
May 18, 2022

Time to Get It Right: State Actions Now Can Preserve Medicaid Coverage When Public Health Emergency Ends

By Jennifer Wagner and Farah Erzouki

Executive Summary

Millions of people could lose health coverage when the COVID-19 public health emergency (PHE) ends — possibly later this year — and states resume their regular eligibility reviews of all Medicaid enrollees. People could lose coverage despite remaining eligible for Medicaid or being eligible for low-cost coverage through the Affordable Care Act (ACA) marketplaces. But massive coverage losses aren't inevitable. States now have at least five additional months to prepare and should take steps now to ensure that eligible individuals remain on Medicaid and to help those no longer eligible for Medicaid transition to other coverage.

The “continuous coverage” requirement, part of the 2020 Families First Coronavirus Response Act, deems people eligible for Medicaid until the end of the month in which the PHE ends. At that point, state and local agencies will have to begin reviewing the eligibility of everyone enrolled in Medicaid, often referred to as “unwinding.” Eligible enrollees could lose coverage if they don't receive a notice to renew or don't return the required documents in the requested timeframe, or if Medicaid agencies fall behind in processing paperwork. Others could become uninsured if they are no longer eligible for Medicaid and fall into a coverage gap (because their state hasn't adopted the ACA's Medicaid expansion) or are unable to successfully navigate the enrollment process for marketplace coverage.

Public Health Emergency Won't End Before October

In April, Department of Health and Human Services (HHS) Secretary Xavier Becerra renewed the PHE for another 90 days, meaning it will last through at least July.¹ Recognizing the significant changes that will need to happen at the end of the PHE and the need for adequate time to prepare, HHS has promised states that it will provide 60 days' notice before ending the PHE. Since there are

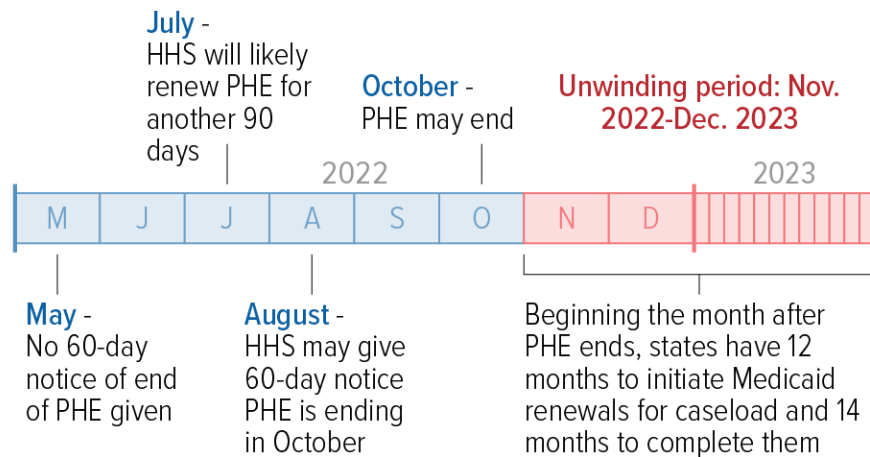
¹ Health and Human Services (HHS) Secretary Xavier Becerra, “Renewal of Determination That A Public Health Emergency Exists,” Office of the Assistant Secretary for Preparedness & Response, January 14, 2022, <https://aspr.hhs.gov/legal/PHE/Pages/COVID19-14Jan2022.aspx>; Secretary Xavier Becerra and Centers for Medicare & Medicaid Services (CMS) Administrator Chiquita Brooks-LaSure, “Letter to Governors on Unwinding,” HHS, May 10, 2022, <https://www.medicaid.gov/resources-for-states/downloads/unwinding-gov-ltr-05102022.pdf>.

fewer than 60 days before the end of the current PHE declaration and notice has not been given, it is almost certain that the PHE will be renewed again. Renewal will likely take place in mid-July, extending the continuous coverage requirement through October and possibly beyond. This means states have at least five more months to prepare for unwinding. (See Figure 1.)

