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Medicaid Enrollment In The Age Of COVID-19: A Nine-Month Analysis Of Trends Across The Nation

From February through November 2020, Families USA has closely monitored state-by-state Medicaid enrollment related to COVID-19 and the economic downturn. Throughout the summer and fall, we observed rapidly increasing Medicaid enrollment rates. Although we found wide variations among the 41 states that reported Medicaid enrollment through September or October (which includes seven states that reported data for November), all states reported increases in enrollment ranging from 4% to nearly 25%. Moreover, in the wake of the racial, economic, and political unrest of the past year, this analysis further highlights the disproportionate impact that the COVID-19 pandemic has had on communities of color, and the importance of Medicaid as a safety net for our nation's most vulnerable populations.

With COVID-19 cases skyrocketing, states continue to absorb the costs of Medicaid enrollment. On average, Medicaid enrollment surged by nearly 10.82% from February to the most recent month when data was available, with 10 states reporting increases from 15% to almost 25%. As states again contemplate lockdowns in response to record high numbers of COVID-19 cases and deaths, Medicaid enrollment will likely continue to rise. Unless the federal government provides much-needed support, state budgets will be further constrained by the additional costs of new Medicaid enrollees. Congress must increase the temporary federal medical assistance percentage (FMAP) for Medicaid to avoid disastrous cuts to other essential parts of state budgets.

Nine Months of Data Highlights Surge in Medicaid Enrollment

Our September analysis of 39 states showed that Medicaid enrollment grew by 3% to 17%,[1] and subsequent data reveals that enrollment has continued to grow from 4% to 25%. Figures 1 and 2 outline the surge in Medicaid enrollment across states, which has been particularly dramatic toward summer and fall. The seven states that reported enrollment for November saw enrollment climb by 10% to 18%.

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Key Findings from the Data

Medicaid Continues to be a Vital Safety Net for Millions

Since February, Medicaid has been a vital safety net for nearly 7 million additional enrollees (a 10.82% increase) seeking comprehensive coverage during the COVID-19 pandemic. These new enrollees include children, low-income families, and pregnant women who rely on Medicaid to access essential health care services that are critical during a global pandemic. While the increasing and urgent need for Medicaid is clear, the current enrollment growth rate is unsustainable for many state Medicaid programs, with Kentucky and Utah seeing enrollment soar by close to or even more than 20%. This has put states in an untenable position as they manage surging Medicaid enrollment and stagnating economies. As Congress weighs whether to authorize another COVID-19 response package in early 2021, an increase in FMAP rates for Medicaid must be a crucial and central part of that aid. The federal government must act swiftly and comprehensively if states are to avoid making debilitating cuts to essential programs that are necessary to improve public health and boost the economy, especially as states enter their 2021 legislative sessions.

Communities of Color Will Bear an Unequal Burden of Health and Economic Consequences if Congress Fails to Extend the Increased FMAP Rate for Medicaid

In May, Families USA analyzed COVID-19 infection and fatality rates in several counties around the country and found that Black and Latinx communities were contracting and dying from COVID-19 at higher rates.[2] Extensive research has shown that Black, Indigenous, and people of color (BIPOC) communities have been devastated by higher rates of COVID-19 infections and deaths, but significant gaps remain in how we collect data. For example, due to limited data, we were only able to identify disparities associated with Black and Latinx populations. Available data sets continue to undercount Asian Americans, American Indians and Alaska Natives, and Native Hawaiian and Pacific Islander communities, raising significant concerns that disparities for these and other populations may be overlooked.[3] Moreover, disproportionately higher unemployment rates for BIPOC reveal the compounding impact that the pandemic has had on the racial wealth gap and other systemic injustices.[4] Therefore, ensuring equitable access to coverage through Medicaid is critical to address the racial, economic, and health inequities that disproportionately plague BIPOC communities. In fact, multiple studies show that Medicaid expansion has helped to reduce longstanding racial disparities in health coverage and has narrowed disparities in certain health outcomes for Black and Latinx people.[5]

Blacks are more likely to live in poverty and to be uninsured in the state [Washington] compared to Whites, and their median income is only $0.73 for every dollar of White household income.

