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November 7, 2022

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building, Room 445–G
200 Independence Avenue, SW
Washington, DC 20201

Re: File Code CMS-2421-P. Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes

Dear Administrator Brooks-LaSure:

On behalf of the physician and medical student members of the American Medical Association (AMA), I appreciate the opportunity to offer our comments to the Centers for Medicare & Medicaid Services (CMS) on the Proposed Rule on Streamlining the Medicaid, Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Application, Eligibility Determination, Enrollment, and Renewal Processes published in the *Federal Register* on September 7, 2022 (87 Fed. Reg. 54760).

The AMA strongly supports the proposed changes in this important Proposed Rule, which will reduce administrative barriers that keep eligible individuals from enrolling in or retaining eligibility in Medicaid and CHIP. The proposal is especially critical given that, of the estimated 28.9 million uninsured people in the U.S. as of 2021, 7.3 million were eligible for but not enrolled in Medicaid because of, in many cases, barriers to enrolling or remaining enrolled, according to the Kaiser Family Foundation. These administrative burdens include complex applications and unnecessary, often duplicative requests for documentation, which disproportionately impact marginalized and minoritized individuals. Therefore, reducing administrative burdens in Medicaid and CHIP is critical to advancing health and racial equity, a goal that the AMA is deeply committed to achieving. Moreover, this proposal is especially important because with the COVID-19 Public Health Emergency (PHE) likely ending in 2023, 15 million people may lose Medicaid coverage as redeterminations resume during the unwinding, with nearly half of them–6.8 million–losing coverage for administrative reasons despite being eligible, according to the Office of the Assistant Secretary for Planning and Evaluation (ASPE) of the U.S. Department of Health and Human Services.

The AMA specifically supports the following changes in the Proposed Rule that would streamline enrollment, renewal, and retention of coverage, addressing gaps in the Medicaid and CHIP regulatory frameworks:

- Simplifying applications and renewals for seniors and people with disabilities, many of whom are also enrolled in Medicare. The AMA has long supported streamlining of eligibility and enrollment applications for the ACA exchanges, Medicaid, and CHIP, and supported CMS' previous rules in 2011 and 2013. However, the previous rules did not apply simplified eligibility

and enrollment processes to all Medicaid applicants and recipients. The Proposed Rule would apply these simplified processes to seniors and people whose eligibility is based on blindness or having a disability. Under the proposal, states would be prohibited from redetermining eligibility for these groups more than once a year and from requiring in-person interviews, and they would have to use pre-populated renewal forms to minimize burdens on beneficiaries. According to the Center on Budget and Policy Priorities (CBPP), research shows that administrative burdens, such as requiring people to return forms rather than relying on electronic data and verification, reduce the number of people who enroll and can prevent people from staying enrolled. These administrative burdens disproportionately impact minoritized and marginalized individuals, who are more likely to qualify for Medicaid for their health coverage. Reducing administrative burdens, therefore, could lower uninsured rates among Medicaid-eligible people and is critical to achieving health and racial equity.

- Streamlining eligibility determination process for "medically needy" Medicaid beneficiaries and those who are eligible for the Medicare Savings Programs (MSPs). The Proposed Rule would update Medicaid "spenddown" rules for some low-income people with catastrophic medical costs by giving states the option to allow those individuals who are receiving home- and community-based services (HCBS) to use the same method in estimating their medical expenses that already applies to people receiving care in institutional settings. This could help reduce churn for medically needy enrollees, which could help keep them continuously enrolled. The proposal would also allow states to apply the same methodology for people who receive HCBS to deduct their predictable medical expenses. Both of these provisions would help to remove the institutional bias in the current rules, something the AMA strongly supports. Regarding MSPs, the proposal would make changes to expedite enrollment, including requiring automatic enrollment of people with Supplemental Security Income into one of the MSP groups.

