

# How Louisiana can keep eligible people enrolled in Medicaid as pandemic flexibilities end

By Courtney Foster

**M**ore Louisianans than ever are enrolled in Medicaid. The federal-state health program has been a vital part of the state's response to the Covid-19 pandemic, allowing people with disabilities or low incomes to have secure, stable health coverage that provides them access to medical care when they need it. Temporary changes to federal rules in response to Covid-19 have allowed Medicaid enrollees to keep their coverage until after the federal government declares an end to the Public Health Emergency (PHE).

When the PHE ends, state Medicaid programs will transition back to pre-pandemic rules that cause people to lose coverage if their earnings rise above the program's limits (\$1,482 per month for a single person) or if they fail to meet other eligibility criteria. In many cases, states will rely on a paper-based renewal process that puts many people eligible for Medicaid [at serious risk](#) of losing their coverage due to paperwork problems.<sup>1</sup> But there are several steps Louisiana can take to reduce harm to eligible recipients as the state transitions back to the pre-pandemic rules.

## HOW LOUISIANA CAN PROTECT ELIGIBLE MEDICAID ENROLLEES

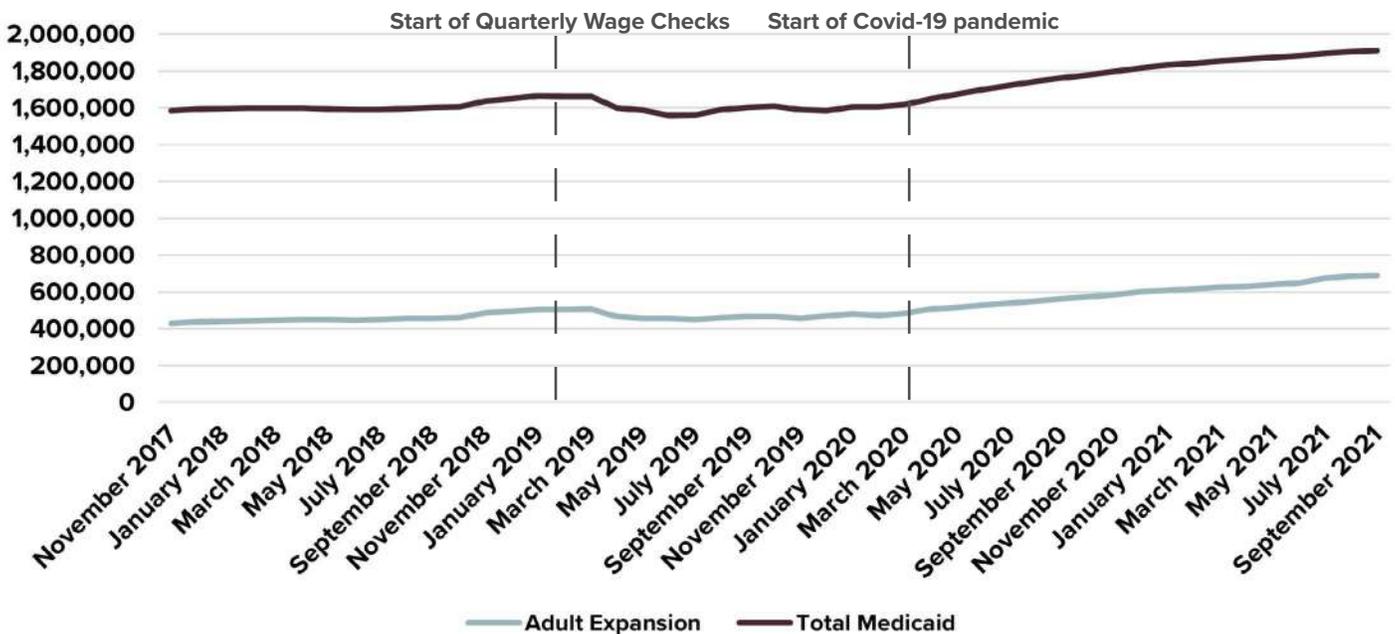
- Conduct renewals for all enrollees after the PHE ends.
- Contact Medicaid clients through multiple means of communication to ensure that their contact information is up to date.
- Communicate with stakeholders and enrollees now to plan for the end of the PHE.
- Revise Medicaid notices for clarity and directness.
- Avoid terminating Medicaid cases based on returned mail.
- Streamline coverage transitions to the healthcare Marketplace for people who are no longer eligible for Medicaid, but qualify for premium tax credits in Marketplace plans.
- Develop an effective, risk-based approach to scheduling renewals.
- Spread out the workload of enrollment reviews over 12 months once the PHE ends.

