DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850

State Demonstrations Group

October 9, 2025

Laura Phelan
Medicaid Administrator
Illinois Department of Healthcare and Family Services
201 South Grand Ave. East
Springfield, IL 62763-0001

Dear Administrator Phelan:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Illinois Final Report for the Children's Health Insurance Program (CHIP) COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "Illinois Continuity of Care and Administrative Simplification" (Project No: 11-W-00341/5). This report covers the demonstration period from March 1, 2020 through the end of the PHE. CMS determined that the Final Report, submitted on May 9, 2025, is in alignment with the CMS-approved Evaluation Design, and therefore, approves the state's Final Report.

The approved Final Report may now be posted to the state's Medicaid website within 30 days. CMS will also post the Final Report on Medicaid.gov.

We sincerely appreciate the state's commitment to evaluating the COVID-19 PHE demonstration under these extraordinary circumstances. We look forward to our continued partnership on Illinois section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

DANIELLE DALY -S
Digitally signed by DANIELLE DALY -S
Date: 2025.10.09 13:25:42 -04'00'

Danielle Daly
Director
Division of Demonstration
Monitoring and Evaluation

cc: Courtenay Savage, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

Final Evaluation Report on Illinois Children's Health Insurance Program (CHIP) Continuous Eligibility COVID-19 Public Health Emergency (PHE) Section 1115 Demonstration

May 9,2025

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Section I: Executive Summary

The State of Illinois Department of Healthcare and Family Services (HFS) received approval for the Children's Health Insurance Program (CHIP) COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "Continuity of Care and Administrative Simplification" (Project No: 11-W-00341/5) on November 3, 2022.[1] The demonstration period was March 1, 2020 through May 31, 2024. The demonstration was approved effective March 1, 2020, permitting HFS to provide continuous eligibility for CHIP enrollees who turned 19 during the public health emergency and therefore would have otherwise lost eligibility for CHIP due to age. In accordance with the terms and conditions of the demonstration approval letter, HFS was required to develop an evaluation design for the Centers for Medicare and Medicaid Services (CMS) approval and must submit a final evaluation report based on the approved evaluation design no later than May 31, 2025 (12 months after the expiration of the demonstration period). See *Attachment 1* for the final approved evaluation design. This final evaluation report examines how the approved demonstration and expenditure authorities affected the state's response to the PHE.

Demonstration Objectives

The primary objectives under this demonstration were:

- To support HFS by furnishing medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 pandemic.
- To enable continuous eligibility for individuals who would otherwise age out of the CHIP program when turning 19, in order to preserve access to critical healthcare services throughout the PHE.

Populations Impacted

The demonstration impacted individuals covered by CHIP who turn 19 years old during the demonstration period. This included 90,026 unique members with 1,521,037 member months covered during the demonstration period. This equates to an average monthly enrollment of approximately 29,824 members during the demonstration period.

Evaluation Questions and Methodology

The evaluation questions and methodology of this report are aligned with the evaluation design approved by CMS on June 28, 2024.[2]

Following CMS guidance, the focus of the state's final evaluation is to respond to quantitative and qualitative research questions aimed at understanding the challenges presented by the

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[1] Centers for Medicare & Medicaid Services. (November 3, 2022). *Illinois Continuity of Care and Administrative Simplification CHIP Continuity Eligibility Amendment Extension.* https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/il-continuity-care-admin-simplification-chip-cont-elig-amndmnt-ext-ca.pdf.

[2] Centers for Medicare & Medicaid Services (June 28, 2024). *Illinois Continuity of Care and Administrative Simplification CMS Approved CHIP Continuity Eligibility Amendment Evaluation Design.* https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/il-continuity-care-admin-cms-approved-chip-cont-elig-amndmnt-evltn-dsgn.pdf.

COVID-19 PHE to the CHIP program, how the flexibilities of this demonstration assisted in meeting these challenges, and any lessons that may be taken for responding to a similar PHE in the future. The specific evaluation questions within this report were designed to understand the challenges associated with extending CHIP coverage, actions to address the challenges and the impact of those actions, and reasons for CHIP program disenrollment of anyone age 19 or above during the PHE.

