

CAPITOL STREET

July 26, 2023

Redetermination Tracker: MI, TX, GA, NC

CMS New Enrollment Data Soon & Mass Reports 22% New To Exchange Plan

Relevant Companies



Thirteen (13) states have paused procedural disenrollments. Since April, states have disenrolled 3.6 M individuals from Medicaid (KFF [here](#)). However, the data remains incomplete as they don't include all states, and there is a data lag. We note there is variation among states on uptake of federal waivers, redetermination processes, disenrollment rates, and procedural disenrollments.

»» Our Take & Next Up

CMS release is likely soon (August/Sept) on where newly disenrolled Medicaid folks are going. Federal Medicaid renewals with a state-by-state breakdown is likely by fall, including details on marketplace plan uptake. CMS has several states (with disenrollment >90%) under a microscope and is still saving its strongest strategy: freezing enhanced federal Medicaid funds (we do not expect this currently). Medicaid MCOs can now fill out redetermination paperwork for people, per new CMS June guidance. Separately, two states – SD and GA – quietly expanded Medicaid in the last few weeks. GA is asking for work requirements. 9 states paused procedural terminations and another 4 states volunteered to do the same, to play it safe. See below for details, trends and what may be next.

»» Key Points

Some states are starting to release data: Massachusetts (MA) says 22% are newly enrolled in Exchange plans ([here](#)). Healthcare.gov will be doing the same data release by the fall. Massachusetts, as a reminder, runs its own Exchange.

9 states announced they would pause procedural terminations and reinstate coverage for individuals wrongfully terminated from the program. This is part of states' mitigation plans. The states required to pause include Delaware, Idaho, Iowa, Maine, Minnesota, Mississippi, New York, West Virginia, & Wyoming. Glitches in states' electronic data matching systems partially prompted CMS action as many have likely been disenrolled (wrongfully) due to incorrect data.

Other states (4) voluntarily paused procedural terminations: MI, NJ, VA, and WI. This was following CMS's announcement of new flexibilities for redeterminations in June (CMS [here](#)). Michigan was the first state to pull back from disenrollments to give enrollees more time to respond to paperwork; the state has a low 10% disenrollment rate (Michigan [here](#)).

STATES OF INTEREST: MI, TX, NC, GA

CAPITOL STREET	Michigan	Texas	North Carolina	Georgia
Governor	Gretchen Whitmer (D)	Greg Abbott (R)	Josh Shapiro (D)	Eric Holcomb (R)
Disenrollment Rate	10%	82%	20%	58%
Loss of Medicaid/CHIP	12K	501K	35K	97K
Reporting Month	July '23	July '23	July '23	July '23
Major Health Plans Impacted	CNC UNH, CVS (Aetna), MOH	CNC UNH, CVS (Aetna), MOH, ELV	CNC UNH	CNC UNH, ELV

Sources: Capitol Street, State Medicaid Agencies, KFF

NOTE: Our focus is on larger states with start dates of June 1 or July 1 (for terminations), and incremental data released.

Recently several big states, including Michigan, Texas, North Carolina, and Georgia released enrollment data, and as expected, red states are showing much higher disenrollment rates. Currently, the median disenrollment rate is 37% across all reporting states with blue states like Michigan on the lower end at 10% and red states like Texas on the higher end at 82%.

BACKGROUND & OTHER MEDICAID DATA POINTS

Two states quietly announced this month they have expanded Medicaid. This leaves only 9 states that have not yet expanded per ACA.

- **Georgia launched “Pathways to Coverage,” linking Medicaid coverage to work requirements.** Under the new program, eligibility for working adults is at 100% of the federal poverty level (FPL), but individuals are

required to complete 80 hours per month of work, education, or volunteering to remain enrolled (Georgetown CCF analysis [here](#)).

- **South Dakota expanded Medicaid coverage by raising the income requirement to 138% of the FPL and adding childless adults** (SD brief [here](#)). However, the expansion comes at a complicated time as South Dakota had been disenrolling individuals from Medicaid since April. Now, the State is tasked with re-enrolling individuals who just recently lost coverage on top of continuing redetermination work — individuals may slip through the cracks as a result.

States with 90%+ procedural disenrollment rates remain on a CMS watch list: NM, DC, GA, SC, UT. Median procedural disenrollment rate across reporting states is 74%.

Various state approaches to redeterminations have led to higher initial disenrollment rates. South Carolina's disenrollment rate of 72% is in part driven by approach: the state is focusing on enrollees they believe are ineligible for Medicaid first or individuals who have not been responding during the pandemic, therefore high initial disenrollment rates do not tell the full story ([here](#)).

Arkansas and Iowa are under a microscope given high initial disenrollment rates. AR and IA are first processing individuals they believe are ineligible for Medicaid, perhaps low utilizers of insurance over the past few months. For Iowa, 80% of individuals disenrolled in April & May had other forms of major medical insurance. (Paragon Health [webinar](#)).

- **Arkansas:** Project 15-22% to be disenrolled overall; current disenrollment rate is 59%
- **Iowa:** Project 17-20% to be disenrolled overall; current disenrollment rate is 21%

Florida and Montana remain the only 2 states declining federal waivers to assist with redeterminations (CMS [here](#)). CMS has approved 261 waivers for states and territories to assist with redeterminations. Both states have high procedural disenrollment rates. In Florida 65% of disenrollments are due to procedural reasons, and in Montana the rate is 80% (KFF [here](#)).

In June, CMS announced additional flexibilities for states to implement, such as permitting states to delay procedural disenrollments up to 1 month and allowing managed care organizations to fill out renewal forms for enrollees, to assist with the unwinding (HHS [here](#)).

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