## THE PUBLIC HEALTH EMERGENCY AND COVID-19 FLEXIBILITIES

In March 2020, with Covid-19 causing immense strains on our health system and forcing millions of people out of work, Congress included an [important two-pronged provision related to Medicaid](#) in the Families First Coronavirus Relief Act (Families First).<sup>2</sup> That provision [temporarily increased](#) the federal share of states' Medicaid costs by 6.2 percentage points, which helped to stabilize state budgets and to offset the costs to states of responding to the pandemic.<sup>3</sup> In return for the higher match, Congress required states to keep people enrolled in Medicaid throughout the duration of the federal PHE. We don't yet know when the PHE will end. But when it does, the enhanced federal funding will end and Louisiana will resume administering renewals and re-assessing eligibility for the 40% of our state's residents who are enrolled in Medicaid. The [federal government has issued new guidance](#) for states to return to normal Medicaid eligibility determinations once the PHE and its continuous coverage provision end.<sup>4</sup>

Because Medicaid is means-tested, people naturally cycle on and off the program as their financial circumstances change. The loss of a job may make someone newly eligible for Medicaid coverage, while a pay raise could make them newly ineligible. In normal times, [a large portion](#) of Medicaid disenrollments each month are the result of procedural reasons - for example, when mail sent to clients is not returned.<sup>5</sup> Coverage loss and "churn" [as a result of procedural barriers is costly and often preventable](#), and results in [thousands of families](#) and individuals each year being cut off from health coverage.<sup>6</sup> Churn also costs Louisiana's Medicaid agency additional time and resources to re-enroll eligible people when they reapply. The continuous coverage provision in the Families First Act eliminated the usual churn of Medicaid recipients by requiring that states keep all Medicaid recipients covered throughout the Public Health Emergency.

### LOUISIANA MEDICAID ENROLLMENT



Source: Louisiana Department of Health

Louisiana Budget Project | [labudget.org](http://labudget.org)

NOTE: Since the continuous coverage provision took effect in March 2020, Louisiana's Medicaid enrollment has increased as more people became income eligible for coverage and as new Medicaid rules kept Medicaid enrollees in the program unless they asked to exit, they moved out of state, or they died. In the prior year, Louisiana Medicaid enrollment fluctuated significantly, largely due to implementation of the quarterly wage check process, where large numbers of Medicaid recipients were dis-enrolled for procedural reasons.

## MILLIONS WILL BE AFFECTED BY HOW THE STATE RETURNS TO NORMAL OPERATIONS

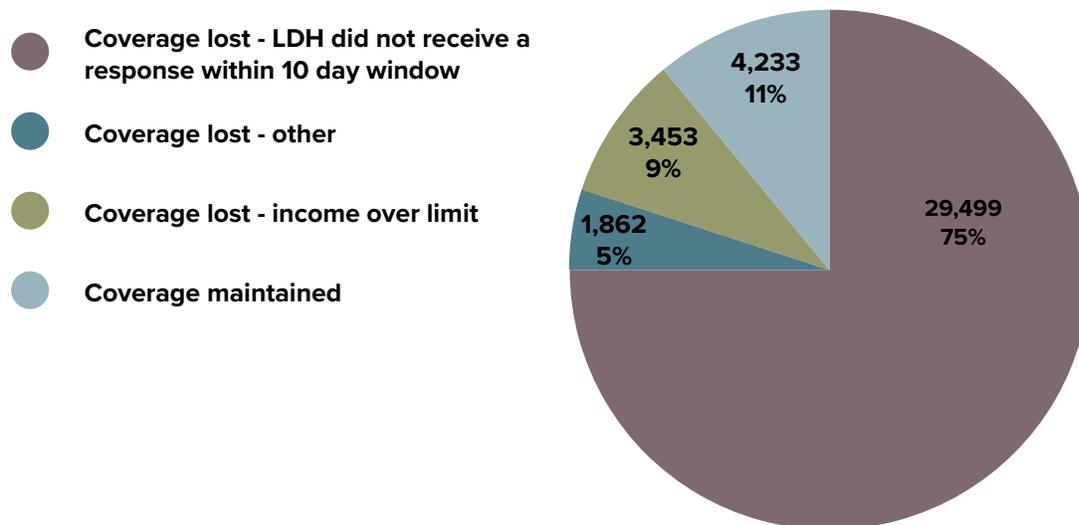
Even before the pandemic, Medicaid was a critical part of Louisiana’s health infrastructure: [One in 3 Louisianans received coverage](#) through the program before the pandemic began.<sup>7</sup> During Covid-19, Medicaid enrollment grew even further, with the program now covering 40% of all people in Louisiana as of September 2021—a total of [1.9 million](#) people.<sup>8</sup>

There are several factors that explain this growth. Some of the increase is due to higher levels of need due to the pandemic, when hundreds of thousands of Louisianans lost their jobs and their employer-provided health coverage. Some other proportion of the increase is due to the continuous coverage provision of the Families First Act, which had two effects that increased the state’s Medicaid rolls:

1. It maintained coverage for some people who would otherwise have lost eligibility when their incomes rose above the program’s eligibility threshold; and
2. It stopped eligible people from losing their coverage due to paperwork reasons, as happened frequently in the quarterly wage check process in place before the pandemic.

