



VIA ELECTRONIC MAIL:

July 20, 2023

Dear Employers, Plan Sponsors, and Issuers:

The U.S. is in the midst of the single largest health coverage transition event since the implementation of the Patient Protection and Affordable Care Act (ACA). Health coverage is a prerequisite to having meaningful access to the health care system – something that provides peace of mind and security to every American family. The Biden-Harris Administration is calling on employers and other plan sponsors to ensure that employees and their families remain connected to coverage, including through extending the period for special enrollment under the group health plans they sponsor.

Generally, eligibility for Medicaid coverage must be renewed each year. However, during the COVID-19 public health emergency, most Medicaid coverage terminations were paused to minimize coverage loss during the pandemic. This continuous enrollment condition expired on March 31, 2023, under the terms of the Consolidated Appropriations Act, 2023. Across the country, state Medicaid agencies are currently in the process of resuming regular eligibility and enrollment operations, which includes renewing coverage for all individuals enrolled in Medicaid and the Children's Health Insurance Program (CHIP) and terminating coverage for individuals who are no longer eligible.

Medicaid enrollment grew during the last three years as states paused terminations, and we now expect people will lose Medicaid and CHIP coverage because they are no longer eligible for the programs and will need to transition to other sources of coverage. A recent Department of Health & Human Services report projected that approximately 3.8 million individuals who lose Medicaid eligibility will be eligible for employment-based coverage.¹

Given the exceptional circumstances surrounding the resumption of Medicaid and CHIP renewals for the first time in three years, many individuals will need more than the typical 60-day window after loss of Medicaid or CHIP coverage to apply for and enroll in other coverage. For example, employees may not realize that they lost their Medicaid or CHIP coverage until they access care, since they may have missed notices from their state agency, and then missed their opportunity to enroll in other coverage.

¹ Source: <https://aspe.hhs.gov/reports/unwinding-medicaid-continuous-enrollment-provision>

To help address this, the Centers for Medicare & Medicaid Services (CMS) has announced a temporary special enrollment period on HealthCare.gov, through which Marketplace-eligible consumers who lose Medicaid or CHIP coverage and come to HealthCare.gov anytime between March 31, 2023 and July 31, 2024 will be able to enroll.² CMS feels strongly that this policy reflects consumer needs as coverage transitions continue over the next year, and the special enrollment period is accompanied by a multimodal, multifaceted outreach and marketing campaign targeted to individuals losing their Medicaid and CHIP coverage.

We encourage employers and other plan sponsors to match the steps taken by HealthCare.gov. Employers and plan sponsors should amend their group health plans to extend the period for special enrollment under their plans beyond the minimum 60-day period required by statute for individuals losing Medicaid and CHIP. Individuals losing Medicaid and CHIP should instead be able to enroll anytime during this annual redetermination process, in recognition of the complicated transition and the importance of maintaining life-saving coverage for employees and their families. As outlined in recent guidance, there are no legal or regulatory barriers that would prevent group health plans from allowing for longer special enrollment periods beyond the minimum 60 days required by statute.³ Also, it is in the interest of employers to ensure that their employees have access to health coverage.

Additionally, in order to further promote continuity of coverage during this unprecedented time, we encourage employers and other plan sponsors to:

- Get the word out about Medicaid and CHIP renewals and encourage employees who are covered under Medicaid or CHIP to update their contact information with their state agency. Employers can utilize CMS resources to help with messaging available at [medicaid.gov/unwinding](https://www.medicaid.gov/unwinding), including the employer fact sheet available at <https://www.medicaid.gov/resources-for-states/downloads/employee-coverage-loss-factsheet.pdf>, and direct employees to [medicaid.gov/renewals](https://www.medicaid.gov/renewals) for more information;
- Ensure that eligible employees can easily enroll in their employment-based plan after losing Medicaid or CHIP coverage, including by ensuring human resources staff and others involved in health plan administration are prepared to assist employees with transitioning to employment-based coverage outside of annual coverage election windows; and
- Remind employees that they may be eligible for free or low-cost health coverage through the Marketplace if they are not eligible for employer-sponsored or other employment-based coverage that is affordable and meets minimum standards. Employees can visit <https://www.healthcare.gov/medicaid-to-marketplace/> for more information.

² Source: <https://www.cms.gov/technical-assistance-resources/temp-sep-unwinding-faq.pdf>. CMS also previously announced a Medicare Special Enrollment Period (SEP) to help individuals who did not sign up for Medicare on time and lose Medicaid coverage. This new SEP helps promote seamless transitions from Medicaid to Medicare coverage and removes Medicare late enrollment penalties: <https://www.medicare.gov/sign-up-change-plans/joining-a-health-or-drug-plan/special-circumstances-special-enrollment-periods>

³ Source: <https://www.cms.gov/CCIIO/Resources/Fact-Sheets-and-FAQs/Downloads/FAQs-Part-58.pdf>

The Biden-Harris Administration is committed to protecting and strengthening the ACA and Medicaid, lowering costs, and expanding coverage so that every American has the peace of mind that health coverage brings. We appreciate your partnership in this critical time in keeping individuals and families connected to coverage.

Sincerely,



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