



Updated Analyses of Churn and Coverage Transitions

Medicaid and CHIP Payment and Access Commission

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Overview

- Background
- Prior analyses
- Effects of churn on health service use
- Transitions between public coverage programs
- Policy implications and next steps

Background

- Churn occurs when beneficiaries disenroll and re-enroll within a short period of time
 - Some churn may be due to income fluctuation
 - Some churn may be due to administrative barriers
 - Churn can result in unnecessary administrative costs for states and delayed care for beneficiaries
- Beneficiaries also experience gaps in coverage when moving from Medicaid to other health insurance programs
 - The Patient Protection and Affordable Care Act (ACA) included several policies intended to smooth transitions between Medicaid, CHIP, and exchange coverage

Prior Analyses

- MACPAC's previous analyses of 2017-2019 enrollment data in the Transformed Medicaid Statistical Information System (T-MSIS) found:
 - About 8 percent of beneficiaries disenrolled and re-enrolled within a year
 - Rates of churn were higher for Black, Hispanic, and American Indian and Alaska Native (AIAN) beneficiaries
- State policies associated with lower rates of churn:
 - 12-month continuous eligibility
 - Elimination of mid-year data checks for changes in circumstances
 - Increased use of automated renewals

Updates to Prior Analyses

- To examine the health effects associated with churn, we measured rates of hospital use related to ambulatory care sensitive conditions (ACSCs)
 - Used similar specifications as the Medicaid Adult Core Set measures
 - Useable data were available for 41 states and the District of Columbia
- To examine coverage transitions, we linked T-MSIS data with enrollment data from the federal exchange
 - 39 states use the federally facilitated marketplace or have a state-based marketplace that partners with the federal exchange
 - 35 states are included in our final analysis, excluding states with data quality concerns
- Both analyses exclude beneficiaries dually eligible for Medicare and Medicaid

Rates of Churn Excluding Transitions to Other Public Coverage, 2018

Eligibility group	Number of beneficiaries included in analysis (millions)	Share of beneficiaries who disenrolled and did not enroll in other public coverage in 2018	Share of beneficiaries who re-enrolled within 12 months
Total	31.0	21.3%	7.8%
Medicaid-covered children without disabilities (MAGI)	16.3	17.3%	7.5%
Medicaid-covered children with disabilities (Non-MAGI)	0.8	7.1%	2.6%
Separate CHIP	1.6	26.4%	7.6%
Adults under age 65	12.3	26.8%	8.5%

Notes: MAGI is modified adjusted gross income. Other public coverage includes Medicaid, CHIP, and exchange coverage. Medicaid-covered children include those enrolled in Medicaid expansion CHIP. Analysis excludes partial benefit enrollees, those eligible in a medically needy eligibility category, and beneficiaries dually eligible for Medicare and Medicaid. Analysis excludes 11 states and the District of Columbia, which have a state-based exchange, and five additional states with incomplete or unreliable T-MSIS data

Source: Mathematica, 2022, analysis for MACPAC of T-MSIS and federal exchange enrollment data

Effects of Churn on Health Service Use

- After an episode of churn, beneficiaries were more than twice as likely to be hospitalized compared to baseline rates six months prior to disenrollment for all four ACSCs
- Beneficiaries with longer gaps in coverage experienced larger percentage increases in rates of ED visits and hospitalizations
- We observed differences by race and ethnicity, but they were not consistent for all measures
 - A prior study in California that measured hospitalizations over five years found that Black and Hispanic beneficiaries had a much higher risk of hospitalization after an episode of churn than white beneficiaries

Rates of Hospitalizations for ACSCs Before and After a Gap in Medicaid Coverage, 2017-2019



