FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

Rapid Increases in Medicaid Enrollment: A Review of Data from Six Months

In May, Families USA analyzed early trends in Medicaid enrollment related to COVID-19.[1] That analysis highlighted states with early spikes in enrollment in the wake of the pandemic. Not surprisingly, an updated review of this data shows even more states seeing large increases throughout the summer. While there is wide variation among states, we observed continuous increases of month-over-month enrollment across the 39 states analyzed, with the eight states reporting August enrollment numbers showing big jumps in that month.

Over half of the 39 states reporting monthly enrollment through May or later have seen greater than 7% growth in enrollment since February. For the eight states reporting August enrollment, their average enrollment growth since February is approximately 11%. Based on these trends and the continued loss of job-based coverage reflected in weekly new unemployment claims, it is clear that many states are likely to see even more growth in Medicaid enrollment in the coming months, putting significant financial pressure on state Medicaid programs. Without increased federal financial support, states will be forced to absorb these unanticipated Medicaid costs during a time of great state budget uncertainty. The continued and stable operation of Medicaid depends on Congress acting to provide states with critical fiscal relief by further enhancing the temporary federal medical assistance percentage (FMAP) for Medicaid.

Medicaid Is Providing Comprehensive Coverage during COVID-19

During the COVID-19 pandemic, Medicaid is working exactly as it was designed to work, ensuring that coverage is available when an economic or health care crisis arises. At a time when millions of Americans have lost their jobs and their job-based coverage,[2] Medicaid is there to provide comprehensive coverage. While Medicaid is a very efficient coverage option for states, Medicaid enrollment increases of the magnitude documented in this analysis can cause a significant strain on state resources. In March, Congress passed the Families First Coronavirus Response Act, which provided a temporary 6.2% increase in the FMAP match rate and helped states cover some of their increased costs. However, states have made clear that the 6.2% increase is not enough given state revenue shortfalls of 20% or more and Medicaid enrollment

During the COVID-19 pandemic, Medicaid is working exactly as it was designed to work, ensuring that coverage is available when an economic or health care crisis arises.

increases now exceeding 10% on average.[3] As Congress considers additional proposals in response to the COVID-19 crisis, it is critical that higher FMAP rates for Medicaid and other flexible state fiscal relief funding are at the top of the list. This federal relief funding could help prevent devastating cuts that would otherwise be required as a result of significant state budget shortfalls.

Six Months of Data Highlight Major Medicaid Enrollment Increases

Tables 1 and 2 (pages 5 and 6, respectively) highlight the dramatic increases in Medicaid enrollment across states — particularly in June, July, and August. Our 28-state analysis in May showed enrollment increases ranging from 3% to 10%, but subsequent data show that enrollment has continued to grow, ranging from 3% to 17% (among 35 of the 39 states analyzed).[4] August data, which is available for only eight states so far, show an average increase of over 11% since February. To understand how extraordinary these Medicaid enrollment increases are, consider enrollment numbers from the same time last year. Between February 2019 and August 2019, among all states, Medicaid enrollment averaged a decrease of 0.69%, and no state had more than a 2.1% increase (excluding Virginia and Utah, which were in the midst of implementing the Affordable Care Act Medicaid expansion).[5]

August data, which is available for only eight states so far, show an average increase of over 11% since February.

Continuous Coverage Requirement Contributes to Enrollment Increases, but Doesn't Explain Large Increases

A provision of the Families First Coronavirus Response Act prevents states from terminating Medicaid coverage for any beneficiary (in most circumstances) during the public health emergency. This provision, often referred to as a "continuous coverage" requirement, reduces administrative barriers like annual eligibility checks that often cause Medicaid-eligible individuals to lose coverage even though they would almost certainly qualify to maintain their eligibility. Continuous coverage is a critical tool to ensure eligible individuals maintain access to care, especially important during a public health crisis.

The Medicaid enrollment increases laid out in this analysis are in large part the result of individuals losing their job-based coverage and, to a lesser extent, the implementation of the Families First Coronavirus Response Act requirement that prohibits states from disenrolling currently eligible enrollees. Some observers suggest the continuous coverage provision is the main driver of the enrollment increases documented here. However, the data shown in Tables 1 and 2 appear to paint a different picture. The massive enrollment increases in states like Kentucky (17.17%), Minnesota (14.52%), Utah (13.7%), Missouri (12.9%), and North Carolina (12.82%) are unlikely the result of continuous coverage requirements alone.

