

**Testimony in Support of LD 896, “An Act to Provide Young Children Stable Access to Health Care”**

James Myall, Policy Analyst

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Dear Senator Ingwersen, Representative Meyer, and members of the Joint Standing Committee on Health and Human Services. My name is James Myall and I am a Policy Analyst at the Maine Center for Economic Policy. I am writing in support of LD 896, “An Act to Provide Young Children Stable Access to Health Care.” MECEP supports LD 896 because access to quality affordable health care in childhood bolsters the economic stability of Maine families, and provides children with a solid foundation for future economic success.

By providing for continuous eligibility for the MaineCare program for young children, LD 896 will remove uncertainty over their health care coverage for more than 22,000 Maine children.<sup>1</sup> Almost one-in-three Maine children below the age of 6 receive their health care through MaineCare, but many of them face interruptions in their coverage. Some experience disruptions because their parents’ income takes them above the income eligibility threshold, but even for those who remain income-eligible, administrative burdens and paperwork errors can result in loss of coverage.

This “churn” in Medicaid enrollment can be significant. One study finds that one in ten children lose Medicaid coverage only to regain it again within the year,<sup>2</sup> suggesting that the loss of coverage is largely unnecessary while causing disruption to children’s health coverage and administrative costs for the state. One estimate suggests that each “churn” of a Medicaid recipient costs \$673. For 2,200 young children, that suggests a cost of \$1.5 million a year.<sup>3</sup>

We have ample evidence that Medicaid coverage improves outcomes for children. It not only improves childhood health but boosts children’s success in school (including high school and college),<sup>4</sup> sets them up for higher future earnings,<sup>5</sup> and reduces long-term poverty.<sup>6</sup> These outcomes are important for the children themselves, but also help our society as a whole. One estimate suggests that the higher earning potential for adults who received Medicaid coverage as children means that the federal government recoups 58% of its investment in childhood Medicaid coverage through higher tax receipts in later life.<sup>7</sup> LD 896 will ensure that Maine children receive the maximum amount of these benefits without coverage interruptions.

A number of other states (including Colorado, Hawaii, Minnesota, New York and Pennsylvania) have already received approval from the federal government to enact multi-

year continuous enrollment as LD 896, and their costs will be offset not only by significant federal matching dollars, but also administrative savings from having to process fewer eligibility determinations. One research paper suggests 10% of the state's costs will be recouped in these administrative savings.<sup>8</sup> Families will also see lower health care costs and less medical debt, while hospitals will see some savings from charity care offered to low-income children without insurance.

MaineCare provides high-quality care efficiently and affordably to hundreds of thousands of Mainers. It promotes not only the long-term health but the economic well-being of Maine children. Continuous enrollment for young children as proposed in LD 896 will maximize these benefits to the children, their families, and the state, while reducing administrative burdens that get between Maine kids and the care they need.

I urge you to vote “ought to pass” on the legislation. Please feel free to contact me at [jmyall@mecep.org](mailto:jmyall@mecep.org) with any questions.

## Notes

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<sup>1</sup> MaineCare enrollment data for children aged 0-5 for 2022, as estimated by the State Health Access Data Assistance Center (SHADAC)

<sup>2</sup> Bradley Corallo, Rachel Garfield, Jennifer Tolbert, and Robin Rudowitz, “Medicaid Enrollment Churn and Implications for Continuous Coverage Policies.” *KFF*. Dec 14, 2021. <https://www.kff.org/medicaid/issue-brief/medicaid-enrollment-churn-and-implications-for-continuous-coverage-policies/>

<sup>3</sup> Katherine Swartz, Pamela Farley Short, Deborah R. Graefe, and Namrata Uberoi. “Evaluating State Options for Reducing Medicaid Churning.” *Health Aff (Millwood)*. Author manuscript; available in PMC 2015 November 30. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4664196/pdf/nihms708512.pdf>. Figure adjusted from 2015 dollars to February 2025 dollars using the consumer price index.

<sup>4</sup> Sarah Cohodes, Daniel Grossman, Samuel Kleiner, and Michael F. Lovenheim, “The Effect Of Child Health Insurance Access On Schooling: Evidence From Public Insurance Expansions.” *NBER Working Paper 20178*, May 2014. [https://www.nber.org/system/files/working\\_papers/w20178/w20178.pdf](https://www.nber.org/system/files/working_papers/w20178/w20178.pdf)

<sup>5</sup> Brown, D. W., Kowalski, A. E., & Lurie, I. Z. (2020). Long-Term Impacts of Childhood Medicaid Expansions on Outcomes in Adulthood. *The Review of economic studies*, 87(2), 792–821. <https://doi.org/10.1093/restud/rdz039>

<sup>6</sup> Currie, J., & Chorniy, A. (2021). Medicaid and Child Health Insurance Program Improve Child Health and Reduce Poverty But Face Threats. *Academic pediatrics*, 21(8S), S146–S153. <https://doi.org/10.1016/j.acap.2021.01.009>

<sup>7</sup> Brown, D. W., Kowalski, A. E., & Lurie, I. Z. (2020). Long-Term Impacts of Childhood Medicaid Expansions on Outcomes in Adulthood. *The Review of economic studies*, 87(2), 792–821. <https://doi.org/10.1093/restud/rdz039>

<sup>8</sup> Matthew Buettgens, “Ensuring Continuous Eligibility for Medicaid and CHIP: Coverage and Cost Impacts for Children.” *Commonwealth Fund*. Sept 20, 2023. <https://www.commonwealthfund.org/publications/issue-briefs/2023/sep/ensuring-continuous-eligibility-medicaid-chip-impacts-children>