Memorandum in Support

Continuous Medicaid Eligibility from Birth to Three Years of Age
A.9294 (Gottfried)/S.8438 (Rivera)

New York should enact legislation that would allow continuous coverage for children from birth to age three, allowing children to maintain coverage and access to care in the early years of life.

Rationale

• Expands effective policy. New York has adopted 12-month continuous Medicaid eligibility for children; this bill would extend eligibility to age three.¹

• Good for child and family health. Continuous eligibility supports approaches to child health, including two-generation/dyadic services, by ensuring that young children and families have access to prevention and early intervention during the first three years.

• Advances health equity. Continuous coverage protections advance health equity by ensuring continuity of treatment for low-income children and children of color, who experience disproportionate rates of health disparities.² Enduring structurally racist policies and practices have fostered an environment where families of color undergo a significantly higher rate of volatility in income, employment, and housing, which influence insurance eligibility and coverage loss.³ Analysis of Medicaid/CHIP enrollment data reveals that rates of churn are higher for Black and Latino beneficiaries than for non-Hispanic White beneficiaries.⁴ These groups are also disproportionately represented in children covered by Medicaid in New York, showcasing a clear opportunity to address disparities by reforming Medicaid eligibility policies.⁵

Need for Continuous Eligibility

In order to maintain coverage, an individual’s Medicaid eligibility must be reassessed at least annually, or whenever there is a change in circumstances (income, marriage, divorce, etc.).⁶ Even if an individual or family remains in a similar financial situation to the previous year, their coverage may be terminated during these reassessments due to short-term changes (overtime or seasonal pay, etc.) or because of challenges completing the required paperwork on time (forms mailed to an old address, language barriers, difficulty providing proof of income, etc.).⁷ Beneficiaries able to correct these issues may eventually regain coverage, but are likely to experience a gap in care in the interim. This cycling on and off of coverage, referred to as “churn,” is particularly detrimental to young children: children with even short gaps in coverage are reported to have more unmet health needs than children with uninterrupted insurance coverage.⁸
Benefits of Continuous Eligibility

Continuous eligibility supports health and development. The first three years of a child’s life are critical for healthy physical, social, and cognitive development. Frequent screenings during this period, both for developmental delays and social determinants that affect health, are essential for ongoing monitoring and linkage to preventive and early intervention services.\(^9\) Public investments in infant and early childhood health, especially by expanding Medicaid eligibility has been shown to pay for themselves by reducing hospitalizations and by improving earnings in adulthood.\(^10\)

Stable coverage enables children and their caregivers to develop relationships with their health care provider teams, who can offer important support to families, particularly before children enter school. Children with stable health coverage are more likely to experience improved health outcomes, lower rates of disability, higher educational attainment, and more financial security in adulthood.\(^11\)

Demonstrated benefits of continuous eligibility:

- Reduced gaps in health coverage, allowing for a continuity of treatment for children with acute needs, disabilities, and chronic illnesses
- Increased well-child visits attendance, resulting in short- and long-term health benefits
- Increased developmental and social-emotional screening rates in the first three years of life, creating more opportunities for prevention and better identification of children who need more support
- Earlier age of autism diagnosis, increasing earlier opportunities for intensive supports
- Increased rate of Early Intervention referrals, helping families get the services they need

Continuous eligibility is cost-effective. Cycling on and off Medicaid not only burdens families with stressful deadlines and paperwork, it also results in high costs for the state, insurers, and providers. Churn leads to unnecessary increases in administrative costs for preparing and processing new applications and eligibility screenings, as well as higher health care costs as people regain coverage following a gap.\(^12\) In one study, continuous eligibility led to a 31% reduction in the risk of application problems, including paperwork errors and burdens related to language accessibility and tight deadlines.\(^13\)

A report from UnidosUS and Georgetown’s Center for Children and Families explains, “While keeping more children covered continuously has higher costs because enrollment is higher overall, such spending is also more efficient: research shows that monthly per person costs decrease over time and decrease the most when the coverage period is the longest.”\(^14\) Additional savings will also come from better access to preventive and early intervention services, as well as reduced dependence on emergency rooms for care. Continuous eligibility also offers better population-level data on whether children are receiving Medicaid’s required screenings and services, improving quality and compliance metrics.\(^15\)

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2. Ibid.


Ibid.


Ibid.


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