As detailed in Tables 1 and 2, we know how much normal disenrollments from Medicaid drive total enrollment levels. Increases in coverage due to keeping people enrolled should be similar in magnitude to decreases in enrollment prior to 2020 due to state annual eligibility redeterminations. States can lose a lot of enrollees at redetermination

but not typically as many people as are reflected in the increases laid out in this analysis. Even in recent periods of large state enrollment declines related to disenrollment, states do not normally lose 10% or more of their Medicaid program enrollment in six months. This means that increases of that size are unlikely to be driven by a requirement pausing disenrollments of existing enrollees. From 2017 to 2018, several states had high and deeply concerning disenrollment rates that were tied to new aggressive eligibility documentation requirements that decreased national Medicaid enrollment by millions.[6] Even during that period, however, no state had disenrollment rates greater than 10% over the entire year. Yet today states are seeing enrollment increases well over 10% since February of this year. At a time when very few people are seeing substantially increased work income and most federal emergency relief does not count for Medicaid income determinations, we would not expect to see large-scale loss of Medicaid eligibility at redetermination. While there are certainly a number of Medicaid-eligible individuals who have been able to maintain their coverage because of the Families First Coronavirus Response Act provision, the continuous coverage requirement does not explain the enrollment increases over 10% and is certainly not the sole or even primary driver of these increases.

Kentucky's Enhanced Outreach Helping More Enroll in Medicaid

Kentucky's unemployment insurance (UI) agency works closely with the Medicaid agency to help streamline the process for individuals to apply for health coverage. For example, the UI agency provides the Medicaid agency with contact information for UI claimants. Using this information, the Medicaid agency reaches out to the applicants via email, encouraging them to complete a simple form and enroll in Medicaid. When someone opens the message but does not complete enrollment, the Medicaid agency calls that person and takes an application over the phone. This type of enhanced outreach activity helps ensure more individuals are aware of their Medicaid eligibility and sign up for coverage.

Medicaid Enrollment Likely Will Continue to Increase Dramatically

While states are seeing major increases in enrollment, especially when compared with budget projections from before the COVID-19 crisis, there are still millions of newly Medicaid-eligible individuals who have not enrolled in the program. Medicaid enrollment among the 39 states reporting has already increased by nearly 4.4 million people and is poised to increase much more in the near future. Analysis by Health Management Associates projects that up to 27 million people will lose their job-based insurance this year and that Medicaid will see an increase in enrollment of up to 18 million people by the end of 2020, depending on the severity of the economic downturn.[7] Individuals who lose health insurance often don't know their coverage options, and navigating the Medicaid eligibility process can be difficult. Kentucky, the state with the highest percentage increase of Medicaid enrollment since February, has demonstrated the power of streamlining its outreach and enrollment process to help maximize the use of the Medicaid program (see sidebar on page 3). Over the coming months, other states will likely have enrollment increases similar to Kentucky's.

As more unemployed individuals look for ways to replace their lost employer coverage, we anticipate that Medicaid enrollment numbers will continue to grow.

As Congress discusses opportunities to address the current economic and health crisis that faces our country, an effective and efficient approach would focus on the Medicaid program

Congress Must Support States in Their Response to the COVID-19 Crisis

As Congress discusses opportunities to address the current economic and health crisis that faces our country, an effective and efficient approach would focus on the Medicaid program. The economic recession related to COVID-19 is leading to massive decreases in state revenue and increases in state expenses, such as more families using Medicaid and other state income-based programs. This leaves states with serious budget shortfalls that will likely require major cutbacks that will harm people and devastate the economy.

In order for new COVID-19 response legislation to prevent state and local actions that undermine congressional efforts to protect the economy, it must address federal fiscal relief, including two key components:

1. A significant further increase in FMAP rates for Medicaid, with robust maintenance of effort **requirements that ensure that families who are eligible for Medicaid are able to keep their coverage** and with funding assured for the duration of the economic downturn.
2. Flexible funding for states to offset major revenue losses and cost increases triggered by the recession, such as the governors' proposal for a $500 billion state emergency relief fund.

Congress has the chance to make these two key investments in states as an efficient and fiscally responsible way to address the economic recovery during the pandemic.

For more information on Families USA's recommendations for a comprehensive federal COVID-19 response, go here for our legislative priorities and policy analysis.

