The 
Families First and Coronavirus Response Act (signed March 18, 2020) authorizes a 6.2 percentage point increase in the Federal Medical Assistance Percentage (FMAP), the federal share of Medicaid spending, to states that meet certain maintenance of eligibility requirements including continuous coverage for current enrollees during the public health emergency (PHE). Thus, states may not disenroll Medicaid enrollees that were enrolled as of March 18, 2020 or any time thereafter until the end of the month in which the PHE ends. The enhanced FMAP is available though the quarter in which the PHE ends.

Currently, the Medicaid continuous coverage requirement prohibits states from disenrolling individuals from Medicaid during the PHE. When the PHE ends, state Medicaid agencies will have:

- 12 months to initiate all renewals and other outstanding eligibility actions
- 14 months to complete pending actions initiated during the 12-month unwinding period

**Impact**

- Medicaid enrollment grew by 27% (an additional 17.4 million enrollees) from February 2020 to May 2022
- Medicaid enrollment is estimated to grow 25% (an additional 22.2 million enrollees) from 2019 to 2022, of which the continuous coverage requirement accounts for 18.7 million of the additional enrollees
- All states have seen at least 13% growth in Medicaid enrollment, while states like Oklahoma, Utah, Nebraska, and Iowa have seen growth over 40%
- Most of the increase in Medicaid enrollment were adults under age 65 without a disability, likely driven by the fact that working age adults are most likely to have faced employment disruptions due to the pandemic

**End of the COVID-19 Public Health Emergency: Medicaid Continuity of Coverage Requirement**

Medicaid enrollment grew by 27% (an additional 17.4 million enrollees) from February 2020 to May 2022. Medicaid enrollment is estimated to grow 25% (an additional 22.2 million enrollees) from 2019 to 2022, of which the continuous coverage requirement accounts for 18.7 million of the additional enrollees. All states have seen at least 13% growth in Medicaid enrollment, while states like Oklahoma, Utah, Nebraska, and Iowa have seen growth over 40%. Most of the increase in Medicaid enrollment were adults under age 65 without a disability, likely driven by the fact that working age adults are most likely to have faced employment disruptions due to the pandemic.

**Source:** CMS State Health Official Letter #22-001

The paperwork that goes with [healthcare] is hard to keep up with to use your insurance. So, you have to turn in this paperwork, and if you use your payment card, you have to turn in this other paperwork.”

- Focus group participant, South Carolina

December 2022
**Federal Initiatives**

- The Centers for Medicare & Medicaid Services (CMS) is working closely with state Medicaid agencies, Marketplaces, navigators, health plans, and others to ensure individuals remain connected to coverage at the end of the PHE.
- CMS released a State Health Official letter providing guidance to states on the redetermination process and strategies for states to minimize beneficiary burden, promote continuity of coverage, and reduce churn.
- CMS created a list of top ten fundamental actions for states to complete to prepare for unwinding.
- The Department of Health and Human Services (HHS) is investing $98.9 million in grant funding for navigator organizations for the 2023 Open Enrollment Period to help people navigate enrollment through the Marketplace, Medicaid, and CHIP.
- CMS proposed a rule that would streamline Medicaid eligibility and enrollment and improve continuity of coverage.

**State Initiatives**

- Several states have expanded continuous coverage for some of their Medicaid population, including:
  - Massachusetts: The state will provide 12-month continuous Medicaid and CHIP enrollment for eligible enrollees upon release from correctional settings and 24-month continuous Medicaid enrollment for enrollees experiencing homelessness through an 1115 waiver.
  - Oregon: The state will provide continuous Medicaid enrollment for children up to age six without the need to renew their coverage and two-year continuous Medicaid enrollment for people ages six and up through an 1115 waiver.
- Several states have proposed to provide premium assistance to people not eligible for Medicaid, including:
  - Connecticut: The state submitted a new section 1115 waiver proposal for Covered Connecticut to provide premium assistance to individuals up to 175% federal poverty level (FPL) who purchase a silver-level Qualified Health Plan on the exchange.
  - Rhode Island: Legislators proposed to establish a premium payment program to help individuals and families transition from Medicaid to commercial insurance at the end of the PHE.
- Several states have initiatives to help bridge coverage for people leaving Medicaid, including:
  - California: Covered California will automatically enroll people in a qualified health plan when they lose Medicaid coverage and are eligible for advanced premium tax credits.
  - Oregon: The Oregon Bridge Plan provides basic health and dental coverage for people making 138%-200% FPL, who are most at risk of losing coverage at the end of the PHE.

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**Federal Policy Recommendations**

**IMMEDIATE PRIORITIES**

- Gradually phase down the enhanced FMAP to reduce the FMAP cliff at the end of the PHE, and strategically tie an enhanced FMAP with equity goals like continuous coverage, increasing benefits that reduce disparities, etc.

