MARCUS J. MOLINARO
19TH DISTRICT, NEW YORK

HOUSE COMMITTEE ON
TRANSPORTATION
AND INFRASTRUCTURE

Congress of the United States House of Representatives Washington, DC 20515-3219

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July 31, 2023

The Honorable Chiquita Brooks-LaSure Administrator Centers for Medicare & Medicaid Services U.S. Department of Health and Human Service 200 Independence Avenue SW Washington, D.C. 20201

Dear Administrator Brooks-LaSure:

As you know, Medicaid is a crucial program that provides health care coverage to millions of low-income individuals and families. The program has been instrumental in granting individuals access to essential health care services, prescription drug coverage, mental health support, and other services for vulnerable populations.

While Medicaid's objective has been to ensure access to health care coverage, some beneficiaries run into "benefit cliffs." This happens when an individual's income rises above the state-imposed income limit to receive Medicaid benefits, causing them to become ineligible for Medicaid coverage. As a result, an individual can unexpectedly lose access to their benefits and find themselves uncovered and uninsured. Benefit cliffs create uncertainty and establish a counterproductive incentive for Medicaid recipients to earn slightly less than the income limit by just one dollar, ultimately proving to be a harmful policy.

While the federal government provides guidelines and regulations for Medicaid, states make the policy and operational decisions that determine who is eligible for enrollment, which services are covered, and how payments to providers are established. Unfortunately, there is minimal guidance on states' authorities and how they can help beneficiaries avoid benefit cliffs and support them through transitional periods.

I ask that CMS provide guidance and recommendations on how states can implement changes to their income eligibility to eliminate benefit cliffs in the Medicaid program.

Thank you for your consideration and I stand ready to work with you to find adequate solutions.

Sincerely,

Marcus J. Molinaro Member of Congress

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