverse action with regard to their Medicaid eligibility.<sup>20</sup>

States must now use the same procedures for all Medicaid applicants and enrollees, so the burden of having to maintain and use varied administrative procedures for different populations is eliminated. Changes in the Eligibility and Enrollment Rule will reduce churn, as described above, which will, in turn, reduce coverage gaps and lessen the administrative burden on states associated with processing new applications as individuals cycle on and off

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<sup>16</sup> 42 C.F.R. § 457.570.

<sup>17</sup> 42 C.F.R. § 457.480.

<sup>18</sup> See Tricia Brooks and Alexa Gardner, Georgetown Univ. Ctr. for Children and Families, *Medicaid Eligibility and Enrollment Rule Explainer* (Apr. 11, 2024) <https://ccf.georgetown.edu/2024/04/11/medicaid-eligibility-and-enrollment-rule-explainer/>.

<sup>19</sup> Ctrs. for Medicare & Medicaid Servs., *Ensuring Eligible Children Maintain Medicaid and Children's Health Insurance Program Coverage* 1, 3 (Dec. 18, 2023) <https://www.medicaid.gov/federal-policy-guidance/downloads/cib12182023.pdf>.

<sup>20</sup> See Charly Gilfoil and Alicia Emanuel, Nat'l Health Law Prog., *New Medicaid & CHIP Eligibility and Enrollment Rule: What Advocates Need to Know* 9 (Apr. 17, 2024) <https://healthlaw.org/resource/new-medicicaid-chip-eligibility-and-enrollment-rule-what-advocates-need-to-know/>.

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Medicaid and CHIP. States will also be able to use their resources more efficiently when performing Medicaid eligibility determinations, and will not need to spend valuable resources on unnecessary tasks such as in-person interviews.

## **Conclusion**

Overall, the Eligibility and Enrollment Rule benefits state Medicaid programs as well as applicants, enrollees and providers by simplifying and streamlining eligibility and enrollment processes. Eligible applicants and enrollees are able to more easily get and retain Medicaid and CHIP coverage and maintain better health. The rule also reduces administrative burden on state Medicaid and CHIP programs by eliminating cumbersome processes that do not enhance the quality of eligibility determinations. Finally, the rule is expected to lessen the need for costlier care resulting from disrupted access to services, as well as uncompensated care, which will reduce financial burden on providers. Repealing the Eligibility and Enrollment Rule would harm states and all who participate in Medicaid and CHIP.