FIGURE 1

Timing of HHS Notices and Potential Unwinding Period

If public health emergency (PHE) ends in October (though it could be extended)



Note: HHS = Department of Health and Human Services

CENTER ON BUDGET AND POLICY PRIORITIES | CBPP.ORG

Agencies Need to Make Changes to Minimize Coverage Loss

The unwinding period itself may last up to 14 months: states have 12 months after the PHE ends to initiate renewals for their caseload and 14 months to complete them. During this stretch, Medicaid agencies will be responsible for a multi-step process as they review the eligibility of their caseload. To manage this process successfully and limit coverage losses, agencies will need to:

- Inform enrollees that their coverage needs to be renewed and explain the steps (if any) they must take to complete their renewals;
- Conduct streamlined renewals for all Medicaid enrollees, including conducting automated renewals where possible; and
- Help those found no longer eligible for Medicaid transition to other coverage.

While federal requirements mandate that states complete these steps, there are critical policy choices states make in implementing them that will have a large impact on whether people become uninsured during this process. For example, agencies that text enrollees information about the

renewal process in addition to mailing information are more likely to successfully reach individuals than agencies that rely exclusively on mailed notices.

The multiple steps required to renew Medicaid create many places where someone could lose coverage despite remaining eligible. Someone may not receive renewal information from the agency and thus not know that they need to renew. Oftentimes agencies ask for too many forms and documents from enrollees, adding unnecessary steps that will lead to coverage loss if not completed in a timely manner. Further, some people will no longer be eligible for Medicaid but may qualify for financial assistance on the marketplace; agencies need to give them clear instructions and assistance to complete the additional, sometimes complicated steps necessary to transition to that coverage.

While the pandemic has presented significant challenges for agencies administering Medicaid, it has also led to innovations in policy and service delivery that agencies can draw on as they unwind. Some states have streamlined policies, rapidly deployed technical solutions, and used creative ways to communicate with their clients. The Centers for Medicare & Medicaid Services (CMS) has also offered guidance, technical assistance, and waivers to help agencies handle the upcoming increased workload and make sure eligible people stay covered.² Further, federal law requires states to adopt certain policies to streamline eligibility, such as using electronic data sources to verify eligibility where possible, that some states have not implemented (and, thus, are out of compliance with federal requirements) or could expand to further streamline renewals. These and other changes to policy, operations, and communications can minimize coverage losses at the end of the PHE.

The stakes are high: experts estimate that over 15 million people could lose Medicaid during the unwinding process, many of whom will still be Medicaid-eligible.³ Before the pandemic, barriers to enrolling in and keeping Medicaid were common. There were often long wait times to have questions answered, multiple unnecessary requests for paperwork, and eligible people losing coverage at renewal and having to reapply (a process known as churn). Such barriers disproportionately affect people of color, who are more likely to rely on Medicaid for health coverage, due in large part to structural inequities resulting in their overrepresentation in low-wage jobs lacking employer coverage.⁴ In 2019, Black and Latino people made up less than one-third of the U.S. population but more than half of enrollees in Medicaid and the Children's Health Insurance Program.⁵

² Medicaid.gov, "Unwinding and Returning to Regular Operations after COVID-19," <https://www.medicaid.gov/resources-for-states/coronavirus-disease-2019-covid-19/unwinding-and-returning-regular-operations-after-covid-19/index.html>.

³ Tricia Brooks, "Loss of Medicaid After the PHE Will Likely Exceed 15 Million Estimated by Urban," Center for Children and Families, September 20, 2021, <https://ccf.georgetown.edu/2021/09/20/loss-of-medicaid-after-the-phe-will-likely-exceed-15-million-estimated-by-urban/>.

⁴ Gideon Lukens, Jennifer Sullivan and Farah Erzouki, "COVID Relief Provisions Stabilized Health Coverage, Improved Access and Affordability," CBPP, March 10, 2022, <https://www.cbpp.org/research/health/covid-relief-provisions-stabilized-health-coverage-improved-access-and>.

