The State of Medicaid Enrollment Approaching Continuous Coverage Unwinding

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Introduction
Since the beginning of the COVID-19 pandemic, Medicaid and Children’s Health Insurance Program (CHIP) enrollment have increased dramatically, primarily as the result of both economic disruptions and the requirement for states to maintain continuous coverage for enrollees in Medicaid and CHIP for the duration of the public health emergency (PHE). Recent federal legislation delinks the end of the Medicaid/CHIP continuous coverage requirement from the PHE, allowing states to begin redetermining eligibility as soon as February 1 and terminate coverage for individuals determined ineligible starting on April 1. This “unwinding” period presents a significant risk of coverage loss for many people, and states and other stakeholders will need robust data to track the pace and scale of enrollment losses. In the following, we discuss key findings from an analysis of state-by-state enrollment data developed by Manatt Health.

Background
Medicaid and 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), nationwide Medicaid enrollment increased by over 20 million (or 29%) from February 2020 (i.e., the month prior to the first significant pandemic-related disruptions in the United States) through October 2022. Total Medicaid and CHIP enrollment as of October 2022 was 91.5 million.1

Immediately following the outbreak of the pandemic in early 2020, Medicaid enrollment surged as public health-related restrictions led to significant job losses and millions of individuals lost access to employer-sponsored coverage. In April 2020, the unemployment rate jumped to nearly 15%, a rate not seen since the Great Depression, and the economy lost over 20 million jobs.2 Medicaid enrollment surged during this time, increasing by nearly 2.7 million, or 3.8%, from February to May of 2020.

While the pandemic is by no means over, the economy has made remarkable strides since early 2020. By August 2022, the economy had regained all jobs lost during March and April of 2020, growing by an average of 726,000 per month.3 The unemployment rate has also stabilized under 4% over the past year, in line with pre-pandemic levels.4 Despite the overall robustness of the recovery, it has been uneven across sectors, and the economic situation for low wage workers may still be lagging behind higher wage workers.5

While many Americans have benefited from the economic recovery, Medicaid enrollment has continued to grow well above historic levels for nearly three years; this is largely a result of the Medicaid/CHIP continuous coverage requirement established through the Families First Coronavirus Response Act (FFCRA). FFCRA was enacted in March 2020 and aimed to shore up state finances by temporarily increasing the federal share of Medicaid funding for states. It also aimed to protect coverage by requiring that states not disenroll individuals from Medicaid/CHIP for the duration of the COVID-19 federal PHE, as a condition of accessing enhanced federal funding. 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 composition, paperwork requirements related to renewals, and other reasons) the continuous coverage requirement effectively eliminated churn, resulting in immediate, sustained increases in Medicaid enrollment.6,7

The FFCRA continuous coverage requirement originally extended from March 18, 2020 through the end of the last month of the PHE.8 However, the requirement was amended through the Consolidated Appropriations Act, 2023 (CAA) enacted on December 29, 2022, which decoupled the continuous coverage requirement from the federal PHE and
The unwinding of continuous coverage means that state Medicaid programs will begin redetermining eligibility for nearly all of the 91 million enrollees in Medicaid/CHIP. Given the number of people whose eligibility will need to be reviewed, the task is daunting. State Medicaid agencies may not have current addresses for many enrollees, information technology (IT) systems that can help streamline the process vary widely across the country, and many state Medicaid programs 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 because of lost mail or complex paperwork—is great. In order to preserve coverage for those who continue to be eligible, states will need to carefully plan for the unwinding period and consider a range of mitigation strategies to identify and retain eligible enrollees.

Detailed enrollment data is important as states and stakeholders plan for the resumption of redeterminations and to track enrollment as the unwinding of the continuous coverage requirement 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 for the more than 40 states that have publicly available data and is more recent and more detailed than the published CMS enrollment data. Below, we discuss key trends from the latest data available. As continuous coverage “unwinds,” we will continue to track and update these data.

**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, though growth has slowed since 2020. Growth has been fastest among non-elderly, non-disabled adults but has remained elevated across all groups, including children and aged, blind, and disabled (ABD) eligibility groups. Despite these trends, children still account for a majority of Medicaid enrollees and remain vulnerable to large coverage losses during unwinding.

**Enrollment Has Grown Substantially Since Before the Pandemic**

From February 2020 through December 2022, the median state among the 24 states with available data for that period saw total enrollment growth of 30.6%, with the average state continuing to see monthly growth well above pre-pandemic levels.

- At least eight states—Colorado, Florida, Indiana, Minnesota, Missouri, Nebraska, Oklahoma, and Utah—have seen enrollment grow by at least 40% since February 2020.
- All states in our database have seen growth of at least 18% since February 2020.
- By comparison, enrollment growth was essentially flat in most states prior to the pandemic (a period of relative economic strength).

