

NEW YORK STATE MEDICAID REDESIGN TEAM (MRT) WAIVER

1115 Research and Demonstration Waiver
#11-W-00114/2

Continuous Eligibility Waiver Amendment

New York State Department of Health Office of Health Insurance Programs

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Introduction

New York State (NYS or the State) is requesting approval from the Centers for Medicare and Medicaid Services (CMS) for an amendment to its Medicaid Redesign 1115 Demonstration that would keep children enrolled in health coverage, improve continuity of care, and promote health equity. The amendment would authorize continuous enrollment for Medicaid and Child Health Plus (NYS's Children's Health Insurance Program) coverage for children during the first six years of their lives and federal Medicaid and Children's Health Insurance Program (CHIP) matching funds without regard to whether a child's family income exceeds eligibility limits. As of November 2023, there were a total of 2.3 million children enrolled in Medicaid and 429,262 enrolled in Child Health Plus (CHP),¹ while only 2.6% of children were uninsured.²

On March 23, 2022, NYS received approval from CMS to renew the Medicaid Redesign 1115 Demonstration for an additional five years. NYS also received approval from CMS for the New York Health Equity Reform (NYHER) 1115 waiver amendment that will allow Medicaid to pay for certain health-related social need (HRSN) services, including for children, on January 9, 2024. The current Medicaid Redesign 1115 Demonstration is effective through March 31, 2027.

Program Description, Goals and Objectives

Gaps in coverage for young children can be detrimental to their long-term health and well-being. During the COVID-19 pandemic, children faced interruptions in physical health, behavioral health, and social care while simultaneously enduring severe negative life experiences. Early data on the effects of COVID-19 on New York's children estimated that about 4,200 children lost a parent or caregiver, 325,000 children were pushed into or near poverty, and 24,000 children experienced an additional Adverse Childhood Experience.³ These experiences can have negative long-term implications for children's mental and physical health, educational attainment, and financial security.⁴

The impacts of the pandemic underscore the importance and urgency of ensuring uninterrupted coverage and access to physical health, behavioral health, and social care for children. Continuous enrollment in Medicaid and CHP will keep young children connected to coverage and care during their formative years without the risk of losing coverage and incurring gaps in needed care, including important preventive and primary care services. Researchers estimate that, nationwide, up to 11.2 percent of children on Medicaid disenroll and subsequently re-enroll in the program.⁵ This churn and the loss of health coverage is particularly problematic for young children, since events in the early years of a child's life can significantly impact later health and

¹ New York State Department of Health, Child Health Plus Enrollment, Total Enrollment by County Report for November 2023. Available at https://www.health.ny.gov/statistics/child_health_plus/enrollment/docs/2023-11.pdf

² U.S. Census Bureau 2022 American Community Survey (ACS).

³ Ramos-Callan, K. and Brundage, S, Covid-19 Ripple Effect: The Impact of Covid-19 on Children in New York State, Part 1: Death of a Parent or Caregiver, United Hospital Fund, September, 2020. Available at https://uhfnyc.org/media/filer_public/22/4b/224bf5ba-6ab2-42f6-8744-929135f2f42b/covid_ripple_effect_part_1_final.pdf.

⁴ Ramos-Callan, K. and Brundage, S, Covid-19 Ripple Effect: The Impact of Covid-19 on Children in New York State, United Hospital Fund, September 30, 2020. Available at <https://uhfnyc.org/publications/publication/covid-19-ripple-effect-impact-covid-19-children-new-york-state/>.

⁵ Corallo, Bradley, Garfield, R, Tolbert, J, and Rudowitz, R. Medicaid Enrollment Churn and Implications for Continuous Coverage Policies, Kaiser Family Foundation, Dec. 14, 2021, available at <https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-churn-and-implications-for-continuous-coverage-policies/>.

social outcomes.⁶ Medicaid coverage early in life is associated with fewer chronic conditions in adulthood, such as high blood pressure, heart disease, obesity, and diabetes.⁷ Continuity in coverage can also increase consistency in providers, helping children maintain the same providers throughout their childhood, and allow providers to focus on primary and preventive care, as well as early diagnosis and treatment.

Continuous eligibility is a strategy that can be employed to reduce disparities in churn rates and promote health equity. One national analysis found that Hispanic children experienced the largest increase in churn rates following annual renewals. A multi-year continuous eligibility policy can keep children from birth up to age six enrolled in health coverage and reduce the number of children disenrolled due to temporary fluctuations in family income at annual renewal.⁸ Continuous eligibility can also reduce administrative burdens and costs on the State and health plans,⁹ and, more importantly, the paperwork and reporting burdens on Medicaid and CHP-enrolled families themselves.