⁵ Patricia Boozang and Adam Striar, "The End of the COVID Public Health Emergency: Potential Health Equity Implications of Ending Medicaid Continuous Coverage," State Health and Value Strategies, September 17, 2021, <https://www.shvs.org/the-end-of-the-covid-public-health-emergency-potential-health-equity-implications-of-ending-medicaid-continuous-coverage/>.

But experimentation during the pandemic and preparation for the monumental task of unwinding have lifted up available strategies that simplify the process for enrollees, reduce burden on eligibility staff, advance racial equity, and improve program integrity by keeping eligible people on the program. (See box, “States Using Innovative Approaches to Reach Enrollees.”) States can replace the poor customer service and inefficient processes that often plagued Medicaid programs before the pandemic with more efficient, people-centered approaches when the PHE ends. State experiences offer a host of strategies that are proven to work. By implementing approaches such as these, states can fulfill their responsibility to keep eligible people enrolled when the PHE ends and help those no longer eligible for Medicaid to transition to other coverage. Now that the federal government has signaled the PHE will continue for at least another five months (through at least mid-October), states have more time to put these changes into motion and should be expected to do so.

States Using Innovative Approaches to Reach Enrollees

During the unwinding period, agencies will have to communicate with enrollees (including those who moved during the pandemic), conduct a large number of eligibility renewals, and help people who are no longer eligible for Medicaid transition to other coverage. As agencies prepare for unwinding, many have taken creative steps to get updated contact information from enrollees, communicate through new channels, and leverage partners to assist with the unwinding process. For example:

- **Arkansas** set up a new call center to reach out to Medicaid enrollees and help them update their contact information, including mailing address, phone number, and email address.^a
- **Kansas** conducted a social media campaign encouraging Medicaid enrollees to call the state to update their contact information and household circumstances. The campaign led to a 15 to 20 percent increase in enrollees updating their contact information.^b
- **New Mexico** provided \$35 million to assist people who are no longer eligible for Medicaid transition to marketplace coverage.^c
- **Tennessee** conducted a digital ad campaign through Facebook, Instagram, and Google Search that more than doubled the number of enrollees who completed their renewals and led to the creation of 16,000 new online accounts in three months.^d
- **Mississippi** created an online form for enrollees to easily update their mailing address without having to log into their accounts.^e

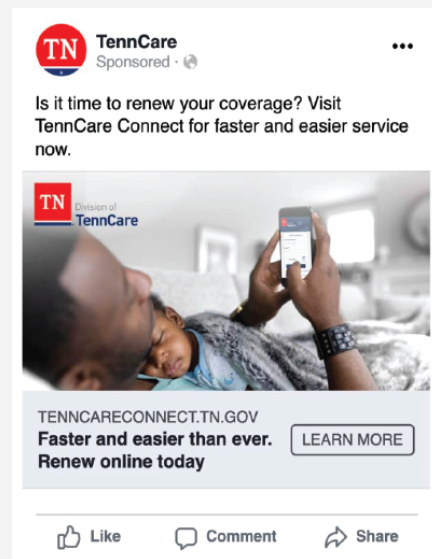
^a Arkansas Department of Human Services, “Call Center To Reach Out To Medicaid Clients to Update Contact Information,” March 14, 2022, <https://humanservices.arkansas.gov/news/call-center-to-reach-out-to-medicaid-clients-to-update-contact-information/>.

^b CMS, “Medicaid and CHIP Unwinding Planning Efforts,” April 2022, <https://www.medicaid.gov/resources-for-states/downloads/state-unwinding-best-practices.pdf>.

^c Amy Goldstein, “Millions of vulnerable Americans likely to fall off Medicaid once the federal public health emergency ends,” *Washington Post*, March 14, 2022, <https://www.washingtonpost.com/health/2022/03/14/medicaid-loss-of-coverage/>.

^d CMS, *op. cit.*

^e Mississippi Division of Medicaid, “Eligibility Outreach,” <https://forms.office.com/pages/responsepage.aspx?id=vBZspSmlBk6xyUXVCHOCkCe4Vx8IAZCIPw-o4BVvphUQTgONVY3NVJQNvdTMTM1WUo1RFNLWjNITC4u>.



