

Unwinding the Medicaid Continuous Enrollment Provision

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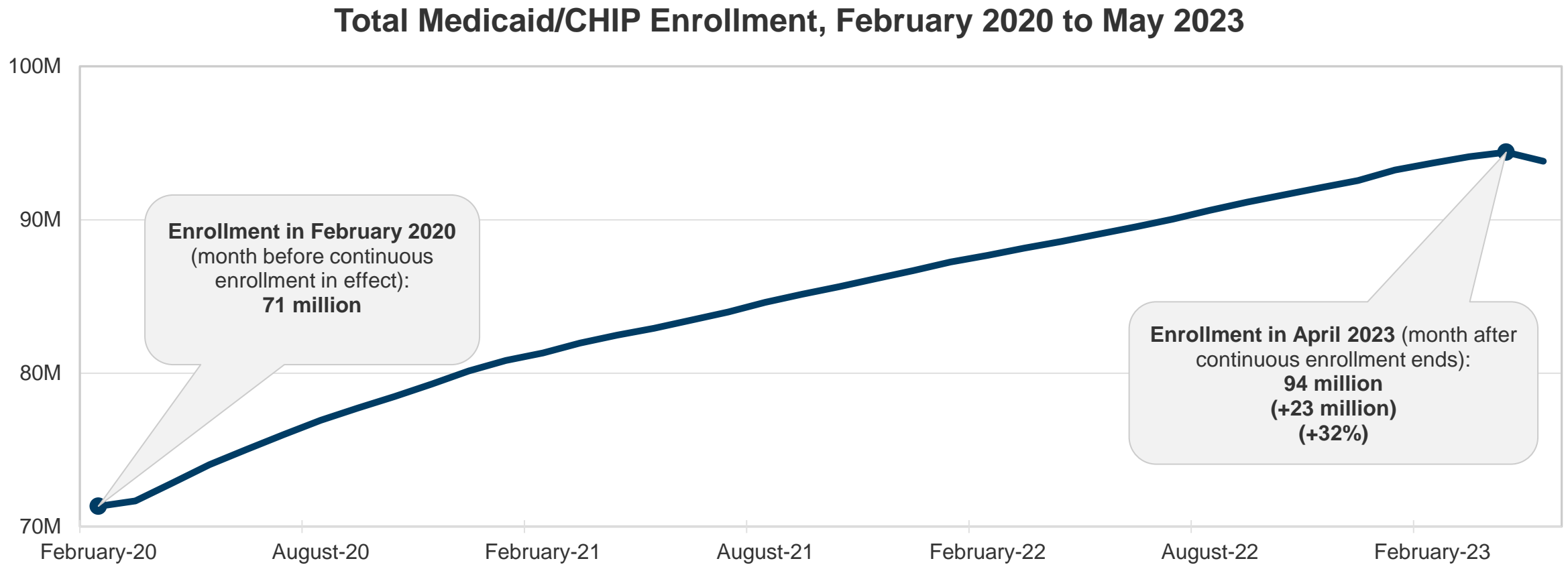
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What is the Medicaid “Unwinding”?

- During the pandemic, states were prohibited from disenrolling people from Medicaid in exchange for an increase in federal Medicaid matching payments
- The Consolidated Appropriations Act ended the continuous enrollment provision on March 31, 2023 and phases down enhanced federal matching funds through December 31, 2023
- States could resume disenrolling people from Medicaid starting April 1st
- States must meet certain requirements to continue drawing down enhanced federal funding; must also meet new reporting requirements or risk loss of federal matching funds

Figure 2

Medicaid enrollment increased during the pandemic, mostly due to the continuous enrollment provision



