Missouri Medicaid Unwinding Post-Public Health Emergency
June 2023 - January 2024

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Executive Summary

The expiration of the Public Health Emergency (PHE) on May 11, 2023, marked the end of the federal Medicaid continuous coverage requirements, thus permitting states to resume regular eligibility redeterminations for those enrolled in Medicaid. Missouri began reviewing eligibility for all MO HealthNet beneficiaries on June 1, 2023, with all reviews to be completed over a 12-month period. This process will impact more than 1.5 million Missourians, almost a quarter of the state's population, who may experience a loss or lapse of health coverage[1,2]. Any loss or even brief gap in coverage threatens adverse consequences for the Missourians who are most at risk of poor health outcomes – specifically aged, disabled, and low-income families and children[3].

As of February 1, 2024, Missouri is two-thirds of the way through all redeterminations. Here's what we know from the first eight months of Medicaid unwinding in Missouri:

Between June 2023 and January 2024, Medicaid eligibility has been reviewed for 888,646 Missourians[4]. Of these cases, 533,348 (60%) sustained coverage, 221,985 (25%) lost coverage, and 133,313 (15%) are still pending determination[4]. Almost half of the beneficiaries who lost coverage are children, and more than three quarters (78%) were determined ineligible through a procedural determination, meaning they were disenrolled due to issues like missing paperwork, not because they no longer qualify[4]. Immediate implementation of Centers for Medicare and Medicaid Services (CMS) mitigation strategies is recommended to ease the burden on Medicaid-eligible Missourians and promote seamless renewal processes that eliminate health inequities due to lapses in health care coverage.
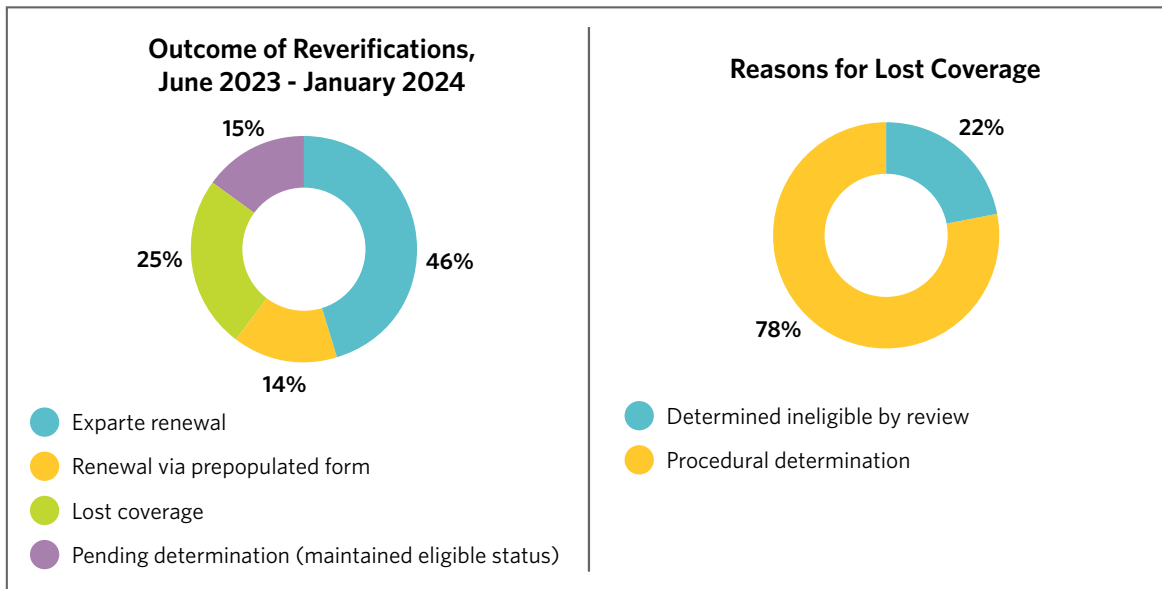
Unwinding Analysis: A Look Back at June 2023 through January 2024