Table 1. Cumulative Monthly Medicaid Enrollment Increases since February

	February to March 2020	February to April 2020	February to May 2020	February to June 2020	February to July 2020	February to August 2020
	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)
Alaska	0.0%	1.9%	3.2%	4.6%	5.1%	-
Arizona	0.2%	2.5%	4.3%	6.3%	7.6%	8.9%
Arkansas	0.2%	0.5%	3.1%	5.4%	6.2%	-
California	0.0%	0.2%	1.2%	2.2%	-	-
Colorado	-0.3%	2.2%	5.1%	7.0%	8.7%	-
Connecticut	0.0%	1.6%	3.0%	3.6%	4.8%	-
District of Columbia	0.7%	1.6%	2.2%	2.8%	-	-
Florida	-0.3%	3.9%	7.7%	9.8%	11.6%	-
Illinois*	0.2%	1.2%	2.2%	5.3%	9.5%	-
Indiana	1.9%	5.1%	8.0%	10.0%	11.8%	-
Iowa*	0.0%	2.1%	4.5%	5.9%	7.1%	8.4%
Kansas	0.6%	2.8%	4.9%	6.2%	7.8%	-
Kentucky	0.4%	4.2%	8.1%	10.3%	14.3%	17.2%
Maine	1.6%	4.3%	6.4%	8.1%	-	-
Maryland*	1.4%	2.4%	3.8%	4.8%	6.2%	-
Michigan	0.4%	1.1%	2.1%	-	-	-
Minnesota*	0.9%	4.6%	8.4%	10.8%	12.8%	14.5%
Mississippi	-0.1%	-0.5%	2.7%	3.9%	4.9%	-
Missouri	1.5%	6.5%	8.8%	10.8%	12.9%	-
Montana	-0.7%	0.8%	0.8%	-	-	-
Nebraska*	-0.1%	-1.0%	3.3%	5.2%	6.8%	-
Nevada	0.4%	4.1%	6.9%	9.4%	11.4%	-
New Hampshire	0.3%	4.6%	6.7%	8.1%	9.7%	-
New Jersey	0.1%	2.5%	3.7%	5.3%	7.0%	-
New Mexico	0.1%	1.5%	2.8%	3.7%	-	-
New York*	0.0%	1.5%	4.2%	7.5%	9.5%	-
North Carolina	-0.2%	1.7%	3.4%	4.6%	6.0%	12.8%

	February to March 2020	February to April 2020	February to May 2020	February to June 2020	February to July 2020	February to August 2020
	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)	(Percentage Change)
Ohio	0.5%	4.7%	6.0%	7.2%	-	-
Oklahoma	2.9%	4.6%	6.1%	10.2%	11.7%	-
Oregon	0.6%	1.4%	4.8%	6.4%	7.9%	9.3%
Pennsylvania	0.4%	2.2%	3.8%	5.1%	-	-
South Dakota**	-0.4%	0.9%	2.3%	3.9%	5.4%	-
Tennessee	0.0%	-0.5%	0.7%	1.9%	3.0%	-
Texas	0.2%	3.5%	6.0%	9.0%	-	-
Utah	0.2%	5.2%	7.32%	9.0%	13.7%	-
Virginia	0.5%	1.7%	5.1%	6.5%	8.0%	9.4%
Washington	0.5%	1.4%	2.3%	3.4%	4.3%	-
West Virginia	-0.5%	1.1%	3.0%	4.1%	5.3%	6.3%
Wisconsin	0.1%	3.7%	6.1%	7.9%	9.6%	-

*Managed care or Oregon's Coordinated Care Organization enrollment data. Figures do not include fee-for-service enrollment data.

**The state refers to the data as "eligibility data." It is unclear if this is different than enrollment data.

Table 2. States with Highest Cumulative Enrollment Increases since February, Based on Most Recent Month of Available Data

	Most Recent Month for Which Data Is Available	Percentage Change (February to Most Recent Month)	Change in Number of Enrollees (February to Most Recent Month)
Kentucky	August	17.2%	226,012
Minnesota*	August	14.5%	132,503
Utah	July	13.7%	42,568
Missouri	July	12.9%	109,772
North Carolina	August	12.8%	265,588
Indiana	July	11.8%	171,025
Oklahoma	July	11.7%	92,126
Florida	July	11.6%	436,957