### PAPERWORK PROBLEMS LED TO MASSIVE COVERAGE LOSSES BEFORE THE PANDEMIC

#### OUTCOMES OF FEBRUARY 2019 MEDICAID QUARTERLY WAGE CHECKS



Source: Medicaid Quarterly Wage Check Process Report, Louisiana Department of Health Sept. 2019

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NOTE: Almost 30,000 Louisianans lost their Medicaid coverage during the state’s first quarterly wage check, conducted in February 2019. The vast majority of these case closures occurred because the Louisiana Department of Health did not receive a response from an enrollee within 10-days of the date the request for information was printed. In the chart above, the “Coverage Maintained” category includes 65 people who transferred from Medicaid expansion coverage to coverage through a new program. The chart also excludes 265 people who received requests for information from LDH but whose coverage status was pending at the time data were reported.

When the PHE ends, the state will return to normal Medicaid operations by resuming eligibility checks and renewals. Communicating clearly about what people will need to do to keep their coverage will be essential to ensure people do not lose their access to health care by misinterpreting a notice or forgetting to respond to a piece of mail. [Multiple studies](#) have found that confusion about the terms of continuity of Medicaid coverage leads enrolled participants to forgo or delay medical care.<sup>9</sup>

It is important that Louisiana accurately redetermine eligibility for Medicaid coverage once the PHE ends. This means not only that the Louisiana Department of Health must screen out ineligible people,

but also that the department must avoid screening out people who are eligible for Medicaid coverage. To avoid jeopardizing access to medical care for people with limited financial resources, Louisiana must act now to put policies and processes in place that will reduce the risk that eligible people will lose coverage.

## FEDERAL GUIDANCE ON THE TRANSITION TO POST-COVID-19 MEDICAID OPERATIONS

Federal Medicaid rules provide the framework for state Medicaid programs, but within that framework, states have flexibility to make their own rules and decisions. [Guidance issued in December 2020 by the federal Center for Medicare and Medicaid Services](#) (CMS) gave states only six months after the PHE ended to catch up on renewals and eligibility redeterminations and return to normal operations.<sup>10</sup> In order to make that timeline feasible, states were given the option to start assessing enrollees' eligibility six months before the end of the PHE.

In practice, this guidance proved difficult for states to administer for two reasons:

1. The public health emergency is ongoing, with no announced end date. While the [Biden Administration later told states](#) that the PHE would continue at least through the end of 2021, the original guidance still left state Medicaid agencies guessing about when they would have to return to normal operations; and
2. The six-month window before the end of the PHE allowed states to make eligibility determinations based on data about employment and wages that could be up to a year out of date.<sup>11</sup>

[New guidance published in August by CMS](#) extended the timeframe to return to normal operation from six months to a full year after the PHE expires, and eliminated the option of closing Medicaid cases based on outdated information.<sup>12</sup> Because of this extension, states will have time to check eligibility for all enrollees using more current data. The new guidance also requires states to redetermine eligibility for all enrollees after the PHE ends. This means that anyone who was determined ineligible during the PHE must have another redetermination based on more accurate data that will reflect their current situation.

This new guidance gives states a critical window to make important changes to their eligibility procedures and to communicate with clients. But that window won't stay open forever. Louisiana must act now to ensure that eligible people don't lose their health coverage after the PHE ends.

## WHAT LOUISIANA CAN DO TO PROTECT ELIGIBLE MEDICAID ENROLLEES

Louisiana can take several proactive steps to reduce harm to eligible Medicaid recipients while using state resources efficiently as it transitions back to normal operations post-Covid-19:

- **Conduct renewals for all enrollees.** The [new CMS guidance provides](#) that states must conduct [fresh renewals for all enrollees](#) after the PHE ends to determine who still qualifies for the program based on their Modified Adjusted Gross Income or other eligibility factors.<sup>13</sup> After the PHE, Louisiana should conduct full renewals for enrollees due for review to evaluate their current eligibility - first by checking their eligibility using available data sources; and then, if the enrollee's coverage eligibility can't be confirmed using available data, sending renewal packets and allowing 30 days for the enrollee to respond.<sup>14</sup>
- **Update contact information for Medicaid clients.** Many Medicaid clients may have moved or lost housing since their initial Medicaid application. This is a particular concern in Louisiana, which has had [significantly more federally declared disasters during the pandemic](#) than any other state.<sup>15</sup> The health department should continue to update mailing addresses using available data, and

also attempt to contact enrollees by texting, calling, and emailing. [Code for America's 2018-19 texting pilot](#) showed a 56% improvement in responses to LDH wage check letters. A similar texting campaign can prompt people covered by Medicaid to update their contact information, helping to decrease unnecessary terminations for non-responses to letters after the PHE ends.

