

DATE:March 14, 2023COMMITTEE: FinanceBILL NO:Senate Bill 625BILL TITLE:Maryland Medical Assistance Program and Maryland Children's Health Program -
Continuous EligibilityPOSITION:Support

Kennedy Krieger Institute supports Senate Bill 625 - Maryland Medical Assistance Program and Maryland Children's Health Program - Continuous Eligibility

Bill Summary:

SB625 would require the Maryland Department of Health, subject to certain conditions, to adopt 12-month continuous eligibility for children under the Maryland Medical Assistance Program and Maryland Children's Health Program; and requiring the Department, subject to certain conditions, to adopt 24-month continuous eligibility for both adults and children under the Maryland Medical Assistance Program and Maryland Children's Health Program under certain circumstances.

Background:

Kennedy Krieger Institute is dedicated to improving the lives of children and young adults with developmental, behavioral, cognitive, and physical challenges. Kennedy Krieger's services include inpatient, outpatient, school-based, and community-based programs. Over 27,000 individuals receive services annually at Kennedy Krieger.

The vision for the newly established Office for Health Equity Inclusion and Diversity (O-HEID) at Kennedy Krieger Institute is to promote the health and well-being of those who work and receive training and services at Kennedy Krieger Institute. The O-HEID uses evidence, culturally relevant, and equity-based approaches that assures diversity and inclusion. The O-HEID is working to establish collaboration, data, and metrics to address remediable disparities within our patient populations, policies, and practices.

Rationale:

As of November 2022, over 700,000 Maryland children were enrolled in Medicaid or the Children's Health Insurance Program (CHIP), the programming underlying the Maryland Children's Health Program (MCHP).¹ Continuous eligibility (despite month-to-month fluctuations in family income) has been an option for states with children enrolled in Medicaid or CHIP since 1997. Currently, more than half of states have enacted 12-month continuous eligibility for coverage.^{2,3} Maryland does not currently have continuous eligibility protections; therefore, as many as 80,000 individuals could lose coverage.⁴

Continuous coverage should be enacted because:

Many children are at imminent risk of losing eligibility for coverage. Federal legislation enacted due to the COVID-19 pandemic has allowed those enrolled in Medicaid to have continuous eligibility for coverage during the public health emergency. In Maryland, this policy will end on April 30, 2023. After Medicaid continuous eligibility for coverage protection ends, an estimated 3 out of 4 children nationwide would be eligible,⁵ but will face significant healthcare access barriers through loss of health coverage during re-enrollment. Providing continuous coverage eligibility would ensure continued healthcare access.

Consequences due to loss of eligibility for coverage are significant, and gains due to continued coverage are high. Consistent healthcare coverage is critical for Maryland children to receive preventive care, treatment, allow early detection of illness and developmental delays, and provide early intervention that is key for promoting child health and well-being. Even brief gaps in coverage can result in delays in necessary preventative care, e.g., vaccines and treatment. For example, when a child with asthma goes untreated, emergency room visits and missed school days increase.⁶ States that have enacted continuous eligibility for coverage have significantly reduced numbers of children who are uninsured.⁷ Additionally, there is strong evidence for the long-term benefits of Medicaid and CHIP coverage for children. In 2020, eligibility for Medicaid and CHIP in childhood was associated with lower mortality rates and better physical health in adulthood; a reduction in high school drop-out rates; increased likelihood of obtaining a 4-year college degree; decreased emergency room visits and hospitalizations in adulthood; reduced need for disability benefits; fewer challenges with daily living activities; and greater intergenerational mobility.⁸

Continuous eligibility produces significant administrative cost savings. Administrative costs are lower and spending is more efficient when continuous eligibility policies are enacted. Although keeping more children covered results in higher costs overall, monthly costs per child decrease over time and are lowest when the coverage period is continuous.⁹ When administrative costs are decreased, spending is more efficiently focused on providing healthcare services.¹⁰

Month-to-month income fluctuations currently affecting eligibility are the norm rather than the exception.

Fluctuating job schedules and wages lead to income instability, significantly impacting eligibility and access to benefits like Medicaid. Even as their annual income remains below the Medicaid threshold, many families' incomes vary. Income earners may need to work extra shifts, overtime, or more than one part-time job.¹¹ Parents of young children are especially likely to experience significant fluctuations in work schedules. Additionally, Black families experience more income fluctuation than white families, which can result in disproportionate consequences in eligibility and service access.^{12,13}

Many children who become ineligible regain eligibility within the same year. Many people who lose eligibility for coverage re-enroll within months of losing eligibility, resulting in an administrative burden that could better be utilized in providing essential healthcare for children.¹⁴ Families may also not know that they have become eligible again, or may have difficulty re-applying due to technical or language barriers. Evidence shows that many people who lose public benefits remain eligible but do not re-enroll.^{7,15} Families who *are* eligible can also lose their coverage due to missed notices for requests for information from Maryland's agencies, due to housing instability that is more likely to affect families of color and has been exacerbated by the COVID-19 pandemic.¹⁶

In enacting continuous eligibility, Maryland would join several states that provide this service to its citizens.¹⁷ As such, we an opportunity to decrease the impact of income volatility on access to healthcare, enhance short- and long-term health outcomes, facilitate more efficient spending, and promote healthcare access and equity for all Marylanders.

Kennedy Krieger Institute requests a favorable report on Senate Bill 625.

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