

The Medicaid Disenrollment Crisis and How it Can Be Solved

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When COVID-19 was declared a public health emergency, under the Families First Coronavirus Response Act, the federal government provided those eligible for Medicaid continuous Medicaid enrollment due to job instability and economic recession. After COVID-19 was no longer a public health emergency under the Consolidated Appropriations Act of 2023 on May 11, 2023, the federal government instituted an unwinding, or the rapid disenrollment, of continuous Medicaid coverage. Most people who were denied Medicaid under this unwinding process were eligible for Medicaid, but they were denied based on technicalities, such as paperwork issues. This article will refer to termination of coverage for people otherwise eligible for Medicaid as “procedural disenrollment.” Others were denied since their income was higher than the bar allowing someone to qualify for Medicaid, which means that their income is too high to be eligible for Medicaid, but in many instances is too low to pay for another type of healthcare insurance available to them. This situation can put people who have been denied Medicaid on an income basis in limbo, as they can’t find any other source of health care coverage. I will refer to termination of coverage based on income as “income-based disenrollment.”

The chaos of disenrollment is affecting over seven million Americans. According to the Kaiser Family Foundation (KFF), the three states, with the highest rates of Medicaid disenrollment (a mix of procedural and income-based disenrollment) are Texas (with 917,600 individuals), Florida (with 730,7000 people denied access) and California (with 511,900 people denied access). A closer look at the demographics of individuals affected nationwide also raises an alarming concern since Hispanic and Black populations are the most affected by the current disenrollment process. Within these populations, the age demographic being affected

the most is children. Hispanic children (ages 0-18) are currently the most affected demographic. These issues put people in a precarious position as the solutions to moving forward can be difficult to find.

Section 1A

The implications of the unwinding process have profoundly impacted people who relied on the Families First Coronavirus Response Act. According to the Kaiser Family Foundation (KFF), as of October 19, 2023, about 9,055,000 people have been disenrolled from Medicaid. This represents 37% of the population enrolled in Medicaid during the COVID-19 pandemic. Of those people who have been disenrolled, 75% were kicked out of the program due to procedural disenrollment. This means 5,885,250 individuals were denied Medicaid access for procedural reasons alone. Procedural disenrollment can happen due to a multitude of reasons.

One primary issue may be that most forms required to apply for Medicaid are in English, which may not be the primary language for everyone, and English fluency may be limited in certain populations. While many states have made significant efforts by offering services in 33+ languages, 19 states, such as Texas, Utah, and Rhode Island, continue to offer only their services in English. According to the Kaiser Family Foundation (KFF), the procedural problems associated with the unwinding process affect mostly underprivileged and minority communities, such as the Hispanic community, and language barriers may contribute to this disparity. What is also lacking are services offered in Braille and large print. The number of states providing services with such facilitation for blind individuals is smaller than the states offering services in various languages; only 19 out of 50 states provide forms in Braille and large print.

The second issue stems from outdated state contact information. This can lead to states being unable to help those who need assistance filling out the proper documents—the timing of when someone files for Medicaid matters as well. Applying too early or too late can risk causing the application to be denied. The same goes for submitting one’s application without a physician’s statement. NPR news has reported that this predicament is something that the Centers for Medicare and Medicaid Services (CMS) has been trying to help state governments with by setting waivers that offer a multitude of benefits, such as granting Medicaid access to those who make little to no income, assistance in filling out forms and delaying disenrollment for one month to provide states more time to reach out to an individual to provide additional assistance. While most states have used these waivers to slow the disenrollment process, two states, Florida and Montana, have chosen not to participate in using these waivers. Interestingly, Florida has one of the highest numbers of people who have been denied Medicaid. Yet, the state decided not to use the waivers that would have eased the effects of the rapid disenrollment process.

Section 1B

The second half of the disenrollment crisis stems from the fact that some people have been disenrolled because their income is higher than the maximum annual income allowed to be eligible for Medicaid. Each state has a different maximum annual income set and other requirements. According to Benefits. Gov, a website run by the U.S. government, Medicaid in Texas is granted to a person when they meet the income requirement and if one of the following conditions applies: they are pregnant, they have sole custody of a child, they are blind, they are disabled (or are the primary caretaker for a disabled relative), or if they are sixty-five years or older. Some people are forced to choose a different method to attain healthcare. For example,

some people might pursue marketplace healthcare as an alternative to Medicaid. Others might seek employment opportunities that offer healthcare coverage as part of their recruitment.

