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Managing Medicaid Disenrollment

Health department reviewing who's eligible for Medicaid after federal COVID-19 restrictions end

Louisiana has started removing tens of thousands of people from the state's Medicaid program, more than 50,000 so far, either because they no longer qualify for the taxpayer financed health insurance or at least haven't proven they remain eligible.

Federal pandemic protections that forbid states from kicking most people off their Medicaid rolls have ended, and eligibility checks have resumed. The first removals in Louisiana began in July, after months of outreach efforts and advertising alerting Medicaid patients they'd need to prove they meet the requirements to continue getting the health care coverage.

The state Department of Health ousted nearly 51,000 people from its nearly \$19 billion Medicaid program on July 1, though it's unclear all those recipients were ineligible to continue receiving the services paid with federal and state tax dollars.

About three-quarters were bumped from the program for procedural reasons, largely because they failed to respond to efforts to confirm their eligibility by a June deadline, according to the health department. Many of them could eventually reenter the Medicaid program if they turn in the necessary paperwork. Some may not even know they've been removed and may only discover it when they try to access health care services through the program. People also can appeal determinations that they are no longer eligible.

Continuing Coverage

Millions of people around the country remained on state Medicaid rolls though they stopped being eligible at some point during the pandemic. A congressional aid package passed in response to COVID-19 increased federal financing for state Medicaid programs – but states that accepted the extra federal money couldn't cut coverage for Medicaid recipients unless a person asked to leave the program, moved out of state or died.

That meant people who later earned more money than the Medicaid guidelines allowed, received health insurance through an employer or no longer met other criteria for the program couldn't be bumped from coverage unless they chose to do so themselves. Before the pandemic protections, Louisiana conducted Medicaid eligibility checks at least annually.

Those federal pandemic protections expired on March 31, so [Louisiana began eligibility verification work in April](#). The health department expects the full process for reviewing the rolls to take 14 months, completed by June 2024.

More than 1.6 million people in Louisiana were enrolled in Medicaid in March 2020 at the start of the pandemic, according to state health department data. The rolls grew by nearly 448,000 people to

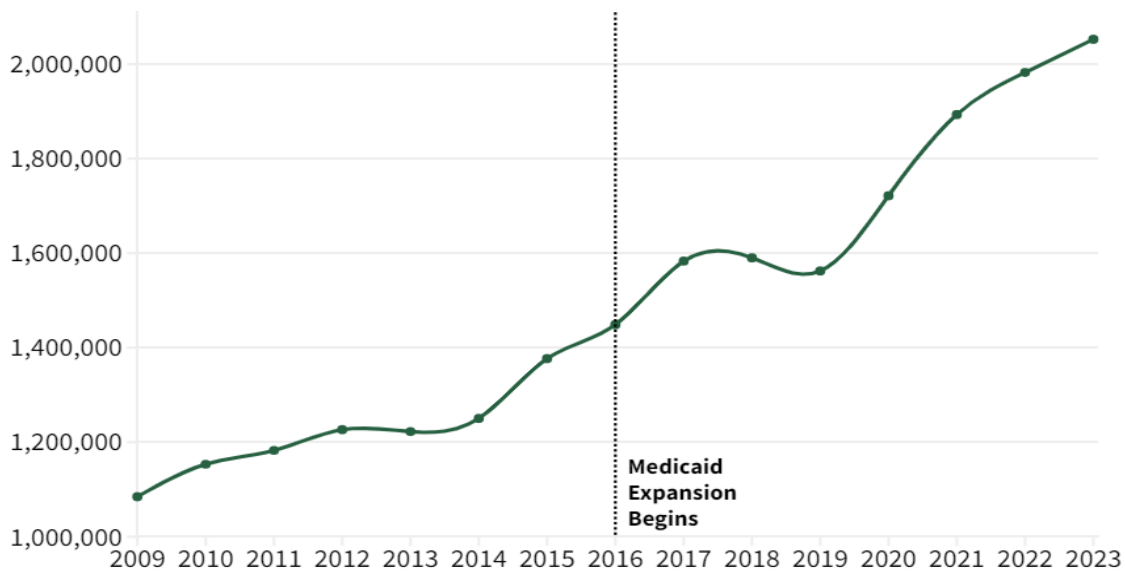
more than 2 million by June 2023, before the removals began. At that point, about 44% of the state's population received health care coverage through Medicaid.

Eligibility Checks Resume

The health department estimated the state's disenrollment work, which it calls an "unwind" of the program, will remove about 355,000 people from Medicaid. But even as people drop out of the program, others will become newly eligible and start receiving coverage, so the agency expects a net decrease of 222,000 Medicaid recipients over the disenrollment period.

States had to receive federal approval for their approach to reviewing Medicaid rolls and disenrolling people. Some states chose shorter times to do their eligibility checks.

Medicaid Enrollment



Source: Louisiana Department of Health
2009 - 2022 data is from July; 2023 data is from June

Gov. John Bel Edwards' administration said it decided on the longer review period to ensure it follows strict federal guidelines about outreach work and tries to protect coverage for those still eligible. Too many errors could risk loss of federal Medicaid money and federal penalty charges, health department leaders told lawmakers during budget hearings.