After a three-year pause on eligibility redeterminations under the PHE, Medicaid beneficiaries face new challenges in retaining their health coverage. The COVID-19 pandemic and resulting economic impacts led to significant food, housing, and employment hardship for American families, particularly in the early months of the crisis[5]. As housing insecurity increased, many Medicaid beneficiaries lost or changed their homes, increasing the risk of lost notifications regarding changes to coverage[5,6]. At the same time, Medicaid expansion in 2021 made more Missourians eligible to enroll in MO HealthNet and the suspension of eligibility redetermination allowed more beneficiaries to maintain their coverage during the COVID-19 pandemic.

Explanation of the Renewal Process

Missouri Family Support Division (FSD), an agency within the Department of Social Services (DSS), is responsible for determining whether enrollees remain eligible for coverage. Decisions are made through a process known as *ex parte*, in which an enrollee's eligibility is determined based on electronic information available to FSD, or via a prepopulated form that is returned to the agency. Non-renewals occur when a person is determined ineligible based on updated information, such as an income change, or through a procedural closure, in which the required forms are not received by the renewal deadline and a decision could not be reached based on the information available. In some cases, final eligibility decisions cannot be made before the end of the month and the cases remain pending. These individuals remain eligible until further analysis can be completed[4].

Redetermination Category Explanations and Resulting Impacts to Coverage		
Category	**Explanation**	**Result**
Ex parte renewal	Enrollee is determined eligible based on electronically available information. No renewal form or reapplication is required.	Coverage retained
Renewal via prepopulated form	Eligibility could not be initially determined using electronic sources due to missing information and a renewal form was sent to enrollee with a return request. When the form was completed and returned, the new information confirmed eligibility.	Coverage retained
Determined ineligible	Enrollee is determined no longer eligible due to changes in income level or other criteria as indicated from electronic sources or renewal form.	Coverage terminated
Closed for procedural reasons	Enrollee is disenrolled when the renewal form is not received by FSD by the renewal deadline. These may occur when FSD has outdated contact information for the enrollee, the enrollee does not understand the changes to their coverage, or if the enrollee does not return the form by the deadline. Enrollee may still otherwise be eligible for coverage.	Coverage terminated
Pending determination	Enrollees do not receive a final result due to a potential determination issue found during their renewal month.	Coverage retained until final determination is made

Outcome of Reverifications, June 2023 - January 2024

- 46% Exparte renewal
- 14% Renewal via prepopulated form
- 25% Lost coverage
- 15% Pending determination (maintained eligible status)

Reasons for Lost Coverage

- 22% Determined ineligible by review
- 78% Procedural determination
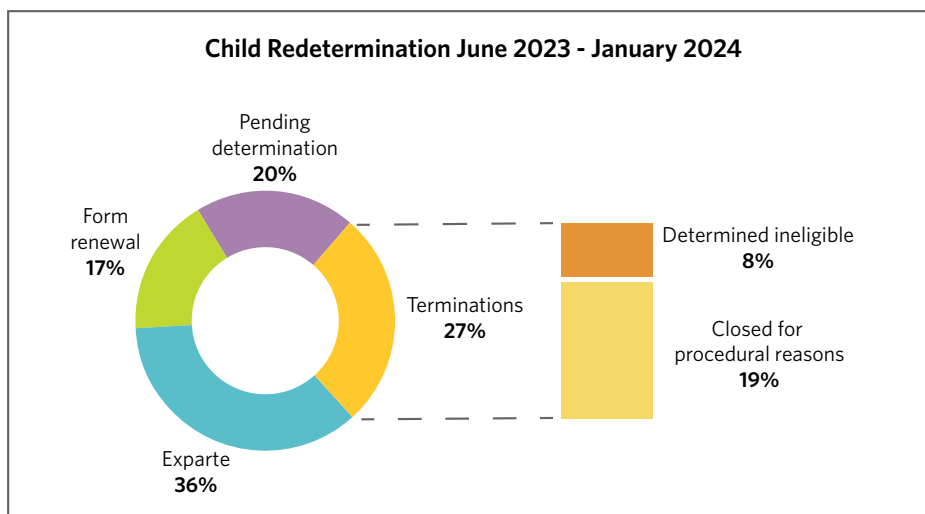
Data is from DSS Caseload Counter

