

2023 FY Spending Bill and the Medicaid Unwinding: Implications for the HCH Community

February 2023

The FY 2023 Government spending bill, called the Consolidated Appropriations Act, 2023 and known as the omnibus spending bill, was passed on December 23, 2022, and requires states to begin processing Medicaid redeterminations no later than April 1, 2023. The bill separates the Medicaid redeterminations process, known as “unwinding”, from the [public health emergency](#) (PHE) that was declared in 2020 in response to the COVID-19 pandemic. States were [prohibited from disenrolling any Medicaid recipient during the PHE](#) in order to maintain continuous coverage during the emergency. In addition to separating the continuous coverage from the PHE, the new law provides a phase-out of the [enhanced reimbursement](#) from Medicaid. Instead of immediately discontinuing both the continuous coverage policy and the added 6.2% reimbursements ([enhanced FMAP](#)), the increase will be gradually reduced over the remainder of 2023.

This fact sheet describes how the HCH Community should prepare for Medicaid redeterminations which will resume by April 1, 2023.

Background

As part of the continuous coverage requirement, Medicaid recipients were neither disenrolled, nor required to complete the annual redetermination process that is typically necessary to verify ongoing eligibility. This new law allows states to **begin** the redetermination process as early as February 1, 2023, and no later than April 1, 2023. States have 12 months to **initiate** redetermination on all Medicaid recipients and must complete the process within 14 months. Thanks to the gradual decrease in the FMAP enhancement, states are incentivized not to rush the redeterminations. The enhanced FMAP will remain at 6.2 percent through March 31, 2023, dropping to 5 percent on April 1, 2023, then to 2.5 percent on July 1, 2023, and 1.5 percent on October 1, 2023. The enhanced FMAP will sunset on January 1, 2024.

**HHS EXPECTS
APPROXIMATELY
6.8 MILLION PEOPLE WHO
ARE STILL ELIGIBLE WILL
LOSE COVERAGE BECAUSE
OF ADMINISTRATIVE
ROADBLOCKS.**

*- Centers for Medicare &
Medicaid Services (CMS)*

People experiencing homelessness have always been [disproportionately impacted](#) by the Medicaid redetermination process. Redeterminations also have [a greater impact on people of color](#). Many state Medicaid offices' continued reliance on physical mail for communication, short response timeframes, numerous redetermination dates for one family, and cumbersome paperwork are some of the traditional barriers to continuity of coverage under Medicaid. Short-staffed Medicaid offices will have greater difficulty responding to individual requests and correcting administrative issues. Further, many Medicaid staff are new and have never participated in the redetermination processes before. Finally, because

Medicaid is administered at the state level, **each state will determine their own redetermination process, likely yielding widely disparate results.**

What to Expect

State Medicaid offices are meeting with the Centers for Medicare and Medicaid Services (CMS) to finalize the timeline they will use to complete the unwinding (See [CMCS Informational Bulletin for timelines](#)). The definitive date of April 1, 2023, gives states over 90 days' notice to begin activities such as bolstering communication to enrollees, hiring additional staff, and making changes to their eligibility systems to resume normal operations¹. With the unwinding no longer tied to the end of the public health emergency, states can begin reviewing eligibility of their Medicaid enrollees on February 1, 2023 and will notify them if information is necessary to maintain coverage.² **Importantly, states that begin the redetermination process on February 1, 2023, will begin disenrollment on April 1, 2023.**

Medicaid offices have—or should have—begun reaching out to enrollees to verify contact information, which will improve the likelihood an enrollee's eligibility is successfully redetermined. By law, states are required to communicate with Medicaid enrollees of the need for redetermination. To address outdated contact information, the Consolidated Appropriations Act, 2023 requires that states use the U.S. Post Office's National Change of Address (NCOA) database and/or state Department of Health and Human Services data to attempt to get updated contact information. In addition, states are not allowed to disenroll a recipient based solely on returned mail and are [required](#) to use two additional modalities of contacting the enrollee upon receiving returned mail. The omnibus spending bill also requires states to report to HHS metrics including renewals completed *ex parte*, coverage termination due to procedural reasons and call center metrics.

Recommendations for State Medicaid Agencies

1. Complete automated verification (*ex parte*) of eligibility, **without requiring a signature**, through every federal, state, and local database system available to limit or remove the burden on the individual/family.
2. Deploy Medicaid staff who are trained in working with the unique needs of people experiencing homelessness.
3. Offer extended/weekend hours and walk-in appointments at locations in communities where there are high numbers of Medicaid enrollees.

THIS IS “THE SINGLE LARGEST HEALTH COVERAGE TRANSITION EVENT SINCE THE FIRST OPEN ENROLLMENT PERIOD OF THE AFFORDABLE CARE ACT.”

- Centers for Medicare & Medicaid Services (CMS)

¹ CBPP: [States Must Act to Preserve Medicaid Coverage as End of Continuous Coverage Requirement Nears](#)

² Note: States retained the authority to redetermine eligibility throughout the PHE, however, any dis-enrollments that occur must have been redetermined within 60 days. Hence, states cannot disenroll members without a recent review of eligibility.

