

Continuous Enrollment Status Update

September 30, 2021

Legislative direction

Through a budget proviso, the Washington State Legislature directed the Health Care Authority (HCA) to explore continuous enrollment of children up to age six as a component of school readiness. The proviso specifies that HCA assess the feasibility and fiscal impacts of extending continuous enrollment through a Section 1115 Medicaid demonstration waiver and provide a status update.

Engrossed Substitute Senate Bill 5092, Section 211 (71)

The authority shall assess the feasibility and fiscal impacts of an 1115 medicaid waiver to extend continuous eligibility for apple health covered children ages zero through five as a component of school readiness. The authority may seek support for the analysis. Prior to submitting the waiver application, the authority shall provide a status update no later than September 30, 2021, to the governor and fiscal committees of the legislature.

States are receiving signals from the federal government to consider policies that remove barriers to enrollment when people are eligible for Medicaid. Washington State is fortunate to be operating a Section 1115 Medicaid demonstration waiver, called the Medicaid Transformation Project (MTP). HCA is also leading the development of a five-year renewal of MTP.

HCA leadership is proposing to include continuous enrollment of children up to age six—with an initial annual estimate of \$31 million (\$15.7 million is general fund-state)—in the application of renewal. HCA will submit the renewal to the Centers for Medicare & Medicaid Services (CMS) by the end of 2021.

Caring for Washington State’s children

Washington State has a history of caring for children. Legislative leadership has created an environment where children begin their lives with access to high-quality medical care. Legislative action has led to 97 percent of Washington children covered with health insurance. Breaks in coverage, however, limit a child’s access to this environment of care.

Coverage disruptions and coverage loss in Medicaid, also known as “churn,” result in critical gaps in coverage for Medicaid clients. The U.S. Department of Health and Human Services noted in a recent study that churn can be a result of changes in family circumstances, difficulty navigating the renewal process, or income volatility.ⁱ Churn is particularly problematic for young children.

A recent study by the Center on the Developing Child at Harvard University on early detection and intervention for developmental delays—which are screenings recommended in early childhood well visits—have been shown to positively affect health, language and communication, and cognitive development.ⁱⁱ Evidence also suggests that a strong foundation of coverage and continuity of care can help children be school-ready, ensure timely referrals to early intervention, and potentially lower special education and child welfare costs.ⁱⁱⁱ

An analysis of Washington State enrollment data shows that approximately 11 percent of children under the age of six experience Apple Health (Medicaid) coverage gaps in a given year.^{iv} Coverage gaps appear to fall disproportionately on children of color. The state’s data show, for example, that white Hispanic Apple Health enrollees, ages 0-6, experienced 42 months of disruption per 100 children over a 12-month period. This is significantly lower than same-aged Black Hispanic Apple Health enrollees who had 57 months of disruption per 100 children over a 12-month period.

States working to close enrollment gaps

Opportunities are available to reduce enrollment churn in Apple Health and further improve child health and school readiness. Some states are showing that feasible policy modifications exist to reduce churn. Building on the 32 states that already provide 12-month continuous enrollment to children in Medicaid or the Children’s Health Insurance Program (CHIP),^v other states are exploring whether to pursue waiver authority.



- Oregon drafted a concept paper of policy areas to be considered for inclusion in the state's 2022-27 Section 1115 Medicaid waiver. The concept paper included a proposal for five-year continuous enrollment for children. The state released the proposal for public comment in July 2021.
- Both California and Massachusetts considered similar proposals this year. These states have not yet submitted a continuous enrollment proposal in a Section 1115 Medicaid waiver.

Enrollment policies for consideration and initial fiscal estimates

Policy options that promote continuous enrollment would build on the Legislature's successful programs that care for children. HCA worked with national experts to examine research on the outcomes of 12-month continuous enrollment policies and churn across multiple states. Extensive data analysis was also performed on different combinations of ages and incomes to formulate policy options.

The purpose of this analysis was to investigate if the state could remove breaks in a child's enrollment when a child remains eligible. HCA leadership is now discussing the below policy option on continuous enrollment of children covered through Apple Health:

Eligible children will be continuously enrolled in Apple Health until they turn six, with no income reassessment or reapplication required. To be eligible, children must meet the following criteria:

- Enrolled in Apple Health
- Under age six
- Have income below 215 percent of the federal poverty level (FPL) at the time of enrollment

The same policy option would apply to children currently eligible for state-funded Apple Health because of immigration status. The same continuous enrollment protections would apply to this population and coverage would continue to be funded using state dollars.

