



State Demonstrations Group

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May 1, 2026

Julie Ewing  
State Medicaid Director  
Division of Integrated Healthcare  
Department of Health & Human Services  
P.O. Box 143101  
Salt Lake City, UT 84101

Dear Director Ewing:

On July 17, 2025 the Centers for Medicare & Medicaid Services (CMS) sent a letter to all states affirming that CMS does not anticipate approving new state proposals of section 1115 demonstration expenditure authority that allow for expanded continuous eligibility or extending existing section 1115 demonstration authority for expanded continuous eligibility, beyond what is required or available under the Medicaid or CHIP statutes. The use of section 1115 demonstration authority to expand continuous eligibility beyond statutory limits raised concerns about Medicaid and CHIP fiscal and program integrity, leading to an increased risk of Medicaid and CHIP payments on behalf of individuals who would otherwise have lost eligibility in the absence of such a section 1115 demonstration. This shift in approach reflects the agency's commitment to preserving these vital programs for the most vulnerable Americans and being good stewards of taxpayer dollars.

Section 5112 of subtitle B of title V of division FF of the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023), which amended sections 1902(e)(12) and 2107(e)(1) of the Social Security Act, requires that, effective January 1, 2024, states must provide 12 months of continuous eligibility for children under the age of 19 in Medicaid and CHIP, regardless of most changes in circumstances that may affect eligibility. Under current Medicaid and CHIP state plan rules, children generally remain enrolled in coverage during the entirety of their 12-month continuous eligibility period, unless they meet an exception under 42 CFR 435.926(d) or 42 CFR 457.342(a). The American Rescue Plan Act (ARPA) also allows states the option through the Medicaid and CHIP state plans to provide 12 months of continuous eligibility for extended post-partum coverage. States that have section 1115 demonstration authority to provide continuous eligibility according to the statutory requirements stated above will be allowed to continue the demonstration authority, but for only 12 months continuous eligibility for children under the age of 19 and post-partum coverage.<sup>1</sup>

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<sup>1</sup> Florida, New Jersey, Tennessee and Virginia have 12 months post-partum continuous eligibility authority under 1115 demonstrations.

For demonstrations with currently approved expenditure authority for expanded continuous eligibility, other than the 12 months continued eligibility for children under age 19 and post-partum coverage, the authority will end at the time of the expiration of the current demonstration. CMS does not anticipate approving new 1115 demonstrations requesting expenditure authority for continuous eligibility nor extending existing section 1115 demonstration expenditure authority for continuous eligibility, for any time frame beyond the durations and populations for which continuous eligibility is available under the applicable statute.<sup>2</sup>

CMS will work with Utah to ensure that the state will have the ability to operationalize the changes needed to end these authorities and process all necessary redeterminations as required by the Medicaid and CHIP authorities. Utah will not be required to submit a phase out plan for continuous eligibility to CMS; this requirement is listed in the Utah Medicaid Reform 1115 Demonstration's Special Terms and Conditions, STC # 3.9. However, Utah must notify beneficiaries about any changes to their current period of continuous eligibility and when the beneficiary will need to undergo their next redetermination. This notice must meet the requirements at 42 CFR 435.905(b) and 457.340(a).

CMS will continue to work with Utah to support innovative section 1115 demonstrations that promote the objectives of Medicaid and CHIP. Questions and comments regarding this letter may be directed to Sarah Aker, Acting Director, State Demonstrations Group, CMCS.

Sincerely,

A black rectangular redaction box covering the signature of Sarah Aker.

Sarah Aker  
Acting Director

cc: Tyler Deines, State Lead, Medicaid and CHIP Operations Group

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<sup>2</sup> Section 5112 of subtitle B of title V of division FF of the Consolidated Appropriations Act, 2023 (P.L. 117-328) (CAA, 2023) and the American Rescue Plan Act (ARPA).