According to the Center for American Progress, the Inflation Reduction Act provides alternatives for lower to middle-income individuals by providing generous subsidies for healthcare insurance through the year 2025. People must be educated about these subsidies to ensure they have continuous coverage. People being disenrolled fall through the cracks with little understanding of how to continue their coverage. Many important resources and potential solutions are often buried within a multitude of internet searches or are not marketed as much, causing people to believe that there are no other options for them.

Section 2:

These issues have real consequences impacting people who need Medicaid. Examples include the stories of Melissa Buford and Twaniesha Boose. Ms. Buford's story is one of the many who have been impacted by income-based disenrollment, while Ms. Boose's story serves as an example of those impacted by procedural-based disenrollment. Ms. Buford, who lives in Arkansas, helps others get Medicaid coverage. In her interview with *The New York Times*, Ms. Buford talks about losing access to Medicaid coverage due to income-based disenrollment. Ms. Buford's income was slightly higher for her to be an applicant for Medicaid, which puts Ms. Buford in a precarious situation. Twaniesha Boose, also a resident of Arkansas, is an example of an individual who has been disenrolled due to procedural reasons. According to her article with *Politico*, Ms. Boose has been mailed multiple letters about her Medicaid status and the renewal process. The reason for Ms. Boose's denial lies in the paperwork difficulties, particularly relating to child support. Under the Affordable Care Act, child support should be taken from the

parent's income. Medicaid eligibility is given based on income, which means child support is not considered a factor. Errors in the application or accidental reports of child support and income combined can lead to Medicaid applications being denied. This plausible error can lead to Ms. Boose, and many others like her, being denied due to income-based disenrollment.

Both income-based disenrollment and procedural-based disenrollment originate from issues within the core of the healthcare system. There have been many opinions on this, with Senator Bernie Sanders also proposing this idea during his presidential campaign. Outside of the U.S., many countries have adopted this system. In Britain, for example, they use the National Health Service system, which pays for most out-of-pocket expenses, according to a New York Times article about universal healthcare.

Section 3

While universal healthcare is a possible solution, it would be hard to implement in the U.S. due to varying political discourse in the nation. Therefore, we must look at other solutions that are in place. There are alternatives and solutions to help those affected by procedural and income-based disenrollment. The Affordable Care Act marketplace offers subsidies and a calculator allowing users to choose between eligible subsidies. The calculator considers the user's zip code, income, and family size. The website uses the calculations and can direct the user in different ways. If the users' income is low, the website will redirect the user to apply for Medicaid. If the income is higher, the calculator links subsidies that allow users to reduce their monthly premiums drastically. Essentially, this calculator is an excellent resource for people who fall on different sides of the spectrum and can be a great solution until a more permanent solution is implemented.

The user can apply for that subsidy on the same website, or talk to an agent to sign up for it. Marketplace coverage under the Affordable Care Act is a viable option for those affected by income-based disenrollment. Marketplace healthcare is purchased through states or the federal government. Some state governments, such as California, New Jersey, and New York operate their Marketplace exchanges. For example, in Texas, small insurance businesses facilitate Marketplace healthcare. These businesses are usually given a commission or flat fee from the government. An agent can assist the potential buyer through the process and find the right coverage for the buyer.

Marketing is also crucial. While CMS has been trying to target specific areas using bright and catchy ads, there is also a need to improve the algorithm so more people can see it. CMS has been targeting popular over-the-top (OTT) platforms, but these ads should also become more commonplace during commercial breaks. The content should also be more tailored to each state. As previously discussed, marketplace coverage is different for each state. Therefore, the ads should also be more tailored to discussing these options based on what state their targeted audience is in.

States should also be more inclusive regarding language availability on Medicaid applications. Applicants might not speak English as their first language, which can cause issues while filling out the Medicaid application. This can result in improper and incomplete applications, which can delay and disenroll people from Medicaid.

While the issue surrounding Medicaid is constant, the short-term solutions will pave this crisis. Long-term solutions, such as universal healthcare, should still be discussed, but people who are being disenrolled cannot wait 10 to 15 years for a solution to arrive. Until a final solution

is enacted, the short-term solutions discussed above would, at the very least, alleviate some of the difficulties.

This article has links below that can redirect the reader to a subsidy calculator or the Medicaid application website.

LINKS FOR HELP:

General Medicaid website for Texas:

<https://www.hhs.texas.gov/services/health/medicaid-chip>

Medicaid application form:

<https://yourtexasbenefits.com/Learn/GetPaperForm> (this link includes forms in both English and Spanish)

Link to the subsidiary calculator:

<https://www.kff.org/interactive/subsidy-calculator/>

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