



January 27, 2023

VIA ELECTRONIC SUBMISSION

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

Re: New Mexico Turquoise Care Section 1115 Demonstration Extension Request

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 New Mexico's application to extend its "Centennial Care 2.0" section 1115 demonstration from January 1, 2024 to December 31, 2028, which it seeks to rename "Turquoise Care." The state is asking to continue many of the authorities in its current demonstration and build on these authorities to expand existing programs or implement new proposals to advance health equity and improve access to care. Given the scope of the state's extension request, we are only providing comments on the aspects of the proposal detailed below.

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 believe many of the provisions in New Mexico's application will advance health equity and promote the objectives of Medicaid. We strongly support the state's proposal to provide multiple years of continuous eligibility for children up to age six as it would improve continuity of care for young kids during their foremost developmental years. We also support other proposals that would invest in care for disenfranchised or at-risk populations, including continuing and expanding the state's existing home visiting programs, providing targeted services to justice-involved individuals with high needs in the 30 days prior to release to support re-entry into the community, expanding the state's current supportive housing program, and initiating new pilots to evaluate strategies to address health related social needs (HRSN).

New Mexico's proposal seeks to achieve impressive goals with its extension request, including making care more accessible, which we support, especially given the evidence of ongoing gaps in access to care, including for people with disabilities. As the state builds on existing programs and moves forward with newly proposed elements in the demonstration extension, as well as revises its

managed care contracts during this period, CMS should provide necessary oversight to ensure New Mexico provides improved quality and access through its managed care delivery system. We urge you to approve the state's extension request and consider the recommendations that follow when crafting the special terms and conditions with the state.

Multi-year continuous eligibility would promote stable health coverage and improve continuity of care.

New Mexico currently provides a 12-month continuous eligibility period for children enrolled in Medicaid or CHIP. In this application, the state seeks to maximize coverage and limit administrative burdens by providing continuous eligibility for all Medicaid-eligible young children through the end of the month of their sixth birthday (the state's current eligibility limit for children under six in Medicaid/CHIP is 305 percent FPL or \$91,500 per year for a family of four). We believe that extending continuous eligibility would promote health equity, improve access to care, and strengthen program efficiency. As you noted in your approval of a similar proposal in Oregon, this policy is likely to promote the objectives of Medicaid.¹ This request is exactly the type of proposal for which 1115 demonstrations should be used; there is much to be learned from this approach. *We strongly urge CMS to approve New Mexico's request to extend continuous eligibility*.

Consistent with the goals of Executive Order 13985 and the strategic vision laid out by CMS Administrator Chiquita Brooks-LaSure and CMCS Director Dan Tsai, lengthening continuous eligibility for children and adults has the potential to remedy disparities in coverage.² Individuals with Medicaid are at risk of moving off and on coverage due to temporary changes in income that affect eligibility, a phenomenon known as "churn." Recent research shows that children are among the eligibility groups most likely to experience churn, and that Asian, Black, and Hispanic children are more likely to be uninsured for part or all of the year than non-Hispanic white children.³ The state notes that children of color are disproportionately represented among children living in poverty in New Mexico and are more likely to have experienced significant disruptions in coverage during the COVID-19 pandemic.⁴

Continuous eligibility can help mitigate the harmful impact of churn and uninsurance. A recent study found that eight percent of children enrolled in Medicaid or CHIP in 2018 disenrolled and reenrolled in coverage within twelve months; the rate of churn was even higher when looking at

https://www.healthaffairs.org/do/10.1377/forefront.20211115.537685/full/.

https://ccf.georgetown.edu/2021/11/22/gaps-in-coverage-a-look-at-child-health-insurance-trends/

¹ <u>https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/or-health-plan-09282022-ca.pdf</u> ² Executive Order No. 13985, 86 CFR 7009 (2021), <u>https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government.</u>; Chiquita Brooks-LaSure and Daniel Tsai, "A Strategic Vision for Medicaid and the Children's Health Insurance Program (CHIP)," *Health Affairs Blog*, November 16, 2021,