However, because Washington was the only state that disaggregated its Medicaid data by race and ethnicity, we were unable to conduct a more rigorous nationwide analysis of Medicaid enrollment trends among people of color during this pandemic. Based on Washington's data, it appears that BIPOC communities generally enrolled in Medicaid at higher rates than their White counterparts over the past nine months. However, the lack of publicly available data reflects a deeply troubling shortcoming on the part of state Medicaid programs. The inability of Medicaid to identify coverage rates for BIPOC perpetuates policies and conditions that contribute to and worsen health inequities. It also robs policymakers and advocates of the vital information they need to advance policies to address these challenges. Congress and the incoming Biden-Harris administration must work with states to collect and report more detailed data pertaining to race, ethnicity, primary language, and disability status, at a minimum, to address this deeply alarming omission.

Washington's Medicaid enrollment data offers an important glimpse into possible enrollment trends among people of color across the country. For example, in April 2020, Blacks made up 4.14% of the state's total population[6] but accounted for nearly 7.60% of its Medicaid enrollees.[7] Moreover, from February to October, Black enrollment in Medicaid increased by nearly 12,000, outpacing other racial groups, with the largest increase among those under age 19. These trends illuminate existing health and economic disparities. For example, Blacks are more likely to live in poverty and to be uninsured in the state compared to Whites, and their median income is only $0.73 for every dollar of White household income.[8]

To ensure equity and improve disparities, Medicaid must remain strong for people who rely on it for their health. Furthermore, the federal government must work with states to ensure adequate reporting of health outcomes by race, ethnicity, primary language, and disability status, at a minimum. Doing so will further equip policymakers with the information they need to address racial health inequities.

Recommendations

The Federal Government Must Provide Swift Relief to States to Counter the COVID-19 Crisis and Remedy Historic Health Disparities Laid Bare by the Pandemic

Congress and the incoming Biden-Harris administration must make Medicaid funding a priority as they debate whether to advance another comprehensive COVID-19 response package. Amid this public health and economic crisis, federal action to support states grappling with this pandemic would be a clear and affirmative statement in support of struggling individuals and families. Furthermore, it would send a powerful signal that the federal government is willing to take decisive action to address racial and ethnic health disparities.

A failure by Congress to increase the temporary FMAP rate would likely result in significant budget cuts at the state level that will put our nation's most vulnerable populations at further risk. Any future COVID-19 response must incorporate the following:

1. A significant further increase in FMAP rates for Medicaid, with robust maintenance of effort requirement that ensures that families who are eligible for Medicaid can keep their coverage and benefits for the duration of the economic downturn. This would undo a Trump administration interim final rule that allows states to cut benefits without losing enhanced federal matching funding.[9]
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.
3. A directive that the Department of Health and Human Services require every state, locality, and territory to measure and report on the health outcomes of individuals enrolled in public coverage programs by race, ethnicity, primary language, and disability status, at a minimum, and realign payment to ensure accountability to end health disparities across health and social services systems.

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

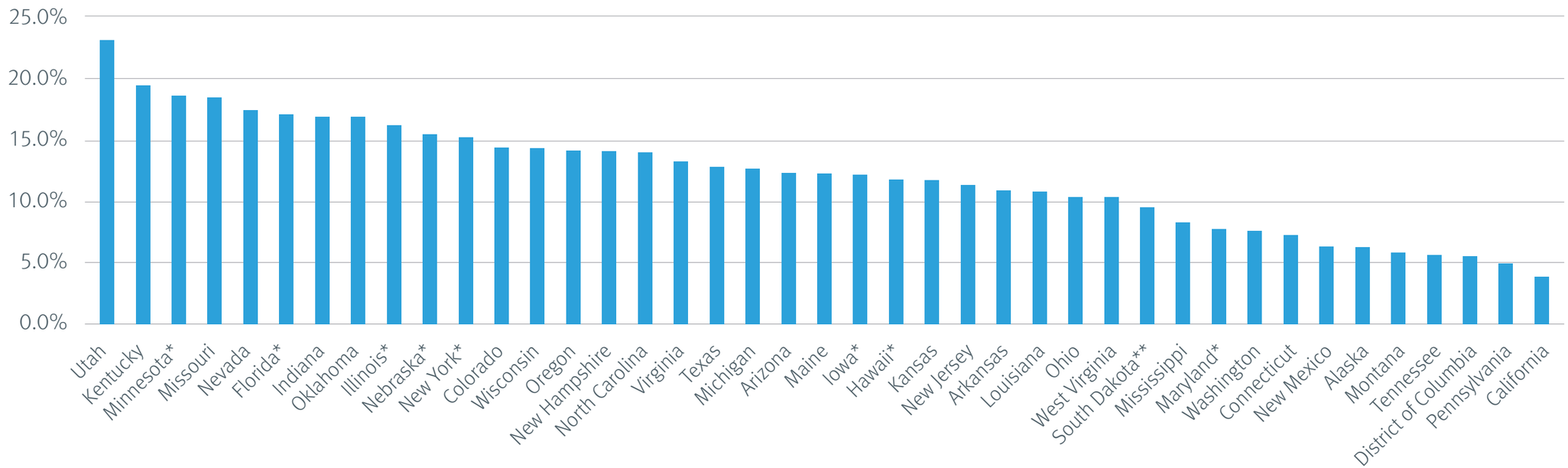
For more information on Families USA's recommendations for a comprehensive federal COVID-19 response, go here to see our legislative priorities and policy analysis.