NYS has a longstanding continuous eligibility policy for children. The State adopted the 12-month continuous coverage state plan option for children in 1999. While the current continuous eligibility policy is effective in maintaining coverage during the 12 months between redeterminations, even with a streamlined renewal process, coverage losses at redetermination continue to be an issue for children in Medicaid and CHP. While NYS has developed a robust outreach plan for the Medicaid public health emergency unwind and redeterminations for all Medicaid members, the State still expects some procedural disenrollments due to unreturned paperwork or income volatility. Having a continuous enrollment policy in place for children from birth up to age six could mitigate some of these losses during the later months of the unwinding.

There is strong support for a longer continuous eligibility policy among New York stakeholders. During the public comment period for the NYHER 1115 waiver amendment in 2022, the State received a substantial number of comments from stakeholders urging greater investments in children, including adopting a policy of continuous eligibility for ages zero to three.

Through this amendment, NYS is seeking to ensure continuous Medicaid and CHP coverage for children during the first six years of their lives. This proposal is aimed at ending churn for young children and will not change eligibility limits for Medicaid or CHP. NYS currently covers children ages zero to one up to 223 percent of the Federal Poverty Level (FPL) and children ages one to six up to 154 percent FPL with Medicaid funds and up to 400 percent FPL with CHIP funds. NYS will continue to allow disenrollment for individuals who are no longer NYS residents, client request, those who enrolled in error, non-compliance with eligibility requirements, death, and for

⁶ Somers, Stephen A. and Maul, A. Preventing Early Childhood Adversity Before It Starts: Maximizing Medicaid Opportunities, Center for Health Care Strategies, June 14, 2017. Available at <https://www.chcs.org/maximize-medicaid-opportunities-prevent-early-childhood-adversity-starts/>.

⁷ Miller, S. and Wherry, L.R., "The Long-Term Effects of Early Life Medicaid Coverage," *Journal of Human Resources* 54, no. 3 (Summer 2019): 785–824, available at <https://muse.jhu.edu/article/729939> as reported in Brooks, T. and Gardner, A., Continuous Coverage in Medicaid and CHIP, Georgetown University Health Policy Institute Center for Children and Families, July 2021. Available at <https://ccf.georgetown.edu/wp-content/uploads/2021/07/Continuous-Coverage-Medicaid-CHIP-final.pdf>.

⁸ Williams, E., Corallo, B., Tolbert, J., Burns, A., and Rudowitz, R., Implications of Continuous Eligibility Policies for Children's Medicaid Enrollment Churn, Kaiser Family Foundation, December 21, 2022. Available at <https://www.kff.org/medicaid/issue-brief/implications-of-continuous-eligibility-policies-for-childrens-medicaid-enrollment-churn/>.

⁹ Sugar, S., Peters C., DeLew. N., Sommers, BD. Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic (Issue Brief No. HP-2021-10). Washington, DC: Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services. April 12, 2021. Available at <https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>.

individuals receiving treatment in a setting where Medicaid and/or CHP eligibility is not available (e.g., institution for mental disease). NYS estimates that an average of 66,177 young children will receive continuous enrollment on an annual basis as a result of this proposal. We estimate the total state and federal funds to implement continuous enrollment will be \$60 million annually.

Eligibility, Benefits and Cost-Sharing Requirements

NYS is not seeking to modify existing eligibility criteria for Medicaid and CHP. The populations affected by this amendment request are:

1. Children in Medicaid from birth to age six, even if a child’s family income exceeds eligibility limits. NYS estimates 60,152 enrollees will be continuously enrolled in the first year under this amendment, and 60,152 will be continuously enrolled during DY27 to DY28.

2. Children in CHP from birth to age six, even if a child’s family income exceeds eligibility limits. NYS estimates 6,025 enrollees will be continuously enrolled in the first year under this amendment, and 6,025 will be continuously enrolled during DY27 to DY28.

Table 1: Existing Eligibility Criteria

Eligibility Group Name	Federal Regulation Citation	Income Level
Children in Medicaid 0-1 year old	42 CFR 435.118	223%
Children in Medicaid 1 up to 6 years old	42 CFR 435.118	154%
Children in CHP 0 up to 6 years old	42 CFR 457.310	400%

Benefits provided under this waiver amendment request, as well as cost-sharing requirements, will not change from those provided under the Medicaid or CHP state plan.

Delivery System Implications

NYS is not seeking any changes to the existing Medicaid or CHIP delivery systems. These delivery systems include both managed care and fee-for-service.

Implementation Timeline

NYS plans to implement continuous eligibility for children in Medicaid and CHP, from birth up to age six, by January 1, 2025.

Waiver and Expenditure Authorities

Waiver Authority: In addition to the waiver authorities already granted in the current 1115 waiver demonstration, the State is requesting the following waiver authority necessary to implement the continuous eligibility for children from birth up to age six.