³ Bradley Corallo *et al.*, "Medicaid Enrollment Churn and Implications for Continuous Coverage Policies," Kaiser Family Foundation, December 14, 2021, <u>https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-churn-and-implications-for-continuous-coverage-policies/</u>; Aubrianna Osorio and Joan Alker, "Gaps in Coverage: A Look at Child Health Insurance Trends," Georgetown University Center for Children and Families,

⁴ New Mexico "Turquoise Care Section 1115 Medicaid Demonstration Waiver Renewal Request," December 15, 2022, <u>https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/82611</u>.

children enrolled in separate CHIP (16 percent).⁵ New Mexico's own data shows that the state's churn rate is even higher than the national estimate, with 21 percent of children with Medicaid/CHIP coverage re-enrolling within three months and *almost half* (43.8 percent) of children re-enrolling within twelve months.⁶

Continuous eligibility can help mitigate the harmful impact of churn and uninsurance. From the last quarter of 2020 through the first quarter of 2022, the national child uninsured rate decreased 2.7 percentage points, from 6.4 percent to 3.7 percent.⁷ During the entirety of that period, The Families First Coronavirus Response Act (FFCRA) continuous coverage requirement was in place, which has kept children with Medicaid continuously enrolled in coverage. While the decrease in uninsurance may be the result of multiple factors, the FFCRA protection was likely a major factor. A new report estimates that 5.3 million children will lose coverage once the FFRCA protection ends; of these, 72 percent of children will still be eligible for Medicaid but will lose coverage due to administrative churn.⁸ Though the state's proposal will likely not be approved and implemented prior to the end of the FFCRA continuous enrollment protection on March 31, the proposal will be important to ensuring children maintain consistent coverage in the years to come and will enable the state to evaluate the ongoing benefits of continuous enrollment.

Continuous access to care is vital for the healthy development of young children. Children with unaddressed conditions such as asthma, vision, hearing impairment, nutritional deficiencies, and mental health challenges are unable to thrive in kindergarten and beyond.⁹ To catch early warning signs of these problems, the American Academy of Pediatrics recommends that young children receive at least 15 well-child visits in their first six years of life.¹⁰ Ensuring that children through age six have stable coverage would improve access to the necessary preventive care and developmental screenings that occur during these visits and set the stage for better long-term outcomes.¹¹

Finally, continuous eligibility has the potential to free up administrative resources, improve program efficiency, and reduce burdens on families. When beneficiaries churn off and on coverage,

https://aspe.hhs.gov/sites/default/files/documents/15c1f9899b3f203887deba90e3005f5a/Uninsured-Q1-2022-Data-Point-HP-2022-23-08.pdf.

⁵ MACPAC, "An Updated Look at Rates of Churn and Continuous Coverage in Medicaid and CHIP," October 2021, <u>https://www.macpac.gov/wp-content/uploads/2021/10/An-Updated-Look-at-Rates-of-Churn-and-Continuous-</u> <u>Coverage-in-Medicaid-and-CHIP.pdf</u>.

⁶ New Mexico "Turquoise Care Section 1115 Medicaid Demonstration Waiver Renewal Request," December 15, 2022, <u>https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/82611</u>.

⁷ Aiden Lee, *et. al.*, "National Uninsured Rate Reaches All-Time Low in Early 2022," HHS Assistant Secretary for Planning and Evaluation (ASPE) Office of Health Policy, August 2022,

⁸ ASPE Office of Health Policy, "Unwinding the Medicaid Continuous Enrollment Provision: Projected Enrollment Effects and Policy Approaches," August 19, 2022,

https://aspe.hhs.gov/sites/default/files/documents/404a7572048090ec1259d216f3fd617e/aspe-end-mcaidcontinuous-coverage_IB.pdf.

