



January 31, 2024

Interim Final Rule Related to Enforcement of State Compliance with Medicaid Renewal Requirements - NOSORH Comments

Introduction

On December 6, 2023, the Centers for Medicare and Medicaid Services (CMS) published an Interim Final Rule (IFR) seeking public comment on plans for implementing *CMS Enforcement of State Compliance with Reporting and Federal Medicaid Renewal Requirements Under Section 1902(tt) of the Social Security Act*. That IFR outlines planned efforts to assure state Medicaid program compliance with Federal requirements for Medicaid eligibility reviews following the termination of the COVID-19 Public Health Emergency (PHE).

The IFR includes a reiteration of reporting requirements for states and delineation of enforcement authorities for follow-up with states deemed to be noncompliant. The IFR outlines requirements for the possible submission of state corrective action plans, the possible suspension of Medicaid disenrollments for procedural reasons, and the possible imposition of civil money penalties (CMPs) for noncompliant state Medicaid programs. The IFR also outlines how CMS could apply a reduction to the State-specific Federal Medical Assistance Percentage (FMAP) for failure to meet reporting requirements.

In this communication, the National Organization of State Offices of Rural Health (NOSORH) provides input to CMS about the IFR. NOSORH was established in 1995 to assist State Offices of Rural Health (SORHs) in their efforts to improve access to, and the quality of, health care for over 60 million rural Americans. All 50 states have a SORH, and each SORH helps their state's rural communities to build effective health care delivery systems. NOSORH and its members work closely with rural providers nationwide, including Critical Access Hospitals, Rural Health Clinics, Federally Qualified Health Centers, and rural hospitals. NOSORH brings its knowledge of rural communities and rural essential community providers to the provisions of this IFR.

The comments below present NOSORH's perspective on the impact of Medicaid renewal on rural communities. They identify key challenges facing rural residents in the recertification of Medicaid eligibility as well as in other health coverage enrollment. The comments also include several recommendations for how the CMS might improve enforcement of compliance to assure that the special needs of rural communities are addressed by states.

NOSORH is encouraged that CMS is exploring ways to improve state compliance with requirements for Medicaid renewal. NOSORH believes that many states have not given adequate consideration to the barriers faced by rural residents in maintaining health care coverage. This has resulted in inappropriate rural disenrollment in Medicaid at rates higher than in urban areas. NOSORH feels that improved enforcement of Medicaid renewal requirements can help reduce this disparity.

Background Discussion

NOSORH is supportive of CMS efforts to enforce state compliance with Federal guidance for the Medicaid unwinding process. NOSORH notes that the progress of Medicaid unwinding has been uneven. Of particular concern is the percentage of Medicaid eligibles in the different states that have been disenrolled for procedural reasons. Based upon recent data summarized by the Kaiser Family Foundation, through October 2023 eligibles terminated by states for procedural reasons ranged from a high of 38% of all cases reviewed in Idaho to a low of 0.5% of cases reviewed in Minnesota. This extreme range is suggestive of the failure of some states to adequately comply with Federal guidance on the Medicaid renewal process.

Rural communities are more reliant on Medicaid than urban communities. A recent report indicates that, nationwide, Medicaid and CHIP covered 47% of children and 18% of adults, respectively, in small towns and rural areas. This is compared to 40% of children and 15% of adults in metropolitan counties. Disenrollments from Medicaid stemming from the application renewal process can have a disparate impact upon rural residents.

Numerous analysts have observed that rural residents face significant barriers when it comes to Medicaid enrollment and re-enrollment. See, for example, this discussion:

<https://montanafreepress.org/2023/09/23/how-will-rural-americans-fare-during-medicaid-unwinding-experts-fear-theyre-on-their-own/>

Rural residents face barriers including longer distances to eligibility offices, limited transportation options and limited access to the high-speed internet. Failure to address these rural-specific challenges can lead to higher rates of inappropriate procedural disenrollments.

Rural communities face similar barriers in the purchase of health coverage through insurance marketplaces. The lack of adequate internet access is particularly problematic given the reliance of marketplaces on online shopping and enrollment tools. There are also fewer enrollment navigators working in rural communities when compared to urban communities. These barriers complicate efforts to transition Medicaid enrollees to affordable, subsidized, private insurance plans. The barriers also increase the probability of lapses in health care coverage.

The barriers to health coverage enrollment in rural areas should be viewed from a public health perspective. Data from the Centers for Disease Control and Prevention (CDC) National Center for Health Statistics show that death rates from 2009 to 2019 were higher in rural areas than urban areas for both men and women and for all race and Hispanic-origin groups. CDC research from 2019 also shows that rural Americans are more likely to die from five leading causes than people living in urban areas. In addition, CDC research also shows that rural residents are also more likely to die of preventable deaths, and have higher rates of cigarette smoking, high blood pressure and obesity, Finally, data shows that rural residents have higher rates of poverty, lower rates of health insurance coverage and more limited access to health care. Health coverage enrollment barriers can exacerbate all these health disparities.

Recommendations

NOSORH makes the following recommendations to CMS related to the enforcement of state compliance with Medicaid renewal requirements:

Recommendations – State Medicaid Renewal Reporting and Monitoring

NOSORH recommends that Medicaid renewal reporting and monitoring consider the disparate impacts of the unwinding on rural versus urban populations. This would include consideration of the ***adequacy of state Medicaid renewal efforts*** in rural areas, including:

- Efforts to obtain up-to-date contact information prior to redetermination.
- Adequacy of multiple modality outreach on returned mail prior to termination.
- Adequacy of ex parte reviews – reducing the needs for action by enrollees.
- Accessibility to rural enrollees to eligibility office locations for required in-person eligibility visits.

NOSORH also recommends that Medicaid renewal reporting and monitoring consider disparate ***impacts*** on rural/urban enrollees of state Medicaid renewal efforts, including:

- The relative percentage for rural and urban areas of Medicaid eligibles *disenrolled or renewed* during state Medicaid renewal.
- The relative percentage of *disenrollments for procedural reasons* in rural vs urban areas.

Recommendation – State Corrective Action Plans

NOSORH recommends that any findings of significant disparities between rural and urban areas be used to direct development of state Corrective Action Plans. States with substantial rural disparities should be required to mount special outreach and re-enrollment efforts for rural communities.

We appreciate the opportunity to submit comments on this important Request for Information and hope you find value in the recommendations outlined.

Let me know if you have questions, would like discussion, or if I may be of assistance. Thanks so much.

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