#	Authority	Waived
1	To permit New York to waive the annual redetermination requirements with respect to income eligibility and requirements for individuals to report and the agency to act on changes, thereby providing continuous Medicaid enrollment for children until their sixth birthday.	42 CFR 435.916
2	To enable New York to waive the annual redetermination requirements, including required procedures for reporting and acting on changes, thereby providing continuous CHP enrollment for children until their sixth birthday.	42 CFR 457.343

Expenditure Authority:

#	Program	Authority
1	Continuous enrollment for children	Expenditures to allow federal financial participation for the continuous enrollment of children in Medicaid and CHP without regard to whether a child's family income exceeds eligibility limits.

Budget Neutrality

The addition of the continuous eligibility for children from birth up to age six to New York's MRT 1115 Demonstration is estimated to result in an additional enrollment of approximately 66,177 members annually. Current average annual enrollment is estimated to be 4.8 million.

This amendment is expected to increase the average annual demonstration cost of \$67.3 billion by \$60 million. More detailed enrollment and cost breakdowns by demonstration year are included in the tables below.

1115 Waiver Amendment Projected Enrollment

Proposal	DY24	DY25	DY26	DY27	DY28
Projected Enrollment	4,709,605	4,723,377	4,735,030	4,746,899	4,758,993
Enrollment- Continuous Eligibility Ages 0 up to 6	-	-	16,544	66,177	66,177
Total Projected Enrollment:	4,709,605	4,723,377	4,751,574	4,813,076	4,825,170

1115 Waiver Amendment Estimated Funding Schedule (\$ in Millions)

Proposal	DY24	DY25	DY26	DY27	DY28	Total
Estimated Cost	\$69,132	\$61,593	\$64,997	\$68,601	\$72,416	\$336,739
Estimated Cost- Continuous Eligibility Ages 0 up to 6	-	-	\$15.2	\$60	\$60	\$128
Total Estimated Cost:	\$69,132	\$61,593	\$65,012	\$68,645	\$72,460	\$336,834

Demonstration Evaluation and Hypotheses

NYS will evaluate this waiver amendment in alignment with all CMS requirements. The State will amend its existing evaluation design to evaluate the hypotheses identified below and will include the methodology, measures, and data sources that will be used to assess the impact of the amendment. This evaluation design will be incorporated into the current, approved evaluation design. Additionally, NYS will work with CMS to ensure that 1115 monitoring reports required by the Special Terms and Conditions for NYS's 1115 MRT Demonstration are updated to incorporate monitoring and reporting for this amendment, as necessary and appropriate.

Hypothesis	Example Measures (Not Final)	Data Sources
Goal: Expand coverage to additional low-income New Yorkers (Children from birth up to age six)		
Hypothesis 1: More individuals in the targeted population will be enrolled in Medicaid		
Was the percentage of uninsured children reduced?	Examine health care coverage for children from birth up to age six by race and ethnicity to determine uninsured rates over time.	The Behavioral Risk Factor Surveillance System The National Survey of Children's Health (Children enrolled in Medicaid)
Hypothesis 2: Members will have more comprehensive coverage		
Did continuous eligibility for children up to age six reduce gaps in coverage for young children enrolled in Medicaid and CHIP?	Examine enrollment data for children by race and ethnicity to determine churn rate over time.	State reported data

Public Notice Compliance and Documentation

In compliance with 42 CFR § 431.408(a), the Department of Health conducted a 30-day public comment period from January 17, 2024 – February 16, 2024. While all comments have been considered, no edits were made to the amendment request.

In compliance with 42 CFR § 431.408(a)(3), the State conducted two virtual public hearings on February 21, 2024 and February 28, 2024. The February 28, 2024 public hearing also served as the 1115 Annual Public Forum. While all comments have been considered, no edits were made to the amendment request.

Public Comments and State Responses

The State received 28 written comments regarding the amendment application, as well as an additional six comments received verbally from the virtual hearings, including individuals, advocacy groups, community providers, and other stakeholders. Each of the written letters and emails, as well as verbal testimony during the public hearings, contained suggestions, questions and comments of support. NYS appreciates all of the comments and feedback shared by its stakeholders regarding this 1115 waiver amendment application. These comments help inform the 1115 waiver amendment and will continue to help shape NYS's pursuit of future programmatic initiatives and will be taken under advisement as the State works to implement this amendment once approved.

Summary of Comments

After review and due consideration of the public comments received on the Continuous Eligibility for Children from birth up to age six amendment, NYS has made no changes to the proposed amendment. The majority of the recommended changes would either alter the proposal to the point that an additional comment period would be necessary or are primarily implementation issues that will be considered after the application has been approved by the Centers for Medicare and Medicaid Services (CMS). NYS will further review these recommendations and consider them for possible future implementation. Themes from the public comments received on the continuous eligibility 1115 amendment are summarized below with the State's response.