Continuous Coverage Helped Stabilize Enrollment

The Families First Coronavirus Response Act, enacted in March 2020, provided enhanced Medicaid funding to states as long as they kept most Medicaid enrollees covered for the duration of the COVID-19 PHE. The continuous coverage requirement has helped millions maintain coverage during the disruption of the pandemic, protecting them from interruptions in coverage and access to care that often occur when income fluctuates. As a result, enrollment in Medicaid has increased by nearly 25 percent since February 2020, with 79.9 million people enrolled as of January 2022.⁶ The requirement is a major reason why the number of uninsured appears to have fallen, rather than risen, during the health and economic crisis.⁷

Continuous coverage has also helped ease the strain on state Medicaid agencies from pandemic-related disruptions. Like many industries, health and human service agencies had to adapt quickly to telework and modify their systems and policies to align with program changes (such as suspending most Medicaid terminations). Simultaneously, they experienced an increase in applications caused by the economic disruption of the pandemic while coping with staffing shortages due to illness, caregiving responsibilities, and retirement.

CMS has issued several publications outlining actions states must take when the PHE ends and promoting best practices to ensure continuity of coverage for people who remain Medicaid-eligible and provide for coverage transitions for those who are no longer eligible but can enroll in marketplace coverage.⁸ CMS has told states they must conduct a renewal for every enrollee and can't take action based on stale information gathered during the pandemic. In addition, states can take 12 months to initiate renewals for their caseload following the end of the PHE. CMS also recommends that states initiate renewals for no more than one-ninth of their caseload each month to spread out the workload, during unwinding and into future years. Finally, CMS has offered waivers to help states manage the workload during unwinding and ensure eligible people stay enrolled.

Governors, State Agencies Have Authority to Adopt Proven Solutions

Unwinding will present unprecedented challenges to state and local agencies dealing with historically high caseloads, policy changes, and in many cases staffing shortages. The end of the PHE will also sunset program flexibilities in the Supplemental Nutrition Assistance Program (SNAP), further increasing workload in states that jointly administer the programs. But long wait times, unprocessed documents, and massive coverage losses aren't inevitable. Policy changes, system

⁶ CMS, "December 2021 and January 2022 Medicaid and CHIP Enrollment Trends Snapshot," Medicaid and CHIP Learning Collaborative, <https://www.medicaid.gov/medicaid/national-medicaid-chip-program-information/downloads/dec-2021-jan-2022-medicaid-chip-enrollment-trend-snapshot.pdf>.

⁷ Gideon Lukens, Jennifer Sullivan, and Farah Erzouki, "COVID Relief Provisions Stabilized Health Coverage, Improved Access and Affordability," CBPP, March 10, 2022, <https://www.cbpp.org/research/health/covid-relief-provisions-stabilized-health-coverage-improved-access-and>.

⁸ CMS, "RE: Promoting Continuity of Coverage and Distributing Eligibility and Enrollment Workload in Medicaid, the Children's Health Insurance Program (CHIP), and Basic Health Program (BHP) Upon Conclusion of the COVID-19 Public Health Emergency," March 3, 2022, <https://www.medicaid.gov/federal-policy-guidance/downloads/sho22001.pdf>; CMS, "Unwinding and Returning to Regular Operations after COVID-19," www.medicaid.gov/unwinding.

improvements, and partnership opportunities can make it easier for eligible people to retain coverage, reduce agency workload, and improve customer service.

The uncertainty around the end date of the PHE has made it difficult for agencies and others to plan ahead and prioritize changes related to unwinding. And many pandemic-related changes to federal policies, including the continuous coverage requirement, were made quickly, forcing agencies to be reactive and make updates on short notice. But now they have at least five more months to prepare. States can use this additional time to take a proactive approach and thoughtfully plan their actions, ranging from enrollee outreach to systems changes aimed at improving the renewal process during unwinding and beyond. The actions that states take now, before the end of the PHE, will determine how successful their unwinding process will be and how many eligible people retain health coverage.