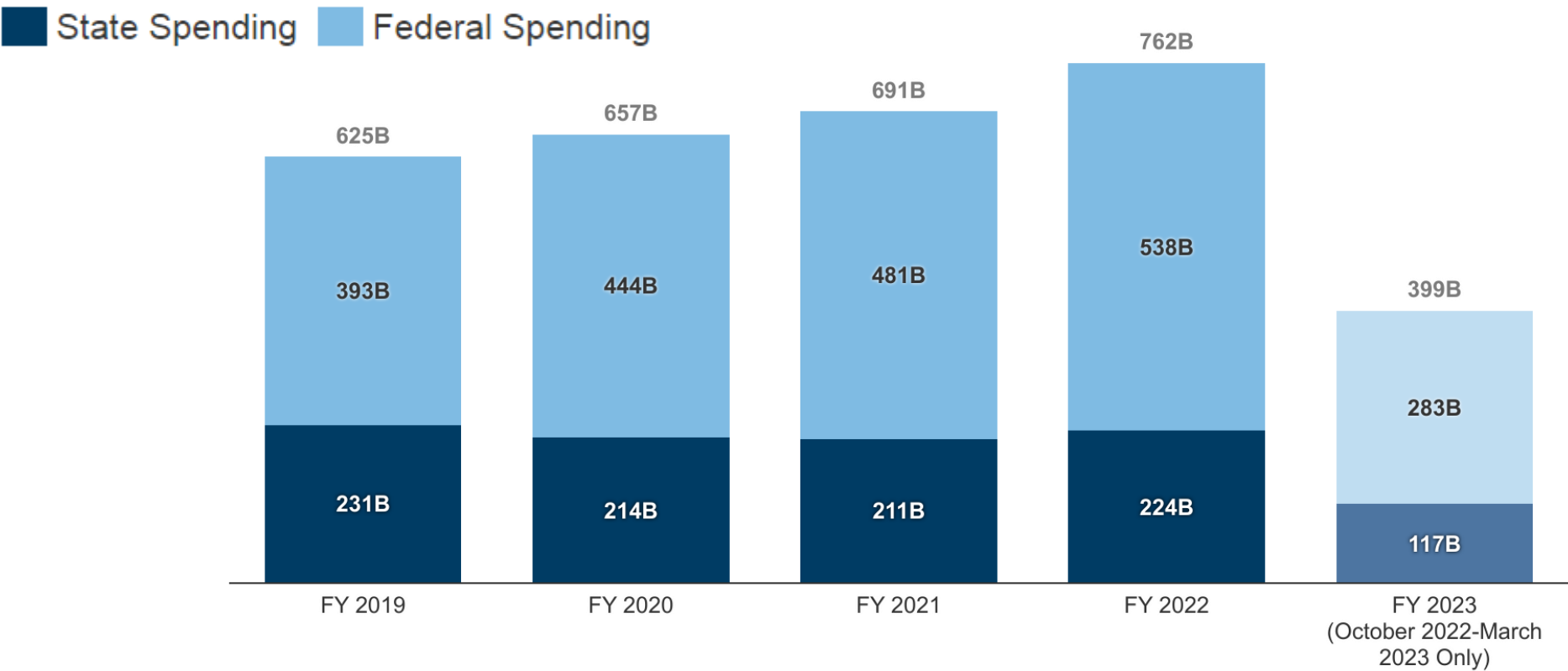
M = Millions

SOURCE: KFF analysis of CMS Performance Indicator data.

Figure 3

While enrollment increased during the continuous enrollment period, state Medicaid spending remained below FY 2019 levels.

State and Federal Medicaid Spending Since FY 2019



NOTES: FY = federal fiscal year. FY 2019-2022 spending is from CMS-64 New Adult Group Expenditures Data collected through MBES. FY 2023 is estimated only through March 2023 (when the Medicaid continuous enrollment period ended).

SOURCE: KFF estimates based on analysis of the T-MSIS Research Identifiable Files, Medicaid CMS-64 New Adult Group Expenditures Data collected through MBES, and enrollment data from prior KFF analysis. See methods of KFF’s “Fiscal Implications for Medicaid of Enhanced Federal Funding and Continuous Enrollment” for more information.

States must meet certain requirements when processing renewals during the unwinding period.

1

Maintain eligibility standards, methodologies, or procedures in effect on January 1, 2020

2

Conduct Medicaid eligibility redeterminations in accordance with all applicable federal requirements

3

Attempt to ensure enrollee contact information is up to date before redetermining eligibility

