

March 2022

Background

Medicaid and the Children's Health Insurance Program (CHIP) have seen significant increases in enrollment across all states since the outbreak of the COVID-19 pandemic. According to the latest data from the Centers for Medicare & Medicaid Services (CMS), total Medicaid enrollment increased by nearly 13 million (or 18%) from February 2020 through July 2021. Total Medicaid and CHIP enrollment as of July 2021 was 83.6 million.¹

The causes of this enrollment surge are twofold. One, the pandemic led to significant economic disruptions, which have historically triggered growth in Medicaid enrollment as individuals lose income and access to employer-sponsored coverage.² In April 2020—immediately following the outbreak of the pandemic—millions of Americans lost jobs and the unemployment rate jumped to nearly 15 percent, a rate not seen since the Great Depression.³ While the economy has made significant strides since then, the recovery has been bumpy at points as new COVID-19 variants emerge and other disruptions (e.g., supply chains) continue to pose challenges. Furthermore, these pandemic-related disruptions have disproportionately impacted low-income workers and people of color.⁴

The second reason for the growth in Medicaid enrollment is federal legislation passed by Congress in March 2020 aimed at shoring up state finances while also protecting health insurance coverage during the pandemic. The Families First Coronavirus Response Act (FFCRA) temporarily increased the federal share of Medicaid funding for states. As a condition of accessing this enhanced funding, states were prohibited from disenrolling individuals from Medicaid for the duration of the federal public health emergency (PHE). This so-called “continuous coverage” requirement extends from March 18, 2020 through the end of the month in which the PHE ends.⁵ Since a portion of Medicaid enrollees typically “churn” off of the program each month due to changes in circumstances (e.g., income levels, changes in household), paperwork requirements related to renewals, and other reasons, the continuous coverage requirement effectively eliminated churn, resulting in immediate increases in Medicaid enrollment.^{6,7} The PHE is currently in effect through April 16, 2022, but it is unclear whether and for how long the Biden administration plans to extend the PHE beyond that date (though the administration has indicated it will give states at least 60 days’ notice before the PHE is allowed to expire).

When the PHE ends (or if Congress acts to delink the continuous coverage requirement from the timing of the PHE), state Medicaid programs will need to redetermine eligibility for nearly all of the 84 million enrollees in the program.¹ Given the number of people whose eligibility will need to be reviewed, the task is daunting, even more so because the Medicaid agency may not have current addresses for many enrollees. Information technology (IT) systems that can help streamline the process vary widely across the country, and state Medicaid programs—like many other employers—are facing severe staff shortages. It is likely that most of the people enrolled remain eligible for Medicaid, or would qualify for Marketplace coverage, but the risk of procedural coverage losses—that is, people losing coverage not because they have been found ineligible but because of lost mail or complex paperwork—is great. Careful and collaborative planning, workarounds that address IT system issues, and flexibility from the federal government will help states mitigate the risk and preserve coverage for those who continue to be eligible.ⁱⁱ

Data is important both as states and stakeholders plan for the resumption of renewals and to track enrollment as implementation unfolds. Throughout the pandemic, Manatt Health has maintained a [state tracker](#) providing a state-level look at Medicaid enrollment trends. This tracker provides enrollment data that is both more recent and more detailed than the published CMS enrollment data. Below, we discuss key trends from the latest data available.ⁱⁱⁱ As continuous coverage “unwinds,” we will continue to track and update these data.

i President Biden's proposed “Build Back Better” legislation would have delinked the Medicaid continuous coverage provision from the federal PHE and allowed states to begin unwinding in early to mid-2022. While debate on Build Back Better is currently stalled, it is possible that Congress will enact other legislation that would end the Medicaid continuous coverage requirement.

ii CMS has provided [guidance](#) to states allowing them to take up to 12 months to complete the redetermination process.

iii This analysis relies on state data reported at varying frequencies and levels of detail; the most recent data available from some states is from November 2021. Because of the differences in reporting frequency and also differences in reporting methodologies, the enrollment numbers reported by states are not necessarily comparable across states. However, the data allow us to track trends within and across over 40 states; accordingly, our analysis focuses on state growth rates rather than aggregate figures.

Key Findings

Our analysis finds that since the beginning of the pandemic, Medicaid enrollment growth has substantially outpaced pre-COVID-19 rates of growth in the program, particularly among non-elderly, non-disabled adults. While enrollment has grown more slowly among children and aged, blind, and disabled eligibility groups, states will still need to conduct eligibility redeterminations across all of these populations once the federal PHE ends (or if the continuous coverage requirement is ended via federal legislation).

