

November 17, 2022

The Honorable Charles Schumer Majority Leader U.S. Senate S-221 Capitol Washington, DC 20510

The Honorable Nancy Pelosi Speaker U.S. House of Representatives H-222 Capitol Washington, DC 20515 The Honorable Mitch McConnell Minority Leader U.S. Senate S-203 Capitol Washington, DC 20510

The Honorable Kevin McCarthy Minority Leader U.S. House of Representatives H-2-4 Capitol Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Minority Leader McConnell, and Minority Leader McCarthy,

On behalf of the nation's Medicaid Directors, we are writing to urge Congress to provide states with certainty around the end of the Medicaid continuous enrollment requirement.

With the lack of an announcement from the U.S. Department of Human Services that the national COVID-19 Public Health Emergency (PHE) will end in January 2023, states are now assuming the PHE will extend into April 2023. This extension of the PHE — which would be the 12<sup>th</sup> such extension —exacerbates the uncertainties for state planning to resume normal Medicaid operations. This in turn increases the risk of unnecessary losses of health insurance coverage for Medicaid members.

The uncertainty around the PHE is no longer tenable. NAMD strongly urges Congress to mitigate this years-long uncertainty and provide firm commitments for states on timing and resources. In providing this certainty, Congress will empower states to solidify the plans that are vital to minimizing coverage loss and ensuring the best outcomes for members served by Medicaid. We ask that Congress:

- Provide certainty on when Medicaid coverage redeterminations will begin, with at least 120 days advance notice.
- Provide certainty that existing federal guidance on the redetermination period will not change.
- Provide certainty on available financial resources during the redetermination period, specifically by maintaining the current 6.2 percentage point FMAP enhancement through the first quarter of redeterminations and phasing the enhancement down over 12 months after this quarter.
- Provide certainty that underlying Medicaid eligibility rules will not change during the redetermination period.

NAMD is a bipartisan, nonprofit, professional organization representing leaders of all Medicaid agencies across the country. NAMD represents, elevates, and supports state and territorial Medicaid leaders to deliver high value services to the millions of people served by Medicaid and CHIP so they can achieve their best health and thrive in their communities.

The most critical thing Congress can do to ensure a successful unwinding from the PHE is provide clear dates and funding levels in statute for state Medicaid agencies to reliably plan around. This certainty will allow states to make confident budget projections, solidify the content and timing of messages that go out to Medicaid's stakeholders, and will ensure the highest possible degree of appropriate coverage retention for people being served by the program – whether that is remaining on Medicaid or transitioning to other sources of coverage for which they are eligible. The FFCRA status quo that is contingent on constant revisions every 90 days as the PHE gets renewed can no longer be sustained.

NAMD specifically requests that Congress:

- Provide certainty on when Medicaid coverage redeterminations will begin. Congress should separate the timing of this work from the declared PHE and provide states with a date certain for planning purposes as soon as possible. In doing so, Congress must also provide states with at least 120 days advance notice before the redetermination period begins. Advance notice is critical given the immensity of the work ahead in conducting redeterminations a workload that grows with every PHE extension. This notice is necessary to ensure state budgets are accurately developed, eligibility systems are ready, messages to Medicaid members and their caregivers are clear, and Medicaid agency staff are ready to hit the ground running to maximize appropriate Medicaid coverage retention and transitions to other sources of coverage.
  - Without a date certain, states are unable to develop their Medicaid budgets with any degree of certainty. This creates immense variability in budget scenarios and erodes Medicaid leaders' credibility with their governors and legislatures. It also inhibits the ability for state and county eligibility entities to know when to deploy staffing resources. In the worstcase scenario, this could lead to state Medicaid agencies not having stateallocated resources at a level to appropriately manage the redetermination period or even having to implement benefit or rate reductions to manage the shock of federal resources falling away.
- Provide certainty that existing federal guidance on the redetermination period will not change. Specifically, Congress should ensure that the Centers for Medicare and Medicaid Services (CMS) March 2022 guidance remains in place. This guidance articulates the 12-month redetermination period, operational parameters for redeterminations, data reporting expectations, and a variety of other factors. States have relied on this guidance and extensive

- collaboration with CMS dating back to mid-2021 to solidify their planning as much as possible in an environment of persistent uncertainty. Any departures from this guidance would be operationally unfeasible and would exacerbate the risk of unnecessary coverage loss.
- Provide certainty on available financial resources during the redetermination period. Specifically, Congress should provide the current 6.2 percentage point federal match enhancement through the end of the quarter in which redeterminations begin, as would be the case under FFCRA, and then gradually phase down this enhancement over 12 months.
   Enhanced federal match at some level must be in place for the duration of the redetermination period. These extra resources are critical given the scope of the work states must undertake.
  - Congress should also be aware of the major challenges facing the Medicaid delivery system because of the pandemic. Workforce challenges are acute across most sectors of the health care system, and are particularly pronounced in skilled nursing, behavioral health, and direct service workers providing Medicaid-funded home- and community-based services. Simultaneously, demand for Medicaid services is growing, in part because of the continuous enrollment requirement as well as national demographic changes. Federal investments to stabilize Medicaid's critical provider infrastructure should be considered, potentially within the context of action to support state redetermination efforts.
- Provide certainty that underlying Medicaid eligibility rules will not change during the redetermination period. CMS introduced a major eligibility and enrollment proposed rule which would require significant administrative resources from states to implement. As articulated in NAMD's comments on that rule, it is imperative that the redetermination period following the end of the continuous enrollment requirement not intersect with timelines for implementing major new eligibility policy. In the vast majority of states, the same staff are responsible for both activities. It will not be possible for both to be done simultaneously.

NAMD appreciates Congress considering the views of the state Medicaid leaders on these fundamental issues. Our members stand ready to provide further information on these requests.

Sincerely,

Allun Taylor

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