**Policy Clarification**

**Medical Assistance – All – PMA-22182-376**

**Children’s Health Insurance Program – All**

 **PCH-22182-1109**

**Submitted: June 4, 2025 Agency: CAOs**

**Subject: Use of Reasonable Compatibility During Ex Parte Medical Assistance (MA) and Children’s Health Insurance Program (CHIP) Renewals**

**Question: Is the reasonable compatibility standard applicable during an ex parte review for Medical Assistance (MA) and Children’s Health Insurance Program (CHIP) renewals?**

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| **Response By: Division of Health Services** |  **Date: June 4, 2025** |  |  |
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The reasonable compatibility standard is applicable during an ex parte review only when self-attested income is under the applicable income limit and data source income is over the limit. Reasonable compatibility will not be applied during the upfront ex parte review prior to sending a renewal packet or during the ex parte review completed prior to closure when a renewal packet is not returned because in these circumstances there is no self-attestation to compare to a data source.

During the ex parte review completed before a renewal packet is generated (**Step 1 - Ex Parte Review Before Generating MA/CHIP Renewal Packet**):

* The County Assistance Office (CAO) will not use reasonable compatibility to compare case information with data source information.
* If the data source information shows **ALL** recipients would meet the following, a renewal can be processed:
	+ MA – The recipient remains eligible for MA at the same or higher benefit/coverage level.
	+ CHIP – The recipient remains eligible for CHIP at the same or lower premium tier.
* If data source income shows **SOME** or **ALL** recipients would fall into any of the scenarios below, a renewal packet must be generated:
	+ MA would reduce to a lower level of benefit.
	+ MA would close.
	+ MA would transition to CHIP.
	+ CHIP would move to a higher premium tier.
	+ CHIP would transition to MA.

During the ex parte review prior to closure (**Step 3 – Renewal Packet Not Returned or Returned Incomplete**):

* If the packet is not returned, reasonable compatibility is not applied.
	+ If information is available on data sources and shows eligibility at the current or higher benefit level, at a reduced benefit level, or would cause movement from MA to CHIP or CHIP to MA, the renewal should be processed and appropriate notices sent.
	+ If information on data sources shows ineligibility for all MA/CHIP coverage, the budget(s) should be closed for failure to provide relevant verification(s).

* If the packet is returned without verification, then the CAO has a current attestation of income and/or resources. In this case, reasonable compatibility must be applied. If the reported information and data sources information are reasonably compatible, then the renewal should be processed with data source information. If the reported information and data source information are not reasonably compatible for any level of coverage, then the budget(s) should be closed for failure to provide relevant verification(s).

**NOTE:** Children can move from MA to CHIP or CHIP to MA if stated income and data source income are reasonably compatible at any MA or CHIP income limit.

**REMINDER:**  When self-attested and data source income are both under the limit, or self-attested and data source income are both over the limit, the information is always reasonably compatible regardless of the difference between amounts.

When self-attested income is over the limits and data source income is under the limits, the information is never reasonably compatible, and verification must be provided.

**Examples**

*Example 1*: A household with a child open MG 00 with a 133 percent Federal Poverty Income Guidelines (FPIG) income limit does not return their packet. Data sources show household income that totals 250 percent FPIG. The renewal should be processed, and the child moved from MG 00 to CHP 01.

*Example 2*: A household open MG 91 with a 133 percent FPIG income limit does not return their renewal. Data sources show household income that totals 300 percent FPIG. The budget should be closed 042 for failure to provide income verification.

*Example 3*: A household with a child open MG 00 with a 133 percent FPIG income limit returns their packet without income verification and attests to income at 120 percent of FPIG. Data sources show household income at 200 percent FPIG. The data source and attestation are reasonably compatible for CHP 00. The renewal should be processed, and the child moved from MG 00 to CHP 00.

*Example 4*: A household open MG 91 with a 133 percent FPIG income limit returns their renewal packet without income verification and attests to income at 100 percent FPIG. Data sources show income at 120 percent FPIG. The renewal should be processed, and a new 12-month eligibility period established.

The **Ex Parte Review Desk Guide** has been updated to reflect these changes.

**ATTACHMENT**

Attachment – [Ex Parte Review Desk Guide](https://pagov.sharepoint.com/%3Ab%3A/r/sites/DHS-OIM/Desk%20Guides/Ex%20Parte%20Review%20Desk%20Guide.pdf?csf=1&web=1&e=dfSnmO)