

Congress of the United States
Washington, DC 20515

May 6, 2022

Moses Haregewoyn, Ph.D., M.B.A., M.A., M.P.H.
President
Automated Health Systems, Inc.
9370 McKnight Road
Pittsburgh, PA 15237

Dear Dr. Haregewoyn:

We are writing to request information about your participation in one or more state's plans and operations related to redeterminations of beneficiaries for Medicaid and the Children's Health Insurance Program (CHIP) after the coronavirus disease of 2019 (COVID-19) public health emergency (PHE) ends. As Chairmen of the committees of Congress with jurisdiction over Medicaid and CHIP, we are entrusted with oversight responsibility for the implementation of laws that govern these programs.

The Families First Coronavirus Response Act (FFCRA) increased each state's federal medical assistance percentage (FMAP) by 6.2 percentage points, and, in exchange, states agreed to follow certain maintenance of effort (MOE) requirements.¹ One provision of the MOE required states to maintain continuous Medicaid enrollment for beneficiaries until the end of the month when the COVID-19 public health emergency (PHE) ends. The Administration has said it will provide states with 60-day notice before the PHE expires, and it is incumbent upon states to be prepared for the large and complex task of redetermining Medicaid eligibility. Failure to approach this transition period thoughtfully and to invest the necessary resources for this task could result in millions of children and adults losing coverage and becoming uninsured.²

On March 3, 2022, the Centers for Medicare & Medicaid Services (CMS) published a State Health Official (SHO) letter which provides states with new flexibility to ensure beneficiaries are protected from improper coverage loss, churn, and periods of going without insurance during the period following the end of the PHE. The SHO letter also identifies new flexibilities that can be used to protect enrollees during the transition period.³

Despite this guidance, we are concerned that the redetermination process and access to care could be jeopardized by several factors, including the significant increases in Medicaid and CHIP enrollment during the PHE and the disruption to eligibility and enrollment operations. We

¹ Families First Coronavirus Response Act, Pub. L. No. 116-127, § 6008(b)(3).

² Kaiser Family Foundation, *Unwinding of the PHE: Maintaining Medicaid for People with Limited English Proficiency* (Mar. 3, 2022) (<https://www.kff.org/medicaid/issue-brief/unwinding-of-the-phe-maintaining-medicaid-for-people-with-limited-english-proficiency/>).

³ Letter from Daniel Tsai, Deputy Administrator and Director Centers for Medicare and Medicaid Services to State Health Officials SHO# 22-001 (Mar. 3, 2022).

are also disturbed by the length of time that has elapsed since state agencies had any contact with their beneficiaries and the significant staffing shortages that could undermine efforts to ensure a smooth transition period.⁴ People who make up a greater proportion of Medicaid beneficiaries, including children, people of color, and individuals with limited English proficiency, are the most at-risk to experience coverage disruptions during the redetermination process, which will exacerbate racial and ethnic health inequities.^{5,6}

As states prepare for this enormous effort, we note that some have engaged with private companies for assistance to conduct these eligibility redeterminations. However, we are aware of reports that some of these companies include those with a track record of poor performance in delivering on government contracts and are troubled by this information given the serious consequences that could result from mistakes made during the redetermination process.^{7,8,9,10,11} To protect access to health coverage for millions of eligible Medicaid beneficiaries, it is essential that contractors be held to the same level of compliance with the law as are states. Contracts with private companies should also not be created with financial incentives that could result in eligible beneficiaries improperly losing coverage, such as contracts that increase contractor compensation based on the sheer number of individuals disenrolled.¹²

In light of these concerns, we request information and documents in response to the following:

1. Describe in detail your business relationship with the state and provide a copy of the executed contract that pertains to eligibility redeterminations that will occur after the public health emergency;
 - a. Provide details for the reimbursement and terms of payments;

⁴ Center for Budget and Policy Priorities, *Unwinding the Medicaid Continuous Coverage Requirement* (<https://www.cbpp.org/research/health/unwinding-the-medicaid-continuous-coverage-requirement>) (accessed April 13, 2022)

⁵ See note 2.

⁶ State Health and Value Strategies, *The End of the COVID Public Health Emergency: Potential Health Equity Implications of Ending Medicaid Continuous Coverage* (Sept. 17, 2021) (<https://www.shvs.org/the-end-of-the-covid-public-health-emergency-potential-health-equity-implications-of-ending-medicaid-continuous-coverage/>).

⁷ *Public Health Emergency End Could Cause Millions to Lose Medicaid Coverage*, NBC News (Dec. 20, 2021).

⁸ *Backlog of Medicaid Applications Spurs Arkansas Lawmakers to Concur with Hiring Contract Help for \$29M*, Northwest Arkansas Democrat Gazette (Dec. 15, 2021).

⁹ Public Consulting Group, *Post-Public Health Emergency Eligibility Redetermination Catch Up Services* (<https://www.publicconsultinggroup.com/health/for-state-health-medicaid-agencies/post-public-health-emergency-eligibility-redetermination-catch-up-services/>) (accessed April 13, 2021).

¹⁰ First Source, *The time to prep for a historic redetermination surge is NOW* (<https://www.firstsource.com/healthcare/health-plans/medicaid-redetermination>) (accessed April 13, 2021).

¹¹ *A Distinctly American Irony*, New York Intelligencer (Feb 3, 2020).

¹² See note 7.

- b. Provide details on any incentives and details of the incentive structure;
 - c. Describe any penalties or fines related to the contract;
 - d. Describe your processes and corrective actions for addressing problems.
2. Describe in detail the scope of tasks that you will perform.
3. Describe in detail your organizational experience in working with state Medicaid agencies in general and in specific, with assisting with Medicaid eligibility determinations, or any portions of eligibility determinations with Medicaid and CHIP programs;
 - a. List all pertinent contracts in the past five years by state;
 - b. List any sanctions, penalties levied by any government organization, or government contractor, for any purpose in the past five years;
 - c. List any relevant contracts terminated by any government organization or government contractor in the past five years;
4. Describe in detail your organizational capacity for performing the scope of work identified in item two above;
 - a. Describe the organizational structure for this effort, including the number of employees assigned to this task and their job requirements;
 - b. Provide the names and relevant experience of the principal leaders of the organization and task;
 - c. Provide what training employees will receive to support accuracy and compliance in the redetermination process.

Thank you for the timely attention to this request. We request that you provide a response as soon as possible but no later than July 1, 2022. If you have any questions, please contact Rick Van Buren of the House Energy and Commerce Committee staff at (202) 225-2927, or Liz Dervan of the Senate Finance Committee Staff at (202) 224-4515.

Sincerely,



Frank Pallone, Jr.
Chairman
House Committee on Energy and Commerce



Ron Wyden
Chairman
Senate Committee on Finance