States should still pursue changes to policies, operations, and systems even if they can't complete them before the unwinding begins. While agencies' workload will jump immediately after the PHE ends, it may increase even more in subsequent months as enrollees lose coverage and reapply or the agency falls behind in processing paperwork. Changes that streamline processes, improve communication with clients, and increase staffing capacity would be valuable at that point even if the state isn't able to implement them immediately after the PHE ends. And such changes don't have to end when the unwinding period does; they would streamline eligibility processes well into the future, improving customer service.

Communicating With Enrollees

Many Medicaid enrollees have not had contact with the Medicaid agency in over two years. In addition, the disruptions caused by the pandemic have forced many people to relocate. As a result, Medicaid agencies lack the current address for many enrollees. Correct contact information is critical to helping enrollees maintain coverage; if enrollees don't receive their renewal paperwork when the PHE ends, they will lose coverage even if they remain eligible. And even if state agencies have updated contact information, many enrollees will not understand the potential changes to their coverage when the PHE ends, what they need to do to keep coverage, or where to go for help. Agencies can improve their outreach strategies and communication approaches by:⁹

- Using updated information from other programs that have had more recent contact with enrollees (like SNAP) and from the United States Postal Service National Change of Address database;
- Obtaining updated contact information on enrollees from managed care organizations, which often have more frequent communication with them;¹⁰

⁹ CMS, "Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations," November 2021, <https://www.medicaid.gov/state-resource-center/downloads/strategies-for-covrg-of-indiv.pdf>.

¹⁰ CMS, "Overview of Strategic Approach to Engaging Managed Care Plans to Maximize Continuity of Coverage as States Resume Normal Eligibility and Enrollment Operations," March 2022, <https://www.medicaid.gov/resources-for-states/downloads/health-plan-strategy.pdf>.

- Conducting public-facing outreach campaigns such as billboards and radio ads to spread awareness about upcoming changes and encourage enrollees to update their contact information;
- Creating simple pathways for enrollees to update contact information, like a dedicated phone number or an online form accessible through the agency website;
- Using multiple modalities, such as text and email, to reach people and explain how they can maintain coverage;¹¹
- Ensuring that key materials and messages are in plain language, easy to understand, and available in multiple languages; and
- Partnering with community-based organizations, providers, navigators and other enrollment assisters, other state agencies (including state-based marketplaces where applicable), and others that work directly with the affected population to ensure they have updated information about unwinding to share with their communities.

Streamlining Renewals

Individuals frequently lose coverage at renewal despite remaining eligible because they don't comply with a procedural requirement, such as submitting a renewal form or pay stubs. Agencies can reduce procedural denials — and the increased workload when people lose coverage and have to reapply — by relying on existing data sources to verify eligibility. Agencies are required by federal regulations to first check available data sources (such as Social Security Administration and commercial wage databases) to try to confirm ongoing eligibility before requesting any information from enrollees. If the data sources confirm ongoing eligibility, the agency should renew the case without requiring any action from the enrollee — a process known as *ex parte* renewal.¹² Only if the agency can't confirm ongoing eligibility based on the data sources should it send a renewal form to the enrollee and require them to return it. Agencies should also ensure they have sufficient staffing capacity to address questions, assist enrollees, and process returned documents.

To better streamline renewals, agencies can:

- **Increase their *ex parte* renewal rate.** The frequency of *ex parte* renewals varies significantly across states; some states don't do any, despite the federal requirement, while other states complete over 75 percent of their renewals without requiring action from the enrollee. Increasing the *ex parte* renewal rate across all groups of Medicaid enrollees is the best way to reduce procedural denials and churn, as well as to significantly reduce agency workload.

¹¹ Kinda Serafi, Alex Dworkowitz, and Michael Budros, "Text Messaging: An Important Communication and Outreach Strategy as States Unwind the Federal Medicaid Continuous Coverage Requirement," State Health and Value Strategies, January 28, 2022, <https://www.shvs.org/text-messaging-an-important-communication-and-outreach-strategy-as-states-unwind-the-federal-medicaid-continuous-coverage-requirement/>.

