



MACPAC

Medicaid and CHIP Payment and Access Commission



1800 M Street, NW
Suite 350 N
Washington, DC 20036
Phone: (202) 273-2460
Fax: (202) 273-2452
www.macpac.gov

Commissioners

Diane Rowland, ScD,
Chair
David Sundwall, MD,
Vice Chair
Sharon Carte, MHS
Richard Chambers
Donna Checkett, MPA,
MSW
Andrea Cohen, JD
Burton Edelstein, DDS,
MPH
Patricia Gabow, MD
Herman Gray, MD, MBA
Denise Henning, CNM,
MSN
Mark Hoyt, FSA, MAAA
Norma Martinez Rogers,
PhD, RN, FAAN
Judith Moore
Trish Riley, MS
Sara Rosenbaum, JD
Robin Smith
Steven Waldren, MD, MS

Anne L. Schwartz, PhD,
Executive Director

The Honorable Kathleen Sebelius
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

RE: Proposed Rule CMS–2334–P

February 21, 2013

Dear Secretary Sebelius:

The Medicaid and CHIP Payment and Access Commission (MACPAC) appreciates the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS') proposed rule CMS–2334–P (78 *Federal Register* 4594, January 22, 2013).

MACPAC is a non-partisan, independent commission established by the Congress and charged with reviewing Medicaid and CHIP access and payment policies and with making recommendations to the Congress, the Secretary of Health and Human Services (HHS), and the states on a wide range of topics related to Medicaid and CHIP. The Commission is also charged with reviewing Medicaid and CHIP regulations that affect access, quality, or efficiency of health care for the Medicaid and CHIP populations. After having reviewed this proposed rule, the Commission offers the following comments for CMS to consider, recognizing the challenges inherent in aligning processes across multiple programs.

This proposed rule continues the regulatory effort to align pre-existing Medicaid and CHIP eligibility, benefits, and cost-sharing regulations with new ones required under the Patient Protection and Affordable Care Act (ACA, P.L. 111-148, as amended). The Commission is generally supportive of program simplification and thus supports CMS' efforts in this rule to establish coordinated eligibility and enrollment processes without "limiting [any] State's program integrity measures or affecting the State's obligation to ensure that only eligible individuals receive benefits" (42 CFR §435.940).

The proposed regulation would codify 12-month continuous eligibility for children in separate CHIP programs. For children in Medicaid or CHIP, more than half of the states currently use 12-month continuous eligibility to reduce churning (e.g., when generally small changes in income lead to individuals switching from one program to another or to a loss of insurance). Previous research has shown that, depending on the state, between 11 and 67 percent of children who were enrolled in a separate CHIP program at any point during the year were also enrolled in Medicaid-financed coverage at some time during the same year. The U.S. Government Accountability Office (GAO) examined the potential for churning within a one-year period under ACA rules expected to be in place in 2014. The GAO estimated that in states with 12-month

continuous eligibility, 3 percent of children with Medicaid or CHIP would experience a change in household income within the year that would affect their eligibility, compared to 30 percent of children in states without 12-month continuous eligibility. To guarantee that 12-month continuous eligibility remains an option for states in 2014, the Commission will recommend in its March 2013 *Report to the Congress on Medicaid and CHIP* that the Congress make 12-month continuous eligibility an explicit statutory option for children in CHIP and adults in Medicaid, as it is for children in Medicaid (§1902(e)(12) of the Social Security Act).

Medicaid and CHIP state plans contain hundreds of pages that are stored in paper form in CMS regional offices. In its March 2011 report, the Commission noted its support of efforts to make state program information more available and accessible. The proposed regulation would require Medicaid and CHIP state plans to be available electronically, using the system provided by CMS. The Commission supports making Medicaid and CHIP state plans available electronically. Although the requirement in the proposed rule does not take effect immediately, the availability of state plans electronically will improve program accountability and enhance the ability of policymakers and researchers to assess various state approaches.

In providing these comments, the Commission has limited itself to issues it has previously addressed substantively. The proposed regulation addresses a number of other issues, such as cost sharing, presumptive eligibility, and waiting periods for CHIP. The Commission acknowledges the complexity and importance of these issues and anticipates addressing some of them in its future work.

Sincerely,



Diane Rowland, ScD
Chair

cc: Marilyn Tavenner, Acting Administrator, Centers for Medicare & Medicaid Services