

October 16, 2023

Neera Tanden  
Director  
Domestic Policy Council  
1650 Pennsylvania Ave., NW  
Washington, DC 20504

Shalanda Young  
Director  
Office of Management and Budget  
725 17th St NW  
Washington, DC 20504

Dear Director Tanden and Director Young,

We, the undersigned organizations, write to thank you and the Biden Administration for your commitment to ensuring individuals in Medicaid and the Children's Health Insurance Program (CHIP) receive comprehensive and stable health care coverage. We urge you to continue such work by including funding for 12-month continuous eligibility for adults in Medicaid and CHIP in the President's Budget for Fiscal Year 2025.

While most beneficiaries in Medicaid and CHIP go through the renewal process only once every 12 months, many states require individuals to verify their income and respond to state requests between renewals - creating unnecessary red tape that burdens consumers. If an individual has a temporary, minor fluctuation in their family's income, or if they miss a piece of paperwork in the mail, they can lose their coverage. Often, they will re-enroll in a few months. This back and forth, known as churn, is unique to Medicaid and is not an issue in other federal health programs, such as Medicare, where there are no mid-year redeterminations of eligibility. Continuous eligibility provides enrollees with 12 months of uninterrupted Medicaid and CHIP coverage, eliminating churn during that period and providing financial security and ease of mind to enrollees.

We are grateful to President Biden for signing into law the Consolidated Appropriations Act, 2023 (CAA), which included a requirement that all states provide 12 months of continuous eligibility for all children under the age of 19 in Medicaid and CHIP, effective January 1, 2024. Making children's continuous eligibility a nationwide policy will ensure continuous coverage and access to essential health care services for the 44 million children enrolled in Medicaid and CHIP. However, for states to provide 12 months continuous eligibility to adults, they must go through the lengthy process of submitting an 1115 waiver to the Centers for Medicare & Medicaid Services (CMS); only five states have gotten approval to provide continuous eligibility to some adult populations.<sup>1</sup>

**We urge you to build off the Administration's ongoing work and include funding for 12-month continuous eligibility for adults in Medicaid and CHIP in the President's Budget for Fiscal Year 2025. We would like to request a meeting with your offices to further discuss this policy.** We are grateful for the Biden Administration's work to build on the Affordable Care Act to expand and improve health coverage, such as by strengthening the Advanced Premium Tax Credits (APTCs) and encouraging more states to expand Medicaid. We believe including funding for 12-month continuous eligibility for adults would allow the Administration to continue such work by improving Medicaid coverage for adults. Legislation has already been introduced in the House of Representatives - by Representative Debbie

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<sup>1</sup> <https://www.kff.org/policy-watch/section-1115-waiver-watch-continuous-eligibility-waivers-and-implications-for-unwinding/>

Dingell (D-MI) and Ranking Member of the Energy and Commerce Committee Frank Pallone (D-NJ) - to provide 12-month continuous eligibility for adults.<sup>2</sup>

Continuous eligibility has been recognized as an essential component to advancing health equity: people of color are more likely to be enrolled in Medicaid and to experience churn compared to their White counterparts.<sup>3</sup> Research over the years has shown that a typical Medicaid enrollee is covered for only 10 months in a given year, with non-disabled, non-elderly adults facing the shortest length of enrollment at only 8.6 months.<sup>4</sup> Gaps in coverage lead to poor continuity of care, and those who churn are more likely to delay necessary care and have more emergency department visits.<sup>5</sup> Further, states spend valuable administrative resources when they repeatedly have to disenroll and enroll individuals.<sup>6</sup>

A recent report from the Commonwealth Fund estimated that, if all states adopted 12 month continuous eligibility for adults, 451,000 more adults would be enrolled in Medicaid and 267,000 fewer adults would be uninsured in an average month.<sup>7</sup> Further, while federal Medicaid and CHIP spending would increase with the adoption of this policy, federal administrative costs would decrease by \$87 million, federal spending on Marketplace premium tax credits would decrease by \$134 million, and federal spending on uncompensated care would decrease by \$189 million. In sum, federal and state health care spending on acute care for the nonelderly would only increase by 0.1%. Importantly, households would save over \$1 billion in health care spending annually.

Thank you for your consideration. We look forward to hearing from you and continuing to work together to ensure Medicaid enrollees across the country have stable and continuous health care coverage.

Sincerely,

Association for Community Affiliated Plans  
Community Catalyst  
Families USA  
National Alliance on Mental Illness

CC  
Nani Coloretti  
Sara Sills  
Topher Spiro

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<sup>2</sup><https://www.congress.gov/bill/118th-congress/house-bill/5434?q=%7B%22search%22%3A%5B%22hr+5434%22%5D%7D&s=3&t=1>

<sup>3</sup><https://www.macpac.gov/wp-content/uploads/2021/10/An-Updated-Look-at-Rates-of-Churn-and-Continuous-Coverage-in-Medicaid-and-CHIP.pdf>

<sup>4</sup>[http://www.communityplans.net/Portals/0/Policy/Medicaid/GW\\_ContinuityInAnEraOfTransition\\_11-01-15.pdf](http://www.communityplans.net/Portals/0/Policy/Medicaid/GW_ContinuityInAnEraOfTransition_11-01-15.pdf)

<sup>5</sup><https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>

<sup>6</sup><https://www.healthaffairs.org/doi/10.1377/hlthaff.2014.1204>

<sup>7</sup><https://www.commonwealthfund.org/publications/issue-briefs/2023/sep/ensuring-continuous-eligibility-medicaid-impacts-adults>