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June 22, 2021

The Honorable Xavier Becerra  
Secretary  
Department of Health and Human Services  
200 Independence Avenue SW  
Washington, D.C. 20201

**RE: Exception to cost allocation requirements in OMB Circular A-87 for health and human services programs**

Dear Secretary Becerra,

On behalf of The Enrollment Coalition, we write to request the Department of Health and Human Services (HHS) re-issue a previous exception to the cost allocation requirements set forth in the Office of Management and Budget (OMB) Circular A-87<sup>1</sup> to allow Federally-funded health and human services programs to benefit from investments in the design and development of State eligibility-determination systems for State-operated Exchanges, Medicaid, and the Children's Health Insurance Program (CHIP). In 2011, HHS and the U.S. Department of Agriculture issued this exception<sup>2</sup> to encourage states to leverage the technology investments and advances in streamlined enrollment required under the Affordable Care Act (ACA) for modernizing eligibility and enrollment for other safety-net benefits. Reviving this time-limited tool would be an important step enabling the creation of data connections between public agencies that make major contributions to enrolling the eligible uninsured and preventing coverage losses among people who are currently enrolled. Investments in enrollment systems will be critical as states prepare to conduct full Medicaid redeterminations after the end of the Public Health Emergency (PHE).

Enrolling the uninsured into coverage for which they are already eligible needs to be a top national priority. The Kaiser Family Foundation recently estimated that nearly two-thirds of the country's uninsured now qualify for Medicaid, the Children's Health Insurance Program (CHIP), or federal financial assistance to purchase private insurance, including more than 40 percent who are offered zero-cost insurance but are not enrolled.<sup>3</sup> Providing an exception to the cost allocation requirements in OMB Circular A-87 would allow states to do more to integrate the eligibility determination and enrollment functions across health and human services programs, realizing efficiencies for States and serving individuals and families. Integrated eligibility systems would allow individuals and families to access critical safety-net services without having to complete multiple enrollment processes and without government workers processing the same information again and again.

States could also utilize this waiver to connect health programs to external sources of data that can verify eligibility without requiring individuals and families to complete repetitive paperwork. States could also simultaneously enroll eligible individuals into health coverage as well as other

<sup>1</sup> OMB CIRCULAR A-87 REVISED, [https://obamawhitehouse.archives.gov/omb/circulars\\_a087\\_2004](https://obamawhitehouse.archives.gov/omb/circulars_a087_2004).

<sup>2</sup> Letter to State Exchange Grantees, Medicaid and CHIP Directors, and Health and Human Services Directors, January 23, 2012, <https://www.medicaid.gov/Federal-Policy-Guidance/Downloads/SMD-01-23-12.pdf>.

<sup>3</sup> Kaiser Family Foundation. How the American Rescue Plan Act Affects Subsidies for Marketplace Shoppers and People Who Are Uninsured. March 25, 2021. <https://www.kff.org/health-reform/issue-brief/how-the-american-rescue-plan-act-affects-subsidies-for-marketplace-shoppers-and-people-who-are-uninsured/#:~:text=Relative%20to%20previous%20premium%20liability,with%20incomes%20between%20400%2D600%25>.

programs for which they are eligible by improving data matching, establishing more robust referral mechanisms, streamlining business processes, and notifying program participants of their potential eligibility for other benefits. For example, in 2019, Supplemental Nutrition Assistance Program (SNAP) served 44 percent of Medicaid-enrolled children and 41 percent of Medicaid-enrolled non-elderly adults.<sup>4</sup> SNAP receipt establishes more than a 90 percent likelihood of continuing eligibility for Medicaid.<sup>5</sup> Thus, data matching showing that a Medicaid beneficiary receives SNAP can help provide reliable information showing continued eligibility.<sup>6</sup> Additionally, the U.S. Postal Service's address database, which is updated weekly to incorporate changes of address, is useful for states in determining eligibility and renewals.<sup>7</sup> By promoting more integration of IT systems across health and social services programs through the A-87 exception, HHS can encourage states to reimagine how to deliver government services for the 21<sup>st</sup> century.

HHS can also use the A-87 exception to encourage states to integrate all safety-net programs, regardless of state agency. Given the millions of Americans who faced unemployment during the public health emergency and the technology challenges state unemployment agencies faced to meet the unprecedented demand, states will be looking to improve their unemployment IT systems. This presents an opportunity for HHS to partner with the U.S. Department of Labor to leverage federal technology investments that will be made to improve access to unemployment to also improve access to health and social services. For example, creating more direct linkages between unemployment insurance benefits and Medicaid, CHIP, and ACA-exchange plans could help consumers who may have lost employer-based coverage avoid a gap in coverage and disruption in treatment.

We look forward to working together on policies improving enrollment data, systems, and processes to foster the enrollment of uninsured Americans under age 65 into existing health coverage plans and programs for which they are otherwise eligible.

Sincerely,

The Enrollment Coalition

**American Academy of Family Physicians**  
**Alliance of Community Health Plans**  
**Alluma**  
**American Heart Association**  
**Amputee Coalition**  
**Association for Community Affiliated Plans**  
**Benefits Data Trust**

**Centene Corporation**  
**Community Catalyst**  
**Families USA**  
**Health Care Service Corporation**  
**Healthcare Leadership Council**  
**March of Dimes**

cc:

Chiquita Brooks-LaSure, Administrator, Centers for Medicare & Medicaid Services  
Shalanda Young, Acting Director, Office of Management and Budget  
JooYeun Chang, Acting Assistant Secretary, Administration for Children and Families

<sup>4</sup> Unpublished estimates by the National Center for Coverage Innovation at Families USA, accessing 2019 American Community Survey data through IPUMS USA, University of Minnesota, [www.ipums.org](http://www.ipums.org).

<sup>5</sup> Urban Institute. Using SNAP Receipt to Establish, Verify, and Renew Medicaid Eligibility. May 2013. <https://www.urban.org/sites/default/files/publication/23566/412808-Using-SNAP-Receipt-to-Establish-Verify-and-Renew-Medicaid.PDF>.

<sup>6</sup> 42 CFR 435.916(a)(2).

<sup>7</sup> Plum Grove. What is the NCOA Database? September 27, 2018. <https://plumgroveinc.com/the-ncoa-database-file-content/>.