

November 5, 2021

Secretary Xavier Becerra
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Re: KanCare Section 1115 Demonstration Amendment

Dear Secretary Becerra,

The Center on Budget and Policy Priorities and the Georgetown University Center for Children and Families appreciate the opportunity to comment on Kansas's amendment to its "KanCare" Medicaid demonstration that would authorize continuous eligibility for parents and caretaker relatives.

The Center on Budget and Policy Priorities (CBPP) is a nonpartisan research and policy organization based in Washington, D.C. Founded in 1981, CBPP conducts research and analysis to inform public debates and policymakers about a range of budget, tax and programmatic issues affecting individuals and families with low or moderate incomes. The Georgetown University Center for Children and Families (CCF) is an independent, nonpartisan policy and research center founded in 2005 with a mission to expand and improve high quality, affordable health coverage for America's children and families. As part of the McCourt School of Public Policy, Georgetown CCF conducts research, develops strategies, and offers solutions to improve the health of America's children and families, particularly those with low and moderate incomes.

We support Kansas's proposal and urge you to approve the state's request to provide 12-month continuous eligibility for parents and caretaker relatives. The state is pursuing this amendment to provide stable health coverage to families and improve continuity of care, which promotes Medicaid's objectives. The state acknowledges that it has already implemented continuous eligibility for parents, but due to an oversight this provision was not included in its current demonstration.

Kansas already provides continuous eligibility to children in its Medicaid program and Children's Health Insurance Program (CHIP). Continuous eligibility improves health status and well-being, promotes health equity, and reduces administrative burdens.¹ The state is seeking to extend the benefits of continuous eligibility to parents. As noted in CMS's 2013 guidance on continuous eligibility for adults, providing continuous eligibility to parents results in greater stability of coverage for the whole family.² It reduces confusion since all family members have the same length of enrollment and is administratively efficient, allowing the state to renew all members of a family at the same time.

¹ Tricia Brooks and Allexa Gardner, "Continuous Coverage in Medicaid and CHIP," Georgetown University Center for Children and Families, July 2021, <https://ccf.georgetown.edu/wp-content/uploads/2021/07/Continuous-Coverage-Medicaid-CHIP-final.pdf>.

² Center for Medicaid and CHIP Services, "SHO #13-003: Facilitating and CHIP Enrollment and Renewal in 2014," May 2013 <https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/downloads/SHO-13-003.pdf>.

The proposal would also help reduce “churn” among the state’s lowest income parents. In Kansas, the parent eligibility level is only 38 percent of the poverty line (\$695 per month for a family of three), putting parents at significant risk of moving on and off Medicaid due to temporary changes in income that affect eligibility. Continuous eligibility can help mitigate the effects of income volatility that result in churn. Individuals that experience churn or other coverage disruptions have been found to have increased hospitalizations, decreased use of prescription medications, and were more likely to have periods of uninsurance.³ In a federal evaluation of Montana’s Health and Economic Livelihood Partnership (HELP) Demonstration -- which is one of two states that currently provides continuous eligibility to adults--state officials and providers stated that continuous eligibility helped to provide stability and improve continuity of care.⁴ Children also benefit when their parents are insured -- there is clear evidence that when parents are insured, children are more likely to be insured.⁵

During the current federally-declared public health emergency (PHE), Kansas has had continuous eligibility for all beneficiaries due to the federal requirement in the Families First Act prohibiting all states from terminating people’s coverage until the PHE ends. The state is seeking to implement its proposal on January 1, 2022, likely before the end of the PHE and resumption of normal eligibility and enrollment operations.⁶ This will help to prevent inappropriate coverage loss once the disenrollment freeze is lifted. State officials in Montana pointed to the benefits of needing fewer staff hours to process people cycling on and off the program as a result of continuous eligibility.⁷

Kansas’s proposal is an important policy to test. The purpose of a section 1115 demonstration is to test new approaches that have the potential to improve Medicaid coverage for beneficiaries, which providing continuous eligibility to parents would do. However, despite the importance of evaluating this policy, the state is not proposing to update its evaluation design to include specific questions on the proposal. The only data currently available on continuous eligibility for adults is the anecdotal information from stakeholders included in Montana’s federal evaluation; New York (the only other state that provides continuous eligibility for adults) did not include analysis on the provision in its draft interim evaluation from 2021 due pandemic-related delays in accessing relevant data.⁸ CMS should encourage Kansas to update its evaluation design to include specific research questions on implementing continuous eligibility for parents.

³ Sarah Sugar, *et. al.*, “Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic,” HHS Assistant Secretary For Planning and Evaluation, April 12, 2021, https://aspe.hhs.gov/sites/default/files/migrated_legacy_files//199881/medicaid-churning-ib.pdf.

⁴ Montana has submitted an amendment to its HELP and WASP demonstrations to eliminate 12-month continuous eligibility for expansion adults and parents, respectively. Niranjana Kowlessar *et al.*, “Federal Evaluation of Montana Health and Economic Livelihood Partnership (HELP): Summative Evaluation Report,” Social & Scientific Systems, November 30, 2020, <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/summative-eval-rpt-montana-2020.pdf>.

⁵ Julie L. Hudson and Asako S. Moriya, “Medicaid Expansion for Adults Had Measurable ‘Welcome Mat’ Effects on Their Children,” *Health Affairs*, September 2017, <https://www.healthaffairs.org/doi/10.1377/hlthaff.2017.0347>.

⁶ HHS has indicated it will give states 60 days’ notice prior to termination of the public health emergency. The federally-declared public health emergency currently extends through January 16, 2022. Congress is considering legislation that will establish a certain date for the end of the continuous eligibility requirement, which would be April 1, 2022.

⁷ Kowlessar *et. al.*

⁸ RAND Corporation, “Independent Evaluation of the New York State Medicaid Redesign Team, Section 1115 Demonstration: Preliminary Interim Report,” <https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ny-medicaid-rdsgn-team-pa8.pdf>.

Thank you for your willingness to consider our comments. If you need additional information, please contact Joan Alker (jca25@georgetown.edu) or Judith Solomon (Solomon@cbpp.org).