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March 25, 2025

Senator Ingwersen, Chair
Representative Meyer, Chair
Members, Joint Standing Committee on Health and Human Services
100 State House Station
Augusta, ME 04333-0100

Re: LD 896 – *An Act to Provide Young Children Stable Access to Health Care*

Senator Ingwersen, Representative Meyer and members of the Joint Standing Committee on Health and Human Services, thank you for the opportunity to provide information in opposition of LD 896, *An Act to Provide Young Children Stable Access to Health Care*.

This bill requires the Department of Health and Human Services (the “Department”) to apply, by December 31, 2025, to the federal Department of Health and Human Services, Centers for Medicare & Medicaid Services (CMS) for a waiver or demonstration project, or to amend a pending or current waiver or demonstration project, to provide continuous eligibility to a child from birth through 5 years of age who is eligible for and enrolls in the Medicaid program.

Upon the approval of such a waiver or demonstration project, it requires the Department to adopt rules to establish the continuous eligibility of a child from birth through 5 years of age who is eligible for and enrolls in the Medicaid program, regardless of the child's family's change in income. Continuous eligibility must be maintained through the end of the month in which the child attains 6 years of age, but a child's eligibility to receive continuous coverage must be redetermined or terminated if the child is no longer a resident of the State, the child's parent or legal guardian requests termination of the child's eligibility, the child dies, or the Department determines that the child's eligibility was erroneously granted at the most recent determination, redetermination or renewal of eligibility because of agency error, fraud, abuse or perjury.

The Department opposes this LD due solely to the current MaineCare budget shortfall. Maine has maintained 12-months of continuous eligibility for children enrolled in Medicaid and CHIP for decades. This continuous eligibility allows a child under age 21 to remain enrolled in MaineCare for 12 months even if there are fluctuations in income or other eligibility changes during that period.

As the LD outlines, operationalization of continuous coverage would require federal approval of an 1115 waiver. The application for, and implementation, evaluation, and oversight of, such waivers require a significant resource commitment from the Department; approval from CMS would likely take a minimum of 3 years following submission of the waiver application. Estimated fiscal impact of continuous enrollment as set forth in this bill would be \$9,283,312 annually, which includes \$3,423,279 in state dollars and \$5,860,033 in federal funds.

If LD 896 moves forward with adequate appropriations, the Department would consider and review approaches taken by other states. For example, Oregon operates an 1115 waiver demonstration that

provides multi-year continuous eligibility to children under 6. Similar to the proposed coverage conditions outlined in LD 896, children must initially meet Medicaid requirements, such as income criteria, but once enrolled, maintain coverage through their 6th birthday. The Department would also review the experience of these states, including the actual financial impact, in determining how to design and implement continuous eligibility for this population.

Please feel free to contact me if you have any questions during your deliberation of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Michelle Probert", written in a cursive style.

Michelle Probert

Director

Office of MaineCare Services

Maine Department of Health and Human Services