Primary Care Development Corporation

November 4, 2022

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-2421-P
P.O. Box 8016
Baltimore, MD 21244

VIA ELECTRONIC SUBMISSION

Re: Notice of Proposed Rulemaking (NPRM) for Streamlining the Medicaid, Children's Health Insurance Program, and Basic Health Program Application, Eligibility Determination, Enrollment, and Renewal Processes (CMS-2421-P)

To the Centers for Medicare & Medicaid Services,

The Primary Care Development Corporation (PCDC) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services (CMS) proposed changes to the application, eligibility determination, enrollment, and renewal processes for Medicaid, Children's Health Insurance Program (CHIP), and Basic Health Program. Due to the unstandardized and state by state nature of enrollment in Medicaid and CHIP programs, many states have implemented insurmountable eligibility standards. This ultimately causes churning or the temporary loss of Medicaid coverage in which enrollees disenroll and then re-enroll within a short period of time. CMS's proposed rule would reduce unnecessary churn and disenrollment, which will result in improved access to primary care for millions.

As background, PCDC is a national non-profit organization and Community Development Financial Institution (CDFI) that works to expand access to quality primary care and increase health equity for disinvested communities through capital investment, technical assistance, research and policy advocacy. Since 1993, PCDC has leveraged more than $1.4 billion to finance over 218 primary care projects, with strategic community investments that have built the capacity to provide 4.7 million primary care visits annually, created or preserved more than 19,362 jobs in low-income communities, and transformed more than 2.6 million square feet of space into fully functioning primary care and integrated behavioral health practices. Our capacity-building programs have also trained and coached thousands of health workers to deliver superior patient-centered care. All told, PCDC's work has impacted more than 60 million primary care patients across the 45 states as well as the District of Columbia, Puerto Rico, the Virgin Islands, Guam, and American Samoa.

High quality, integrated, patient-centered primary care saves lives, leads to better individual and community health, and is central to health equity. PCDC is dedicated to expanding affordable health care access, while improving the quality of primary care for patients across the country. Our organization advocates for policies that will help achieve those goals, including reducing barriers and administrative burdens on our society's most vulnerable. Therefore, PCDC supports CMS's efforts to streamline the process in which those eligible can receive benefits from Medicaid, CHIP, and the Basic Health Program without any interruption to their coverage.

I. Eligibility for Coverage and Primary Care

Each state has their own eligibility standards for public health programs like Medicaid and CHIP with many having burdensome renewal requirements. When people lose access to coverage, often due to administrative issues that are later resolved, they lose access to vital health services, including primary

care, and go without critical preventive and chronic disease management services while they reestablish coverage. This churn disrupts continuity of primary and preventive care for already undeserved populations. Experts both within and outside of the federal government have recognized the significant and inequitable impact that eligibility churn has on low-income populations, and in particular on people of color and those with less education, who are most likely to experience greater income volatility.[1] A recent ASPE report noted that "people who experience churning or coverage disruptions are more likely to delay care, receive less preventative care, refill prescriptions less often, and have more emergency department visits."[2] This analysis is far from new -- MacPac recognized in its 2013 report to Congress that churn has a particular and detrimental impact on individuals' ability to access primary care, including preventative care.[3] A 2008 California study showed that "adults under age 65 who experience interruptions in Medicaid are at increased risk of hospitalizations that could have been prevented with adequate primary and preventive care."[4] Not only does the experience of severe illness and hospitalization impact those individuals' lives, their ability to continue earning their livelihood, and potentially their long-term health, earning potential and well-being, the cost to the health system of the more expensive and potentially longer term treatment is far higher than continuous enrollment would be. Moreover, "even short periods of uninsurance affect access."[5]

Churning and the related unnecessary administrative burdens can even dissuade those who would otherwise be eligible for Medicaid from enrolling at all. Indeed, it is estimated that 7 million of the over 27 million nonelderly uninsured people in 2020 are eligible for Medicaid or CHIP.[6] Underserved communities are also disproportionately affected by this with rates of churn higher for Black, Hispanic, and American Indian and Alaska Native (AIAN) beneficiaries.[7]

As the COVID-19 pandemic spread across the nation, federal agencies used the Public Health Emergency (PHE) to ensure that access to care was not disrupted by the pandemic and the subsequent fiscal crisis. In March 2020 Congress passed the Families First Coronavirus Response Act - one of four COVID relief packages that have been signed into law since the onset of the pandemic. Among a diverse set of provisions, this legislation required states to maintain enrollment of nearly all Medicaid beneficiaries in order to receive enhanced federal funding through the end of the month in which the PHE ends. This resulted in 89 million receiving coverage from Medicaid or CHIP in May 2022 – an increase of over 17 million from February 2020.[8]

With the PHE expected to end at some point in 2023, this proposed change is of particular importance. Once the PHE comes to a close, many of those who should continue to be eligible for Medicaid, CHIP, or the Basic Health Program will be subject to stricter eligibility requirements and while most will remain enrolled, as many as 15 million or over 17% of all enrollees could lose Medicaid or CHIP coverage.[9]

PCDC strongly supports the efforts made by CMS and the Department of Health and Human Services (HHS) to ensure that as many of those eligible as possible remain covered. Our comments will concentrate on the aspects of the proposed rule that would reduce churning or other administrative barriers to accessing Medicaid, CHIP, and Basic Health Program for eligible individuals. We believe that these barriers are a serious hinderance to primary care access and that many aspects of CMS's proposed rule will help reduce the number of uninsured, thereby increasing the number of those able to access critical primary care.