⁹ Delaney Gracy *et al.*, "Health Barriers to Learning: The Prevalence and Educational Consequences in Disadvantaged Children, A Review of the Literature," January 2017, <u>https://www-childrenshealthfund.b-cdn.net/wp-content/uploads/2017/02/HBL-Literature-Review-2-2-2017.pdf</u>.

¹⁰ American Academy of Pediatrics, "Recommendations for Preventive Pediatric Health Care," March 2021, <u>https://downloads.aap.org/AAP/PDF/periodicity_schedule.pdf</u>.

¹¹ Elisabeth Wright Burak, "Promoting Young Children's Healthy Development in Medicaid and CHIP," Georgetown University Center for Children and Families, <u>https://ccf.georgetown.edu/2018/10/17/promoting-young-childrens-healthy-development-in-medicaid-and-the-childrens-health-insurance-program-chip/</u>.

states have to determine someone ineligible for coverage, complete the termination process, and then process a new application when the individual reapplies. One study found that the cost of disenrolling and then reenrolling in Medicaid was between \$400 to \$600 per person.¹² The burden is even greater on families who may experience greater out-of-pocket costs or medical debt during gaps in coverage. Multi-year continuous coverage would mitigate these costs for the state and families of young children while decreasing administrative workloads and providing peace of mind for new parents.

Extending continuous eligibility has a valid and commendable experimental purpose that promotes the objectives of the Medicaid program. As New Mexico formalizes its evaluation design, the state should include disaggregating all metrics for continuous enrollment for young children by race and ethnicity. This is important in identifying whether the proposal is helping reduce disparities in coverage disruptions as well as achieving New Mexico's stated goal to advance equitable care. Additionally, the evaluation should measure service use and cost of care before and after implementation, with a particular focus on EPSDT services. The proposal would test an innovative idea to improve the lives of children that would provide important new information. Though the full benefits of the policy may take a longer time to manifest compared to the standard section 1115 waiver, that should not discourage this investment in children, especially given the well-documented, long-term benefits of providing Medicaid to children.¹³

New home visiting pilot programs will improve health outcomes and yield useful evaluation data for postpartum women and young children.

The benefits of evidence-based home visiting programs have accumulated over decades, with evidence-based models showing improvements in maternal and child health, positive parenting, family economic success, and school readiness as well as long-term cost savings.¹⁴ New Mexico's current demonstration supports two home visiting models as part of its Centennial Home Visiting pilot: Nurse Family Partnership and Parents as Teachers. Both models limit program enrollment to the period of pregnancy up until a birth. The application requests to add four evidence-based models to its Centennial Home Visiting pilot (Child First, Healthy Families America, Family Connects, and Safe Care), which will extend home visiting to parents, including those enrolled after pregnancy, and children during and well beyond the postpartum year. These proposed models would ensure additional supports will be available during the newly-extended postpartum coverage, and would also help the state deploy multiple approaches to address a variety of unique family circumstances.

¹² Katherine Swartz, *et. al.*, "Reducing Medicaid Churning: Extending Eligibility For Twelve Months Or To The End Of Calendar Year Is Most Effective," Health Affairs, July 2015, https://www.healthaffairs.org/doi/10.1377/hlthaff.2014.1204.

¹³ Edwin Park, *et. al,* "Jeopardizing a Sound Investment: Why Short-Term Cuts to Medicaid Coverage During Pregnancy and Childhood Could Result in Long-Term Harm," Commonwealth Fund, December 8, 2020,

https://www.commonwealthfund.org/publications/issue-briefs/2020/dec/short-term-cuts-medicaid-long-term-harm.

¹⁴ Charles Michalopoulos, *et al.*, "Evidence on the long-term effect of home visiting programs: laying the groundwork for long-term follow-up in the mother and infant home visiting program evaluation (MIHOPE): OPRE Report 2017-73," Office of Planning, Research and Evaluation: Administration for Children and Families, September

^{2017,} https://www.acf.hhs.gov/sites/default/files/documents/opre/mihope_lt_long_term_evidence_brief_508_compl_iant_corrected.pdf.