Table 1. State Enrollment Increases from February 2020 to Most Recent Month of Available Data

State	February 2020 to Most Recent Month	% Change in Enrollment	Change in Number Enrolled
Alaska	October	6.4%	14,315
Arizona	November	12.3%	231,346
Arkansas	October	10.9%	98,236
California	September	4.0%	501,202
Colorado	October	14.4%	171,819
Connecticut	October	7.3%	61,809
District of Columbia	September	5.7%	14,315
Florida*	October	17.1%	644,079
Hawaii*	September	11.8%	39,933
Illinois*	September	16.2%	354,935
Indiana	October	16.9%	244,404
Iowa*	November	12.2%	74,850
Kansas	October	11.7%	47,580
Kentucky	November	19.4%	255,645
Louisiana	October	10.83%	173,746
Maine	September	12.3%	32,346
Maryland*	September	7.8%	93,129
Michigan	September	12.7%	221,831
Minnesota*	November	18.6%	169,737
Mississippi	October	8.3%	59,809
Missouri	October	18.4%	156,273
Montana	August	6.0%	8,184
Nebraska*	October	15.5%	36,126
Nevada	October	17.4%	112,082
New Hampshire	October	14.1%	25,194
New Jersey	October	11.3%	190,838
New Mexico	September	6.4%	53,492
New York*	October	15.2%	636,036
North Carolina	September	14.0%	176,493
Ohio	October	10.4%	289,427
Oklahoma	October	16.9%	132,444
Oregon	November	14.2%	152,072
Pennsylvania	June	5.1%	178,193
South Dakota**	October	9.6%	11,002
Tennessee	October	5.8%	82,263
Texas	September	12.8%	495,633
Utah	October	23.1%	71,456
Virginia	November	13.3%	200,355
Washington	October	7.7%	139,944
West Virginia	November	10.4%	52,681
Wisconsin	October	14.4%	170,430
Total			6,875,508

Families USA analysis of state reported Medicaid enrollment data. Calculated from February 2020 to most recent month reported by the state. Last updated December 4, 2020.*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.

Figure 2. States with Highest Cumulative Enrollment Increases Since February 2020, Based on Most Recent Month of Available Data (By Percentage)



Families USA analysis of state reported Medicaid enrollment data. Calculated from February 2020 to most recent month reported by the state. Last updated December 4, 2020.*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, "Rapid Increases in Medicaid Enrollment: A Review of Data from Six Months," Families USA, September 2020, https://familiesusa.org/wp-content/uploads/2020/09/MCD-313_Medicaid-Enrollment-A-Review-of-Six-Months-of-Data-since-COVID-19-Analysis-1.pdf

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This publication was written by:
Joe Weissfeld, Director of Medicaid Initiatives, Families USA
Anthony Galace, Health Equity Intern, Families USA

The following Families USA staff contributed to the preparation of this material (listed alphabetically):
Kimberly Alleyne, Senior Director, Communications
Justin Charles, Digital Media Associate
Nichole Edralin, Senior Manager, Design and Publications
Amber Hewitt, PhD, Director of Health Equity
Lisa Holland, Senior Communications Manager
Adina Marx, Communications Associate
Lisa Shapiro, Senior Advisor for Strategy and Children's Policy
Jane Sheehan, Director of Federal Relations

The following professional contributed to this publication:
Deborah Aker, Editor
Janet Roy, Graphic Designer

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

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