Missed care, fewer patients: Rural families and clinics feel Medicaid cuts

May 30 2024, by Nada Hassanein, Stateline.org

Credit: Unsplash/CC0 Public Domain

Rural children and families are having to skip vital health treatments and even ending up in the emergency room, while already struggling rural clinics are losing more patients, as states cull their Medicaid rolls.

The process began in April 2023, when pandemic-era rules that prohibited kicking people off Medicaid coverage expired and states again began checking whether families met income restrictions. Nationally, nearly 70% of people who lost coverage did so for "procedural" reasons such as incomplete paperwork.

States with the largest drops in coverage also have large rural populations. The loss of coverage compounds struggles disproportionately experienced by rural children and families, experts say, including clinician shortages, long drives to care and poorer health outcomes.

Eight states—Alaska, Arkansas, Colorado, Idaho, Montana, New Hampshire, South Dakota and Utah—had fewer children enrolled at the end of last year than before the COVID-19 pandemic, according to a recent analysis by the Georgetown University Center for Children and Families.

"Medicaid is even more of a lifeline for rural communities than it is for urban ones," said Joan Alker, the center's executive director. "There are quite a number of states with large rural populations where things are not going well—so that's very problematic."

A year into the process, frequently referred to as Medicaid "unwinding," South Dakota, Montana, Utah, Texas and Idaho have seen the largest plunges in rates of children losing coverage, with an average of 25% fewer children enrolled in those states since April 2023.

In rural areas, which on average have higher rates of poverty, children are less likely than their urban counterparts to have had a medical checkup or dentist visit in the past year, the center reported.

These families are already so much living on the edge, and it's hard for

them.—Dr. Noreen Womack, Idaho pediatrician

In Idaho, where 35 of 44 counties are considered rural, "a lot of this is attributed to the state rushing through the process to conduct [income eligibility] redeterminations in six months," said Hillarie Hagen, health policy associate at Idaho Voices for Children, a group that advocates on policies affecting children. "The rush and arbitrary deadline resulted in an alarming number of children losing coverage."

Hagen added that the change "is putting families in a very difficult position of having to choose to delay care or risk significant financial burden on their family." Rural Idaho counties tend to be poorer than urban counties, and Hispanic and Native American state residents are more likely than white residents to be living in poverty.

Dr. Noreen Womack, a pediatrician at a mobile clinic for kids in Boise and nearby rural communities in Idaho, run by St. Luke's Children's Hospital, said not a week goes by that she doesn't see a patient who has lost Medicaid coverage—and who is sometimes unaware they're now uninsured.

When kids' parents tell her they have Medicaid, she said, she's learned to ask, "Are you sure?"

She said she regularly sees children and teens who are no longer covered and who stopped taking critical treatments, such as antidepressants and ADHD medications, harming their well-being and school performance.

Womack recalls one 7-year-old boy who was no longer enrolled in Medicaid and whose family couldn't afford his ADHD medication. He was on the verge of being expelled from school.

He looked at Womack, scared and dispirited. "I'm having trouble staying

on task again, and they're going to kick me out," she recalled him saying.

"It's so sad, because he's only 7," she said. "These families are already so much living on the edge, and it's hard for them."

Other young patients who have gone undiagnosed for asthma have ended up in the ER, she said. "One of the things we're trying to do is decrease the amount of unnecessary emergency department visits."

As in many states, patient navigators have been key to helping families work through the complex process of renewing Medicaid if they qualify, Womack said.

Idaho's Department of Health and Welfare acknowledged the rapid pace of its redetermination process, but expects the number of enrollees to return to normal.

"Idaho was one of the very first states in the nation to start and finish unwinding activities while many other states are still in the process of completing all initial renewals," spokesperson AJ McWhorter wrote in an email to Stateline. He added that the agency "early on identified and prioritized individuals who were likely no longer eligible for Medicaid. As other states continue to complete their unwinding activities, we expect these numbers to begin to normalize."

Utah has seen the nation's highest overall disenrollment rate at 56%, followed by Idaho and Montana at 55%, and Oklahoma, South Dakota and Georgia, which have each seen coverage loss rates of 50% or higher.

Utah's state Medicaid office asserts that because states are at different stages in unwinding, disenrollment rates between states can't be compared "apples to apples." The state's unemployment and poverty rates are lower than the national average, which means Utahns have

fewer uninsured people and fewer Medicaid enrollees to begin with, said Kevin Burt, who oversees Utah's Medicaid eligibility determinations at the state Department of Workforce Services.

