July 26, 2024

VIA ELECTRONIC SUBMISSION

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

Re: New York Medicaid Redesign Team Demonstration Continuous Eligibility 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 New York's request to amend its "Medicaid Redesign Team" section 1115 demonstration[1].

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.

New York is seeking approval to provide continuous eligibility to children up to age six who are enrolled in Medicaid and CHIP. Multi-year continuous eligibility would improve continuity and access to care for young children during a critical developmental period, increase family and financial stability, and strengthen program efficiency. The state's request meets the requirements for a section 1115 demonstration project. The proposal is a genuine experiment, testing whether young children experience less churn and greater enrollment in Medicaid when they are continuously enrolled up to age six. The policy also promotes coverage, consistent with the objectives of Medicaid as required for section 1115 demonstrations, as CMS noted in its approval of a similar policy in other states.[2] *We strongly support the state's request and urge CMS to approve the proposal.*

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, extending and expanding the

[1] New York State Department of Health, "New York State Medicaid Redesign Team (MRT) Waiver: Continuous Eligibility Amendment," June 10, 2024, available at: https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/ny-medicaid-rdsgn-team-pa-06262024.pdf.

[2] Oregon Health Plan Approval Letter, September 28, 2022, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/or-health-plan-09282022-ca.pdf. Washington Medicaid Transformation Project Amendment Approval Letter, April 14, 2023, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/wa-stc-ca-04142023.pdf; New Mexico Centennial Care 2.0 Extension Amendment Approval Letter, December 15, 2023, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/nm-centennial-care-appvl-12152023.pdf.

length of continuous eligibility for children has the potential to reduce disparities in coverage.[3] Individuals with Medicaid are at risk of moving off and on coverage due to temporary income changes that affect eligibility – a phenomenon known as "churn." Recent research shows that children ages 20 and under are among the eligibility groups most likely to experience churn.[4] Among children under 19, children of color are more likely to be uninsured for part or all of the year than non-Hispanic white children.[5]

Continuous eligibility can help mitigate the harmful impact of churn and uninsurance. A MACPAC study found that 44 percent of children who were disenrolled from Medicaid in 2018 reenrolled within 12 months.[6] Unlike other states that have requested similar waivers, New York does not include state-level data on historical rates of churn among children in its application; the state should provide this data to establish a baseline from which to analyze the effect of the proposed policies on churn rates in the future.

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 kept individuals with Medicaid continuously enrolled in coverage. While the decrease in uninsurance may be attributable to multiple factors, the FFCRA protection likely played a major role. The number of children enrolled in Medicaid and CHIP in New York grew by over 275,000 during the time the continuous enrollment condition was in place; these coverage gains are now at risk, as over 200,000 children in the state have lost coverage since the beginning of its unwinding period.[8] The proposed continuous eligibility policy would help the state reestablish some of the benefits realized through the FFCRA protection on a longer-term scale and would help minimize disruptions to receiving needed care during a crucial developmental time for children newly enrolling, reenrolling, or maintaining enrollment in Medicaid and CHIP.

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[3] Executive Order No. 13985, 86 CFR 7009 (2021), https://www.federalregister.gov/documents/2021/01/25/2021-01753/advancing-racial-equity-and-support-for-underserved-communities-through-the-federal-government.; 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, https://www.healthaffairs.org/do/10.1377/forefront.20211115.537685/full/.

[4] Bradley Corallo *et al.*, "Medicaid Enrollment Churn and Implications for Continuous Coverage Policies," Kaiser Family Foundation, December 14, 2021, https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-churn-and-implications-for-continuous-coverage-policies/.

[5] Aubrianna Osorio and Joan Alker, "Gaps in Coverage: A Look at Child Health Insurance Trends," Georgetown University Center for Children and Families, https://ccf.georgetown.edu/2021/11/22/gaps-in-coverage-a-look-at-child-health-insurance-trends/.

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

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

[8] Centers for Medicare and Medicaid Services (CMS), "State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data," January 31, 2024, https://data.medicaid.gov/dataset/6165f45b-ca93-5bb5-9d06-db29c692a360/data; Georgetown University Center for Children and Families, "What is the impact of unwinding on Medicaid enrollment?" Accessed February 14, 2024, https://ccf.georgetown.edu/unwinding-enrollment-data/.

Additionally, continuous eligibility can free up administrative resources, improve operational efficiency, and reduce burdens on families. When beneficiaries churn off and on coverage, 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 administrative cost of disenrolling and then reenrolling in Medicaid was between $400 to $600 per person.[9] In New York, implementing a one-year continuous eligibility period for adult enrollees led to declines in inpatient hospital admissions and overall per-member-per-month costs.[10] And, after implementing one-year of continuous eligibility for adults, Montana officials reported potential administrative savings and fewer staff hours needed to process individuals moving off and on the program.[11]

The potential cost burden of churn is even greater on families who may experience higher out-of-pocket costs or medical debt during gaps in coverage. Focus groups conducted across three states of individuals who lost Medicaid coverage as part of the unwinding highlighted that many people who had been disenrolled could not get needed medication or care because it was too expensive.[12] Several moms interviewed also described having to delay medical appointments or important therapies for their children because of the disruptions to coverage. In some cases, delaying medical services or treatment may also result in greater costs once a child is able to reenroll in coverage and get care that might have been avoidable with cheaper, upfront preventative care.[13] Multi-year continuous eligibility would mitigate these costs for the state and families while decreasing administrative workload and providing parents peace of mind.