The methodology for addressing the evaluation questions includes both qualitative and quantitative analysis. Enrollment and eligibility data was used to determine how many individuals remained enrolled after their 19th birthday. Information about utilization of medical assistance services was obtained from fee-for-service and encounter claims data. Information about total expenditures for the demonstration population was obtained from fee-for-service and capitation payment records. The analyses also used qualitative findings from key informant interviews, obtained from semi-structured interviews with HFS staff with knowledge of CHIP operations and eligibility/enrollment during the demonstration period.

Results

Overall, the results summarized in this report demonstrate that the desired impact was achieved. Demonstration activities helped to maintain beneficiary access to care to individuals who remained enrolled in CHIP after their 19th birthday and to maintain beneficiary access to care. HFS achieved the intended goals of ensuring these individuals-maintained access to services throughout the PHE.

Of the 90,026 unique members who maintained CHIP coverage under the demonstration, 67.6% had at least one service during the demonstration. Total expenditures during the demonstration were found to be $274,022,545.

Interpretations and Recommendations

During the PHE, it was critical that the state have flexibilities to help maintain beneficiary access to care. The additional flexibility afforded states could be beneficial in future PHEs, however the need to seek these flexibilities through waiver authorities could be avoided by federal policies that apply equally to Medicaid and CHIP populations.

Further, while the demonstration was successful in ensuring continued access to care for individuals enrolled in CHIP beyond their 19th birthday, there were administrative challenges for the state at the end of the demonstration resulting in additional steps specific to performing eligibility redeterminations for individuals still enrolled in CHIP after their 19th birthday.

Section II: Demonstration Background Information

On January 30, 2020, the United States Department of Health and Human Services (HHS) Secretary declared a PHE in response to the COVID-19 pandemic. Subsequent to the PHE declaration and the declaration of a national emergency by the President of the United States on March 13, 2020, pursuant to section 1135(b) of the Social Security Act, the Secretary of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences of the COVID-19 pandemic. The waivers were intended to ensure that sufficient health care items and services were available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that were unable to comply with one or more federal requirements as a result of the COVID-19 pandemic were able to be reimbursed for services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.

Due to the COVID-19 pandemic, Illinois submitted a COVID-19 Public Health Emergency amendment to the Illinois Continuity of Care and Administrative Simplification Section 1115(a) Demonstration (Project Number 11-W-00341/5).

The goal and objective of the Illinois request was to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19. Under standard eligibility rules, children enrolled in the Children's Health Insurance Program (CHIP) who turn 19 would age out of the program, as all CHIP-eligible participants by definition have income levels that exceed the 133% Medicaid eligibility threshold for Affordable Care Act (ACA) expansion adults. While the maintenance of effort provisions of the PHE applied to Medicaid beneficiaries, they did not apply to CHIP beneficiaries. Therefore, the State requested continuous coverage for individuals aging out of CHIP, as these young adults would be at risk of poor access to medical care and treatment without coverage during the COVID-19 pandemic. Further, operationally, it would have been challenging for the state to implement necessary system changes during the PHE that would have allowed continuous eligibility for Medicaid beneficiaries but not CHIP beneficiaries.

CMS approved the demonstration for continuous coverage for individuals who turned 19 during the PHE and, absent the demonstration, would have lost eligibility for CHIP due to age. This demonstration was effective for section 1115(a)(2) expenditure populations eligible for and enrolled in the 1115 demonstration who attained their 19th birthday between March 1, 2020 and May 31, 2024.

Demonstration Objectives

The goal of this demonstration was to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 pandemic. Specifically, this demonstration enabled HFS to provide continuous eligibility for individuals who would otherwise age out of the CHIP program when turning 19, in order to preserve access to critical healthcare services throughout the PHE. This demonstration allowed these impacted individuals to retain coverage and therefore access to medical assistance that protects their health safety and welfare. This

evaluation report confirms that the demonstration was successful and resulted in individuals retaining coverage and access to medical assistance during the PHE.

Section III: Hypotheses and Evaluation Questions

This section details the evaluation design research questions and hypotheses approved by CMS in the Evaluation Design. For each hypothesis, HFS included a separate research question to assist in evaluating how continuous eligibility for CHIP coverage helped individuals remain enrolled in the program and have access to medical services after their 19th birthday.

Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will lead to members retaining coverage during the demonstration period.

