

## What's Happening to Medicaid Coverage Now?

Medicaid was authorized in 1965 to help some low-income people have access to medical care. Initially, it helped only low-income children, pregnant people and seniors. The Affordable Care Act (ACA) of 2010 allowed states to expand Medicaid coverage. In the states that chose to expand Medicaid, people between the ages of 19-64 whose income is less than 138% of the poverty level, and pregnant women whose income is less than 200% of the poverty level were eligible for Medicaid. Currently, forty states and the District of Columbia have chosen to expand Medicaid; ten states have declined.

Kentucky expanded Medicaid in 2014. Before the pandemic, nearly 1.5 million (1 in 3 Kentuckians) were covered by Medicaid. In March 2020, shortly after the onset of the pandemic, Congress passed the Family First Coronavirus Response Act. This law allowed persons to remain covered by Medicaid without having to prove they were still eligible. Congress recognized that the pandemic was likely to decrease jobs and employer-provided insurance at a time when people were more likely to have health issues due to coronavirus.

In Kentucky, roughly 400,000 more people became covered. This law also helped to prevent “churning”, which is where people temporarily lose coverage, but are then reinstated within a relatively brief period. This would often happen due to a temporary increase in income which made them ineligible for Medicaid coverage. This could also be caused by various administrative issues. In addition to allowing people to have continuous coverage, the law also provided extra resources to states to help offset the extra costs. States received 6.2% more in federal support for Medicaid recipients. This resulted in an additional \$1.7 billion for healthcare in the Commonwealth of Kentucky.

On April 30, 2023, the rule suspending the process of verifying eligibility expired (the “Medicaid unwind.”) States have up to 12 months to enact the new changes. However, some states are choosing to unwind the program within 6 months. Already nineteen states have started to remove people from their Medicaid rolls. Often these people are still eligible, but a procedural error has prevented them from maintaining their coverage. In April 2023, two hundred and fifty thousand people lost their Medicaid coverage in Florida. 82% of them were still eligible, but procedural issues caused them to be removed. For example, many people moved during the pandemic, so current addresses may not have been accurate. People who have limited English skills are at more risk of losing coverage. Other vulnerable populations include Black adults and children.

It is estimated that with the rollback, nearly 15 million people will lose access to Medicaid, including over 5 million children. In Kentucky during the pandemic, 1.7 million recipients needed to take no action to remain on Medicaid coverage. With the Medicaid Unwind, 250,000 Kentuckians will now have to act to continue coverage. Some who are over 65 or disabled will be moved to Medicare. Others whose income is more than 138% of the poverty line will be eligible to apply for coverage through the ACA Marketplace (kynect in Kentucky) if they do not have the option of employer-sponsored coverage.

Not only will the lack of coverage affect access to medical care by people who no longer qualify for Medicaid, these changes are occurring at a time when Disproportionate Share Hospital (DSH) money is being decreased by \$8 billion nationally. DSH funds were allocated to underwrite the cost of hospitals who care for a higher-than-average proportion of uninsured patients. With the implementation of the ACA, it was thought that DSH money would no longer be necessary, as most patients would be insured. Since this is no longer the case, rural hospitals and urban safety net hospitals will be vulnerable. A safety net hospital is a facility whose patients largely are poor, underprivileged or minority group members who

generally lack health care insurance. The loss of DSH funding could force rural and safety net hospitals to close. In the past 2-3 years, roughly 200 safety net hospitals have already closed.

The expansion of Medicaid during the pandemic meant that 92% of people had some form of health coverage, the highest ever in the U.S. Ending the continuous enrollment program for Medicaid will likely increase the uninsured population. This will have negative effects on both individual and population health, as well as the economic stability of clinics and hospitals.

This negative impact can be countered by grassroots organizing efforts to re-enroll patients whose paperwork is not up to date. It also can be countered by political efforts to strengthen the DSH program to subsidize rural and urban safety net hospitals. Or better yet, the issues related to healthcare coverage could be eliminated if everyone simply had health care coverage from birth until death. Not only would health improve, providers would no longer suffer the economic consequences of uncompensated care.

Learn more:

Nearly 250,00 Kentuckians Covered by Medicaid will Need to Take Action to Stay Covered.

<https://kypolicy.org/kentucky-medicaid-maintenance-of-effort/>

The Things to Know About the Unwinding of the Medicaid Continuous Enrollment Provision.

<https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-the-unwinding-of-the-medicaid-continuous-enrollment-provision/>

Medicaid Has Responded Quickly to Covid-19, Congress Should Boost Support.

<https://kypolicy.org/medicaid-has-responded-quickly-to-covid-19-congress-should-boost-support/>

Hospitals Would See Medicaid Funds Slashed if Hill Fails to Act. <https://news.bloombeclaw.com/health-law-and-business/hospitals-would-see-medicaid-funds-slashed-if-hill-fails-to-act/>

Hundreds of Thousands Have Lost Medicaid Coverage Since Pandemic Protections Expired.

<https://www.nytimes.com/2023/05/26/us/politics/medicaid-coverage-pandemic-loss.html?searchResultPosition+1/>

Analysis of Recent National Trends in Medicaid and CHIP Enrollment. <https://www.kff.org/coronavirus-covid-19/issue-brief/analysis-of-recent-national-trends-in-medicaid-and-chip-enrollment/>

Why are Medicaid enrollment rates going to drop and how many people could it impact?

<https://usafact.org/articles/why-are-medicaid-enrollment-rates-going-to-drop-and-how-many-people-could-it-impact/>

In some states, hundreds of thousands dropped from Medicaid. <https://www.npr.org/sections/health-shots/2023/05/24/1177973604/in-some-states-hundreds-of-thousands-dropped-from-medicaid/>