¹² Jennifer Wagner, "Streamlining Medicaid Renewals Through the *Ex Parte* Process," CBPP, March 4, 2021, <https://www.cbpp.org/research/health/streamlining-medicaid-renewals-through-the-ex-parte-process>.

- **Improve the manual renewal process.** When an agency is unable to complete an *ex parte* renewal, it can improve the manual renewal process by sending pre-populated forms with clear instructions, allowing enrollees to renew online or by phone, and minimizing requests to enrollees for additional documents by relying on data sources.
- **Improve the renewal process for seniors and people with disabilities.** *Ex parte* renewals have typically been much less common for seniors and people with disabilities, even though their income tends to be more stable, because it was previously difficult to verify assets (an eligibility factor for this category of Medicaid) without contacting the enrollee. Now, however, states can use their asset verification systems, which collect information directly from financial institutions, to increase the rates of *ex parte* renewals for this population.¹³
- **Ensure adequate staffing.** While there are many ways to streamline Medicaid eligibility, the process still requires eligibility staff to answer questions, process cases, and deal with complicated situations. However, many agencies are grappling with staffing shortages and high turnover; some states report that 20 percent of their workforce has never conducted a Medicaid renewal.¹⁴ Agencies should ensure they have adequate staffing to handle the increased volume of work during the unwinding process. This is particularly important in states that jointly administer Medicaid and SNAP, since there will also be changes in SNAP that may increase workload at the end of the PHE. Agencies should increase staffing, allow overtime, or temporarily bring back workers like retirees. They should also invest in comprehensive refresher training for both current and new staff on processes like renewals. The federal government funds a large portion of the cost of eligibility staff and has also provided states substantial funding through COVID relief legislation that agencies can use for staffing.

Facilitating Transitions to Other Coverage

Some enrollees whose cases are reviewed during unwinding will no longer be eligible for Medicaid. Most, however, will be eligible for low-cost insurance on the marketplace. Agencies can facilitate these transitions by:¹⁵

- Working closely with navigators and other enrollment assisters to support enrollees who need to transition to marketplace coverage;
- Improving the account transfer processes to give the marketplace as much relevant information as possible about the enrollee, including updated contact information;

¹³ Farah Erzuouki and Jennifer Wagner, “Using Asset Verification Systems to Streamline Medicaid Determinations,” CBPP, June 23, 2021, <https://www.cbpp.org/research/health/using-asset-verification-systems-to-streamline-medicaid-determinations>.

¹⁴ Medicaid and CHIP Payment Advisory Commission, “Panel Discussion: Update on Restarting Medicaid Eligibility Determinations,” Public meeting transcript, January 2022, p. 103, <https://www.macpac.gov/wp-content/uploads/2021/04/MACPAC-January-2022-Meeting-Transcript.pdf>.

¹⁵ CMS, “Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations,” November 2021, <https://www.medicaid.gov/state-resource-center/downloads/strategies-for-covrg-of-indiv.pdf>.

- Providing clear information on termination notices about how to enroll in marketplace coverage and how to get help from an enrollment assister;
- In states with state-based marketplaces, bolstering investments in marketplace call centers and navigators and other enrollment assisters and ensuring those who lose Medicaid can enroll in marketplace coverage without delay.¹⁶

Medicaid agencies have at least five more months to prepare for unwinding. With the health coverage of millions at stake and proven strategies available to simplify and streamline eligibility processes, it's time to get it right.

¹⁶ Georgetown University's Center on Health Insurance Reforms, "The End of the Public Health Emergency Will Prompt Massive Transitions in Health Insurance Coverage: How State Insurance Regulators Can Prepare," State Health & Value Strategies, March 2022, https://www.shvs.org/wp-content/uploads/2022/03/The-End-of-the-Public-Health-Emergency_How-State-Insurance-Regulators-Can-Prepare.pdf.