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Submitted via www.medicaid.gov

December 11, 2023

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

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

Re: North Carolina Section 1115 Demonstration Waiver Request - North Carolina Medicaid Reform Demonstration

Dear Secretary Becerra and Administrator Brooks-LaSure,

On behalf of First Focus on Children, thank you for the opportunity to comment on North Carolina's section 1115 waiver request. First Focus is a bipartisan advocacy organization that prioritizes children and families in federal budget and policy decisions. We encourage the Centers for Medicare & Medicaid Services (CMS) to approve this waiver and allow North Carolina to offer early childhood continuous eligibility through ages 0-5.

Currently, North Carolina offers continuous eligibility for 12 months for all children ages 0-18. While this is a positive step towards keeping children insured, state data shows that "churn," which occurs when a child is unduly disenrolled and then subsequently re-enrolled within a year, impacts one in four disenrolled children in North Carolina.¹ Gaps in both coverage and access to care can be detrimental to a child's development. Even a short gap in coverage can harm a child by reducing their access to

¹ "North Carolina Medicaid Reform Section 1115 Demonstration Renewal Application." North Carolina Department of Health and Human Services. October 31, 2023.
<https://www.medicaid.gov/sites/default/files/2023-11/nc-medicaid-reform-extns-req-pa.pdf>.

necessary care.² If a coverage gap is prolonged, families may face expensive medical bills or may push off their child's care due to high out-of-pocket costs. Churn also impacts low-income families and families of color more heavily, as their incomes are more likely to fluctuate in and out of eligibility levels during the year.³

North Carolina's request would extend continuous eligibility to children ages 0-5, meaning that once they are deemed eligible they may remain on Medicaid through age 5. Offering five-year continuous coverage is a reliable way to ensure that children do not experience these lapses and that they remain covered throughout the most important years of their development. The American Academy of Pediatrics recommends that children visit their physicians at 1, 2, 4, 6, 9, 12, 15, 18, 24, and 30 months and then annually to ensure that they are developing properly.⁴ Medicaid specifically provides an Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefit that allows children to receive age-appropriate screening and treatment as needed. This routine and regular preventative care allows providers to screen for emotional and behavioral delays, vision and hearing abnormalities, proper physical development, and diseases such as cancer. Children with consistent health care coverage are far more likely to receive this routine care.

Continuous eligibility would also reduce health care costs for North Carolina by reducing the administrative burden created by repeatedly recertifying children. Studies estimate that each child churning in Medicaid costs the state government \$400-600 in unnecessary administrative costs.⁵ Additionally, children who are uninsured are less likely to receive routine medical care and are more likely to have poorly managed chronic conditions, making them more likely to use expensive emergency room services. Without insurance, many of these families will be unable to cover their costs, which may then fall on health care providers as well as the state and local governments.

As of January 2024, all states must provide 12 months of continuous coverage for children enrolled in Medicaid through the Consolidated Appropriations Act, 2023. However, as shown in North Carolina and across the country, this is an insufficient time frame for reducing churn and keeping kids insured. Additionally, the current section 1115 waiver request process is administratively burdensome for states' health departments and may divert resources away from coverage and care. With this in mind, we urge CMS to encourage other states to take up multi-year continuous eligibility. With North Carolina joining nine other states in planning to implement or implementing multi-year continuous eligibility, we ask

² Scheinder, Allie and Gibbs, Hailey. "Disparities in Housing, Health Care, Child Care, and Economic Security Affect Babies for Life." Center for American Progress. December 7, 2022. <https://www.americanprogress.org/article/disparities-in-housing-health-care-child-care-and-economic-security-affect-babies-for-life/>.

³ Williams, Elizabeth et al. "Implications of Continuous Eligibility Policies for Children's Medicaid Enrollment Churn." KFF. December 21, 2022. <https://www.kff.org/medicaid/issue-brief/implications-of-continuous-eligibility-policies-for-childrens-medicaid-enrollment-churn/>.

⁴ "Recommendations for Preventive Pediatric Health Care." American Academy of Pediatrics. April 2023. https://downloads.aap.org/AAP/PDF/periodicity_schedule.pdf.

⁵ Swartz, Katherine et al. "Evaluating State Options for Reducing Medicaid Churning." Health Affairs, Vol 34(7). July 2015. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4664196/>.

that CMS develop a multi-year continuous eligibility section 1115 waiver template for other states that wish to do so.⁶

Thank you for the opportunity to submit comments to this proposed rule. Please reach out to me at brucel@firstfocus.org with any questions.

Sincerely,

A handwritten signature in black ink that reads "Bruce Lesley". The signature is written in a cursive style with a large, prominent "L" in "Lesley".

Bruce Lesley
President, First Focus on Children

⁶ Wright Burak, Elisabeth. "North Carolina and Hawaii Make 10: States Advancing Continuous Eligibility for Young Children." Georgetown Center for Children and Families. November 16, 2023. <https://ccf.georgetown.edu/2023/11/16/north-carolina-and-hawaii-make-10-states-advancing-medicaid-chip-multi-year-continuous-eligibility-for-young-children/>.