> It is our hypothesis that enabling CHIP members who turn 19 to be continuously eligible for CHIP coverage during the demonstration period will result in those individuals remaining enrolled in the program. For the evaluation, we assessed whether enrolled members did in fact retain coverage after their 19th birthday.
>
> Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?

Hypothesis 2: CHIP members who retain eligibility will have access to medical services in the demonstration period.

> It is our hypothesis that individuals who remain in CHIP due to the continuous eligibility authorized under this demonstration will continue to have access to medical assistance services. For the evaluation, we assessed whether individuals were able to access services after their 19th birthday.
>
> Research Question: Did CHIP members with continuous eligibility following their 19th birthday access medical services?

Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately $134,000,000.

> It is our hypothesis that continuous eligibility for CHIP members who reach age 19 during the demonstration period will cost approximately $134,000,000. For the evaluation, we assessed total expenditures for services received by CHIP members following their 19th birthday.
>
> Research Question: What were the total expenditures for CHIP members with continuous eligibility after reaching their 19th birthday?

Hypothesis 4: Administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday are addressed.

> It is our hypothesis that HFS will address any administrative challenges associated with ensuring access to care for members with continuous eligibility beyond their 19th

birthday. For the evaluation, we reviewed any challenges related to the implementation of the demonstration.

Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did HFS take to address these challenges?

Section IV: Methodology

Evaluation Design Overview

The primary evaluation activities included both qualitative and quantitative analyses. Data was used from multiple sources. Enrollment and eligibility data was utilized to determine how many individuals remained enrolled after their 19th birthday and also provided additional insight into the reasons for CHIP program disenrollment of anyone age 19 or above. Information about utilization of medical assistance services was obtained from fee-for-service and encounter claims data. Additionally, information about total expenditures for the demonstration population was obtained from fee-for-service and capitation payment records. The analyses used additional qualitative data obtained from semi-structured interviews with HFS staff with knowledge of CHIP operations during the demonstration period, March 1, 2020 through May 31, 2024, including the impacts to CHIP-enrolled individuals who reached their 19th birthday during the demonstration period. *Figure 1: Analytic Table* below details the questions, data sources and analytic approach used in the evaluation.

Population Characteristics and Evaluation Period

The target populations evaluated in this demonstration is All Kids CHIP members age 19 and older.

- Description: All Kids in Illinois is the federal CHIP that provides healthcare coverage to children living in the state who do not qualify for Medicaid.
- Population Estimate: This included 90,026 unique members with 1,521,037 member months covered during the demonstration period. This equates to an average monthly enrollment of approximately 29,824 members during the demonstration period who retained eligibility and coverage after turning 19 years of age.
- Time Period for Data: HFS examined the data for the period of time from March 2020 through May 2024.

Evaluation Measures

HFS approached this evaluation design through a mix of qualitative and quantitative analytic approaches, as described in *Figure 1* below.

Figure 1: Analytic Table

Hypothesis and Evaluation Questions			
Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday will lead to members retaining coverage during the demonstration period.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?	Measure 1: The number of individuals who reached age 19 were retained in coverage for the demonstration period. Measure 2: The number of individuals who reached the age of 19 were disenrolled from coverage during the demonstration period.	Eligibility and Enrollment System	Descriptive Analysis, Trend Analysis
Hypothesis 2: CHIP members who retain eligibility will have access to medical services in the demonstration period.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: Were CHIP members with continuous eligibility following their 19th birthday able to access medical services?	Measure 1: Percent of members aged 19 or above who received at least one state plan service in the demonstration period. Measure 2: Percent of members aged 19 or above who did not receive at least one state plan service in the demonstration period.	Medicaid fee-for-service and encounter claims records	Descriptive Analysis
Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately $134,000,000.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: What were the total expenditures for CHIP members with continued coverage after reaching their 19th birthday?	Measure 1: Total expenditures for fee-for-service claims and capitation payments for those covered by continuous eligibility in the demonstration period.	Capitation payment records	Descriptive Analysis
Hypothesis 4: Any administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday were able to be addressed.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did the State take to address these challenges?	Measure 1: Description of challenges (if any) related to extending CHIP coverage to members beyond their 19th birthdays, including any challenges related to ensuring access to age-appropriate care. Measure 2: Description of actions taken to address the challenges related to extending CHIP coverage to members beyond their 19th birthday. Measure 3: Description of how the actions described in Measure 2 were or were not successful.	Staff interviews	Qualitative analysis