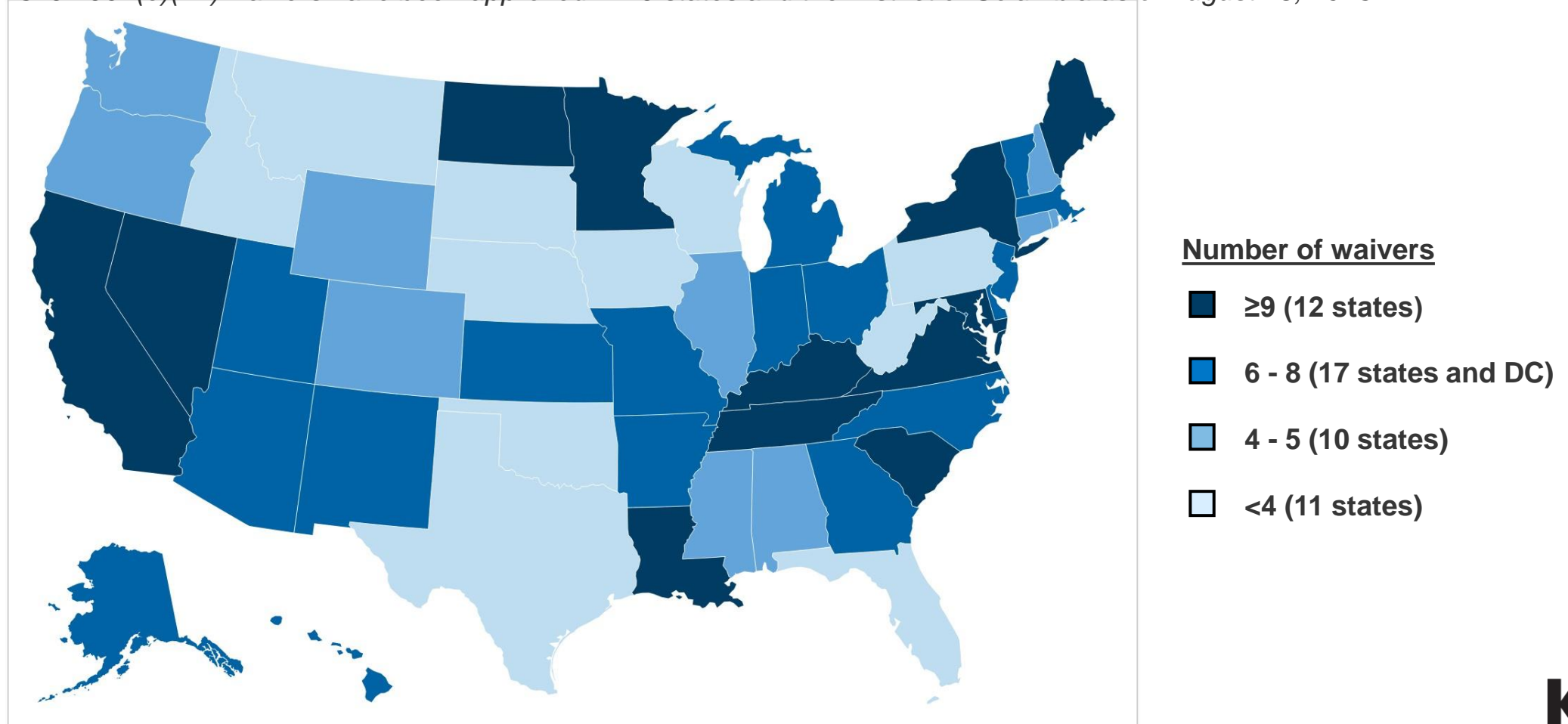
4

Make a good faith effort to contact an individual using more than one modality when mail is returned

Figure 5

Most states have taken advantage of flexibilities to streamline renewal processes during the unwinding period.

A total of 319 1902(e)(14) waivers have been approved in 49 states and the District of Columbia as of August 18, 2023.



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Source: Centers for Medicare and Medicaid Services (CMS), "COVID-19 PHE Unwinding Section 1902(e)(14)(A) Waiver Approvals"

Figure 6

States must meet monthly reporting requirements, but federal data releases lag by several months.

