What's Really Happening with Medicaid Enrollment?

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It's been nearly a year since I first wrote about Missouri's falling Medicaid enrollment, and questions remain. There are now roughly 100,000 fewer children enrolled in our state's Medicaid program than there were at the beginning of 2018, although child enrollment has stayed relatively consistent over the past six months. In Jefferson City, there is still a fundamental disagreement about what caused the drop and what, if anything, the government should do in response. As policymakers begin considering legislation to tackle the issue, it's important to look at what's being said, and separate the facts from fiction.

What we know:

- **Medicaid eligibility criteria in Missouri is far more lenient for children than for adults** – Individuals under eighteen years of age qualify for Medicaid based on their family's total income. Those whose parents make less than 150 percent ($38,625 for a family of four) of the federal poverty level (FPL) can enroll in the traditional Medicaid program. And those whose families earn between 150 and 300 percent ($38,625–$77,250 for a family of four) of the FPL can enroll in the Children's Health Insurance Program (CHIP). The care available to individuals in both groups is identical, but those who are in the...
first receive the coverage for free while the second group is asked to pay a monthly premium. While CHIP and Medicaid are separate programs, both groups are typically included in total Medicaid enrollment numbers.

- **Federal law requires at least yearly income verification for Medicaid enrollees** – Since people qualify for the program based on income, the federal government requires states to check whether enrollees are still eligible to receive services at least once per year. Nearly six months ago, it was revealed that Missouri’s Medicaid agency had stopped performing annual income verifications from 2014 through 2017. Missouri resumed verification at the beginning of 2018. However, some claim that the administrative burden required to verify eligibility is too high.

- **The drop in enrollment is concentrated among Missouri's children** – Today, there are roughly 520,000 children enrolled in Missouri’s Medicaid program, but only about 25,000 of them are enrolled in CHIP. The majority of the enrollment drop has been among children in families making less than 150 percent of the FPL, but there has been a slight increase in CHIP enrollment. There are limitations to what net enrollment figures can tell us. The enrollment figures do not show how many people came off the rolls, how many came on, or why anyone’s enrollment status changed.

What we don’t know:

- **Whether the state adequately advises eligible beneficiaries on how to maintain their coverage** – The decline in enrollment began once Missouri’s Medicaid agency restarted its annual verifications at the beginning of 2018 with the help of a new automated system. With the rollout of the new system, Medicaid recipients began receiving letters in the mail informing them they would need to verify their incomes and the process required to do so. Some contend that the state did not do enough to ensure each recipient received and understood the letter. Nonetheless, coverage may be canceled within 30 days absent verification in order to remain compliant with federal law.

- **How many children would still be eligible for the Medicaid program they were previously enrolled in** – Some claim that many of the children removed from the Medicaid rolls were probably still eligible for coverage. The key distinction is that many might be eligible for coverage, but likely only eligible for CHIP. As mentioned previously, CHIP requires monthly premiums; traditional Medicaid is free. Without hearing from parents, should the state really enroll people who were previously receiving free coverage into a plan that requires monthly payments? The reality is that we do not know how many children removed from the rolls could have remained in the traditional Medicaid program.

- **Why the children have not re-enrolled** – Eventually, some parents of kids who lost coverage must have realized their kids were still eligible. So why didn’t these parents re-enroll their children? It seems the most likely answer is that many found out their children were now only eligible for CHIP instead of Medicaid, and simply chose another option instead of enrolling in CHIP. If parents find out they must pay a premium for coverage, and they are eligible for private insurance through the individual marketplace or through their employer, it would make sense that they might not opt for Medicaid coverage.

Falling Medicaid enrollment in Missouri is certainly an important topic, but it is also a complicated
one. The issue isn't whether children should have health coverage or not; it's a question of how the state should administer its Medicaid program to ensure optimal care for recipients while making the best use of taxpayer dollars. Policymakers should be sure they have all the facts before acting.

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