Ex Parte Renewals

As per federal rules, all states must first attempt administrative (or "*ex parte*") renewals using available data sources before sending a renewal form to the enrollee. *Ex parte* renewals are the most efficient way to renew as they do not require additional paperwork and eliminate risk of procedural termination. Of all renewals due, Missouri renewed 46% on an *ex parte* basis, ranking in the top quarter of all states[7]. Across all states and all renewals that were due, only 32% were completed through *ex parte* processes[7].

High Proportion of Child Terminations

Between June and January, 104,770 Missouri children lost MO HealthNet coverage[4]. Children make up almost half (47%) of the total number of disenrolled individuals, a rate that is among the highest in the country[7]. Of these cases, almost three-fourths (71%) were closed for procedural reasons[4]. As a result, a large number of Missouri children may remain eligible for Medicaid or CHIP but have lost coverage due to paperwork and processing issues.

Missouri's rate of child disenrollments is significantly higher than the average (38%) of the states that report these data[7]. Children make up a substantial proportion of Medicaid enrollees, so it is expected that they would also comprise a large share of disenrollments. However, states with similar proportions of enrolled children have not shown similarly high rates of coverage loss[7].

Child Redetermination June 2023 - January 2024

- Pending determination 20%
- Form renewal 17%
- Terminations 27%
- Exparte 36%
- Determined ineligible 8%
- Closed for procedural reasons 19%

Data is from DSS Caseload Counter

High Rate of Procedural Terminations

Of the almost 222,000 beneficiaries who have been disenrolled, 172,823 (78%), are a result of procedural terminations[4]. This is substantially higher than the 70% terminated for procedural reasons across the nation and puts Missouri behind 33 other states[7]. Because of the high rate of procedural terminations, it is likely that tens of thousands of Missourians have been disenrolled from coverage despite remaining eligible.

The high rate of procedural terminations is due to a variety of factors, including outdated contact information for the enrollee, ongoing issues with the online enrollment portal such as the inability to upload multi-page documents, and high call center wait times and abandonment rates. Additionally, notices sent to beneficiaries regarding changes to coverage are often confusing and may include conflicting information about eligibility and reasons for termination.

Call Center

The call center functions as the direct help line for beneficiaries seeking assistance with completing their renewal forms and understanding their changes in coverage. As of October 2023, the latest month for which Centers for Medicare and Medicaid Services (CMS) data are available, Missouri's Medicaid and CHIP call center experienced an average wait time of 24 minutes and a call abandonment rate of 46.7%[8]. Both metrics have increased since August 2023 after showing some improvement in previous months. The average wait time in Missouri ranks in the bottom quarter of all states and DC[8]. The abandonment rate is the second highest in the country, meaning more than four out of every 10 callers leave the call before connecting with a representative who can resolve their issues or answer their questions[8].

Rising Number of Pending New Applications

Concurrently as the state carries out the redetermination process, new Medicaid applications continue to be submitted for review. The January 2024 Monthly Management Report (MMR) shows 64,345 MO HealthNet applications pending review, a sharp increase since November[9]. The average time to process new MAGI applications (which utilize an individual's modified adjusted gross income to determine eligibility for pregnant people and low-income adults and children) is 50 days[9]. This figure has been trending upward since the start of the unwinding process and rose by almost 40% since December 2023[9]. With an average time of 50 days, processing of many applications exceeds the federal 45- day limit[9]. Both applications pending review and average time to process are at their highest points since an enrollment backlog in 2022 at which time CMS intervened with a formal mitigation plan and a deadline for Missouri to meet the federal standards. New pending applications, unlike annual renewals pending determination, do not have coverage during the review period.