New Mexico's proposal also provides an opportunity to test new approaches to home visiting. While home visiting can be authorized through state plan authority, the state is seeking to use the proposed programs to experiment with new models as it works through ongoing challenges of scaling up existing programs and improving access to home visiting in general. The state should expand the scope of its evaluation to identify key lessons and outcomes from the pilot programs. In addition to the already proposed metrics, the evaluation should document uptake and access to the new models, and continue to document opportunities to improve scale, namely provider billing capacity, MCO delays and denials, and referral barriers. The state should also provide disaggregated metrics where possible.

Targeted pre-release services during the last 30 days of incarceration would reduce gaps in coverage and care, supporting successful transitions back to the community.

We strongly support New Mexico's goal to "provide the requisite supports and services needed to provide health and social stability to previously-incarcerated individuals upon community reentry." New Mexico's proposal to provide active Medicaid coverage and a targeted set of services during the last 30 days of incarceration for a defined high-needs population is well tailored to meet those goals. We recommend CMS approve New Mexico's proposal, consistent the approach CMS recently outlined in the groundbreaking California reentry waiver and with forthcoming guidance that we anticipate will establish uniform programmatic and evaluation parameters to test the efficacy of this important intervention. As part of the approval, CMS should 1) establish a limited set of pre-release services covered and 2) prioritize the use of community-based providers to deliver the services; and 3) require New Mexico to develop a Reentry Initiative Reinvestment Plan to ensure that Medicaid funding doesn't simply replace other current funding sources.

As the state's proposal explains, people in jail and prison have high rates of behavioral health conditions, as well as chronic physical conditions.¹⁵ However, they often return home without adequate access to medications or care coordination. Once home, health care often falls by the wayside as people face competing demands, including securing housing, finding work, filling prescriptions, connecting with family, and fulfilling court-ordered obligations. Gaps in coverage and care contribute to a litany of poor health outcomes and compound the harmful effects of mass incarceration and the over-policing of people of color, particularly for Black and Hispanic people. In addition, incarceration can harm health, and incarcerating children and young adults can cause serious harm to youth who are separated from their family and community, including long-term adverse impacts on individuals' physical and mental health.¹⁶

https://www.urban.org/sites/default/files/publication/31491/411617-Health-and-Prisoner-Reentry.PDF. ¹⁶ Cortney Sanders, "State Juvenile Justice Reforms Can Boost Opportunity, Particularly for Communities of Color," Center on Budget and Policy Priorities, July 27, 2021. <u>https://www.cbpp.org/research/state-budget-</u>

andtax/statejuvenile-justice-reforms-can-boost-opportunity-particularly-for; Vincent Schiraldi, "Can We Eliminate the Youth Prison? (And What Should We Replace It With)?" Square One Project, June 2020, https://squareonejustice.org/paper/can-we-eliminate-the-youth-prison-and-what-should-we-replaceit-with-by-

¹⁵ Kamala Mallik-Kane and Christy A. Visher, Health and Prisoner Reentry: How Physical, Mental, and Substance Abuse Conditions Shape the Process of Reintegration, Urban Institute, February 2008,

<u>vincentschiraldi-june-2020</u>/; Christopher Wildeman and Emily Wang, "Mass Incarceration, Public Health, and Widening Inequality in the USA," The Lancet 389, April 2017, <u>https://doi.org/10.1016/S0140-6736(17)30259-3</u>; Michael Massoglia and Brianna Remster, "Linkages Between Incarceration and Health," Public Health Reports, May 1, 2019, <u>https://doi.org/10.1177/0033354919826563</u>.