Continuous access to care is vital for the healthy development of young children, whose brains are developing most rapidly in the months and years following birth. Children with preventable, unaddressed conditions such as asthma, vision or hearing impairment, nutritional deficiencies, and/or mental health challenges may miss important developmental milestones critical to kindergarten readiness and long-term success.[14] Because early development is most rapid, the American Academy of Pediatrics recommends that young children receive at least 15 well-child visits

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[9] 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.

[10] Harry H. Liu, *et al.*, "New York State 1115 Demonstration Independent Evaluation: Interim Report," Rand Corporation, 2021, https://www.health.ny.gov/health_care/medicaid/redesign/mrt2/ext_request/docs/2021-08-03_1115_demo_eval.pdf#page=110

[11] Niranjana Kowlessar, *et al.*, "Federal Evaluation of Montana Health and Economic Livelihood Partnership (HELP): Summative Evaluation Report," Social & Scientific Systems and Urban Institute, November 30, 2020, https://www.medicaid.gov/medicaid/section-1115-demonstrations/downloads/summative-eval-rpt-montana-2020.pdf.

[12] Amaya Diana, *et. al.,* "Navigating the Unwinding of Medicaid Continuous Enrollment: A Look at Enrollee Experiences," Kaiser Family Foundation, November 9, 2023, https://www.kff.org/medicaid/report/navigating-the-unwinding-of-medicaid-continuous-enrollment-a-look-at-enrollee-experiences/.

[13] Sara R. Collins, *et. al.,* "Paying for It: How Health Care Costs and Medical Debt Are Making Americans Sicker and Poorer," The Commonwealth Fund, October 26, 2023, https://www.commonwealthfund.org/publications/surveys/2023/oct/paying-for-it-costs-debt-americans-sicker-poorer-2023-affordability-survey; Aleli D. Kraft, *et. al.,* "The health and cost impact of care delay and the experimental impact of insurance on reducing delays," Journal of Pediatrics, 155(2): 281-5, doi: 10.1016/j.jpeds.2009.02.035.

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

in their first six years of life.[15] Ensuring that children through age six have stable coverage before kindergarten can improve access to the screenings, preventative services, and treatment needed to address delays or prevent conditions, setting the stage for better outcomes in the short and long term.[16]

Approval of continuous coverage for young children also provides a more accurate picture of children's access to care, specifically required screenings, diagnostic and treatment services under the Early Periodic Screening Diagnostic and Treatment (EPSDT) benefit. As currently reported, children who experience more than 45 days without coverage during a reporting year are excluded from the calculated well-child visit measures under the annual Child Core Set analysis.[17] Continuous coverage through age six would allow for a more complete picture of the access and quality of care that children in Medicaid and CHIP receive before they enter school.

The purpose of a section 1115 demonstration is to test new approaches to delivering services that have the potential to improve Medicaid coverage for beneficiaries. New York's proposal has a legitimate research purpose that rooted in promoting coverage for young children, meeting the statutory requirements of an experiment that is likely to assist in furnishing coverage. The state's evaluation design proposes to examine how multiple years of continuous eligibility affects the uninsured rate and rates of churn among children ages zero to six, disaggregated by race and ethnicity. These data will be important in identifying the policy's role in improving continuity of coverage and closing coverage disparities due to churn. To strengthen the experimental aspect of the demonstration, any CMS approval should require New York's evaluation design to *include metrics to identify whether expanding continuous eligibility increased the use of recommended well-child visits and preventative care for children enrolled in Medicaid and CHIP, with a particular focus on EPSDT services.* These data will be important in identifying the role of multi-year continuous eligibility not only in improving coverage retention but reducing disparities in access to care. In addition, the evaluation should also include cost of care before and after implementation.

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.

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

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[15] American Academy of Pediatrics, "Recommendations for Preventive Pediatric Health Care," April 2023, https://downloads.aap.org/AAP/PDF/periodicity_schedule.pdf.

[16] Elisabeth Wright Burak, "Promoting Young Children's Healthy Development in Medicaid and CHIP," Georgetown University Center for Children and Families, https://ccf.georgetown.edu/2018/10/17/promoting-young-childrens-healthy-development-in-medicaid-and-the-childrens-health-insurance-program-chip/; 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," The Commonwealth Fund, December 8, 2020, https://www.commonwealthfund.org/publications/issue-briefs/2020/dec/short-term-cuts-medicaid-long-term-harm.

[17] Centers for Medicare and Medicaid Services, "Core Set of Children's Health Care Quality Measures for Medicaid and CHIP (Child Core Set)," January 2024, https://www.medicaid.gov/sites/default/files/2024-01/medicaid-and-chip-child-core-set-manual.pdf.