	Most Recent Month for Which Data Is Available	Percentage Change (February to Most Recent Month)	Change in Number of Enrollees (February to Most Recent Month)
Nevada	July	11.4%	73,300
New Hampshire	July	9.7%	17,269
Wisconsin	July	9.6%	114,301
Illinois*	July	9.5%	207,187
New York*	July	9.5%	396,393
Virginia	August	9.4%	141,828
Oregon	August	9.3%	99,456
Texas	June	9.0%	346,864
Arizona	August	8.9%	166,357
Colorado	July	8.7%	103,989
Iowa*	August	8.4%	51,973
Maine	June	8.1%	21,270
Kansas	July	7.8%	31,686
Ohio	June	7.2%	199,235
New Jersey	July	7.0%	30,579
Nebraska*	July	6.8%	17,269
West Virginia	August	6.3%	32,205
Arkansas	June	6.2%	55,285
Maryland*	July	6.2%	73,997
South Dakota**	July	5.4%	6,209
Alaska	July	5.1%	11,334
Pennsylvania	June	5.1%	145,703
Mississippi	July	4.9%	35,125
Connecticut	July	4.8%	40,652
Washington	July	4.3%	78,273
New Mexico	June	3.7%	30,579
Tennessee	July	3.0%	42,928
District of Columbia	June	2.8%	7,035
California	June	2.2%	275,648
Michigan	May	2.1%	36,406
Montana	May	0.8%	1,089
TOTAL			**4,367,975**

*Managed care or Oregon's Coordinated Care Organization enrollment data. Figures do not include fee-for-service enrollment data.

**The state refers to the data as "eligibility data." It is unclear if this is different than enrollment data.

Endnotes

[1] Joe Weissfeld, Lee Taylor-Penn, and Eliot Fishman, "Early State Trends Signal Massive Surge in Medicaid Enrollment Related to COVID-19," Families USA, May 2020, https://familiesusa.org/wp-content/uploads/2020/05/MCD_Early-Trends-in-COVID-and-Surge-in-Medicaid_Fact-Sheet.pdf.

[2] Stan Dorn, "The COVID-19 Pandemic and Resulting Economic Crash Have Caused

the Greatest Health Insurance Losses in American History," Families USA, revised July 17, 2020, https://familiesusa.org/wp-content/uploads/2020/07/COV-254_Coverage-Loss_Report_7-17-20.pdf.

[3] National Governors Association, "Organizations' Letter Advocating for Enhanced Federal Medicaid Match," July 10, 2020, https://www.nga.org/policy-communications/organizations-letter-advocating-for-enhanced-federal-medicaid-match/.

[4] Joe Weissfeld, Lee Taylor-Penn, and Eliot Fishman, "Early State Trends Signal Massive Surge in Medicaid Enrollment Related to COVID-19," Families USA, May 2020, https://familiesusa.org/wp-content/uploads/2020/05/MCD_Early-Trends-in-COVID-and-Surge-in-Medicaid_Fact-Sheet.pdf.

[5] Families USA analysis based on Centers for Medicare and Medicaid Services (CMS) monthly enrollment data.

[6] Emmett Ruff and Eliot Fishman, "The Return of Churn: State Paperwork Barriers Caused More Than 1.5 Million Low-Income People to Lose Their Medicaid Coverage in 2018," Families USA, April 2019, https://familiesusa.org/wp-content/uploads/2019/09/Return_of_Churn_Analysis.pdf.

[7] Health Management Associates, "COVID-19 Impact on Medicaid, Marketplace, and the Uninsured," May 2020, https://www.healthmanagement.com/wp-content/uploads/HMA-Updated-Estimates-of-COVID-Impact-on-Health-Insurance-Coverage-May-2020.pdf.

This publication was written by:
Joe Weissfeld, Director of Medicaid Initiatives, Families USA

The following Families USA staff contributed to the preparation of this material (listed alphabetically):
Addie Abdel Jawad, Oral Health Intern
Kimberly Alleyne, Senior Director, Communications
Justin Charles, Digital Media Associate
Nichole Edralin, Senior Manager, Design and Publications
Eliot Fishman, Senior Director of Health Policy
Frederick Isasi, Executive Director
Adina Marx, Communications Associate
Emmett Ruff, Policy Analyst

FAMILIESUSA
THE VOICE FOR HEALTH CARE CONSUMERS

1225 New York Avenue NW, Suite 800
Washington, DC 20005
202-628-3030
info@familiesusa.org
FamiliesUSA.org
facebook / FamiliesUSA
twitter / @FamiliesUSA

MCD2020-313