

Millions of people could lose health insurance coverage when the COVID-19 emergency ends

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Adam Sparks earns \$13 an hour as an assistant manager at a movie theater in a suburb of Des Moines, Iowa. It's enough for the 24-year-old

to pay for most necessities—except health care.

He relies on Medicaid to cover medications for allergies, his recently diagnosed attention deficit/hyperactivity disorder and doctor visits and therapy sessions. But he and millions of other Americans could soon be facing a dilemma.

Modest raises at his part-time job put him over the threshold to qualify for the government health insurance program for low-income residents. He's remained on Medicaid only because the [federal government](#) provided robust federal aid to states on the condition that they would not remove people from Medicaid until the COVID-19 [public health emergency](#) ends.

What was initially viewed by Congress and public health experts as a temporary measure to maintain [health coverage](#) during a once-a-century pandemic has dragged on for more than two years with Medicaid sign-ups ballooning to 78.9 million as of November, the most recent figures available.

Now the public health emergency is set to expire April 16. An Urban Institute report estimated up to 12.9 million Americans could lose Medicaid if the public health emergency is not extended.

The end of the emergency also would ripple across other pockets of the [health care](#) industry. Federal agencies created temporary initiatives to subsidize private health insurance, improve access to telehealth, provide additional funding to hospitals and make it easier for companies that make medical devices, tests and treatments to bring their products to the market under emergency use.

U.S. Department of Health and Human Services Secretary Xavier Becerra has not announced a decision on whether to extend the public

health emergency, though there is reason to believe he will. HHS has been extending the emergency every 90 days, and an HHS official said the agency would notify states 60 days before ending the emergency. With barely two weeks before the next deadline, that notification has not happened.

Whenever the health emergency ends, unwinding these programs will create a massive logistical task for the Biden administration. Nowhere is the potential disruption more evident than for the millions who might lose Medicaid coverage.

Sparks said his coverage has helped him take care of his medical needs while trying to improve his prospects. His long-term goal is to work on film editing, and he spends time learning the craft. He'd like to land a position editing video with a local television news station, but he worries losing health insurance is another obstacle to pursuing his career.

"I don't make very much money, and I'm struggling to improve my situation as much as I can," he said. "This definitely doesn't help me. It causes major stress and anxiety."

States form plans, grapple with enormous task ahead

When the emergency ends, state Medicaid agencies will have 12 months to check the eligibility of every person and notify them if they no longer qualify. This massive task is unlike anything state Medicaid programs have tackled at once, experts say.

"It's definitely the number one issue on our members' priority list," said Jack Rollins, director of federal policy for the National Association of Medicaid Directors.

Rollins said it typically takes two to three months to complete an

eligibility check, and many states are preparing now by verifying mailing addresses and checking cell numbers of members to ensure they have correct contact information.

It's a monumental task for states, many of which have fewer workers to handle these checks than at the beginning of the pandemic. Some states have cut back staffing and others need to hire workers or use contractors to replace those who retired or quit.

A Kaiser Family Foundation survey released in March found 27 states have a plan on how to tackle the challenge of resuming eligibility checks. The survey found 11 states would first target enrollees who appeared to be no longer eligible; nine states plan to wait until the individual's annual renewal is due.

Iowa's state Medicaid agency has continued monthly eligibility checks during the pandemic and does not anticipate major problems when the emergency ends, according to Department of Human Services spokesman Alex Carfrae.

The agency will also work with navigators to help people dropped from Medicaid to find other insurance options, including the Affordable Care Act marketplace or Medicare.

After his most recent pay increase, Sparks called Iowa's Medicaid agency because he did not want to run afoul of program rules. An Iowa Department of Human Services representative told him he might no longer qualify but would not be immediately removed, Sparks said.

"I'm just trying to be responsible," Sparks said. "Now it feels like it's almost a punishment because they're telling me that I'll potentially lose my insurance."

Politics of Medicaid could be a factor

Some states could be motivated to accelerate checks due to [political opposition](#) to Medicaid expansion or because the federal government will halt extra matching funding three months after the end of the emergency. That would leave states paying a larger portion for each Medicaid enrollee, potentially squeezing state budgets.

"They figure if they could drop their caseload faster, then they will save money," said Leighton Ku, a George Washington University professor and director of the center for health policy research at the Milken Institute School of Public Health.

But states that look to quickly shed Medicaid enrollees may be hurting their economy in the long run, an analysis co-authored by Ku found.

States could save \$3 billion for their share of the Medicaid bill if they remove ineligible people in six months instead of 12 months, the analysis showed. But by leaving so many residents uninsured, states could lose more than a half million jobs and \$54 billion in economic output.

For states that maintain coverage longer, "more money ends up flowing into the state and helps make sure that hospitals and doctors offices have money to pay for their staff," Ku said.

Some analysts are worried states that choose to hasten the Medicaid unwinding could make mistakes and remove people who are still eligible.

The Urban Institute warned the large volume of eligibility checks raises concerns that people could be incorrectly kicked off the rolls. Another risk: People who become uninsured might not be aware they could qualify for other programs. Some families might be eligible for the Children's Health Insurance Program or subsidized coverage through the

Affordable Care Act marketplace, said Matthew Buettgens, an Urban Institute senior fellow.

The federal government has encouraged states to coordinate with [community organizations](#) to educate people who might lose coverage, but it's not a requirement. "Different [states](#) are likely to do different things," Buettgens said.

In Florida, community groups say the state has said little about how quickly it plans to disenroll beneficiaries.

Many Florida residents on Medicaid have been confused about how the pandemic has allowed them to maintain coverage and could be surprised when eligibility checks resume, said Jodi Ray, director of Florida Covering Kids & Families, a University of South Florida organization that works with state agencies and community stakeholders to ensure residents have access to [health](#) insurance.

"When folks are looking for for help, and they cannot get through to talk to somebody, they're going to look to on-the-ground folks that know how to navigate these programs," Ray said. "We want to make sure people don't fall through the cracks."

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