CMS-Specified Monthly Reporting Requirements

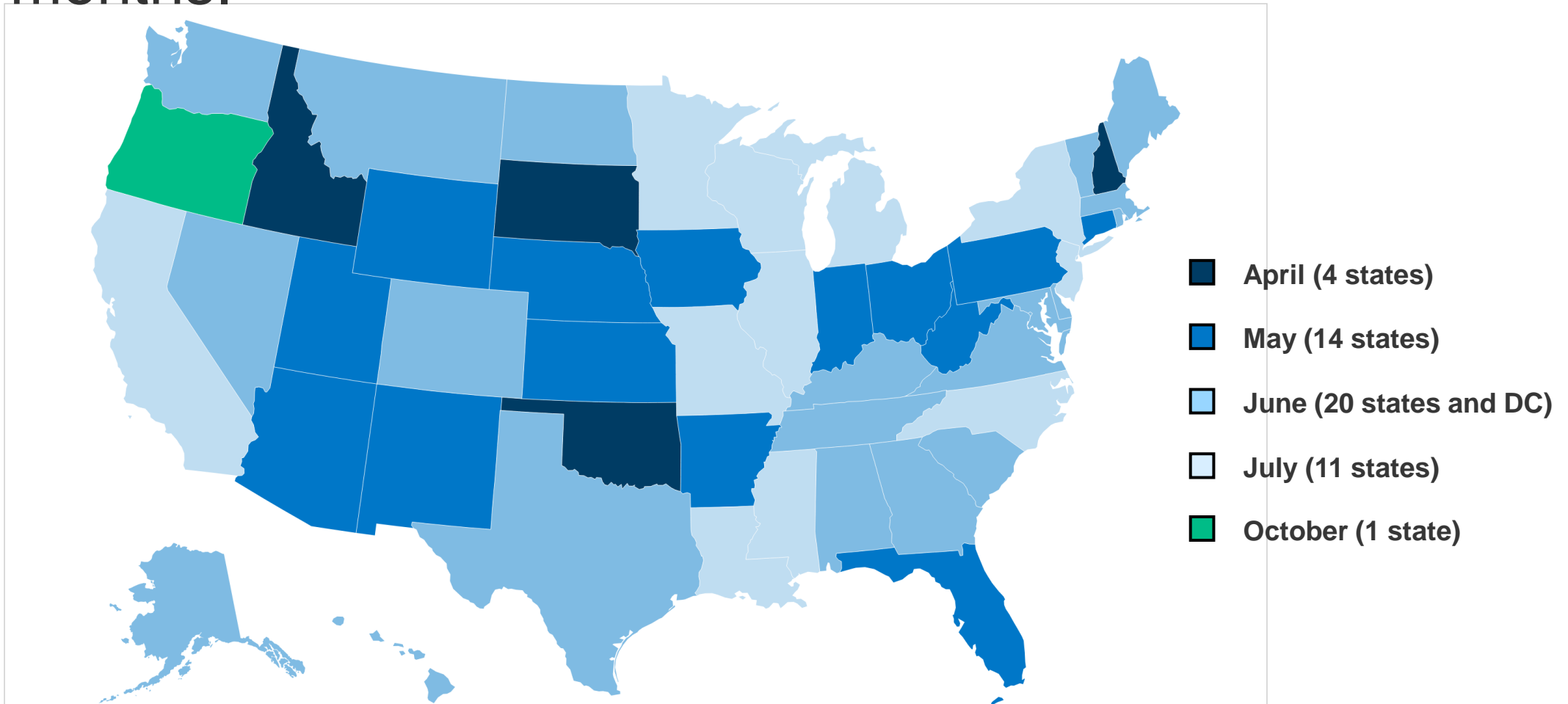
- Total applications completed and pending
- Total individuals due for a renewal in the reporting month
- Total Medicaid fair hearings pending

Monthly Reporting Requirements Mandated by Consolidated Appropriations Act

- Number of enrollees renewed on a total and ex parte basis
- Number of enrollees terminated, including those determined ineligible and disenrolled for procedural reasons
- Number of enrollees enrolled in separate CHIP program
- Number of individuals transferred to the Marketplace and number who selected a qualified health plan
- Total call center volume, average wait times, average abandonment rate

Figure 7

States began the Medicaid unwinding period in different months.