Data Sources and Analytic Measures

The specific data sources identified in *Figure 1* are detailed below, including a description of data quality and any applicable data limitations:

- Eligibility and Enrollment System: A review was conducted of all relevant eligibility and enrollment data to determine the enrollment count and duration of individuals who remained enrolled in CHIP after their 19th birthday. This data was also reviewed to provide insight into traditional Medicaid eligibility groups.
- Medicaid-Fee-For-Service and Encounter Claims Records: A review was conducted of all relevant Medicaid fee-for-service and encounter claims records to gather information about utilization of medical assistance services for the demonstration population.
- Capitation Payment Records: A review was conducted of all relevant capitation payment records to gather information about managed care enrollment and total capitated expenditures for the demonstration population.
- Key Informant Interviews: Interviews were conducted with key staff who had expertise in eligibility specific efforts at the agency, and with familiarity with the changes to the CHIP policy through the demonstration, the reasons behind it, and how it was operationalized. Staff interviews provided critical narrative information about the impacts of the demonstration not otherwise available through the data alone. However, like all subjective interviews, common limitations associated with this data source are biases and statistically representative samples.

Other Information

- Independent Evaluator Selection Process: Per CMS' instructions, this evaluation is state-led, and no independent evaluator is required.
- Evaluation Budget: At the time this evaluation design was submitted to CMS, no demonstration funds were allocated to evaluation activities.
- Timeline and Major Milestones: The table below, *Figure 2: Major Milestones,* highlights the major milestones and deliverables associated with this Demonstration and the related evaluation activities.

  Figure 2: Major Milestones

Date	Description
March 1, 2020	Official start date of COVID-19 PHE Demonstration
November 3, 2022	COVID-19 PHE Demonstration Approved
May 31, 2024	Official end of the COVID-19 PHE Demonstration Period
June 28, 2024	Final COVID-19 PHE Evaluation Design Approved

Section V: Methodological Limitations

While a goal of this demonstration is to assure that members can access medical services, the measure of access based on member claims and HFS staff interviews provides a limited view of the member's ability to obtain services. The measures assessed whether a service was obtained. The assessments did not factor in complexities such as whether needed services were not delivered or whether there were challenges in obtaining necessary services.

Additionally, for members who did not access services, we were not able to determine whether this lack of obtaining care was due to a lack of access, member preference, or other factors.

The evaluation plan included a hypothesis related to expenditures. These estimates included in the initial evaluation plan were preliminary as the end of the PHE and subsequent enrollment volume was unknown at the time. As such, any variation related to actual expenditures and projected expenditures should not be taken as a positive or negative finding.

Section VI: Results

The results of the demonstration are summarized below. Overall, the desired impact of the demonstration was achieved, and the original hypotheses were supported by the demonstration activities. Any variances from the original hypothesis to practice are noted below.

<u>Question 1:</u> Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?

HFS hypothesized that enabling CHIP members who turn 19 to be continuously eligible for CHIP coverage during the demonstration period would result in those individuals remaining enrolled in the program.

Through our analysis, HFS evaluated whether enrolled members did in fact retain coverage after their 19th birthday. *Figure 3: Table* illustrates a growth in the number of CHIP members over the four valuation dates through the demonstration period of March 1, 2020 to May 1, 2024.

Figure 3: CHIP Continuous Eligibility 1115 Demonstration Enrollment Table

State of Illinois Department of Healthcare and Family Services Independent Evaluation CHIP Continuous Eligibility 1115 Hypothesis 1- Enrollment During Demonstration							
Valuation Date	Unique Member Count				Distribution of Members		
	Base Members	Disenrolled	CHIP	Non-CHIP	Disenrolled	CHIP	Non-CHIP
May 1, 2021	24,534	1,197	21,293	2,044	4.9%	86.8%	8.3%
May 1, 2022	44,555	2,596	37,897	4,062	5.8%	85.1%	9.1%
May 1, 2023	67,145	5,426	49,787	11,932	8.1%	74.1%	17.8%
May 1, 2024	90,026	31,315	29,781	28,930	34.8%	33.1%	32.1%