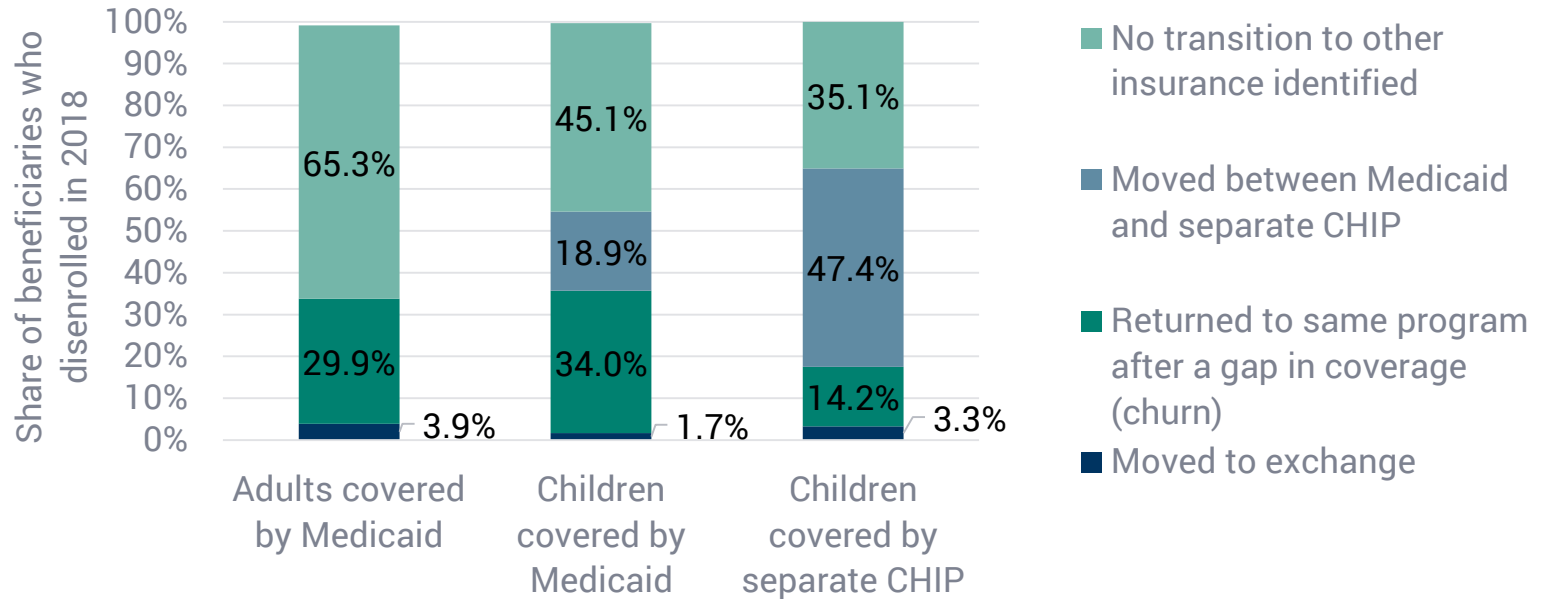
Notes: ACSCs are ambulatory care sensitive conditions. COPD is chronic obstructive pulmonary disease. Analyses limited to adults age 18 to 64 and excludes beneficiaries dually eligible for Medicare and Medicaid. Older adults defined as age 40 to 64. Younger adults defined as age 18 to 39. The analysis excludes nine states (Alabama, Florida, Kentucky, Minnesota, New Jersey, Oklahoma, Pennsylvania, Rhode Island, and Tennessee) due to concerns with data quality in 2017-2019. In three states (Arkansas, Maryland, and Wisconsin) 2017 data are excluded due to data quality concerns.

Source: Mathematica, 2022, analysis for MACPAC of T-MSIS data.

Transitions between Public Coverage Programs

- Overall, very few beneficiaries who disenrolled from Medicaid or CHIP enrolled in exchange coverage (less than 4 percent)
 - Much lower than prior estimates based on income data
 - We don't know whether some individuals who were income eligible for exchange subsidies enrolled in other private coverage
- Rates of seamless transitions varied by program
 - Medicaid to exchange transitions were most likely to have a gap in coverage, and the length of the gap was longer on average for non-white beneficiaries
 - Exchange to Medicaid transitions often overlapped for more than one month
 - Medicaid and separate CHIP transitions were common, but relatively smooth
- Analysis is limited by the fact that we do not have data on beneficiaries who are eligible for another program but do not enroll

