

Minimizing disruptions in public health care coverage after the federal COVID-19 emergency ends

Issues

- Minnesota has maintained coverage throughout the pandemic for people who rely on Medical Assistance and MinnesotaCare, pausing most eligibility checks, including annual renewals, and coverage closures. These steps allowed the state to receive additional federal funding during the federal public health emergency. More important, it helped Minnesota maintain high insurance coverage rates during a global pandemic.
- Total enrollment in public health care programs grew by nearly 250,000, to 1.4 million Minnesotans. One in four Minnesotans now receive coverage through Medical Assistance and MinnesotaCare.
- When the federal emergency ends, the Department of Human Services must resume and complete renewals within 12 months for each one of these 1.4 million Minnesotans. This will be the biggest challenge for health care coverage since implementation of the Affordable Care Act, representing a significantly larger volume of work than has ever occurred before in the history of the state's public health care programs. Meanwhile, the state's health and human services workforce is understaffed and under-resourced.
- The renewal process relies on a complex and cumbersome, paper-based process. It will be particularly challenging as many enrollees are likely to have moved, changed jobs, or experienced other changes requiring more labor-intensive eligibility reviews. Those who gained coverage during the pandemic have never experienced the renewal process.
- Successful renewals will require effective project management, the ability to contact enrollees, and clear and regular communication with enrollees, counties, Tribes, navigator organizations, managed care organizations and other stakeholders.

Proposal

Governor Walz's revised supplemental budget includes the following proposals:

- **Supporting navigator organizations:** Navigators are critical for Minnesotans navigating the complex health care coverage universe. They will play an essential role in helping enrollees with renewals, particularly enrollees with limited English proficiency and in BIPOC communities.
- **Expanding the capacity for disability determinations:** Historically, some enrollees who lose coverage after a renewal seek eligibility for coverage under a disability status. Additional staff will allow the State Medical Review Team to manage the expected significant increase in requests for disability determinations.
- **Adding funding for electronic income verification:** Increased funding for a vendor contract will enable counties to meet statutory requirements to verify enrollees' wage income electronically.
- **Giving some enrollees more time to spend down excess assets:** Allowing Minnesotans who are blind, have a disability or are 65 or older to spend down assets above eligibility limits for 95 days after their renewal.

This recognizes additional assets these enrollees may have accumulated during the pandemic from one-time payments, such as federal stimulus checks.

- **Phasing in a return to standard policies and procedures:** Updating state law will allow continuous coverage until an enrollee's renewal is conducted, in accordance with federal guidance.
- **Extending forgiveness of unpaid premiums for Employed Persons with Disabilities:** Not collecting unpaid premiums until after renewal will keep vulnerable Minnesotans in the Medical Assistance for Employed Persons with Disabilities (MA-EPD) program from losing coverage before their renewal, which is prohibited by the federal government. Enrollees remained covered throughout the public health emergency even if they did not pay their monthly premium.
- **Continuing to suspend periodic data matching:** Keeping the periodic data matching process on hold until renewals are completed aligns with federal guidance preventing states from terminating an enrollee's coverage before conducting a full renewal. State law requires DHS to check enrollee eligibility once during the year outside of the usual renewal process. This is called periodic data matching and has been on hold through the federal COVID-19 emergency.

Benefits

- Smoothing the transition to standard eligibility procedures will help eligible Minnesotans, including many vulnerable populations, maintain health care coverage. This preserves their access to COVID-19 vaccinations and treatment, other immunizations, preventive screenings, prescription drugs, care for chronic conditions, behavioral health treatment, nursing facility care and other long-term services and supports.
- These changes will help Minnesota maintain high health insurance rates coming out of the pandemic, with long-standing health consequences for significant numbers of Minnesotans. The full extent of the pandemic's impact on health remains unknown, with postponed preventive care allowing chronic illness and disease to accelerate undetected, greater needs for behavioral health care and substance use disorder treatment, and possibly yet-unknown health issues for COVID long haulers.
- Preventing disenrollment in Medical Assistance and MinnesotaCare will help keep coverage for Minnesotans experiencing worst-in-the-nation disparities in health outcomes. About 44% of Black Minnesotans under age 65 rely on Medicaid, including 64% of Black Minnesotan children. So do almost 40% of Indigenous Minnesotans, 30% of Hispanic Minnesotans and 20% of Asian Minnesotans.
- Mitigating churn in these programs will avoid downstream effects throughout the health care and social services infrastructure. The very Minnesotans struggling the most economically through the pandemic will be affected by restarting renewals. Losing coverage would be catastrophic not only for them, but also for providers such as hospitals, nursing facilities and personal care assistants, while raising the cost of uncompensated care.

Fiscal impact

- \$13.2 million in Fiscal Years 2023-25

Related information

Governor's 2022 Revised Supplemental Budget Recommendations:

- [Responding to COVID in Minnesota Health Care Programs](#)
- [Increasing Health Care Access and Affordability for Minnesotans](#)

Additional background:

- Medicaid Matters dashboard: [Minnesota Health Care Programs application and enrollment](#)
- [Making health care coverage more accessible and affordable](#)

DHS Communications: March 2022