Notes:

- *It is possible members were disenrolled between when they turned 19 and the valuation date.*
- *"Base Members" are defined as the number of individuals age 19+ that were enrolled in CHIP between March 1, 2020 and the valuation date.*
- *"Disenrolled" is defined as of those in base, the number of individuals that were disenrolled at the valuation date.*
- *"CHIP" is defined as of those in base, the number of individuals that were enrolled in managed care through the CHIP program at the valuation date.*
- *"Non-CHIP" is defined as of those in base, the number of individuals that were enrolled in managed care through a Non-CHIP program at the valuation date.*

<u>Question 2:</u> Were CHIP members with continuous eligibility following their 19th birthday able to access medical services?

HFS hypothesized that individuals who remained in CHIP due to continuous eligibility authorized under the demonstration would continue to have access to medical assistance services.

As part of this analysis, HFS reviewed members with CHIP eligibility after their 19th birthday and compared it to the medical or pharmacy fee-for-service or encounter claims. As *Figure 4* illustrates, 67.6% of CHIP members had at least 1 service during the demonstration period, while 32.4% of CHIP members had no services during the demonstration period.

Figure 4: Services Rendered During the CHIP Continuous Eligibility 1115 Demonstration Table

State of Illinois Department of Healthcare and Family Services Independent Evaluation CHIP Continuous Eligibility 1115 Hypothesis 2- Services Rendered	
Of those Age 19+ and on CHIP who had at least 1 service during the demonstration period	**Of those Age 19+ and on CHIP who had no services during the demonstration period**
67.6%	32.4%

<u>Question 3:</u> What were the total expenditures for CHIP members with continued coverage after reaching their 19th birthday?

HFS hypothesized that continuous eligibility for CHIP members who reach age 19 during the demonstration period will cost approximately $134,000,000.

Actual total expenditures associated with this demonstration equated to $274,022,545, which reflects both fee-for-service claims and capitation payments for those covered by continuous eligibility in the demonstration period as illustrated below in *Figure 5*.

Figure 5: Total Expenditures for Members Age 19+ Covered by CHIP Continuous Eligibility 1115 Demonstration Table

State of Illinois Department of Healthcare and Family Services Independent Evaluation CHIP Continuous Eligibility 1115 Hypothesis 3- Total Claims Costs	
Total Expenditures for Members Age 19+ Covered by Continuous Eligibility	
Capitations	**FFS**
$248,167,476	$25,855,069

<u>Question 4:</u> What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did the State take to address these challenges?

HFS hypothesized that the State would address any administrative challenges associated with ensuring access to care for members with continuous eligibility beyond their 19th birthday. This hypothesis was supported by the experiences of the demonstration implementation.

Key informant interviews with HFS staff indicated that there were no challenges with extending CHIP coverage to members beyond their 19th birthday or challenges related to ensuring access to age-appropriate care. HFS was able to apply the same overrides in the eligibility determination system to continue coverage for eligible CHIP individuals that were put in place during the PHE for Medicaid enrollees. Further, under Illinois' CHIP program, enrollees have the same benefit package as Medicaid members which eliminated challenges in accessing age-appropriate care for CHIP enrollees remaining on the program after their 19th birthday.

Though there were no challenges associated with extending CHIP coverage, HFS did experience challenges once the demonstration period ended. Specifically, HFS staff noted it was an administratively burdensome process with additional manual steps needed to performing redeterminations of eligibility and service. Though it was administratively challenging, HFS was able to successfully transition their CHIP program back to the original eligibility and operations standards that were in place prior to the demonstration.

HFS key informants recommended if there was another public health emergency in the future, it would be preferable to apply flexibilities to both Medicaid and CHIP populations using the same federal authority. For example, one staff member communicated that it was difficult for HFS to explain to a family with one person enrolled through Medicaid and another enrolled though CHIP why processes and eligibility standards were different. For this reason, this demonstration eased challenges associated with the PHE for state staff and enrollees alike by aligning continuous eligiblity policies.

Section VII: Conclusions

The demonstration was effective in achieving its stated objectives. The demonstration assisted Illinois in enabling continuous eligibility for CHIP members who would have otherwise aged out of the program and lost access to healthcare services.