II. Removing Access Barriers for CHIP

The proposed rule will reduce barriers for children who are eligible to be enrolled or already enrolled in CHIP. The first three years of a child's life are recognized as a critical time for brain growth and are

central to optimal emotional regulation and learning. Investments in children's health also prove to have other long-term benefits, such as a greater chance of completing college and improved health as an adult.[10]As an organization that advocates for the importance of primary care, we believe CHIP is a vital program for children that is key to accessing such care.

CHIP has decreased the number of uninsured children by 70%, leaving about 4% of all children uninsured in 2021.[11] This is compared to just under 15% of children uninsured two decades earlier – underscoring the effectiveness of the program. Despite this, many families churn in and out of Medicaid and CHIP due to policies that would not be permitted to cause disenrollment under almost another insurance program, including non-payment of premiums, required periods of uninsurance prior to enrollment, and caps on benefits.

As a result, children can lose or delay access to primary care and other services at a time when such care is key to their short-term and long-term health. It is estimated that over 11% of full-benefit children and over 12% of adults were disenrolled and then subsequently re-enrolled within one year.[12] In 2018, over 10% had a gap in coverage of less than a year. About 4% were disenrolled and then re-enrolled within three months and over 6% within six months. Along with this, states with the highest rates experience up to 15% of the eligible population experiencing churn in one year.[13]

To decrease these figures, CMS's proposed rule will allow CHIP beneficiaries to remain enrolled or re-enroll without a lock-out period for failure to pay premiums, prevent states from instituting a waiting period as a substitution of coverage prevention strategy in CHIP, and prohibit annual or lifetime limits on CHIP benefits.

The proposed rule also strengthens coordination of eligibility and enrollment between Medicaid and CHIP, an important change with 1 in 5 children experiencing a gap in coverage when moving between the two programs.[14] The proposed rule will establish a process to prevent termination of eligible beneficiaries who should be transitioned between Medicaid and CHIP when their income changes or when the beneficiary appears to be eligible for the other program. In conjunction, families must be notified of what steps they need to take if they need to separately enroll their children in CHIP or any other program.

As part of this, the proposed rule will also set standardized timeframes for when renewals must be completed and how information returned by the applicant or beneficiary should be considered. This is part of an effort to update recordkeeping regulations of all state Medicaid and CHIP programs. Critically we believe that the requirement that those who return information late are properly evaluated for other eligibility groups prior to having their benefits terminated will ensure that more beneficiaries can maintain their coverage and access to crucial primary care.

Reducing churn in Medicaid and CHIP is necessary to ensure that children can access primary care that is vital to their health and development. PCDC strongly supports these provisions of the proposed rule change and believes that it will lead to more children receiving coverage and the care they need.

III. Streamlining Application and Enrollment Processes to Improving Retention Rates

CMS's proposed rule will also make the process of applying and enrolling easier through various changes to the application and enrollment process. Burdensome application and enrollment processes can have a

life threating effect on beneficiaries. In general, more than one-third of all adults have reported at least one cost-related problem getting needed health care, which has led them to skip a prescription, recommended test, or follow-up visit, and not go to a doctor when sick or to receive needed specialist care.[15] In the Medicaid program specifically, those who experience a temporary loss of coverage are twice as likely to be hospitalized.[16] In addition, those with longer gaps in coverage experience even larger rates of emergency doctor visits and hospitalizations, likely in part because many who experience lapses in coverage or sustained periods of time uninsured end up avoiding or delaying receiving medical care.

Such lapses in coverage also result in a massive financial cost to our nation's economy and health care system. Primary care is the only part of the health system that has been proven to lengthen lives and reduce health disparities, while reducing costs.[17] If the application process is streamlined, it will increase access to primary care services and therefore reduce the burden on the nation's hospital system. A 2018 analysis found that as many as two-thirds of hospitalizations could be avoided and that avoidable hospitalizations cost the health care system an additional $32 billion a year.[18] With those who unnecessarily lose Medicaid or CHIP coverage more likely to end up hospitalized, it is clear that allowing states to institute differing and burdensome standards to enroll in Medicaid or CHIP directly results in additional costs to the health system, as well as the harmful outcomes for the enrollees.

As intended, many other changes proposed in the rule will streamline eligibility processes and reduce administrative burdens to enrollment as well as to staying eligible, including eliminating states' ability to require simultaneous applications for Medicaid and other benefits in order to be eligible for Medicaid, prohibiting states from requiring an in-person interview and requiring states to conduct renewals only once a year, send prepopulated renewal forms, provide 30 days to return renewal information, and provide a 90-day reconsideration period if information is returned after a procedural disenrollment. Further, CMS recognizes in this proposal that mailing renewal notices is insufficient and inefficient at this point, so will now require states to allow renewals online, by phone or mail, and in-person.[19]

Overall, PCDC strongly supports this proposed rule, which will improve retention rates, reduce churn and therefore reduce the number of eligible individuals. Having Medicaid coverage has been linked to a range of positive outcomes as opposed to being uninsured, largely because of the increased access to a usual source of primary care.[20] PCDC urges CMS to adopt the changes laid out in this proposed rule.

IV. Conclusion

Once again, PCDC thanks CMS for the opportunity to provide these comments on key sections of the Proposed Rule that are within our expertise. We encourage CMS to adopt policies most likely to decrease barriers to care and ensure beneficiaries have continued access to care. We would be happy to follow up on any of these key points if more information would be useful – feel free to reach out to our Director of Policy, Jordan Goldberg, at jgoldberg@pcdc.org or (212) 437-3947, for any further information.

Sincerely,

Louise Cohen
Chief Executive Officer
Primary Care Development Corporation

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