



Medicaid and the Public Health Emergency

Medicaid and CHIP Payment and Access Commission

Martha Heberlein

July 27, 2022

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Outline

- Background
- Enrollment growth
- Fiscal implications
- State update
- Next steps

Background

- During the COVID-19 public health emergency (PHE), states receiving the 6.2 percentage point increase in federal match (FMAP) may not disenroll beneficiaries
- When the PHE ends (earliest is October 13, 2022), states will resume redeterminations
- CMS and states have been planning for unwinding for some time, but there are concerns about potential post-PHE loss of coverage

Enrollment Growth

- Between February 2020 and February 2022, enrollment in Medicaid and the State Children's Health Insurance Program (CHIP) increased by 24 percent
- The number of individuals who will disenroll at the end of the PHE is uncertain, with estimates ranging from 5 to 14 million
- Many of these individuals may be eligible for other sources of coverage and some may be disenrolled for procedural reasons

Sources: Buettgens, M and A. Green. 2022. *What will happen to Medicaid enrollees' health coverage after the public health emergency?* Washington, DC: Urban Institute; Centers for Medicare & Medicaid Services (CMS), U.S. Department of Health and Human Services. 2022. State Medicaid and CHIP applications, eligibility determination, and enrollment data; and Williams, E., R. Rudowitz, and B. Corallo. 2022. *Fiscal and enrollment implications of Medicaid continuous coverage requirement during and after the PHE ends.* Washington, DC: Kaiser Family Foundation.

Fiscal Implications

- In fiscal years 2020 through 2022, states will have received approximately \$100.4 billion due to the enhanced FMAP, more than twice the state spending on increased enrollment
 - Varies by state, ranging from about equal to state costs in New Hampshire, Nevada, and Oregon, to about 6 times state costs in Alabama and Mississippi
- State budgets
 - State revenues are performing better than expected earlier in the pandemic
 - Governors in 30 states are proposing tax decreases
- At the end of the PHE, enrollment and total spending growth will likely decline or slow and the state share of Medicaid spending will likely increase with the end of the enhanced FMAP

Sources: National Association of State Budget Officers (NASBO). 2022. *The fiscal survey of states: Spring 2022*. Washington, DC: NASBO; and Williams, E., R. Rudowitz, and B. Corallo. 2022. *Fiscal and enrollment implications of Medicaid continuous coverage requirement during and after the PHE ends*. Washington, DC: Kaiser Family Foundation.

State Update

July 27, 2022

Planning during Uncertainty

- States and stakeholders have been concerned that the uncertainty of the end of the PHE hampers the ability to plan
 - States we spoke with noted that they have had time to develop an unwinding plan, with several making broader system or process changes
- Unclear whether state unwinding plans will be available publicly, however, many states have shared their approaches with stakeholders and posted slides
- Some states and advocates have noted that starting and stopping preparation as the end date shifts consumes state resources
 - One state noted that continually notifying beneficiaries when no immediate action is needed can desensitize them to the situation

Considerations for Addressing Uncertainty

- Decoupling the end dates of the continuous coverage and FMAP provisions from the end of the PHE
 - Numerous other flexibilities, such as provider waivers, are tied to the PHE
- Additional advanced notice or giving a date certain for the unwinding would provide states more time to prepare
 - Several states noted that more than 60-days advance notice would not substantially improve preparations
 - States had mixed views on the usefulness of a date certain
- CMS resources and technical assistance have been useful and welcomed by states

Expiration of Enhanced FMAP

- Under current law and CMS policy, states will be working through the backlog of the redeterminations after the enhanced FMAP is no longer available
- There have been concerns about the fiscal implications for state budgets and whether the end of the enhanced match would encourage states to unwind quickly

Considerations in Addressing the Expiration of Enhanced FMAP

- Extending the enhanced FMAP or gradually phasing it out to allow for time to unwind
 - States we spoke with did not identify financing as a driver in their unwinding approaches
- Several states noted that ending the PHE early in the quarter would help with planning and financing
- While states we spoke with did not think extending the enhanced FMAP was necessary, they acknowledged that other states may have different needs

Next Steps

- Staff will continue to monitor CMS and state actions, with particular attention to:
 - Implementation of unwinding activities
 - Transparency of state unwinding plans
 - Available monitoring data
- September meeting panel



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