The primary objectives under this demonstration were:

- To support HFS by furnishing medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 pandemic.
- To enable continuous eligibility for individuals who would otherwise age out of the CHIP program when turning 19, in order to preserve access to critical healthcare services throughout the PHE.

Overall, through the use of continuous eligibility, more members who would otherwise age out of the CHIP program were able to maintain coverage under the demonstration and thus have access to healthcare services.

Section VIII: Interpretations, Policy Implications, and Interactions with Other State Initiatives

While Medicaid and CHIP have different underlying federal authorities, states frequently seek administrative simplification by creating identical policies and operational procedures. The need for this CHIP specific waiver resulted because certain federal flexibilities were offered to only the Medicaid population during the PHE. Because these additional Medicaid flexibilities were not extended to CHIP enrollees, the state was required to pursue separate authority in order to continue applying the identical policies and operational procedures for the two programs in place prior to the start of the PHE.

Section IX: Lessons Learned and Recommendations

Through this waiver, the state learned that the process of extending CHIP coverage for those who would otherwise have aged out of the CHIP program when turning 19 was relatively simple with no challenges encountered due to HFS' administrative and operations process. In fact, operationally the demonstration was less administratively burdensome than had the demonstration not been pursued. However, some administrative burden did take place once the waiver ended that made it very challenging going through the redetermination process to ensure that CHIP beneficiaries aligned with the former eligibility standards prior to the waiver. By adding additional manual steps to the process, HFS was able to complete the redetermination process successfully. States interested in implementing a similar approach should consider the administrative processes at both the start of the waiver and the end of the waiver.

Further, given the fact that many states align their Medicaid and CHIP policies, CMS could consider providing states the same flexibilities for their Medicaid and CHIP programs during any future PHEs to avoid the need for separate authorities to achieve equal treatment. The need for separate authorizations creates additional administrative burden for both the state and CMS at a time when resources are already stretched.

Overall, the demonstration successfully achieved its stated objectives and assisted Illinois in enabling continuous eligibility for all CHIP members during the COVID-19 PHE.

Attachment 1: CMS-Approved Evaluation Design

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-25-26
Baltimore, Maryland 21244-1850

State Demonstrations Group

June 28, 2024

Kelly Cunningham
Medicaid Administrator
Illinois Department of Healthcare and Family Services
201 South Grand Ave. East
Springfield, IL 62763-0002

Dear Director Cunningham:

The Centers for Medicare & Medicaid Services (CMS) approved Illinois' Evaluation Design for the Children's Health Insurance Program (CHIP) COVID-19 Public Health Emergency (PHE) amendment to the section 1115 demonstration entitled, "Continuity of Care and Administrative Simplification" (Project No: 11-W-00341/5). We sincerely appreciate the state's commitment to efficiently meeting the requirement for an Evaluation Design as was stipulated in the approval letter for this amendment dated November 3, 2022, especially under these extraordinary circumstances.

In accordance with 42 CFR 431.424(c), the approved Evaluation Design may now be posted to the state's Medicaid website within 30 days. CMS will also post the approved Evaluation Design on Medicaid.gov.

Consistent with the approved Evaluation Design, the draft Final Report will be due to CMS no later than one year after the end of the COVID-19 section 1115 demonstration authority.

We sincerely appreciate the state's commitment to evaluating the CHIP COVID-19 PHE amendment under these extraordinary circumstances. We look forward to our continued partnership on the Illinois Continuity of Care and Administrative Simplification section 1115 demonstration. If you have any questions, please contact your CMS demonstration team.

Sincerely,

Danielle Daly -S

Digitally signed by Danielle Daly -S
Date: 2024.06.27 16:00:13 -04'00'

Danielle Daly
Director
Division of Demonstration Monitoring and Evaluation

cc: Courtenay Savage, State Monitoring Lead, CMS Medicaid and CHIP Operations Group

State of Illinois

COVID-19 Public Health Emergency Medicaid Section 1115 Demonstration

Project Number 11-W-00341/5

Revised Evaluation Design

Submitted to CMS June 17th, 2024

General Background Information

On March 13, 2020, pursuant to section 1135(b) of the Social Security Act, the Secretary of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences of the COVID-19 pandemic, to the extent necessary, as determined by the Centers for Medicare & Medicaid Services (CMS), to ensure that sufficient health care items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.