To ensure that the covered services advance the objectives of the Medicaid program and prevent unintended consequences, we recommend CMS require the state to:

- Cover a limited set of services during the last 30 days of incarceration to avoid covering all or the bulk of Medicaid services. New Mexico's proposal to cover enhanced care management and coordination, MAT, and a 30-day supply of medications (including MAT) and DME, is appropriate. This is an appropriate list of services to facilitate transition. While the state may wish to cover additional targeted services during the last 30 days of incarceration to support enrollees as they prepare to transition back to the community such as the pre-tenancy services the state seeks to expand the demonstration terms and conditions should not leave the door open for the state to cover an unlimited number of services. Covering a limited set of services also helps to protect against incentives for facilities to delay care until the last 30 days when Medicaid coverage is available to offset the costs.
- Maximize the use of community-based providers to deliver covered services. Covering such "in-reach" services, where case managers, clinicians, or peer support professionals visit people in jail or prison, is a promising strategy to help people prepare to successfully return to the community. One benefit is that it builds in time for health professionals to establish rapport, develop an individualized care plan, and schedule future appointments before someone returns to the community. Community-based providers are also best positioned to connect individuals to housing, employment, and other community resources that can reduce barriers to care and prevent returning to a carceral setting.
- Develop a Reentry Initiative Reinvestment Plan to ensure that Medicaid funding doesn't simply replace other current funding sources. While the Medicaid statute generally prohibits federal match for health care services delivered in correctional facilities, Medicaid can play a limited but important role in ensuring that people who are incarcerated get the coverage and care they need when returning to the community. However, Medicaid coverage of services delivered during incarceration should not be used to merely shift the cost of correctional care services from county and state governments to the federal government, but rather should be used to enhance access to care and improve the continuity of care as people transition to community-based care, consistent with the objectives of the Medicaid program.

Providing pre-tenancy and tenancy support housing services is a valuable experiment that should be allowed to continue.

New Mexico is seeking authority to continue its Supportive Housing program, which provides pre-tenancy and tenancy support activities to members with serious mental illness (SMI) who are part of the Linkages Supportive Housing Program and is also requesting to increase enrollment of this program from 180 to 450 annually. The increase is intended to provide services to members who are associated with a Local Lead Agency and provider and the Special Needs/Set Aside Housing Program (SAHP), including people with SMI, substance use disorders and various disabilities. We encourage CMS to renew this important program and approve the increase in enrollment.

There is growing evidence that for people with complex health needs, housing support services such as help locating and apply for housing assistance, coaching on tenant rights and responsibilities, developing a support plan and connecting residents to community-based supports help people maintain housing, access care, and improve their health. As part of its extension request, New Mexico proposes to target housing support services to 450 people, an increase from the currently approved 180 people. The state is also proposing to include Community Support Workers and/or Supportive Housing Coordinators as eligible providers of these services to help increase capacity, which we support.

While we support New Mexico increasing capacity for these services and targeting these services to people with serious mental illness, substance use disorders, other disabilities, and other needs that are linked to housing instability, we remain troubled by the limited number of people who would receive the services. New Mexico's request targets Turquoise Care members with serious mental illness.

The cap on services will also mean that there will not be enough capacity to meet the housingrelated needs of justice-involved individuals upon release or people using medical respite services following hospital discharge. While the state's proposal to provide pre-release services to justiceinvolved individuals will help ease some individuals' transition to the community, others may require tenancy support services to facilitate a successful transition to the community. Similarly, while people receiving medical respite services could receive pre-tenancy services through the respite programs' care coordination, many will need additional pre-tenancy services or tenancy-sustaining services to secure and maintain housing after leaving the medical respite program.

CMS should approve New Mexico's pilot proposals to test strategies to address health related social needs.

As part of the Turquoise Care renewal, New Mexico is increasing its focus on addressing health related social needs. The state proposes two new home-delivered meal pilots, focusing on members who are facing food insecurity that jeopardizes the member's ability to remain in a community-based setting as well as pregnant members with gestational diabetes. New Mexico is also proposing a pilot to help cover room and board for people in assisted living and a medical respite pilot program for members experiencing homelessness after discharge from the hospital. We encourage CMS to approve these pilot proposals, consistent with our recommendations below and with CMS' recently articulated approach to using Section 1115 demonstrations to address HRSN on a time-limited basis.¹⁷ It is critical that CMS apply its new policy consistently so that states have clarity as they design their HRSN proposals and as CMS and stakeholders monitor the outcomes and evaluations of these groundbreaking demonstrations.