Pending New Applications, Days to Process
June 2021 - January 2024
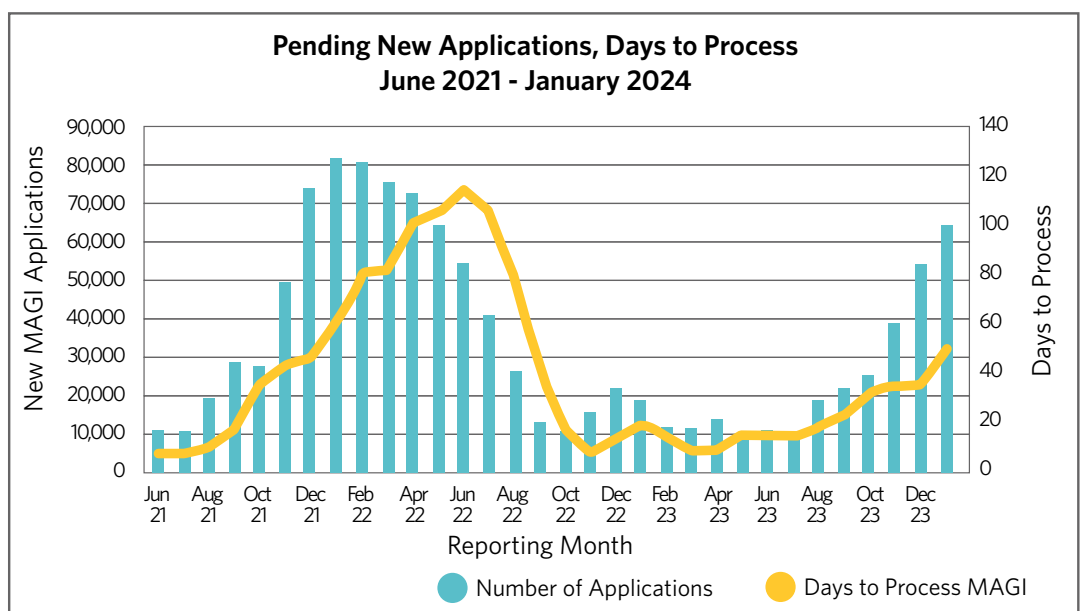
Data from MMR Reports, June 2021-January 2024

Implications for Continuity of Care

For enrollees with chronic conditions and high health needs, any lapse in health care coverage can be detrimental to wellbeing and potentially life-threatening. Those seeking to alleviate critical care needs while uninsured often face a devastating financial burden and increased medical debt. Many individuals face difficult decisions between paying for health care or other needs, such as housing and food. Those who lose coverage for procedural reasons may reapply for MO HealthNet but will reenter the pool of new applicants waiting more than a month on average for a coverage determination.

Addressing Challenges in Missouri Unwinding

Missourians face significant challenges in getting and keeping coverage as MO HealthNet caseloads have increased, state and local staffing is stretched thin, and many beneficiaries have not communicated with the Medicaid agency in years[3,10]. The first eight months of the unwinding process have exposed cracks in the eligibility and enrollment system. Policy solutions are needed to improve these shortcomings.

CMS has issued guidance for states on conducting the unwinding process and provided strategies to reduce procedural terminations[11]. Options for implementation include increasing *ex parte* renewal rates, supporting beneficiaries with renewal form submission, and facilitating reinstatement of those who are disenrolled through procedural terminations but remain eligible[11]. The following strategies are recommended as first steps in fixing longstanding challenges to attaining and maintaining coverage.

Issue A Temporary Pause on Procedural Terminations

Twenty-two states and Washington, DC have paused procedural terminations while issues with the renewal process are addressed[12]. In Missouri, a pause on procedural closures would allow the state time to make necessary updates to the online enrollment portal, including the ability to submit multi-page documents and receive a submission confirmation, streamline processes through eligibility simplification and staff workflow adjustments, and mitigate problems arising with the call center by implementing accessible options such as automatic callback and user-friendly instructions for navigating the voice response system.