Due to the COVID-19 pandemic, Illinois submitted a COVID-19 Public Health Emergency amendment to The Illinois Continuity of Care and Administrative Simplification Section 1115(a) Demonstration (Project Number 11-W-00341/5).

The goal and objective of the Illinois request is to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19. Under standard eligibility rules, children in the Children's Health Insurance Program (CHIP) who turn 19 would age out of the program, as all CHIP-eligible participants by definition have income levels that exceed the 133% Medicaid eligibility threshold for Affordable Care Act (ACA) expansion adults. While the maintenance of effort provisions of the public health emergency (PHE) applied to Medicaid beneficiaries, they did not apply to CHIP beneficiaries. Therefore, the State requested continuous coverage for individuals aging out of CHIP, as these young adults would be at risk of poor access to medical care and treatment without coverage during the COVID-19 pandemic.

CMS approved the demonstration for continuous coverage for individuals aging out of CHIP and expenditures to provide continued eligibility for CHIP enrollees who turned 19 during the PHE and, absent the demonstration, would have lost eligibility for CHIP due to age.

The State understands that the Department of Healthcare and Family Services (HFS) must monitor and evaluate the waiver and expenditures authorized under the COVID-19 PHE amendment. The State appreciates that, given the time-limited nature of the Emergency 1115 Demonstration waiver, CMS does not expect the State to undertake data collection efforts that are unduly burdensome and will allow qualitative methods and descriptive data to address evaluation questions that will seek to support understanding of the demonstration successes, challenges, and impacts. The State understands that an evaluation plan must be submitted to CMS for approval, followed by a final report that will consolidate monitoring and evaluation reporting requirements for this demonstration authority.

This demonstration is effective for section 1115(a)(2) expenditure populations eligible for and enrolled in the 1115 demonstration who attain their 19th birthday between March 1, 2020 and May 31, 2024. In the original Demonstration application, HFS projected approximately 27,000 individuals would retain eligibility and coverage under this provision during the demonstration period, and the total projected aggregate expenditures under the demonstration were estimated to be $134,000,000.

This evaluation plan was submitted to CMS on February 28, 2023. In response to CMS feedback, HFS added Hypothesis 4 and resubmitted the evaluation plan to CMS in June of 2024. The State must submit the Final Report no later than one year after the end of the COVID-19 section 1115 demonstration authority.

Overall Demonstration Goals

The goal of this demonstration is to furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by the COVID-19 pandemic. Specifically, this demonstration is meant to enable continuous eligibility for

individuals who would otherwise age out of the CHIP program when turning 19, in order to preserve access to critical healthcare services throughout the PHE. This demonstration will allow impacted individuals to retain coverage and therefore access to medical assistance that protects their health safety and welfare. The evaluation will determine whether the continuous coverage demonstration resulted in individuals retaining coverage and access medical assistance.

In this demonstration, individuals enrolled in CHIP who reach their 19th birthday will not be disenrolled. They will be granted continuous eligibility for the duration of the demonstration period. The demonstration amendment is intended to assist in promoting the objectives of the Medicaid statute because it is expected to help the State furnish medical assistance in a manner intended to protect, to the greatest extent possible, the health, safety, and welfare of individuals and providers who may be affected by COVID-19.

Continuous Eligibility: Hypotheses and Evaluation Questions

Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will lead to members retaining coverage during the demonstration period.

It is our hypothesis that enabling CHIP members who turn 19 to be continuously eligible for CHIP coverage during the demonstration period will result in those individuals remaining enrolled in the program. We will evaluate whether enrolled members did in fact retain coverage after their 19th birthday.

Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?

Hypothesis 2: **CHIP members who retain eligibility will have access to medical services in the demonstration period.**

It is our hypothesis that individuals who remain in CHIP due to the continuous eligibility authorized under this demonstration will continue to have access to medical assistance services. We will evaluate whether individuals were able to access services.

Research Question: Did CHIP members with continuous eligibility following their 19th birthday access medical services?

Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately $134,000,000.

It is our hypothesis that continuous eligibility for CHIP members who reach age 19 during the demonstration period will cost approximately $134,000,000.