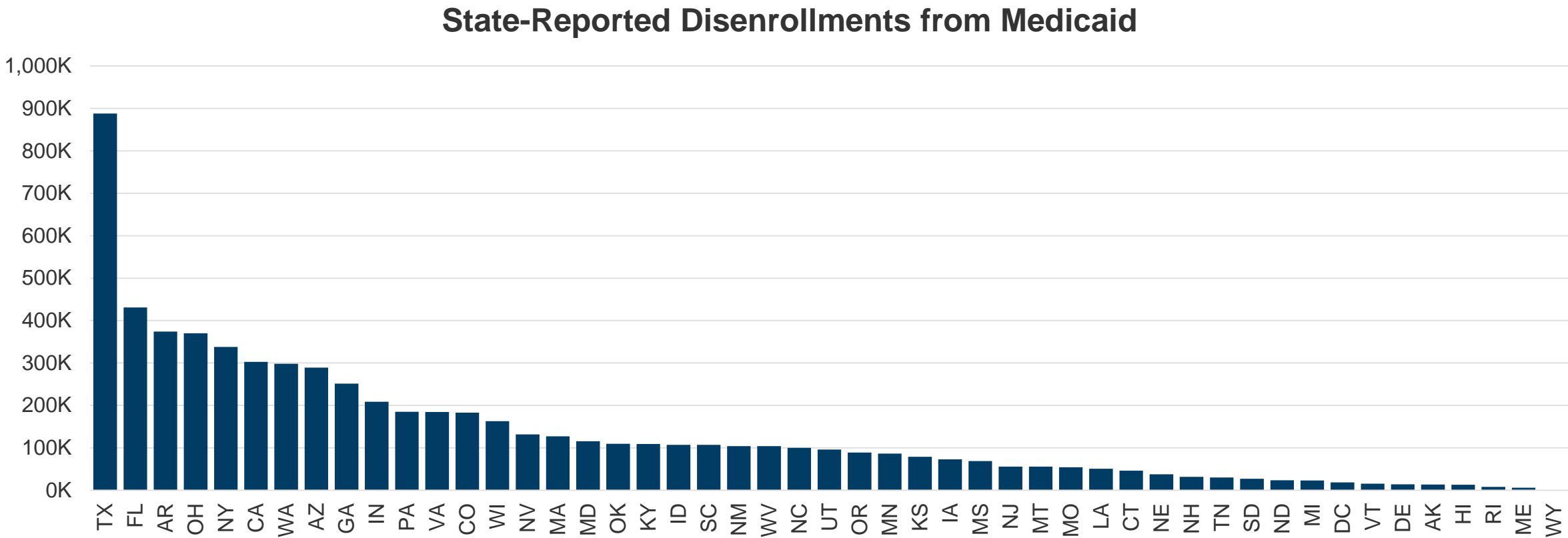


Note: These dates generally reflect the anticipated effective date for terminations for procedural reasons (e.g., not returning a renewal form). In the few states holding procedural terminations due to a CMS-approved mitigation strategy, or some other reason, the date represents terminations for the first cohort of renewals, not including those due to a procedural reason.

Source: "2023 State Timelines for Initiating Unwinding-Related Renewals as of June 29, 2023" CMS

Figure 8

At least 6.5 million people have been disenrolled from Medicaid in 49 states reporting data, as of September 15, 2023



K = Thousands. Based on the most recent state-reported unwinding data available. Time periods differ by state.
SOURCE: KFF Medicaid Enrollment and Unwinding Tracker.

Some states are prioritizing renewals for enrollees flagged as likely ineligible early in the unwinding period.