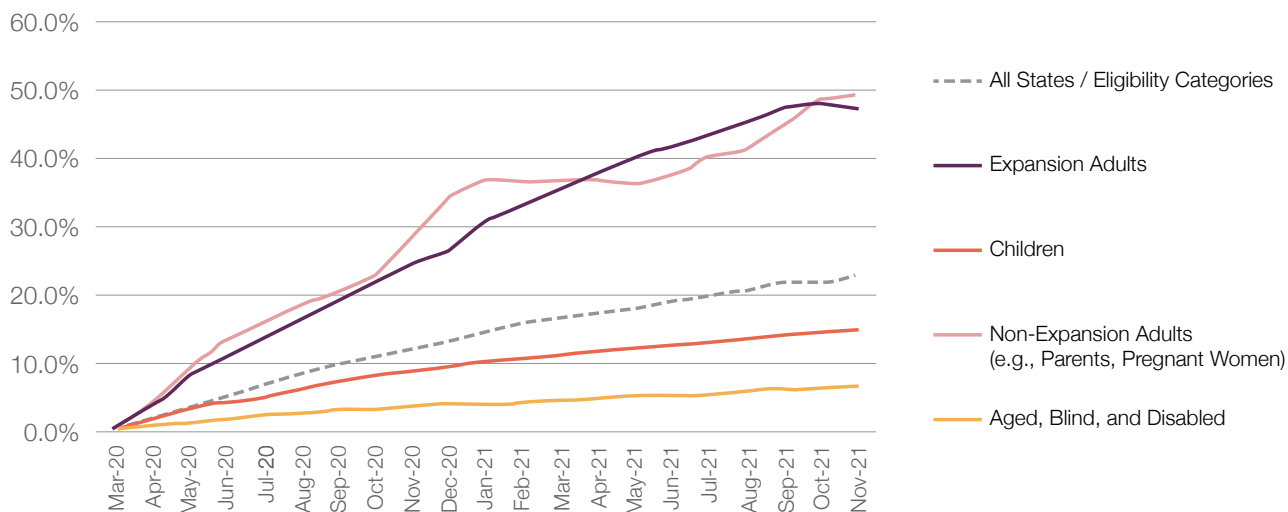
- **Surging Enrollment Across Eligibility Groups.** From February 2020 through November 2021, the median state among the 29 states with available data for that period saw total enrollment growth of 23.2 percent, with the average state seeing monthly growth well above previous levels.
 - Immediately following the outbreak of the pandemic, Medicaid and CHIP enrollment spiked, growing by nearly 2 percent from March to April of 2020.
 - Elevated growth continued through the end of 2021, though it was somewhat slower in 2021 than in 2020:
 - From February through December 2020, the median state saw growth of approximately 13 percent.
 - Through the first 11 months of 2021, growth in the median state was less than 9 percent.
 - While some states have seen significantly more elevated growth than others—Oklahoma, Utah, Nebraska, and Illinois have each experienced growth of over 40 percent^{iv}—all states in our database have seen growth of at least 13 percent since the beginning of the pandemic.
- **Expansion and Non-Expansion Adults.** Enrollment growth has been the fastest among non-elderly, non-disabled adults in nearly all states. This is likely driven by the fact that working age adults are most likely to have faced employment disruptions as a result of the pandemic. Additionally, Medicaid participation rates are generally lowest among non-elderly, non-disabled adults, leaving more room for growth during the pandemic.⁸
 - Between February 2020 and November 2021, the median expansion state saw growth in the expansion adult group of 47.3 percent.
 - This rate was substantially higher in some states, including Utah (126.7% through November 2021), Maine (92.1% through October 2021) and Indiana (67.5% through November 2021).^v
 - Growth slowed somewhat in 2021 relative to 2020 but was still elevated relative to normal times; from February through December 2020, enrollment in the median state's expansion group grew by approximately 27 percent compared to only 14 percent during the first 11 months of 2021.
 - Across all states with reported data, enrollment of non-expansion adults [i.e., parents and pregnant individuals eligible through pathways other than the Affordable Care Act (ACA) expansion] grew at a median rate of 49.4 percent from February 2020 through November 2021.
 - As of the most recent month of reported data, at least three states—Florida, Illinois, and Texas—have seen enrollment through this group double since the beginning of the pandemic.
 - Like the expansion group, growth among non-expansion adults has also slowed somewhat in 2021 (though it remains significantly elevated relative to normal times).
- **Children and Aged, Blind, and Disabled (ABD) Eligibility Groups.** Enrollment growth has been substantially slower among children and ABD eligibility categories. However, children comprise a very large share of the people whose eligibility will be renewed, and the elderly and people with disabilities could experience significant health risks if their coverage were to lapse.

^{iv} Oklahoma, Utah, and Nebraska have recently implemented Medicaid expansions, which is likely contributing to higher levels of overall enrollment growth in these states.

^v Utah and Maine are likely still experiencing natural “ramp up” of expansion group enrollment, given that both states only implemented expansion in the past several years (Maine in 2019 and Utah in 2020). This is likely contributing to higher levels of expansion enrollment growth in these states.