Louisiana's Department of Health budgeted \$195 million across the previous and current budget years for eligibility checks and removal work, about \$98 million of that in state cash and the rest federal dollars. The money is paying for TV and radio advertisements, billboards, postage costs for renewal

information, temporary staff, call centers, outreach work and regional contracts to help notify Medicaid enrollees of the review process, agency leaders said.

During the legislative session, some lawmakers questioned the work's cost and the length of time it will take, while others worried about the state moving too quickly and booting people from Medicaid who meet the criteria for the public insurance coverage.

The National Picture

Medicaid enrollment nationally grew by about 23 million people to nearly 95 million between the start of the pandemic and the end of the federal ban on most removals, according to the nonpartisan Kaiser Family Foundation, known as KFF, which tracks health policy issues.

The U.S. Department of Health and Human Services issued projections in 2022 that about 15 million people, or more than 17% of Medicaid enrollees, around the country would lose coverage after the pandemic restrictions ended and eligibility checks resumed. But the estimates suggested as many as 6.8 million people would be removed because of paperwork or other administrative problems even though they still meet Medicaid criteria.

Four states started removing people in April, and several states have shorter timelines than Louisiana is using. Of Louisiana's neighboring states, Arkansas began ousting people from Medicaid in May, Texas in June and Mississippi in July. Arkansas planned a six-month eligibility redetermination period while Texas planned for the work to take eight months. Mississippi is using a similar length of time as Louisiana's disenrollment effort.

Nationally, at least 3.8 million people have been disenrolled from state Medicaid programs since the eligibility checks resumed, according to [KFF data](#) that showed high percentages of those disenrolled involved paperwork reasons. That raises questions about whether those ousted from Medicaid are truly ineligible.

Louisiana used electronic data sources to determine Medicaid eligibility for about half the program's enrollees, according to the Edwards administration. But about 1 million people in the program will have to respond to health department outreach to hang onto their coverage.

How Medicaid Works

The state contracts with private companies to manage the health services of about 90% of its Medicaid patients, paying a monthly fee for each person enrolled in a health plan with the companies. At different points of the COVID-19 outbreak, state officials acknowledged Louisiana had been paying for thousands of people to remain on Medicaid who were eligible when they signed up but later stopped meeting the program criteria.

Health department officials said the extra federal Medicaid money received during the pandemic covered the cost of keeping enrolled those who became ineligible. KFF said the enhanced federal

funding actually exceeded the increased state costs nationwide for the enrollment spikes through 2022.

But that increased federal financing is ratcheting down across 2023, meaning Louisiana and other states could start having state-level costs for carrying ineligible people on the program until their review processes are complete.

Medicaid coverage is a shared cost between the states and federal government, with the federal government picking up a larger portion of the program's price tag in poorer states for most services and populations. That means Louisiana, with its high poverty rate, sees more than two-thirds of many of its program costs covered by federal dollars.

The exception involves the Medicaid expansion program authorized under the federal Affordable Care Act, which allows working-age adults with incomes up to 138% of the federal poverty level (\$34,308 for a family of three) to receive insurance coverage through Medicaid. The federal government currently covers 90% of that coverage's cost in any state that chooses to expand Medicaid, as Edwards did for Louisiana in 2016. Louisiana pays its 10% cost for the Medicaid expansion program with taxes and fees on health care organizations.

The disenrollment work is a significant shift in the Medicaid program that involves hundreds of millions of dollars and could affect the lives of hundreds of thousands of citizens. All stakeholders should do their part to reduce the chaos of the transition.

The state and health care providers must work to lower barriers, so no one is denied coverage because of paperwork or other bureaucratic problems. They should ensure people removed from Medicaid understand their rights and know of other available insurance options. Employers should work with private insurers to help those who want or need to transition to private insurance. And citizens currently on Medicaid should reach out to the health department to ensure they get a correct assessment of their eligibility.

People enrolled in Medicaid should be required to meet the criteria for receiving taxpayer financed assistance. But if handled with sensitivity, proper outreach and notice of other available options, the eligibility checks don't have to balloon Louisiana's uninsured population.

Are you or someone you know currently on Medicaid? The health department has urged Medicaid recipients to update their contact information to ensure they receive eligibility check details. For those seeking to renew their coverage, update their contact information or discuss their eligibility, they can visit www.healthy.la.gov or call Medicaid's customer service center on weekdays from 8 a.m. to 4:30 p.m. at 1-888-342-6207. In-person assistance is available at all [regional Medicaid offices](#).

If they cannot get insurance through an employer, people ineligible for Medicaid can seek coverage through the federally run marketplace created by the Affordable Care Act at www.healthcare.gov. Federal subsidies are available to many low- and middle-income families to help cover costs. The organization [Navigators for a Healthy Louisiana](#) helps people sign up for health insurance coverage by calling 1-800-435-2432 or emailing navigators@swlahec.com.