



December 19, 2023

The Honorable Xavier Becerra  
 Secretary  
 U.S. Department of Health and Human Services  
 200 Independence Ave, SW  
 Washington, DC 20201

**Re: North Carolina Medicaid Reform Demonstration Extension Request**

Dear Secretary Becerra:

Thank you for the opportunity to submit comments on the North Carolina Medicaid Reform Demonstration.

The undersigned organizations represent millions of individuals facing serious, acute and chronic health conditions. We have a unique perspective on what individuals and families need to prevent disease, cure illness and manage chronic health conditions. The diversity of our organizations and the populations we serve enable us to draw upon a wealth of knowledge and expertise that is an invaluable resource regarding any decisions affecting the Medicaid program and the people that it serves. We urge the Centers for Medicare and Medicaid Services (CMS) to make the best use of the recommendations, knowledge and experience our organizations offer here.

Our organizations are committed to ensuring that North Carolina’s Medicaid program provides quality and affordable healthcare coverage. Our organizations applaud the state’s work to improve health equity in this waiver and support the inclusion of continuous eligibility for children and pre-release coverage for justice-involved populations. Our organizations urge CMS to approve these requests and offer the following comments on the North Carolina Medicaid Reform Demonstration:

### **Multi-Year Continuous Eligibility for Children**

Our organizations support North Carolina's proposal to provide multi-year continuous coverage for young children through age six, as well as two-year continuous coverage for older children. Continuous eligibility protects patients and families from gaps in care and promotes health equity.<sup>1</sup>

Research has shown that individuals with disruptions in coverage during a year are more likely to delay care, receive less preventive care, refill prescriptions less often, and have more emergency department visits.<sup>2</sup> Gaps in Medicaid coverage have also been shown to increase hospitalizations and negative health outcomes for ambulatory care-sensitive conditions like respiratory diseases and heart disease.<sup>3</sup> Furthermore, studies show that children of color are more likely to be affected by gaps in coverage that continuous eligibility would address, rendering it crucial for increasing equitable access to care.<sup>4</sup> The state estimates that more than 140,000 children in North Carolina will maintain coverage each year once this proposal is fully implemented.<sup>5</sup> Overall, continuous eligibility improves access to and continuity of care for children during the critical early years of life<sup>6</sup> while promoting health equity.

This policy will also reduce churn within the Medicaid program and its administrative burden on Medicaid offices. North Carolina estimates that 25% of children who lose Medicaid coverage re-enroll within the year.<sup>7</sup> Continuous eligibility eases the administrative burden that these changes in enrollment status place on the program. Our organizations urge CMS to approve these requests.

### **Pre-Release Services for Justice-Involved Populations**

Our organizations support the proposed coverage of specific services for incarcerated individuals who are otherwise eligible for Medicaid for up to 90 days prior to release. This is consistent with the goals of Medicaid and will be an important step in improving the continuity of care. This proposal will help these high-risk populations access critical supports needed to treat physical and behavioral health conditions. For example, studies in Washington and Florida reported that people with severe mental illness and Medicaid coverage at the time of their release were more likely to access community mental health services and had fewer detentions and stayed out of jail longer than those without coverage.<sup>8</sup> Our organizations urge CMS to approve this request.

### **Implementation of Managed Care Plans**

North Carolina also requests to continue to operate mandatory managed care through three types of plans. As the state works to fully implement these managed care plans, our organizations urge CMS to ensure that the state provides all beneficiaries adequate network access, beneficiary protections (including a choice of managed care plans), and clear communications about changes regardless of the plan they are enrolled in.

### **Conclusion**

Our organizations support North Carolina's efforts to improve equitable access to quality and affordable health coverage. We urge CMS to approve the state's requests to implement multi-year continuous coverage for children and to improve access to care for the justice-involved population. Thank you for the opportunity to provide comments.

Sincerely,

American Diabetes Association  
American Lung Association

Arthritis Foundation  
Child Neurology Foundation  
Chronic Disease Coalition  
Cystic Fibrosis Foundation  
Hemophilia Federation of America  
March of Dimes  
National Alliance on Mental Illness  
National Kidney Foundation  
National Multiple Sclerosis Society  
National Organization for Rare Disorders  
National Patient Advocate Foundation  
The AIDS Institute  
The Leukemia & Lymphoma Society  
WomenHeart

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<sup>1</sup> Chomilo, Nathan. Building Racial Equity into the Walls of Minnesota Medicaid. Minnesota Department of Human Services. February 2022. Available at: <https://edocs.dhs.state.mn.us/lfserver/Public/DHS-8209A-ENG>.

<sup>2</sup> Sugar S, Peters C, De Lew N, Sommers BD. Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the Covid-19 Pandemic. Assistant Secretary for Planning and Evaluation, Office of Healthy Policy. April 12, 2021. Available at: <https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>

<sup>3</sup> “Effects of Churn on Potentially Preventable Hospital Use.” Medicaid and CHIP Payment Access Commission, July 2022. Available at: [https://www.macpac.gov/wp-content/uploads/2022/07/Effects-of-churn-on-hospital-use\\_issue-brief.pdf](https://www.macpac.gov/wp-content/uploads/2022/07/Effects-of-churn-on-hospital-use_issue-brief.pdf)

<sup>4</sup> Osorio, Aubrianna. Alker, Joan, “Gaps in Coverage: A Look at Child Health Insurance Trends”, Center for Children & Families (CCF) of the Georgetown University Health Policy Institute, November 21, 2021. Available at: <https://ccf.georgetown.edu/2021/11/22/gaps-in-coverage-a-look-at-child-health-insurance-trends/>

<sup>5</sup> North Carolina Medicaid Reform Section 1115 Demonstration Renewal Application. State of North Carolina Department Health and Human Services. October 31, 2023. Available at: <https://www.medicaid.gov/sites/default/files/2023-11/nc-medicaid-reform-extns-req-pa.pdf#page=18>

<sup>6</sup> Burak, Elisabeth Wright. “Promoting Young Children’s Healthy Development in Medicaid and the Children’s Health Insurance Program (CHIP).” Center for Children and Families, Georgetown University Health Policy Institute. October 2018. Available at: <https://ccf.georgetown.edu/wp-content/uploads/2018/10/Promoting-Healthy-Development-v5-1.pdf>

<sup>7</sup> North Carolina Medicaid Reform Section 1115 Demonstration Renewal Application. State of North Carolina Department Health and Human Services. October 31, 2023. Available at: <https://www.medicaid.gov/sites/default/files/2023-11/nc-medicaid-reform-extns-req-pa.pdf#page=17>

<sup>8</sup> Joseph Morrissey et al. Medicaid Enrollment and Mental Health Service Use Following Release of Jail Detainees with Severe Mental Illness. *Psychiatric Services* 57, no. 6 (June 2006): 809-815. DOI: 10.1176/ps.2006.57.6.809, and Joseph Morrissey et al. The Role of Medicaid Enrollment and Outpatient Service Use in Jail Recidivism Among Persons with Severe Mental Illness. *Psychiatric Services* 58, no. 6 (June 2007): 794–801. DOI: 10.1176/ps.2007.58.6.794.