- **Communicate with stakeholders and enrollees now to plan for the end of the PHE.** Engaging with stakeholders such as providers, community-based organizations, assisters, managed-care organizations, and enrollees on what to expect when the PHE ends can increase the odds that people covered by Medicaid will open and respond to renewal packets sent by mail.
- **Revise Medicaid notices for clarity and directness.** Notices to clients should be written in plain language, clearly explain the actions they need to take in order to maintain coverage, and should be accessible in the language the client speaks.
- **Avoid terminating Medicaid cases based on returned mail.** When renewal notices are returned as undeliverable, LDH should make additional attempts to contact clients via email, texting, and calling. CMS has shared [additional strategies](#) on mitigating inappropriate coverage loss resulting from returned mail.
- **Streamline coverage transitions to the Marketplace.** The Urban Institute estimates that about [one-third of adults who lose Medicaid coverage will be eligible for plans in the federal Marketplace](#). Streamlining transitions from Medicaid to these heavily subsidized health plans Marketplace will be essential for keeping Louisianans covered when they earn enough that they no longer qualify for Medicaid, but don't have access to affordable coverage through their employer. Anyone found ineligible should be adequately informed about and connected to other coverage options.

Many options for the transition to normal Medicaid rules not only protect Louisianans who get health coverage through Medicaid, but also help the Department of Health use state resources efficiently and balance out what could otherwise be an overwhelming agency workload.

- **Develop an effective risk-based approach to scheduling renewals.** Because so many Medicaid enrollees will be due for a renewal when the PHE ends, Louisiana's Medicaid agency will need to make choices about which cases to renew first. An effective risk-based approach would prioritize action on cases that are likely no longer eligible for the program, such as people who have aged out of an eligibility category, while protecting access for those who are likely to remain eligible.
- **Spread out the workload of enrollment reviews over 12 months once the PHE ends.** States have the flexibility to stagger case actions over the course of 12 months after the end of the PHE. Using the full 12 months allotted will allow the agency to manage its large workload and to answer client questions, give partners and stakeholders time to help enrollees complete the process, and spread out annual renewal dates for future years.

Medicaid coverage lets children see the doctor for regular check ups, and lets adults stay current on their prescriptions. For Louisianans with chronic illnesses and for those who can't afford an emergency trip to the hospital, Medicaid is a critical lifeline. Medicaid has been a pillar of Louisiana's response to the pandemic. When the public health emergency ends, no one should have to lose their health coverage because of bureaucratic problems. As the state plans for life after Covid-19, Louisiana should take steps now to ensure eligible people keep their coverage, and that others successfully transition to other affordable forms of coverage.

## NOTES

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2. Dolan et al., “Medicaid Maintenance of Eligibility (MOE) Requirements.”
3. Roussel, “Medicaid Provision Provides an Important Step toward Stabilizing State Budgets amid COVID-19.”
4. Tsai, “Updated Guidance Related to Planning for the Resumption of Normal State Medicaid, Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Operations Upon Conclusion of the COVID-19 Public Health Emergency.”
5. Louisiana Department of Health, “Medicaid Quarterly Wage Check Process.”
6. Rosenbaum, “Lessons Churned”; Ruff and Fishman, “The Return of Churn.”
7. “Understanding Medicaid in Louisiana.”
8. “Enrollment Trends September 2021.”
9. E. Allen et al., “Barriers to Care and Healthcare Utilization among the Publicly Insured.”
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10. “Planning for the Resumption of Normal State Medicaid, Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Operations Upon Conclusion of the COVID-19 Public Health Emergency.”
11. Cochran, “Public Health Emergency Message to Governors.”
12. Tsai, “Updated Guidance Related to Planning for the Resumption of Normal State Medicaid, Children’s Health Insurance Program (CHIP), and Basic Health Program (BHP) Operations Upon Conclusion of the COVID-19 Public Health Emergency.”
13. “CMCS All State Call Webinar September 14, 2021.”
14. In processing cases due for review as renewals, Louisiana would attempt to renew eligibility based on electronic data, and then send a pre-populated renewal form if needed. Enrollees would then have 30 days to complete and submit the renewal form. Those who do not return their renewal forms would subsequently have 90 days to re-enroll without needing to submit a new application. This process provides better protections from procedural terminations than a data match with a 10 day return process.
15. Plyer et al., “Pandemic to Prosperity: South”
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17. “Ensuring Continuity of Coverage and Preventing Inappropriate Terminations for Eligible Medicaid and CHIP Beneficiaries: Part 2.”

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