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January 30, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human
Services
200 Independence Avenue SW
Washington, DC 20201

Re: CMS-9899-P: Patient Protection and Affordable Care Act, HHS Notice of Benefit and Payment Parameters for 2024

Dear Administrator Brooks-LaSure:

The Medicaid and CHIP Payment and Access Commission (MACPAC) appreciates the opportunity to comment on the Notice of Proposed Rulemaking (NPRM) outlining benefit and payment parameters for qualified health plans offered on health insurance exchanges, which was published on December 21, 2022. MACPAC is a nonpartisan legislative branch agency that provides policy and data analysis and makes recommendations to Congress, the Secretary of the U.S. Department of Health and Human Services (HHS), and the states on a wide array of issues affecting Medicaid and the State Children's Health Insurance Program (CHIP).

The Commission has prioritized examining opportunities to improve access to and enrollment in Medicaid and CHIP. Recent work has assessed transitions to exchange coverage for individuals no longer eligible for Medicaid and CHIP. According to our analysis of Medicaid and CHIP beneficiaries who lost coverage in 2018, only 3 percent of these beneficiaries enrolled in exchange coverage within a year, and when they did, most beneficiaries experienced a gap in coverage (MACPAC 2022a). We also found that adults with gaps in coverage are more likely to have a substantial increase in potentially avoidable hospital use after re-enrolling in Medicaid. This suggests that individuals with gaps between Medicaid and exchange coverage could also experience adverse health effects (MACPAC 2022b).

The proposed rule includes several provisions intended to smooth transitions, which is aligned with the Commission's view that transitions should be efficient and effective and should support individuals' ability to access and retain health coverage. The Commission supports the specific proposed changes related to effective dates and special enrollment periods (SEPs), but these changes alone are not sufficient to ensure seamless coverage transitions, as we describe below. Additionally, the upcoming unwinding of the Medicaid continuous coverage requirements provides an opportunity to learn more about effective strategies for helping beneficiaries move from Medicaid to exchange coverage without gaps. We encourage the Centers for Medicare & Medicaid Services (CMS) to evaluate these efforts and make relevant data on coverage transitions publicly available to enable further analyses. It will be particularly important to use these data to monitor



transitions for populations for whom gaps in coverage would be especially concerning, such as individuals with disabilities and those with chronic health conditions.

Effective dates of coverage

The NPRM proposes to give exchanges the option to move up the effective date of coverage for individuals transitioning from Medicaid or CHIP to exchange coverage to the first day of the month when someone disenrolls instead of the first day of the following month. MACPAC appreciates that the earlier effective date would help prevent short gaps in coverage for individuals who lose Medicaid or CHIP coverage in the middle of the month.

In our analysis of beneficiaries who lost coverage in 2018, 7.9 percent of adults moving from Medicaid to exchange coverage had a gap in coverage of less than a month.¹ This proposed change would likely help some of these individuals avoid coverage gaps.

However, the proposed policy would only ensure seamless coverage if a beneficiary notifies the exchange of their upcoming Medicaid or CHIP disenrollment the month before the disenrollment takes effect. From the Commission's prior beneficiary focus groups on Medicaid notices and interviews with stakeholders about barriers to coverage transitions, we know that many beneficiaries may not know in advance when they are going to be disenrolled and the actions that they must take to ensure a seamless transition (MACPAC 2022c, 2022d).

To mitigate this issue, CMS could consider additional improvements to notices to ensure beneficiaries receive clear next steps for transitioning to the exchange. In September 2022, CMS proposed new requirements at 42 CFR 435.1200 for Medicaid and separate CHIP agencies to establish agreements clarifying their roles and responsibilities for ensuring seamless transitions between those programs (CMS 2022). As the Commission noted in its comments on that rule, CMS should consider similar improvements to notices related to transitioning to exchange coverage (MACPAC 2022e).

Special enrollment period for individuals losing Medicaid or CHIP coverage

The NPRM proposes to extend the SEP for individuals who lose Medicaid or CHIP coverage from 60 days to 90 days. This policy aligns the timeframe for applying for exchange coverage with the 90-day period that Medicaid and CHIP beneficiaries have to submit a Medicaid or CHIP renewal form if they are disenrolled for not submitting required renewal information, referred to as the reasonable opportunity period (42 CFR 435.916(a)(3)(iii)).

The Commission supports efforts to provide more time for individuals losing Medicaid or CHIP to enroll in exchange coverage. During the unwinding of the Medicaid continuous coverage requirements, beneficiaries may need additional time to make this transition. We support CMS's recent issuance of guidance providing a temporary SEP in the federal exchange for individuals who lose Medicaid or CHIP coverage during the unwinding of the Medicaid continuous enrollment requirement. This flexibility will allow individuals who lose or anticipate losing coverage between March 31, 2023 and July 31, 2024 to apply and enroll for exchange coverage outside of the annual enrollment period (CMS 2023).

We also encourage CMS to consider other steps that it can take to reduce gaps during the reasonable opportunity period. In particular, the Commission is concerned that beneficiaries submitting Medicaid or CHIP renewal forms must also submit new exchange applications because of the current limitations of the account transfer process in states that use the federal exchange or in state-based exchanges without integrated eligibility systems. In contrast, many states with integrated eligibility systems have developed processes to streamline transfers to exchanges and avoid the need for this duplicative application process. In states without integrated systems,



sending more complete account transfers could potentially mitigate some of these challenges and reduce the burden on individuals transitioning to the exchange.

Data sharing and evaluation

Given the magnitude of the challenges that Medicaid and CHIP beneficiaries face in moving seamlessly to exchange coverage, more should be done to align eligibility and enrollment policies with the statutory requirements for streamlined coverage described in Section 1413 of the Patient Protection and Affordable Care Act (P.L. 111-148, as amended). During MACPAC's December 2022 public meeting, the Commission discussed a range of policy issues to consider at each step of the transition process (MACPAC 2022d).

As a first step to addressing these challenges, CMS should evaluate coverage transitions and make data publicly available to enable further analyses. For example, CMS currently provides detailed information about the number of individuals who complete each step of the open enrollment process but does not provide similar information about beneficiaries moving from Medicaid or CHIP to exchange coverage, which makes it difficult to identify the points in the process that are the biggest barriers.

During the unwinding of the Medicaid continuous coverage requirements, it will be particularly important to evaluate how these transitions are working and make data publicly available on a timely basis. Section 5131 of the recently passed Consolidated Appropriations Act, 2023 (P.L. 117-73) adds new requirements for states to report information on transfers between Medicaid and exchange coverage beginning April 1, 2023. As a result, it is important that CMS work closely with states to share data about coverage transitions to help inform these important monitoring efforts.

Thank you for the opportunity to comment on this proposed rule. We appreciate CMS's continued efforts to ensure seamless transitions among Medicaid, CHIP, and exchange coverage.

Sincerely,



Melanie Bella, MBA
Chair

cc: The Honorable Ron Wyden, Chair, Senate Finance Committee
The Honorable Mike Crapo, Ranking Member, Senate Finance Committee
The Honorable Cathy McMorris Rodgers, Chair, House Energy and Commerce Committee
The Honorable Frank Pallone, Jr., Ranking Member, House Energy and Commerce Committee

Endnotes

¹ Our analysis was limited to states with a federally facilitated exchange or state-based exchanges using the federal platform. More information about our methods is included in MACPAC's issue brief *Transitions Between Medicaid, CHIP, and Exchange Coverage* (MACPAC 2022a).



References

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