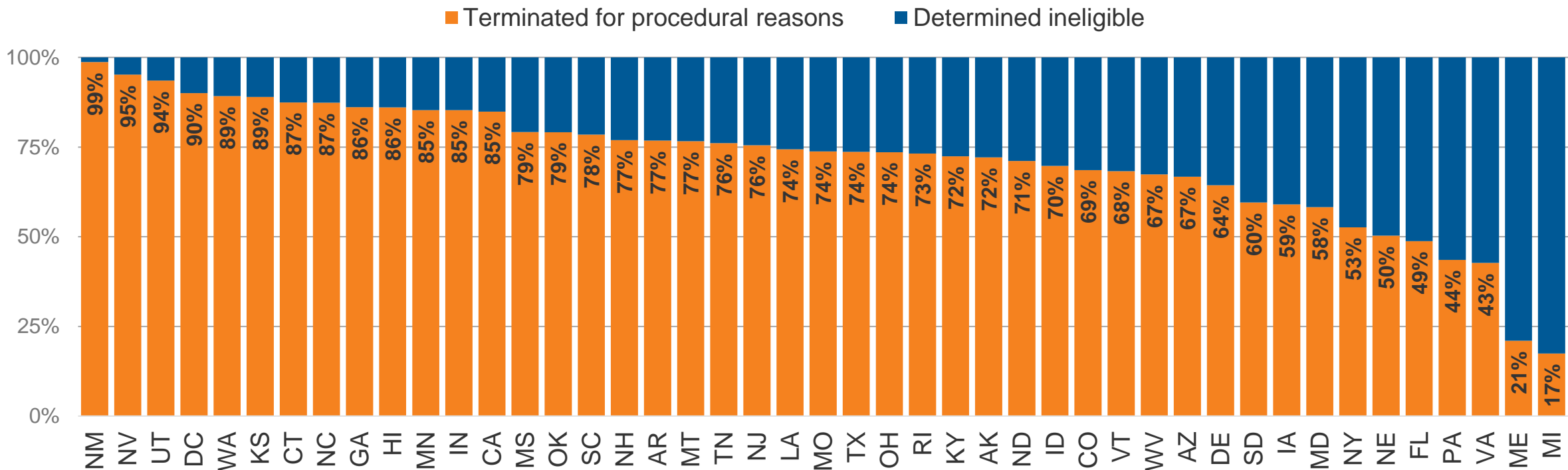


Source: CMS, 2023 State Timelines for Initiating Unwinding-Related Renewals as of June 29, 2023

Figure 10

Overall, 72% of disenrollments are due to procedural reasons, among states reporting as of September 15, 2023

Disenrollments for Procedural Reasons vs. Being Determined Ineligible as a Percent of Total Disenrolled:



Note: Based on the most recent state-reported unwinding data available. Time periods differ by state. Procedural disenrollments occur when the state cannot verify an individual's ongoing eligibility at renewal. Percentages are calculated from total disenrollments. Several states report unwinding data without information on reason for disenrollment and are not shown in this figure.

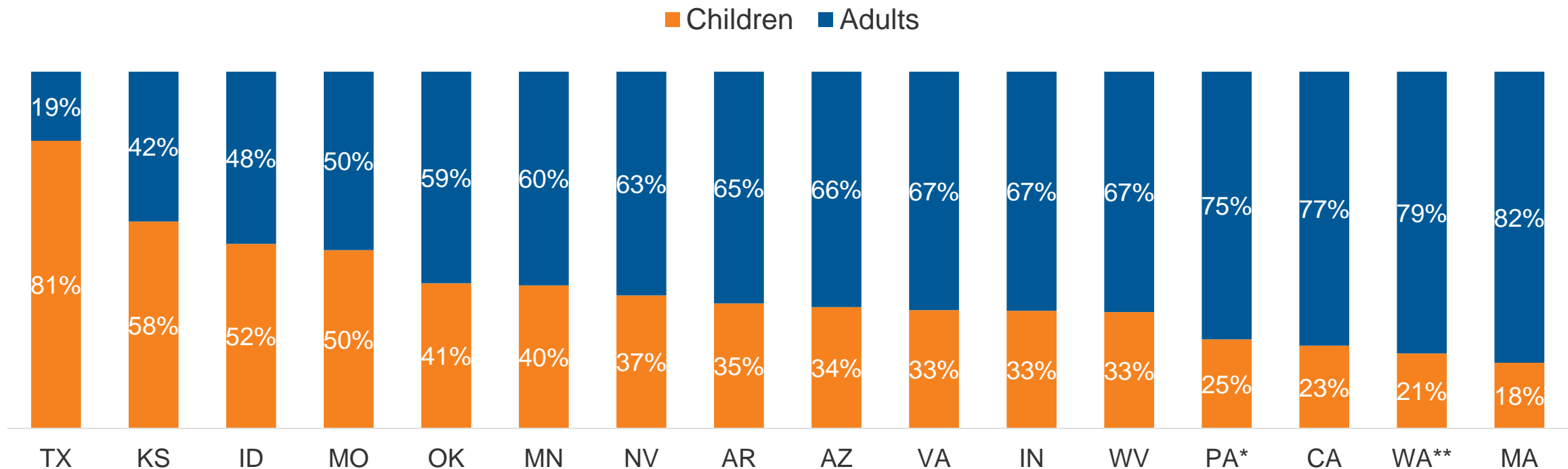
Source: KFF Analysis of State Unwinding Dashboards and Monthly Reports Submitted to CMS



Figure 11

Children account for about four in ten Medicaid disenrollments in reporting states.