4. Allow early redetermination if a person is not yet in their redetermination window but is available and ready to complete the process.
5. Use multiple methods of contacting Medicaid enrollees including email, phone, authorized provider contact information, and text messaging services. Allow recipients to choose their preferred method of communication.
6. Make redetermination dates more visible at the point of care (i.e., available when health centers verify insurance).
7. Work with Medicaid Managed Care Organizations, health care providers, and enrollment staff to ensure up-to-date contact information is in the Medicaid system.
8. Publish the timeline being used to conduct verifications and re/disenrollments.
9. Create materials to educate Medicaid recipients and those who work with them that provide simple and clear explanations of the process and how to complete it to ensure continuous coverage.
10. Actively track, report, and make public data on coverage losses of otherwise eligible people to identify and correct disparities based on race, ethnicity, and language.

Actions for the HCH Community to Prepare for Medicaid Redeterminations

- Be familiar with your state's plan to complete redetermination.
- Collaborate with local Medicaid staff to have representatives onsite at homeless services and health care clinics to complete applications in real time.
- Ensure case management and other enrollment staff know about the unwinding timeline and identify internal procedures to educate and assist individuals who need to complete redeterminations as well as completing reenrollment if coverage lapses.
- Update contact information for all clients who are currently enrolled in Medicaid to increase likelihood they will receive notification when it is time to complete redetermination.
- Develop a "How To" Guide for clients with steps they must take to prevent a lapse in their benefits, and actively discuss with them so they are aware.
- Develop a "How To" Guide for staff on how to support people experiencing homelessness maintain/regain Medicaid coverage.
- Actively monitor enrollment data (disaggregated by race) of health center patients, to quantify coverage losses and document any disparities that emerge.
- Advocate for proactive redetermination processes, and for information to be widely available and promoted in high-visibility spaces.
- Develop workflow for referring clients who are no longer eligible for Medicaid to other Insurance Affordability Programs (i.e., State run Marketplaces).

Risks to the HCH Community from Medicaid Redeterminations

Losses of insurance coverage at the individual patient level, even temporary loss, will clearly limit access to comprehensive care beyond the health center, including to prescription medications, specialty care, and other services. Disenrollments that cause barriers to services also can be traumatic, damage trust, and impact health outcomes. At the population level, even moderate rates of coverage loss will reduce reimbursements for health care providers, and potentially have significant financial impact. Health centers will also need staff resources to help clients reenroll in benefits. **States that do not take proactive steps to prevent coverage losses among otherwise eligible people are likely to experience significant levels of disenrollment, increases in uninsured rates, greater rates of uncompensated care, and worse health outcomes.**

February 1, 2023	<ul style="list-style-type: none"> • First day states can initiate redeterminations
April 1, 2023	<ul style="list-style-type: none"> • All states must initiate redeterminations no later than this date • Date of disenrollment for redeterminations initiated 2/1/23 in states with 60-day redetermination period
June 1, 2023	<ul style="list-style-type: none"> • Date of disenrollment for redeterminations initiated 4/1/23 in states with 60-day redetermination period
January 1, 2024	<ul style="list-style-type: none"> • FMAP rate returns to baseline
January 31, 2024	<ul style="list-style-type: none"> • Last day to initiate redeterminations for states that begin 2/1/23
March 31, 2024	<ul style="list-style-type: none"> • Last day for all states to initiate redeterminations
May 31, 2024	<ul style="list-style-type: none"> • All redeterminations must be completed

Additional timeline information available in [CMCS Bulletin, January 5, 2023](#)

Conclusion

The Consolidated Appropriations Act, 2023 established the end of Medicaid continuous enrollment as April 1, 2023. The Act provides states with a clear timeline for when they must complete redetermination of all Medicaid enrollees and could have a significant impact on people experiencing homelessness and the health care providers that serve them. The lack of stable mailing addresses, changing contact information, and other factors can create challenges to state efforts to accurately redetermine eligibility. However, the inclusion of some standards to utilize available databases and provide monthly reporting on metrics including redetermination completion and disenrollment rates are efforts to minimize the impact on those who remain eligible for Medicaid. Implementing proactive strategies to overcome these barriers can help ensure greater continuity of coverage for a vulnerable population. Efforts must begin now to prevent enrollees from losing coverage due to administrative burdens.

Resources

ASPE: [Unwinding the Medicaid Continuous Enrollment Provision: Projected Enrollment Effects and Policy Approaches](#)

ASPE: [Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic](#)

CBPP: [States Must Act to Preserve Medicaid Coverage as End of Continuous Coverage Requirement Nears](#)

CBPP: [States Can Reduce Medicaid's Administrative Burdens to Advance Health and Racial Equity](#)

CMS: [Renew Your Medicaid or CHIP Coverage](#)

CMS: [CMCS Informational Bulletin Key Dates Related to the Medicaid Continuous Enrollment Condition Provisions in the Consolidated Appropriations Act, 2023](#)

CMS: [Medicaid Continuous Enrollment Condition Changes, Conditions for Receiving the FFCRA Temporary FMAP Increase, Reporting Requirements, and Enforcement Provisions in the Consolidated Appropriations Act, 2023](#)

CMS: [Unwinding and Returning to Regular Operations after COVID-19](#)

CMS: [Top 10 Fundamental Actions to Prepare for Unwinding and Resources to Support State Efforts](#) (and a [Spanish Version](#))

CMS: [Strategies States and the U.S. Territories Can Adopt to Maintain Coverage of Eligible Individuals as They Return to Normal Operations](#)

Families USA: [Not A Moment to Lose: Critical Changes States Should Implement to Prevent Medicaid Coverage Losses](#)

Georgetown University Health Policy Institute Center for Children and Families: [Unwinding the Public Health Emergency](#)