- Between February 2020 and November 2021, child enrollment^{vi} in the median state grew by 15.2 percent; like in other eligibility groups, monthly growth in the median state has fallen somewhat in recent months, though it remains elevated relative to pre-pandemic enrollment.
- Even with the sharp increase in adult enrollment during the pandemic, children remain the largest group of enrollees in most states; nationwide, they account for nearly half of all Medicaid and CHIP enrollees (39 million out of 84 million total enrollees).
- For ABD populations, enrollment grew by only 6.7 percent in the median state from February 2020 to November 2021, with monthly growth rates generally falling in recent months. While their enrollment has been relatively stable compared to other groups, their health needs are significant, leaving them particularly vulnerable to even short gaps in coverage.

Median Growth in State Medicaid/CHIP Enrollment, from February 2020 through November 2021



Conclusion

Our analysis indicates that Medicaid and CHIP enrollment growth has been significant since the start of the PHE. When the FFCRA continuous coverage requirement ends, either following the end of the federal PHE or via separate Congressional action, states will need to conduct redeterminations for nearly all enrollees. While CMS has provided states the option of taking up to 12 months to complete the task, given the operational challenges of redetermining nearly all Medicaid enrollees, many of whom may have moved during the pandemic, there are significant risks that eligible enrollees will lose access to coverage for administrative reasons. In preparation for unwinding, states and other stakeholders will need to closely monitor enrollment and disenrollments to ensure that eligible, low-income individuals are maintaining access to coverage.

^{vi} Including children enrolled in Medicaid and CHIP.

ENDNOTES

1. CMS. State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data. February 2021. Available here: <https://data.medicaid.gov/dataset/6165f45b-ca93-5bb5-9d06-db29c692a360/data>.
2. Medicaid and CHIP Payment and Access Commission (MACPAC). Considerations for Countercyclical Financing Adjustments in Medicaid. June 2020. Available here: <https://www.macpac.gov/wp-content/uploads/2020/06/Considerations-for-Countercyclical-Financing-Adjustments-in-Medicaid.pdf>.
3. U.S. Department of Labor Bureau of Labor Statistics. News Release: Employment Situation–April 2020. May 2020. Available here: https://www.bls.gov/news.release/archives/empsit_05082020.pdf.
4. Bateman, Nicole and Martha Ross. The Brookings Institution. The pandemic hurt low-wage workers the most—and so far, the recovery has helped them the least. July 28, 2021. Available at: <https://www.brookings.edu/research/the-pandemic-hurt-low-wage-workers-the-most-and-so-far-the-recovery-has-helped-them-the-least/#:~:text=Prior%20to%20the%20onset%20of,recovering%20at%20an%20equal%20pace>.
5. FFCRA § 6008.
6. Center on Budget and Policy Priorities. Continuous Coverage Protections in Families First Act Prevent Coverage Gaps by Reducing “Churn”. July 2020. Available here: <https://www.cbpp.org/research/health/continuous-coverage-protections-in-families-first-act-prevent-coverage-gaps-by>.
7. Kaiser Family Foundation (KFF). Analysis of Recent National Trends in Medicaid and CHIP Enrollment. July 2021. Available here: <https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicaid-and-chip-enrollment/>.
8. KFF. Medicaid/CHIP Child Participation Rates. 2013–2016. Available here: <https://www.kff.org/medicaid/state-indicator/medicaidchip-child-participation-rates/>.

Support for this issue brief was provided by the Robert Wood Johnson Foundation. The views expressed here do not necessarily reflect the views of the Foundation.

ABOUT THE ROBERT WOOD JOHNSON FOUNDATION

The Robert Wood Johnson Foundation (RWJF) is committed to improving health and health equity in the United States. In partnership with others, we are working to develop a Culture of Health rooted in equity, that provides every individual with a fair and just opportunity to thrive, no matter who they are, where they live, or how much money they make. For more information, visit www.rwjf.org. Follow the Foundation on Twitter at [www.rwjf.org/twitter](https://twitter.com/rwjf) or on Facebook at www.rwjf.org/facebook.

ABOUT STATE HEALTH AND VALUE STRATEGIES—PRINCETON UNIVERSITY SCHOOL OF PUBLIC AND INTERNATIONAL AFFAIRS

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and healthcare by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's School of Public and International Affairs. The program connects states with experts and peers to undertake healthcare transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies and brings together states with experts in the field. Learn more at www.shvs.org.

ABOUT MANATT HEALTH

This issue brief was prepared by Cindy Mann and Adam Striar. Manatt Health integrates legal and consulting expertise to better serve the complex needs of clients across the health care system. Our diverse team of more than 160 attorneys and consultants from Manatt, Phelps & Phillips, LLP and its consulting subsidiary, Manatt Health Strategies, LLC, is passionate about helping our clients advance their business interests, fulfill their missions, and lead health care into the future. For more information, visit <https://www.manatt.com/Health>.