Distribution of Disenrollments by Age:

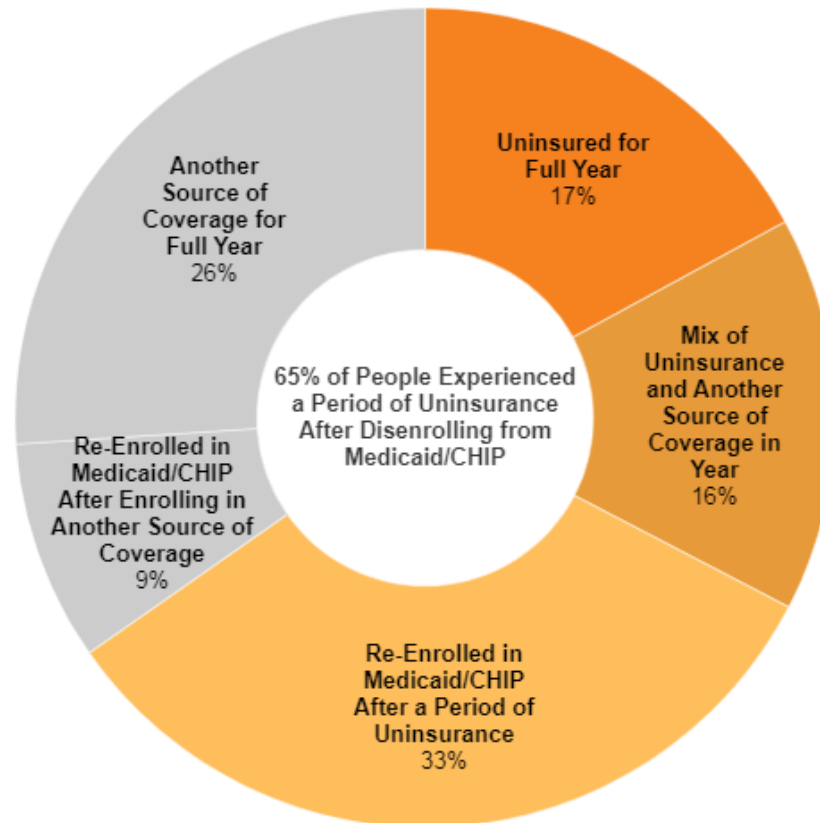


Note: Based on the most recent state-reported unwinding data available. Time periods may differ by state. States may identify children based on age or eligibility group. *Pennsylvania only reports disenrollments by age among enrollees the state has flagged as likely ineligible; **In Washington, children up to age six will be manually reinstated once the state makes system changes to align with new continuous eligibility for that group.

Source: KFF Analysis of State Unwinding Dashboards and Monthly Reports Submitted to CMS

Many people disenrolled from Medicaid will become uninsured, even if they eventually re-enroll in Medicaid or enroll in other coverage.

Health insurance coverage in the year following disenrollment from Medicaid:



NOTE: Seniors ages 65 and older excluded from the analysis. Numbers may not sum to totals due to rounding. "Another Source of Coverage" includes any type of coverage other than Medicaid/CHIP, including private or other public coverage. "Re-Enrolled in Medicaid/CHIP ("Churn") After a Period of Uninsurance" includes people who were uninsured for some or all their Medicaid/CHIP enrollment gap. Most were uninsured for all of their Medicaid/CHIP enrollment gap.

SOURCE: KFF analysis of the Medical Expenditure Panel Survey Household Component (MEPS-HC), Panels 21-23, Agency for Healthcare Research and Quality (AHRQ). [See What Happens After People Lose Medicaid Coverage?](#) for more information.

Key questions as the unwinding continues

- What additional data would help inform the implications of unwinding (e.g., data by eligibility group, race/ethnicity, how many people reenroll in Medicaid, etc.)?
- What can we learn from on the ground experiences of enrollees and other stakeholders about how unwinding is going?
- What are the biggest challenges states are facing as they process renewals?
- What will happen with CMS oversight and what actions will states take to address issues?
- What are longer-term ways to mitigate procedural disenrollments and churn?
- How will unwinding affect overall health coverage rates, particularly the uninsured rate?