Research Question: What were the total expenditures for CHIP members with continuous eligibility after reaching their 19th birthday?

Hypothesis 4: Administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday are addressed.

It is our hypothesis that the State will address any administrative challenges associated with ensuring access to care for members with continuous eligibility beyond their 19th birthday.

Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did the State take to address these challenges?

Methodology

The analysis will be based on quantitative data from multiple sources. Enrollment and eligibility data will be utilized to determine how many individuals remained enrolled after their 19th birthday. These data will also provide insight into the reasons for CHIP program disenrollment of anyone age 19 or above. Information about utilization of medical assistance services will be obtained from fee-for-service and encounter claims data. Information about total expenditures for the demonstration population will be obtained from fee-for-service and capitation payment records. The analyses will use additional qualitative data obtained from semi-structured interviews with HFS staff with knowledge of CHIP operations during the demonstration period, i.e., key informants.

The analysis will be conducted on the experience corresponding with the approved demonstration period, March 1, 2020 through May 31, 2024. The analysis will be descriptive in nature. Analysis will be focused on CHIP enrolled individuals who reach their 19th birthday in the demonstration period.

Hypothesis and Evaluation Questions			
Hypothesis 1: Continuous eligibility for CHIP members who reach their 19th birthday will lead to members retaining coverage during the demonstration period.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: Did continuous eligibility policy lead to CHIP members retaining coverage following their 19th birthday?	Measure 1: The number of individuals who reached age 19 were retained in coverage for the demonstration period. Measure 2: The number of individuals who reached the age of 19 were disenrolled from coverage during the demonstration period.	Eligibility and Enrollment System	Descriptive Analysis, Trend Analysis
Hypothesis 2: CHIP members who retain eligibility will have access to medical services in the demonstration period.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: Were CHIP members with continuous eligibility following their 19th birthday able to access medical services?	Measure 1: Percent of members aged 19 or above who received at least one state plan service in the demonstration period. Measure 2: Percent of members aged 19 or above who did not receive at least one state plan service in the demonstration period.	Medicaid fee-for-service and encounter claims records	Descriptive Analysis
Hypothesis 3: Total aggregate expenditures for implementing continuous eligibility for CHIP members who reach their 19th birthday during the demonstration period will cost approximately $134,000,000.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: What were the total expenditures for CHIP members with continued coverage after reaching their 19th birthday?	Measure 1: Total expenditures for fee-for-service claims and capitation payments for those covered by continuous eligibility in the demonstration period.	Capitation payment records	Descriptive Analysis

Hypothesis 4: Any administrative challenges associated with ensuring access to medical services for CHIP members who retain eligibility beyond their 19th birthday were able to be addressed.			
Research Question	**Measures**	**Data Sources**	**Analytic Methods**
Research Question: What were the principal challenges associated with extending CHIP coverage to members beyond their 19th birthday and what actions did the State take to address these challenges?	Measure 1: Description of challenges (if any) related to extending CHIP coverage to members beyond their 19th birthdays, including any challenges related to ensuring access to age-appropriate care. Measure 2: Description of actions taken to address the challenges related to extending CHIP coverage to members beyond their 19th birthday. Measure 3: Description of how the actions described in Measure 2 were or were not successful.	Staff interviews	Qualitative analysis

Methodological Limitations

Measuring Access: A goal of this demonstration is to assure that members can access medical services. The measure of access based on member claims and HFS staff interviews is a limited view of the member's ability to obtain services. These measures will assess whether a service was obtained. The assessments will not factor in complexities including whether needed services were not delivered, how long a member waited to obtain a service, or how difficult it was to obtain a service. Additionally, for members who did not access services, we will not be able to determine whether this lack of obtaining care was due to a lack of access, member preference, or other factors.

Final Report

The final report will consolidate Monitoring and Evaluation reporting requirements for the demonstration. The State will submit the final report no later than one year after the end of the COVID-19 section 1115 demonstration authority. The final report will capture data on demonstration implementation, evaluation measures, and interpretation, and lessons learned from the demonstration, per the approved evaluation design. The State will track separately all expenditures associated with the demonstration, including, but not limited to, administrative costs and program expenditures. The annual report content and format will follow CMS guidelines. The State's final evaluation report is expected to include, where appropriate, items required under 42 CFR § 431.428.