As CMS acknowledges, SDOH and associated HRSN can account for as much as 50% of health outcomes.¹⁸ New Mexico's approach to pilot interventions intended to address housing and

 ¹⁷ Addressing Health-Related Social Needs in Section 1115 Demonstrations, CMCS All-State Medicaid and CHIP Call, December 6, 2022, <u>https://www.medicaid.gov/resources-for-states/downloads/covid19allstatecall12062022.pdf</u>.
¹⁸ A. Whitman et al., Addressing Social Determinants of Health: Examples of Successful Evidence-Based Strategies and Current Federal Efforts, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and

food insecurity is an appropriate use of the Section 1115 demonstration authority to determine if time-limited Medicaid support for housing and nutrition needs can help improve health outcomes. Developing a robust monitoring and evaluation plan is key to help New Mexico and other states learn from these pilots.

The state does not provide much detail about its proposed pilot to cover room and board costs for some people in assisted living. While we support the intent to help people remain in the community, we urge CMS to apply the same parameters it would for any other request to cover room and board, consistent with CMS' recently-released framework for using Section 1115 demonstrations to address HRSN, including limiting any support for room and board to six months as people transition between care settings. While they are often inadequate, other resources (such as housing vouchers) exist to help individuals afford housing and the best approach is to invest in such resources, rather than relying on Medicaid funding indefinitely.

The proposed medical respite pilot program would deliver short-term services to members experiencing homelessness after discharge from the hospital. We support the proposal, which includes an appropriate array of care coordination, medical care, and personal care services to help facilitate both a safe location to heal, with an explicit focus on establishing connections to social services that can reduce hospital readmissions and facilitate connections to permanent housing. CMS should ensure that the medical respite pilot (1) remains short-term (e.g., a maximum of 60 or 90 days) so it remains focused on helping people transition out of acute care and does not become a secondary long-term care facility, (2) includes close partnerships with the local homelessness services Continuum(s) of Care and public housing agencies, which is necessary to help people transition to stable housing and minimize discharges into homelessness.¹⁹

As part of its approval, CMS should also ensure that these and other HRSN interventions, including the supportive housing services discussed above, fit within the overall 3% of total Medicaid spending standard established by the agency, that infrastructure costs do not exceed 15% of total HRSN spend, and that spending on HRSN does not supplant spending on other Medicaid services. Finally, given the scope of investments in HRSN proposed by New Mexico, should CMS approve these pilots, we also encourage CMS to apply its new policy to ensure that provider rates are sufficient to ensure access to basic Medicaid services and that the state is concurrently working to improve Medicaid provider payment rates.

Conclusion

Our comments include numerous citations to supporting research, including direct links to the research, for HHS's benefit in reviewing our comments. We direct HHS to each of the studies cited and made available to the agency through active hyperlinks, and we request that the full text of each of the studies cited, along with the full text of our comments, be considered part of the administrative record in this matter for purposes of the Administrative Procedure Act.

Human Services, April 1, 2022,

https://aspe.hhs.gov/sites/default/files/documents/e2b650cd64cf84aae8ff0fae7474af82/SDOH-Evidence-Review.pdf. ¹⁹ Expanding Options for Health Care Within Homelessness Services: CoC Partnerships with Medical Respite Care Programs, The Framework for an Equitable Homelessness Response, 2022, <u>https://endhomelessness.org/wp-content/uploads/2022/01/CoC-Partnerships-Medical-Respite-Care-programs</u> 1-5-22.pdf.

Thank you for consideration of our comments. If you would like any additional information, please contact Joan Alker (jca25@georgetown.edu) or Allison Orris (aorris@cbpp.org).