**LONGER-TERM SOLUTIONS**

- Enact a federal public health insurance option.
- Support waivers that allow for continuous coverage (Sections 1115, 1331, 1332).
- Offer a state plan amendment option for adult 12-month continuous eligibility.
- Provide states with funding to update eligibility and enrollment systems.

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**State Policy Recommendations**

**IMMEDIATE PRIORITIES**

- Develop a plan to prioritize redeterminations, phase disenrollments, collect and monitor data, and pause and fix the process if too many people are losing coverage due to procedural reasons.
- Encourage Medicaid agencies to work with Medicaid plans that also offer a Qualified Health Plan to transition members no longer eligible for Medicaid to the exchange.

**LONGER-TERM SOLUTIONS**

- Expand Medicaid across all 50 states to address the coverage gap.
- Pursue waivers that allow for continuous coverage (Sections 1115, 1331, 1332).
- Pass a state public health insurance option.
- Transition to a state-based health insurance marketplace, which allows states to establish more tailored approaches to how and when people can enroll in coverage and streamline eligibility and enrollment processes.

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**Implied at the End of the PHE: Coverage**

- 15 million people, including 5.3 million children, are predicted to lose Medicaid coverage when the PHE ends.
- 66% of individuals predicted to be ineligible for Medicaid live in expansion states, while 34% live in non-expansion states.
- People moving from Medicaid and Children’s Health Insurance Program (CHIP) coverage to the exchanges are more likely to experience gaps in coverage than other people.
- 383,000 individuals ineligible for Medicaid at the end of the PHE fell into the coverage gap in the remaining 12 non-expansion states and were not enrolled or eligible for any insurance.

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December 2022
States will have to undertake the critical task of handling redetermining eligibility for nearly every Medicaid enrollee and have to make decisions on how to distribute and prioritize redeterminations, how to update enrollee contact information, how to manage workforce capacity, how to partner with providers and community-based organizations to reach enrollees, and how to keep people connected to coverage.

States will have to take thoughtful and intentional steps to promote enrollment and retention, minimize the administrative burden for enrollees, and ensure that the redetermination process will not exacerbate disparities in coverage:

- 9.5% of Medicaid enrollees (or 8.2 million people) will leave Medicaid due to loss of eligibility and 7.9% (6.8 million people) will lose coverage due to administrative churning despite still being eligible.
- Eligibility loss will disproportionately impact children, young adults, and Latino and Black individuals, and two-thirds of the children predicted to lose Medicaid will be children of color.
- Individuals with limited English proficiency make up a disproportionate share of the Medicaid population, and are more likely to experience barriers when completing Medicaid renewal applications.

States will have the opportunity to learn from other states and their approaches to redetermination, which may help develop longer-term enrollment improvements. Resources include:

- USofCare and Softheon’s presentation on “What the public health emergency (PHE) unwinding means for people enrolled in Medicaid”, which discussed how Oregon, Massachusetts, and Rhode Island are approaching the PHE unwinding.
- Medicaid and CHIP Payment and Access Commission’s (MACPAC) September Public Meeting, which discussed how Arizona, Florida, and Pennsylvania are approaching the PHE unwinding.

Federal Policy Recommendations

**IMMEDIATE PRIORITIES**

- The Federal Communications Commission should clarify its regulations related to the Telephone Consumer Protection Act to allow Medicaid agency contractors, like managed care organizations, to communicate with Medicaid enrollees about the upcoming Medicaid redetermination process.
- Increase funding to support improving enrollment processes, including funding for additional navigators and care coordinators to help people renew their Medicaid coverage and enroll in marketplace coverage.

**LONGER-TERM SOLUTIONS**

- Enact a federal public health insurance option.
- Support waivers that allow for continuous coverage (Sections 1115, 1331, 1332).
- Offer a state plan amendment option for adult 12-month continuous eligibility.
- Provide states with funding to update eligibility and enrollment systems.

State Policy Recommendations

**IMMEDIATE PRIORITIES**

- Develop a plan to prioritize redeterminations, phase disenrollments, collect and monitor data, and pause and fix the process if too many people are losing coverage due to procedural reasons (and make the plan publicly available).
- Start communicating with Medicaid enrollees now about the actions they need to take to retain Medicaid coverage, with a plan to prioritize populations most likely to face largest barriers in retaining coverage.
- Increase funding for navigators and care coordinators to help people renew Medicaid coverage and enroll in marketplace coverage.
- Establish outreach plans with key stakeholders and target populations with coverage disparities.

**LONGER-TERM SOLUTIONS**

- Develop a communications toolkit with standardized messaging for stakeholders.
- Implement policies to reduce churn and promote continuous coverage, like continuous and presumptive eligibility, ex-parte renewals, taking into account reasonably predictable changes in income, and easy enrollment.