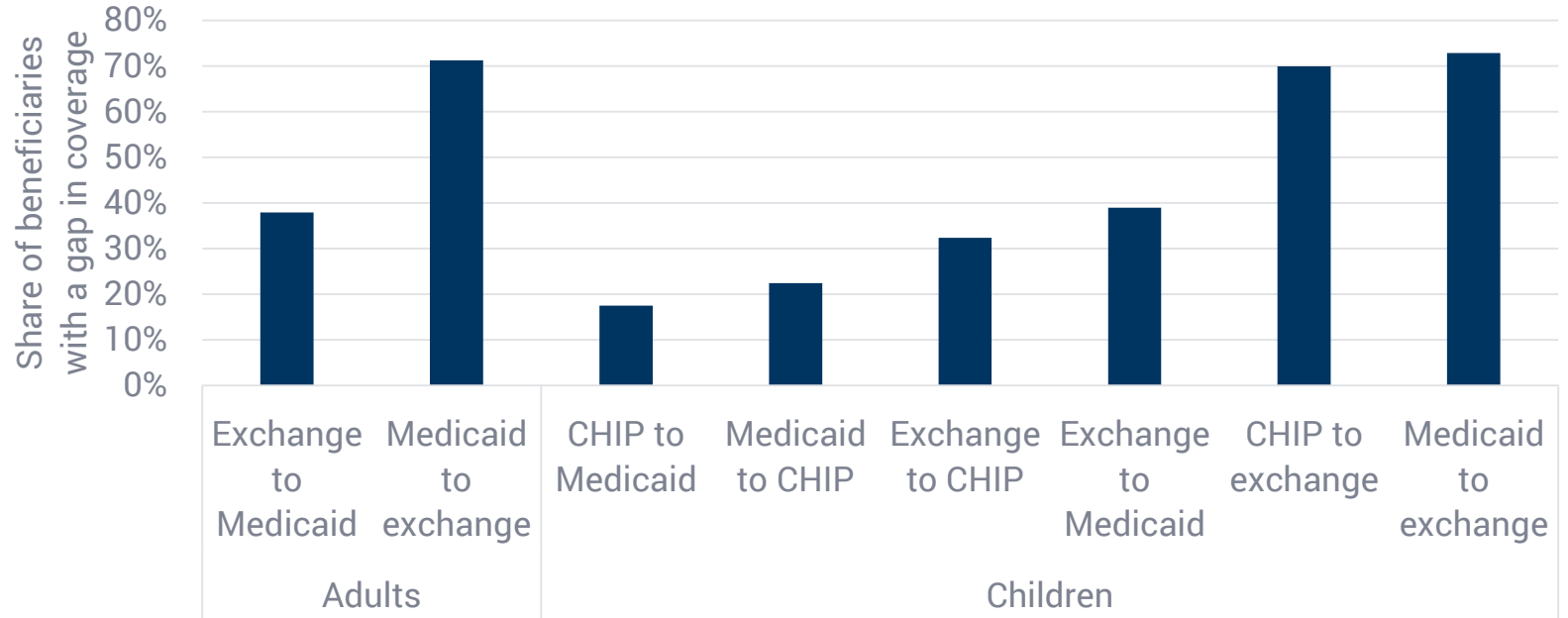
Coverage Transitions for Medicaid and CHIP Beneficiaries who Disenrolled in 2018



Notes: Medicaid children include those enrolled in Medicaid expansion CHIP. Analysis excludes partial benefit enrollees, those eligible in a medically needy eligibility category, and beneficiaries dually eligible for Medicare and Medicaid. Analysis excludes 11 states and the District of Columbia, which have a state-based exchange, and five additional states with incomplete or unreliable T-MSIS data.

Source: Mathematica, 2022, analysis of T-MSIS and federal exchange data.

Share of Beneficiaries with a Gap in Coverage when Moving Between Coverage Types, 2018



Notes: Medicaid children include those enrolled in Medicaid expansion CHIP. Analysis excludes partial benefit enrollees, those eligible in a medically needy eligibility category, and beneficiaries dually eligible for Medicare and Medicaid. Analysis excludes 11 states and the District of Columbia, which have a state-based exchange, and five additional states with incomplete or unreliable T-MSIS data.

Source: Mathematica, 2022, analysis of T-MSIS and federal exchange data.

Policy Implications and Next Steps

- This analysis is based on pre-pandemic data, but similar issues may arise when states restart eligibility determinations
 - We don't have access to real-time data to monitor transitions in coverage
- If there is Commission interest, we can explore long-term policy options to address issues of churn and coverage transitions
- The Commission may also have an opportunity to comment on a forthcoming proposed rule on eligibility and enrollment policies expected this summer

Potential Policy Approaches

- Reducing churn
 - 12-month continuous eligibility
 - Eliminating mid-year data checks for changes in circumstances
 - Increasing the use of automated renewals
- Improving transitions between public coverage programs
 - Changes to Medicaid policies that could promote a warm handoff with the exchange (e.g., better coordinating notices)
- Monitoring churn and coverage transitions
 - Using T-MSIS and other data sources to supplement the data that CMS collects to monitor eligibility and enrollment processes



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