

Members of the Equitable Maternal Health Coalition



# Frequently Asked Questions: Continuing Medicaid/CHIP Postpartum Coverage

— June 2020 —



## Would the 12 months of postpartum coverage be limited to the eligibility pathway in which the beneficiary was enrolled during pregnancy?

- The 12 months of postpartum coverage would attach to all eligibility groups applicable to pregnant women (e.g., women deemed eligible for Medicaid on the basis of their pregnancy, as part of the New Adult Group, women who are disabled, etc.). By doing so, 12-month continuous eligibility would maintain a woman's coverage in the Medicaid eligibility pathway in which she was enrolled at the time of birth, without any "process" or redetermination, special enrollment periods or new premium and cost-sharing obligations to receive care.
- Medicaid-enrolled women would stay enrolled in Medicaid during the postpartum period. Because of their Medicaid coverage, women with incomes at or above 100% FPL would be ineligible for Marketplace subsidies (assuming states are required to provide minimum essential coverage for all Medicaid/CHIP-enrolled pregnant women).
- At the end of the Medicaid/CHIP 12-month postpartum period, depending on the woman's income and state coverage policies, the woman could:
  - Maintain Medicaid coverage through her current eligibility pathway (if not pregnancy-related and the woman continues to meet the Medicaid eligibility criteria);
  - Maintain Medicaid coverage via another eligibility pathway (no new application required/permitted);
  - Qualify for a Marketplace Special Enrollment Period (on the basis of losing Medicaid/CHIP eligibility) and pay the premium to enroll; or
  - If her income is below 100% FPL and she is ineligible for public insurance coverage based on the above options, she would lose access to public coverage.

## How would the Medicaid statute need to be modified to apply 12 months of continuous coverage to all Medicaid/CHIP eligibility pathways?

- Today, 60 days of postpartum coverage is automatically provided to women enrolled in poverty-level-related pregnancy pathways.<sup>1</sup> To enact the policy as described above, the 60 days would need to be modified to 12 months, and would need to be modified to apply to CHIP for pregnant women<sup>2</sup> and the "ICHIA"/CHIPRA §214 option.<sup>3</sup>
- Today, *continuous eligibility* for 60 days postpartum applies to women enrolled in poverty-level-related pregnancy pathways.<sup>4</sup> To ensure that all pregnant women in Medicaid/CHIP continue to be eligible for 12 months of postpartum coverage *regardless of potential changes in circumstances*, this provision should apply to *all* Medicaid eligibility groups (including, for example, postpartum women in the New Adult Group or postpartum women eligible for Medicaid on the basis of a disability).

## How would 12 months of continuous coverage ease the enrollment process during this vulnerable time?

- This policy would maintain a woman's coverage in the Medicaid/CHIP eligibility pathway in which she was enrolled at the time of birth, without any "process" or redetermination or new premium obligations to extend coverage. Continuation of coverage is automatic and assured.

## What are key considerations related to federal costs?

- **Future Cost Avoidance.** Continuing coverage for 12 months postpartum would avoid future costs for women who otherwise would suffer from adverse health outcomes.<sup>5</sup> This will reduce health system costs and specifically costs in Medicaid. Many of the women who lose Medicaid coverage under current rules

requalify for Medicaid at a later point (e.g., their earnings drop or their household composition changes). With the benefit of 12 months postpartum coverage, these women would be more likely to have received the care they need and be healthier when reentering Medicaid coverage.<sup>6</sup> New Jersey determined that 53% of pregnant women who lost Medicaid coverage postpartum re-enrolled at some point over the two years after their coverage was terminated.<sup>7</sup>

- **Extending Medicaid Coverage Postpartum Would Reduce Other Federal Spending.** Today, women losing Medicaid coverage 60 days postpartum may receive some level of coverage through other federally-funded programs, ranging from limited benefit Medicaid programs to advance premium tax credits for Marketplace coverage. Any assessment of the federal cost of continuing Medicaid coverage postpartum should account for a reduction in federal expenditures under these other coverage programs.

- **Medicaid expansion:** Women who are enrolled in Medicaid as part of the New Adult Group (Medicaid expansion) and become pregnant are moved into the Pregnant Women category no later than at the time of redetermination (if they are, at that time, pregnant) and transitioned back to the New Adult Group when the postpartum coverage period ends. The postpartum extension would keep women in the Pregnant Women category longer (by delaying their return to the New Adult group). Therefore, federal savings will result from an extended period of the lower match rate.
- **Limited benefit Medicaid family planning programs:** In many states, the postpartum coverage continuation would supplant coverage through another—typically much narrower—Medicaid eligibility pathway such as family planning programs which provide limited benefits at a 90% federal match rate.<sup>8</sup>
- **Postpartum depression screening and treatment:** On the issue of maternal depression, Medicaid policy allows states to cover the cost of screening and providing certain postpartum depression treatments to women whose child is Medicaid-enrolled, even if the woman is not. Like the family planning issue noted above, continuing coverage postpartum would avoid these EPSDT costs.<sup>9</sup>