Original fiscal estimates assumed the annual cost of implementing this policy to be \$24 million. That original estimate was based on five years of data from calendar years 2015 through 2019 and was not adjusted to align with projected caseload or per capita cost changes. The model has been updated to account for these two variables.

The enrollment trend is now based on the June 2021 caseload forecast and per capita costs were updated to match current physical health and behavioral health per capita rates. Given these adjustments, the updated, annual estimate of the fiscal impact of continuous enrollment for children is \$31 million (\$15.7 million is general fund-state). Continuous enrollment for children up to age six, and this cost estimate, were included in the decision package on MTP renewal submitted by HCA for consideration in the Governor's Supplemental Budget.

Feasibility assessment and Washington's MTP

There is reason to believe that Washington State's proposal for continuous enrollment of children will receive consideration by CMS. The Biden Administration's health priorities are focused on coverage and equity, and the [President's budget](#) identified "making it easier for eligible people to get and stay covered in Medicaid" as a goal. The Biden Administration has also signaled in its August 2021 [sub-regulatory guidance](#) and All State Learning Collaboratives ([Part 1](#) and [Part 2](#)) that one of its highest priorities following the public health emergency is to

- Support continuity of coverage
- Ensure states do not inappropriately terminate Medicaid and CHIP coverage as part of the redetermination processes.

While there is no certainty on how such a novel proposal will be received by CMS, HCA anticipates CMS will be willing to discuss and negotiate the proposal with Washington State.



All states have state plan authority to allow for 12 months of continuous enrollment. Washington State, however, plans to request federal approval to implement continuous enrollment beyond one year through MTP.

On January 9, 2017, HCA and partners launched MTP with approval from CMS. This year is the last demonstration year for the current MTP waiver. In early 2021, HCA applied to CMS for a one-year extension of the MTP waiver through 2022. (The one-year extension of current waiver flexibilities and activities was because of the disruptions of the COVID-19 pandemic.)

HCA is now developing an application for a five-year renewal of the MTP waiver, which will be submitted by the end of 2021. HCA will be proposing to the Legislature and CMS to implement continuous enrollment for children up to age six through the MTP waiver renewal process. If the application is approved by CMS and funding authorized by the Legislature, the flexibilities and activities of the five-year renewal would be effective at the beginning of 2023. Additionally, system changes to support this policy can be implemented by January 2023. At this time, Department of Social and Health Services and HCA are specifying requirements and early assessments indicate that system changes can likely be performed within existing resources.

Next steps

Significant conversations with CMS will follow the submission of the MTP renewal application. Those discussions will likely include details about federal budget neutrality assumptions or other limitations, or guidance CMS may choose to negotiate with Washington State. The nature of the questions from CMS may prompt further communication and input from the Legislature, tribal governments, or stakeholders.

The discussion of key questions and comments may prompt HCA leadership to consider adjustments to continuous enrollment policies that help children covered through Apple Health. HCA will continue to update the Legislature, tribal governments, and stakeholders through development of the MTP renewal application or when considering adjusting key policies.

ⁱ 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.

ⁱⁱ Center on the Developing Child at Harvard University. The Foundations of Lifelong Health are Built in Early Childhood, July 2010. American Speech-Language-Hearing Association. Roles and Responsibilities of Speech-Language Pathologists in Early Intervention: Technical Report, 2008. Guralnick MJ., Bricker D. The Effectiveness of Early Intervention for Children with Cognitive and General Developmental Delays. In: The Effectiveness of Early Intervention for At-Risk and Handicapped Children. San Diego, CA: Academic Press; 1987:115-173. Hebbeler K, Spiker D, Bailey D, et al. Early intervention for infants and toddlers with disabilities and their families: participants, services, and outcomes, January 2007. Hebbeler, K. First five years fund briefing. presentation given at a congressional briefing on June 11, 2009, to discuss education that works: The impact of early childhood intervention on reducing the need for special education services.

ⁱⁱⁱ Currie, J, Early Childhood Intervention Programs: What Do We Know? April 2000.

^{iv} Manatt Health analysis of HCA data, February 22, 2021.

^v Medicaid and CHIP Eligibility, Enrollment, Renewal, and Cost Sharing Policies as of January 2020: Findings from a 50-State Survey, Kaiser Family Foundation, March 2020.