**Enrollment Growth Has Slowed Since 2020**

Enrollment spiked in early 2020 and continues to grow above pre-pandemic levels in most states, but growth rates slowed in 2021 and 2022.

- From February through December 2020, the median state saw total enrollment growth of approximately 13%.
- In 2021, annual growth in the median state was approximately 9%, with an average monthly growth rate of 0.77%.
- In 2022, the median annual growth rate slowed to 7% and the average monthly growth rate slowed to 0.60%.
Growth Fastest for Expansion and Non-Expansion Adults
Enrollment growth has been the fastest among non-elderly, non-disabled adults in nearly all states. This may be driven by the fact that working age adults are most likely to have faced employment disruptions early on in the pandemic. Additionally, pre-pandemic Medicaid participation rates were generally lowest among non-elderly, non-disabled adults, leaving more room for growth during the pandemic.\textsuperscript{15}

- Between February 2020 and December 2022, the median expansion state saw growth in the expansion adult group of 59.3%.
- This rate was substantially higher in some states: Arizona, Colorado, Indiana, Maine, Minnesota, Nevada, New Hampshire, and Virginia all saw growth of at least 70%.\textsuperscript{16}
- Growth has slowed somewhat since the beginning of the pandemic but remains significantly elevated compared to normal times. In 2020, expansion adult enrollment grew by 27% in the median state, slowing to 17% in 2021 and 11% in 2022.
- 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 expansion) grew at a similarly high rate; the median rate of growth was 58.3% from February 2020 through December 2022.
  - As of the most recent month of reported data, at least five states—Florida, Indiana, New Jersey, North Carolina, and Texas—have seen enrollment through this group more than double since the beginning of the pandemic.
  - Like the expansion group, growth among non-expansion adults has slowed somewhat in 2021 and 2022 (though it remains significantly elevated relative to normal times).

Elevated, but Slower, Growth for Children and ABD Eligibility Groups
Enrollment growth has been substantially slower among children and ABD eligibility categories but remains elevated compared to normal times. Despite slower growth rates, children comprise a very large share of the people whose eligibility will be renewed. More than one of every three children (35.9%) in the nation are covered by Medicaid, all of whom will need to have an eligibility review.\textsuperscript{17} And of course, elderly people and people with disabilities could experience significant health risks if their coverage were to lapse.

- Between February 2020 and December 2022, child enrollment in the median state grew by 19.7%; like in other eligibility groups, monthly growth in the median state has fallen somewhat in recent months but remains elevated relative to pre-pandemic times.
- 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 (41 million out of 91 million total enrollees).
- For ABD populations, enrollment grew by only 8.8% in the median state from February 2020 to December 2022, 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.
Conclusion

Our analysis indicates that Medicaid and CHIP enrollment growth has been significant since the start of the COVID-19 pandemic (though it has slowed in recent months). When the FFCRA continuous coverage requirement expires on March 31, 2023, states will need to conduct redeterminations for nearly all enrollees. CMS has provided states the option of taking up to 14 months to complete the task and Congress has extended the enhanced federal match to continue through the end of 2023 (on a phased down basis). However, given the operational challenges of redetermining nearly all Medicaid enrollees, many of whom may have moved during the pandemic, there are significant risks that enrollees will lose access to coverage for administrative reasons, not because they are found ineligible. In preparation for unwinding, much can be done to avert administrative disenrollments. Once unwinding begins, states and other stakeholders will need to closely monitor enrollments and disenrollments to ensure that eligible, low-income children and adults are maintaining access to coverage.
**ENDNOTES**


8. FFCRA § 6008.

9. CAA § 5131.

10. Under the CAA, the 6.2 percentage point federal match rate increase established under FFCRA will remain in effect for the first quarter of calendar year 2023. This increase will phase down to 5.0, 2.5, and 1.5 percentage points in each subsequent quarter, respectively.

11. CMS has provided guidance to states allowing them to take up to 14 months to complete the redetermination process.

12. This analysis relies on state data reported at varying frequencies and levels of detail; the most recent data available from some states is from December 2022. 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.

13. For the six months prior to the pandemic (September 2019 through February 2020), the median monthly change in total Medicaid enrollment across states was -0.03%.

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


16. Both Maine and Virginia implemented Medicaid expansions in 2019, which likely is still contributing to relatively fast rates of growth in the expansion group.


18. Including children enrolled in Medicaid and CHIP.

19. For more resources related to unwinding, please refer to SHVS’ one-stop resource page.
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