

State Strategies to Keep Children Covered

Throughout the period of Medicaid unwinding, [more than 2 million children have been disenrolled](#) from Medicaid coverage with only 21 states reporting. The Centers for Medicare & Medicaid Services (CMS) has approved various waivers and flexibilities at the federal level to keep children covered.

Below is an outline of successful flexibilities and strategies states have implemented to reduce the number of children being procedurally terminated¹ from Medicaid coverage. If they have not been already, the following flexibilities can be implemented in your state to ensure that eligible children are maintaining their Medicaid coverage. Children's hospitals should consider advocating for the uptake of these policies in their states to keep children covered under Medicaid.

States Delaying Renewals for Children Until 2024

Some states are delaying renewals for children. For example, on Oct. 27, 2023, Kentucky received approval from CMS to delay renewals for children under age 19 for 12 months. Kentucky requested this waiver to address the high volume of renewals and improve existing operational and system issues. States have been offered technical assistance from CMS to submit similar asks in delaying their renewals for children. Hawaii also obtained approval to pause Medicaid disenrollments in 2023.

Section 1902(e)(14)(A) Waivers Implemented by States

CMS has approved various waivers ([1902\(e\)\(14\)\(A\) waivers](#)) that provide states with flexibilities to combat staffing, systems infrastructure, etc. challenges with the Medicaid unwinding. The approval of these waivers aims to reduce the number of individuals being incorrectly terminated from Medicaid coverage.

Children have faced many procedural terminations during the unwinding, and states have applied many of these flexibilities to prevent additional children from being improperly terminated and reinstate coverage where appropriate. The waivers outlined below have been implemented in states as time-limited flexibilities to improve *ex parte* renewal rates, update beneficiary contact information, and support families with renewal form submissions.

- **Allow Managed Care Organization (MCO) To Update Contact Information and Conduct Outreach.** State Medicaid agencies have partnered with Medicaid MCOs to update beneficiary contact information and improve outreach to families. The updated address information sent from the MCO is included in the state agency's system, and the family is then sent a notice by mail to that updated address. MCOs have also been contacting beneficiaries by text, phone, email, or text message to remind individuals to complete their renewal form. Many state Medicaid agencies and children's hospitals have reported that this has been a successful outreach strategy to ensure that families are being reached and notified that their child is due for renewal.

¹ Procedural terminations occur when the individual fails to complete the renewal process for reasons such as outdated contact information, incomplete data on the individual, or other "paperwork" reasons. Individuals disenrolled from Medicaid for procedural reasons may still be eligible for Medicaid coverage.

- **Permit MCOs to Assist Families with Completing and Submitting Renewals.** States may also partner with MCOs to assist families with completing and submitting the paperwork required for Medicaid renewals. This flexibility has helped mitigate the issue of children being procedurally terminated due to missing and/or incomplete paperwork required for renewal. Leveraging the additional workforce that MCOs provide has been an important source of support for families that require assistance with the renewal process.
- **Use Information from the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) Programs to Renew Medicaid Eligibility.** States that do not have Express Lane Eligibility for their children can renew Medicaid eligibility for SNAP and TANF participants without having to conduct a separate income redetermination. States have also been provided the option to align Medicaid renewals with SNAP and TANF recertifications, as long as these recertifications occur within the 12-month unwinding period. This flexibility reduces the burden on families from having to submit a Medicaid renewal.
- ***Ex Parte* Renew Individuals that have “Zero-Dollar Income” and/or are Below 100% of the Federal Poverty Line (FPL) When No Data is Returned.** This option allows states to conduct automatic *ex parte* renewals for individuals with no income and/or income at or below 100% FPL when no income information is returned from the state's financial data sources. The most recent income redetermination must be no earlier than March 2019, and the state must ensure that no other financial data has been received. Families that fall under these criteria would not be required to complete additional renewal paperwork and verify their income. This flexibility is important for families since it helps to prevent procedural terminations for children that meet these criteria and are still eligible for coverage.
- **Delay Procedural Terminations for One Month While the State Conducts Targeted Renewal Outreach.** States have the option to conduct targeted renewal outreach for one month prior to terminating coverage for a procedural reason. Under this option, states can conduct outreach via telephone, text messaging or other modality to remind individuals to complete their renewal form.
- **Strategies to Reinstate Coverage for Children that Were Incorrectly Terminated for Procedural Reasons.** In Sept. 2023, [CMS identified 30 states](#) that had systems conducting *ex parte* renewals at the household level rather than at an individual level, and as a result terminating the entire household from Medicaid coverage even if the child remained eligible. This significantly impacted children in many of these states because state income eligibility for Medicaid coverage tends to be higher for children than for adults. States have implemented strategies to mitigate this error and reinstate coverage for children that were incorrectly terminated from coverage. Children’s hospitals should ensure with their states that children who have been improperly terminated have their coverage reinstated as soon as possible.

More in-depth descriptions of the waivers available to states can be found [here](#).

Potential Barriers to Renewal

There are barriers in various states that are preventing successful renewals for children on Medicaid. These include:

- **Requiring Enrollment Fees for Renewals.** There are states requiring families to pay enrollment fees to renew their children's Medicaid coverage. This is a significant barrier to renewal, especially since many children on Medicaid come from low-income families. To ensure that children are maintaining their coverage, it is critical that states do not require payment of enrollment fees to complete a child's renewal.
- **Resumption of Premiums for Children Under Medicaid.** A number of states have delayed the resumption of premiums for children covered by Medicaid until the end of their unwinding processes. Now that states are reaching the end of their unwinding processes, states are likely to resume premiums for children whose Medicaid coverage is renewed. Given that many children enrolled in Medicaid come from low-income families, resuming premiums will cause a financial burden to these families and could affect children maintaining their Medicaid coverage post-renewal. States have the option to continue delaying the resumption of premiums or eliminate them entirely going forward, which would help to keep children covered under Medicaid.

Children's hospitals should identify if these barriers are present in their states and advocate for states to remove them. For children to remain covered under Medicaid, it is imperative that families do not face any additional financial obstacles during or after their child's renewal.