



THE SECRETARY OF HEALTH AND HUMAN SERVICES

WASHINGTON, D.C. 20201

December 18, 2023

Dear Governor Noem:

Maintaining access to uninterrupted health coverage, particularly for children, is critical to the health and well-being of Americans and provides hardworking families the financial security they need to have peace of mind. Medicaid and the Children's Health Insurance Program (CHIP) are two of our nation's standout programs that ensure access to essential healthcare for millions of families, including almost 40 million children – half of all children in this country.

I write to you today because your state is among the nine states with the largest number or highest percentage of children who have lost Medicaid or CHIP coverage since full eligibility renewals for these programs restarted this spring.

Because all children deserve to have access to comprehensive health coverage, I urge you to ensure that no child in your state who still meets eligibility criteria for Medicaid or CHIP loses their health coverage due to “red tape” or other avoidable reasons as all states “unwind” from the Medicaid continuous enrollment provision that was in place during much of the COVID-19 public health emergency. This is especially important for communities of color and underserved communities across the country – we know more than half of all children in Medicaid and CHIP are Hispanic, Black, Asian/Pacific Islander, or American Indian and Alaska Native.¹

As discussed further below, there are several strategies that I strongly encourage your state to adopt to help eligible children maintain access to the health coverage they need to thrive. My Department stands ready to do all that we can to help your state advance this goal, including by providing South Dakota with the flexibility to pause procedural disenrollments for children while it adopts other strategies to ensure eligible children remain enrolled.

Children are more likely than their parents to qualify for Medicaid due to higher income eligibility thresholds for children in Medicaid and CHIP. This means that as children go through the renewals process, many children should still be Medicaid or CHIP eligible and should not be getting disenrolled. Many states have already taken steps to ensure eligible children stay enrolled. I am deeply alarmed that, as of September 2023, your data shows that children's Medicaid and CHIP enrollment in your state has declined by 27,572 children or 27 percent compared to March 2023.²

HHS takes its oversight and monitoring role during the renewals process extremely seriously and will not hesitate to take action to ensure states' compliance with federal Medicaid requirements. States can also take critical proactive actions to prevent eligible children from losing Medicaid and CHIP. These actions include:

- Adopt CMS's strategies to make renewals easier for children and families. CMS has put forward dozens of strategies and approved close to 400 “(e)(14)” flexibilities in states to

¹ <https://www.medicaid.gov/sites/default/files/2023-08/2020-race-etncity-data-brf.pdf>

² <https://www.medicaid.gov/resources-for-states/downloads/medicaid-unwinding-child-data-snapshot.pdf>

make renewals easier for people.³ And, today, CMS issued additional important guidance to help states adopt these strategies, including announcing for the first time that (e)(14) flexibilities will be available through 2024, giving states even more opportunity to take these strategies up.⁴ We know that states that choose to take up these flexibilities are shown to disenroll fewer children for procedural reasons. To-date, South Dakota has chosen to adopt only 1 such strategy. I strongly encourage you to choose to help keep children enrolled and adopt additional strategies to protect children's coverage, such as permitting Medicaid managed care organizations to assist with renewals, delaying procedural terminations to conduct additional outreach, or renewing Medicaid eligibility for individuals with no income on an autorenewal (*ex parte*) basis. In addition, I urge you to give children who have not yet gone through a renewal up to an additional 12 months to go through the renewals process.

- Improve auto-renewal rates. States have flexibility in how they design their auto-renewal (*ex parte*) systems and can make choices that allow families to renew coverage without needing to provide unnecessary paperwork, which reduces red tape and makes it more likely that people who meet the eligibility criteria stay enrolled. Many states have adopted (e)(14) strategies to achieve higher levels of auto-renewals. For example, states can renew a person's Medicaid eligibility using existing Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) data. We urge your state to do so as well. HHS stands ready to provide systems support, including with the help of the U.S. Digital Service, which has already been deployed to a number of states to provide impactful support on auto-renewal issues and increase the number of children who can be auto-renewed.
- Take steps to reach more families, including comprehensive, targeted, on-the-ground outreach efforts through schools and community organizations; hiring staff at call centers who speak non-English languages; increasing call center capacity to drive down call center wait times and abandonment rates; and providing data to health plans and pediatric practices to help them provide direct support to families renewing coverage.

Access to health coverage is critical to the development of children. The evidence is overwhelming that children with access to healthcare achieve better short-term health and well-being as well as long-term health, educational, and economic gains. Every child eligible for coverage should have it. We also recognize that there may be other factors that can influence child disenrollment rates in your state. If that is the case, please contact HHS.

HHS stands ready to work with you and your team to take the additional, available steps to make sure children have the health coverage they need and deserve. I appreciate your attention.

Sincerely,

Xavier Becerra

³ <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/covid-19-phe-unwinding-section-1902e14a-waiver-approvals/index.html>

⁴ <https://www.medicaid.gov/federal-policy-guidance/downloads/cib12182023.pdf>