Public Comment Themes and State Responses

General Comments of Support

There were an overwhelming number of commenters who expressed support for the Continuous Eligibility waiver amendment and NYS's approach. In particular, comments lauded New York's approach to covering children up to six years old and the impacts this is anticipated to have on improving outcomes and health equity. NYS appreciates their support and looks forward to working with all stakeholders to implement the 1115 waiver amendment.

Avoid Phased-in Implementation

Two commenters discouraged the State from pursuing a phased-in implementation of this amendment, citing concerns that doing so might exclude children who would benefit from this policy during the period of the phase-in.

New York is not pursuing a phased-in implementation for this amendment. All eligible children under the age of six will be included at the start of implementation. As children in this population report a life status change or complete a renewal, they will maintain their coverage, regardless of changes in income or other eligibility factors that would previously have made the child ineligible for continued coverage.

Consumer Outreach

One commenter urged NYS to allow the public, including advocates, families, community members, and providers, ample time to review and comment on consumer education materials, announcements, and notices. They also suggested that NYS should make every effort to reach consumers to inform them of this policy change.

NYS appreciates this comment and acknowledges the importance of engaging stakeholders in outreach to ensure the success of this amendment. NYS intends to roll out a comprehensive outreach plan, including training for application assistors and notifications through the typical channels, such as listservs, emails, and other digital communications to ensure that all stakeholders are informed of all developments. NYS will notify members through eligibility notice language and on-screen messaging if the child is found ineligible based on changes in income or other circumstances but will maintain their coverage due to Continuous Eligibility provisions. Health plans will also be informed about any relevant changes to upcoming programs and policies. NYS looks forward to working with all stakeholders to effectively implement this amendment.

Re-Enroll Children Disenrolled During Unwind

One commenter requested that NYS re-enroll all children who were disenrolled during the unwind.

Throughout the Public Health Emergency (PHE) unwind, NYS has conducted a robust outreach effort to reach as many enrollees as possible and is continuing auto-renewal processes that were in place prior to the PHE. Children who were inappropriately disenrolled due to technical errors have been re-enrolled and will be covered under this amendment if they are still enrolled when the policy has been implemented.

Data Tracking

Several comments were received that requested that additional data on the current rates of churn for children in the demonstration population be made available to assist outside entities in evaluating the effectiveness of this amendment. Another suggested that data should be closely tracked by NYS and CMS to demonstrate success and ensure this demonstration is made permanent, and possibly expanded beyond age six in the future.

As part of the amendment, if approved, NYS will conduct an evaluation using available state and federal data aimed at determining whether continuous eligibility for children up to age six reduced gaps in coverage for young children enrolled in Medicaid and Child Health Plus. This will be used to evaluate the policy's effectiveness at reducing the churn rate for eligible children over time and will be made publicly available.

Universal Benefits Package

NYS received three comments recommending that the state develop a universal benefit package similar to Oregon’s which includes Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) benefits and certain services for children with intellectual and developmental disabilities. They also state that, should NYS choose not to pursue a Universal Benefit Package, the State should ensure that families that are eligible for Medicaid and CHP benefits are allowed to enroll their child into either program based on family preference and be subject to most favorable budgeting rules.

NYS is committed to ensuring that all children on Medicaid and Child Health Plus have comprehensive benefits that cover all medically necessary services. NYS will take these comments into consideration when implementing the waiver, if approved.

CHP Guardrails/Premiums

The State received several comments suggesting that guardrails be put in place to ensure that any change in income is reflected in the beneficiary’s monthly premium to ensure that families do not pay any more than is required by the program. We also received a comment suggesting that the State waive CHP Premiums for indigenous children regardless of their family’s income.

Children in households with an increase in income that changes their monthly family premium contribution category will maintain their coverage at the lower family premium category during their Continuous Eligibility period.

Consistent with current policy, children identified as Native American/Alaskan Natives are not responsible for monthly family premium contributions, if applicable.

Invest in Primary Care

Several comments encouraged NYS to increase investment in Primary Care, citing access and workforce shortage concerns.

In conjunction with the New York Health Equity Reform 1115 waiver amendment that was approved in January 2024, NYS has already committed to nearly \$500M in primary care delivery system investments. These investments are intended to align with and augment two federal models from the Centers for Medicare and Medicaid Services supporting primary care – Making Care Primary and States Advancing All-Payer Health Equity Approaches and Development (AHEAD). New York’s investments will have a special focus on care for children and advancing primary care towards value-based payment (VBP) through New York’s existing Patient-Centered Medical Home (PCMH) program. These investments build off the State’s longstanding commitment to increasing support for primary care, including benchmarking primary care reimbursement to 80 percent of current Medicare rates.

Tribal Notification

In accordance with 42 CFR § 431.408(b), the Department of Health conducted a 30-day tribal comment period from January 17, 2024 – February 23, 2024. No comments were received during the tribal comment period.