"Having just finished unwinding, I don't think the data is quite settled," Burt added.

Jennifer Strohecker, Utah's Medicaid director, said her office has been working with hospitals, clinics and nonprofits to help with redeterminations.

"It is our objective that if a person is eligible for Medicaid, we want them to have that coverage," she said, adding that the state aimed to make sure the health centers "had the right resources and tools to meet the needs of the patient as they saw them, and help them with some of the [eligibility] questions."

Families of color

Across small towns and rural areas nationwide, Medicaid covers 47% of children and 18% of adults, compared with about 40% of children and 15% of adults in urban counties, the Georgetown center found in an analysis of U.S. Census Bureau and Medicaid data.

Compared with urban residents, those in rural areas are more likely to have poorer overall health.

Many states with the highest rates of Medicaid disenrollments also have large American Indian and Alaska Native communities. Federal tribal affairs and Medicaid officials say the program plays a critical role in filling gaps in funding for tribal health care.

Chickasaw Nation member Dr. Jesicah Gilmore, a family medicine

doctor and chief medical officer of the Indian Health Care Resource Center in Tulsa, Oklahoma, said the loss of Medicaid coverage has left many of her patients unable to obtain or pay for specialist care, such as cardiology or nephrology. While the center is in the city, it's also a pillar for rural Native patients, who drive hours to the clinic for primary care and referrals.

"Part of what we're seeing is that then they're having difficulty accessing referral services or some of the specialty tests," she said. "It's provided quite a strain on our system."

Many lost coverage because they no longer qualified or because they didn't finish paperwork, leaving them to pay out of pocket—or forgo care if they can't, she said.

"We have staff members here who specifically help patients with paperwork and can help navigate some of the online systems—many of our patients don't necessarily have continuous access to the internet," she said. "It does get worse when patients are uninsured, because they have no other recourse for care, other than going to the ER."

She remembers one patient recently who lost Medicaid coverage two days before an orthopedic appointment for extreme knee pain. Gilmore estimates it could be another three months before her patient can get a knee replacement approved by a specialist and for the clinic to help her find and apply for another payer, such as the tribe, and up to six months until the actual surgery.

"It was affecting her ability to continue working, walking, standing," she said. "Who's going to pay for this appointment? This patient has been waiting to get this, hopeful. ... Now, she's kind of in a holding pattern."

Loss of revenue for rural clinics, hospitals

Gilmore worries the longer-term fallout for her clinic will be a hit to revenue due to caring for uninsured rural patients. The clinic was planning to expand services "but might not be able to," she said.

That concern is echoed in other rural health care settings.

Straddling the Utah-Arizona border is the Creek Valley Health Clinic, serving a rural area that the Utah Department of Health says is one of the most underserved regions in the state. The area lacked a primary care clinic for over a decade, and many patients would drive an hour or more to the nearest hospital before the clinic opened in 2019.

"We inherited such a sick patient population with really high rates of chronic disease and unhealthy habits," said Hunter Adams, the clinic's co-founder and CEO. Adams said the clinic had helped lower ER visits for primary care.

Since the clinic opened, Adams said, the patient base has seen improved rates of depression screening, diabetes control and childhood obesity.

But since the unwinding, the clinic saw an 8% drop in Medicaid patients. That, along with changes to pharmacy contract programs and expiring COVID-19 assistance grants, has put the nascent clinic in a bind, Adams said.

"It's kind of a three-legged impact to our budget," he said. "We're in this kind of hard space where we're not big enough to really contract and negotiate payment change, but we're also big enough that we feel these budgetary changes ... with the Medicaid unwinding."

Alan Pruhs, executive director of the Association for Utah Community Health, which represents health centers across the state, estimated that those clinics have seen on average a 12% to 15% reduction in the

Medicaid patient population, with some clinics losing up to 20% of Medicaid patients.

"Fiscal fragility just was ratcheted up a few more notches, because we're now losing more revenue," Pruhs said.

He's hearing from clinics that serve particularly vulnerable clients, such as opioid patients, dropping out of rehabilitation programs because of losing Medicaid.

Pruhs said an increase in uninsured patients can further add financial pressure on already strapped rural community health clinics.

"From a health center perspective, your uninsured patient now comes in and it's actually costing you money—it's not generating revenue."