- **Marketplace coverage:** In all states, continuing postpartum coverage would take the place of spending in other publicly-financed health care programs such as Marketplace coverage. Medicaid coverage is generally less costly to the federal government than Marketplace coverage.<sup>10</sup>
- **Averted Administrative Costs from Simplifying the Program.** By continuing pregnant women coverage in Medicaid, and thereby reducing churn, federal and state administrative costs are lowered. A Commonwealth Fund study estimates that the cost of churning is \$400 to \$600 per enrollee.<sup>11</sup>

### Could the Department of Health and Human Services approve this policy via 1115 waiver authority?

- Under Section 1115, the HHS Secretary can waive provisions of the law in Section 1902 of Title XIX (the current 60-day postpartum rule is in section 1902) and may permit federal financial participation for costs not otherwise matchable. Demonstration waivers must further the objectives of the program and are, by their nature, subject to secretarial discretion. Note that the HHS Secretary cannot waive the match rate.
- Legislation to establish state plan authority to implement postpartum extensions would ensure that—regardless of the policy position of this or another administration—states may extend postpartum coverage. Additionally, submitting state plan amendments is much less burdensome for states (and the federal Administration) than the Section 1115 waiver development and ongoing monitoring and evaluation process.<sup>12</sup>

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<sup>1</sup>Women covered under Section 1902(a)(10)(A)(i)(IV) of the Social Security Act (mandatory poverty-related pathway for women with incomes above other mandatory levels but at or below 138% FPL) and Section 1902(a)(10)(A)(ii)(IX) (optional poverty-related pathway for women with incomes above 138% FPL).

<sup>2</sup>Section 2112 of the Social Security Act.

<sup>3</sup>Section 1902(v)(4)(A) of the Social Security Act.

<sup>4</sup>Section 1902(e)(6) of the Social Security Act.

<sup>5</sup>Society for Maternal-Fetal Medicine, "Pregnancy as a Window to Future Health," available at: <https://s3.amazonaws.com/cdn.smfm.org/publications/141/download-c105ffcc39a9df493e7a9ba65b22c4ca.pdf>.

<sup>6</sup>Health Affairs, "Effects of Medicaid Expansion on Postpartum Coverage and Outpatient Utilization," January 2020, available at: <https://www.healthaffairs.org/doi/abs/10.1377/hlthaff.2019.00547>.

<sup>7</sup>State of New Jersey, Department of Human Services Division of Medical Assistance and Health Services, public notice of intention to submit an amendment to the Section 1115 comprehensive demonstration, available at: <https://www.state.nj.us/humanservices/providers/grants/public/publicnoticefiles/Public%20Notice%20Amendment%20Request%20-%20NJ%201115%2012-23-19%20Final.pdf>.

<sup>8</sup>24 states have federal approval for family planning programs; See Guttmacher

Institute, Medicaid Family Planning Eligibility Expansions, March 2020, available at: <https://www.guttmacher.org/state-policy/explore/medicaid-family-planning-eligibility-expansions>. (Note: The Guttmacher chart does not account for Texas' now federally-approved family planning waiver).

<sup>9</sup>Centers for Medicare & Medicaid Services, "Maternal Depression Screening and Treatment: A Critical Role for Medicaid in the Care of Mothers and Children," May 2016, available at: <https://www.medicaid.gov/sites/default/files/Federal-Policy-Guidance/Downloads/cib051116.pdf>.

<sup>10</sup>Congressional Budget Office, "Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2019 to 2029," May 2019, available at: Average Federal Subsidies for Recipients by Type of Health Insurance, Calendar Year 2019 (See page 4, "Average Federal Subsidies for Recipients by Type of Health Insurance, Calendar Year 2019").

<sup>11</sup>Swartz, K, Short, P, Graphe, DR, Uberoi N, "Reducing Medicaid Churning: Extending Eligibility for Twelve Months or to End of Calendar Year Are Most Effective," July 2015, available at: [https://www.commonwealthfund.org/sites/default/files/documents/media\\_files\\_publications\\_in\\_the\\_literature\\_2015\\_jul\\_1829\\_swartz\\_reducing\\_medicaid\\_churning\\_ha\\_07\\_2015\\_itl\\_v2.pdf](https://www.commonwealthfund.org/sites/default/files/documents/media_files_publications_in_the_literature_2015_jul_1829_swartz_reducing_medicaid_churning_ha_07_2015_itl_v2.pdf).

<sup>12</sup>For example, a long-standing component of Section 1115 waivers is that they must be budget neutral to the federal government; states must undergo public notice and comment periods at the state and federal levels before receiving CMS approval for Section 1115 waivers; and, once approved, states must submit ongoing reports to HHS with respect to the impact of waivers on access, quality, and outcomes.