Adopt CMS Flexibilities to Increase Ex Parte Renewals

CMS has strongly advised states to adopt certain administrative flexibilities to allow a smoother transition out of the PHE. One key flexibility would allow the state to renew eligibility for enrollees when income at or below 100% of the federal poverty line has been verified within the last 12 months, even if no data are returned through the *ex parte* process[11]. Missouri has already adopted a similar flexibility, known as the *$0 income strategy*, suggesting that the necessary operational and systems processes are in place for easy adoption of this related strategy[11]. Implementation of the *Beneficiaries with Low Income Renewal Strategy* would ease administrative burdens for both enrollees and the state, especially in cases where income verification may be more complex.

Another key strategy gives the state the option to delay procedural terminations for individuals for one or more months while the state conducts targeted outreach[11]. This flexibility could be applied to the general population or targeted to a specific group at higher risk of coverage loss, such as children[11]. This approach would allow more time for individuals to return their renewal forms or reestablish contact with the Medicaid agency.

Utilize Automatic Callback

Issues with the call center are a barrier for Missourians to complete the renewal process and maintain their MO HealthNet coverage. The implementation of an automatic callback system for use by the call center may lower wait times and abandonment metrics. The opportunity for enrollees to seek help with their renewals and understand their coverage without spending extraordinary amounts of time from their work and lives is vital to achieving equitable outcomes and should be prioritized.

Eligibility Simplification

When individuals are inundated with excessive or confusing paperwork, the system becomes less efficient as the likelihood of errors increases. Failing to streamline enrollment can increase the risk that individual forms may be lost, and eligible people may become disenrolled. Implementation of a simpler, faster, and more human-centered enrollment process for Missouri's safety net programs will support seamless renewal processes and coverage transitions[13].

In 2020, Missouri Foundation for Health partnered with DSS to modernize and simplify the application and enrollment process for Missouri's largest safety net programs[14]. The Missouri Benefits Enrollment Transformation resulted in a new design for an integrated application for core programs, a standardized interview guide, streamlined verifications, clear and consistent correspondence in plain language, and modernized case management[14]. Implementation, however, has been paused since the start of the pandemic.

Eligibility simplification is not new to policy discussions in Missouri. In 2023, Gov. Parson signed Senate Bills 106 and 45, which mandate that initial applications for Missouri's core public benefit programs (e.g., TANF, SNAP), medical assistance, or child care assistance programs be limited to a succinct, non-duplicative, and easily accessible online form[15,16].

The adoption of a simplified integrated user-friendly application for state benefit programs, accessible by paper, online, and over the phone, would significantly aid state employees in completing *ex parte* renewals and empower beneficiaries, reducing call center wait times and duplicate applications.

Implement CMS Mitigation Strategies

CMS has provided a clear mandate that states must comply with federal renewal requirements to claim additional federal funds to assist with Medicaid costs[17]. Under these renewal requirements, states must ensure that enrollees can submit renewal forms through all available modalities including online, telephone, mail, and in-person. As of March 31, 2023, Missouri was found out of compliance with this requirement, due in part to ongoing issues with the online enrollment portal and the call center[17]. The call center data and high disenrollment numbers suggest the state may still be out of compliance if individuals continue experiencing barriers to renew coverage.

CMS has strongly recommended the adoption of mitigation strategies such as extending call center hours, implementing automatic callback, and enhancing the voice response system for telephonic submissions. Other strategies include allowing enrollees to submit multi-page documents and receive a submission confirmation in the online portal and clarifying messaging on mailed notices with clear directives for enrollees to follow[17]. A pause on procedural terminations would allow Missouri the time and capacity to adopt these mitigation strategies and avoid further exacerbation of the current process that has caused nearly 222,000 Missourians to lose health care coverage. With hundreds of thousands of enrollees still to be reviewed in the remaining 4 months of the unwinding, there is no time to wait.

Endnotes

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