- Reducing enrollment barriers for children in CHIP. The Proposed Rule would eliminate waiting periods and lockouts for children whose eligibility is terminated due to unpaid premiums. The AMA opposes lockout provisions that exclude Medicaid/CHIP-eligible individuals for lengthy periods. Such policies, which are not permissible in Medicaid or marketplace coverage, are overly punitive and can increase uninsurance among children. The AMA also supports the proposal's elimination of annual or lifetime caps on CHIP benefits. The AMA does not support annual or lifetime limits on benefits in health insurance plans purchased through ACA exchanges, and the same rules should apply for children's CHIP coverage. We agree with CMS that dollar limits can create barriers to services that children need.

- Requiring states to take steps after receiving returned mail. The Proposed Rule would require states to take reasonable steps to determine beneficiaries' correct addresses when their mail is returned before terminating their coverage. Such steps include checking available data sources for updated contact information, contracted managed care plans, and one or more reliable third-party data sources (e.g., Supplemental Nutrition Assistance Program or the Temporary Assistance for Needy Families program, the Department of Motor Vehicles, or the postal service's National Change of Address database). The proposal also includes specific steps states must take when they have a forwarding address. Since returned mail leads to significant numbers of coverage terminations, these provisions would help to prevent eligible beneficiaries from wrongly losing their coverage.

Improving Transitions between Coverage Programs

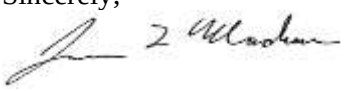
The AMA supports the steps taken by CMS in the Proposed Rule to improve the seamless transition of individuals from Medicaid to a separate CHIP program (S-CHIP), and from CHIP to Medicaid coverage, when individuals are determined ineligible for one program but eligible for the other. The Proposed Rule tightens existing rules requiring state Medicaid agencies to coordinate eligibility and enrollment processes and determinations with CHIP and Basic Health Program agencies, and with the state's ACA exchanges, to minimize coverage losses. Medicaid and S-CHIP would be required to accept eligibility determinations made by the other program, to develop procedures for electronic information transfers, and to provide combined notices for transitions between Medicaid and S-CHIP. Because even brief gaps in coverage can be disruptive in terms of interrupting necessary services and treatments, medication adherence, continuity of care, and in some cases, higher health care costs when delayed care results in more expensive health care needs, the AMA supports efforts to ensure that individuals determined ineligible for one source of affordable health coverage are seamlessly transitioned to other affordable coverage for which they are eligible.

Although the Proposed Rule primarily addresses transitions between Medicaid and separate CHIP programs, the AMA supports the facilitation of coverage transitions more broadly, so that individuals determined ineligible for Medicaid and CHIP are able to smoothly transition to other affordable coverage for which they are eligible, including subsidized marketplace plans. In most states, transitioning to marketplace coverage from Medicaid, and vice versa, is not automatic and may be burdensome for many individuals to navigate. The AMA encourages states to facilitate more seamless transitions, which will be critical to curtailing coverage losses as the public health emergency unwinds and the continuous enrollment requirement is no longer in effect.

Smooth transitions between Medicaid and marketplace coverage are especially important given that almost one-third of Medicaid enrollees who lose eligibility as the PHE unwinds are expected to qualify for marketplace premium tax credits. Notably, research by MACPAC found that, in 2018, only a small percentage (three percent) of individuals disenrolled from Medicaid and CHIP enrolled in exchange coverage within a year. Improvements in these coverage transitions are needed to prevent major disruptions in coverage and care. To that end, the AMA believes that coordination among state Medicaid, marketplace, and workforce agencies is integral to helping individuals maintain continuity of care across coverage programs, especially during the unwinding period. Looking to the future, the AMA also supports automatic coverage transitions that meet certain standards, including that existing medical home and patient-physician relationships are maintained, whenever possible, and individuals auto-transitioned into a plan that does not include their physicians in-network are able to receive transitional continuity of care from those physicians.

The AMA applauds CMS for taking action to reduce enrollment barriers for individuals who are eligible for Medicaid and CHIP. This proposal will help millions of beneficiaries gain or keep coverage and access the care they need, and we urge you to finalize this Proposed Rule as soon as possible. Thank you for considering our comments. If you have any questions, please contact Margaret Garikes, Vice President of Federal Affairs, at margaret.garikes@ama-assn.org or 202-789-7409.

Sincerely,



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