



# Association Between State Eligibility Processes and Rates of Churn and Continuous Coverage

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Medicaid and CHIP Payment and Access Commission  
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# Overview

- Background
- National rates of churn and continuous coverage
- State variation related to policy differences
  - 12-month continuous eligibility
  - Mid-year data checks for changes in circumstances
  - Automated renewals
- Potential areas for future work

# Background

- States must balance the need to make accurate eligibility determinations without creating unnecessary barriers to enrollment
- Churn occurs when beneficiaries disenroll and re-enroll in a short period of time
  - Some churn may be due to income fluctuation
  - Some churn may be due to administrative barriers
  - Churn can result in unnecessary administrative costs for states and delayed care for beneficiaries

# Policies Related to Churn

- 12-month continuous eligibility for children
  - As of January 2020, 23 states in Medicaid and 25 states in CHIP
- ACA streamlined enrollment processes for beneficiaries whose income is determined using modified adjusted gross income (MAGI)
  - Renewals no more than once every 12 months
  - Required to attempt to confirm eligibility with electronic data sources at renewal before requesting information
  - As of January 2020, the share of renewals automated ranged from less than 25 percent in 11 states to more than 75 percent in 9 states
- States can still redetermine eligibility mid-year if data checks identify a potential change in circumstances
  - As of January 2020, 30 states did mid-year data checks for changes in circumstances

# Methods

- MACPAC contracted with Mathematica to examine enrollment data in the Transformed Medicaid Statistical Information System (T-MSIS)
  - Used 2017–2019 data to examine enrollment spans across years
  - Excluded individuals enrolled in multiple states and those with partial Medicaid benefits
  - 42 states and DC had useable data
  - 26 states also had reliable race and ethnicity data

# Rates of Churn and Continuous Coverage, 2018

Eligibility group	Number of beneficiaries included in analysis (millions)	Share of beneficiaries disenrolled in 2018	Share of beneficiaries who re-enrolled within 12 months	Average length of first span of coverage (capped at 12 months)
<b>Total</b>	<b>72.1</b>	<b>21%</b>	<b>8%</b>	<b>11.6 months</b>
Children (Medicaid and CHIP)	35.0	19%	8%	11.7 months
Adults under age 65 without disabilities (MAGI)	26.1	28%	9%	11.4 months
Adults age 65 and older and those with disabilities (Non-MAGI)	11.0	12%	3%	11.8 months

**Notes:** MAGI is modified-adjusted gross income. Analysis excludes partial benefit enrollees and those eligible in a medically needy eligibility category. Analysis excludes Florida, Kentucky, Mississippi, Nebraska, Oklahoma, Oregon, Utah, and Wyoming because of incomplete or unreliable T-MSIS data.

**Source:** Mathematica, 2021, analysis for MACPAC of T-MSIS data

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# State Variation

- We observed wide variation in rates of churn and continuous coverage by state
- We examined the extent to which the following state policies were associated with these state-level differences:
  - 12-month continuous eligibility
  - Mid-year data checks for changes in circumstances
  - Automated renewals

# Average Rates of Continuous Coverage in States with and without Continuous Eligibility, 2018

Coverage statistics for children covered by Medicaid	States without 12-month continuous eligibility (n=19)	States with 12-month continuous eligibility (n=24)
Average share of beneficiaries with fewer than 12 months of coverage	4.1%	2.8%
Average length of first span of coverage (capped at 12 months)	11.78	11.84
Average share of beneficiaries who disenroll and re-enrolled within 12 months	8.5%	6.0%

**Notes:** Children covered by Medicaid include children enrolled in Medicaid expansion CHIP. Analysis excludes Florida, Kentucky, Mississippi, Nebraska, Oklahoma, Oregon, Utah, and Wyoming because of incomplete or unreliable T-MSIS data.

**Source:** MACPAC, 2021, analysis of T-MSIS data and Brooks et al., 2018, *Medicaid and CHIP eligibility, enrollment, and cost-sharing policies as of January 2018*, Washington, DC: Kaiser Family Foundation, <https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-renewal-and-cost-sharing-policies-as-of-january-2018-findings-from-a-50-state-survey-premiums-and-cost-sharing/>.



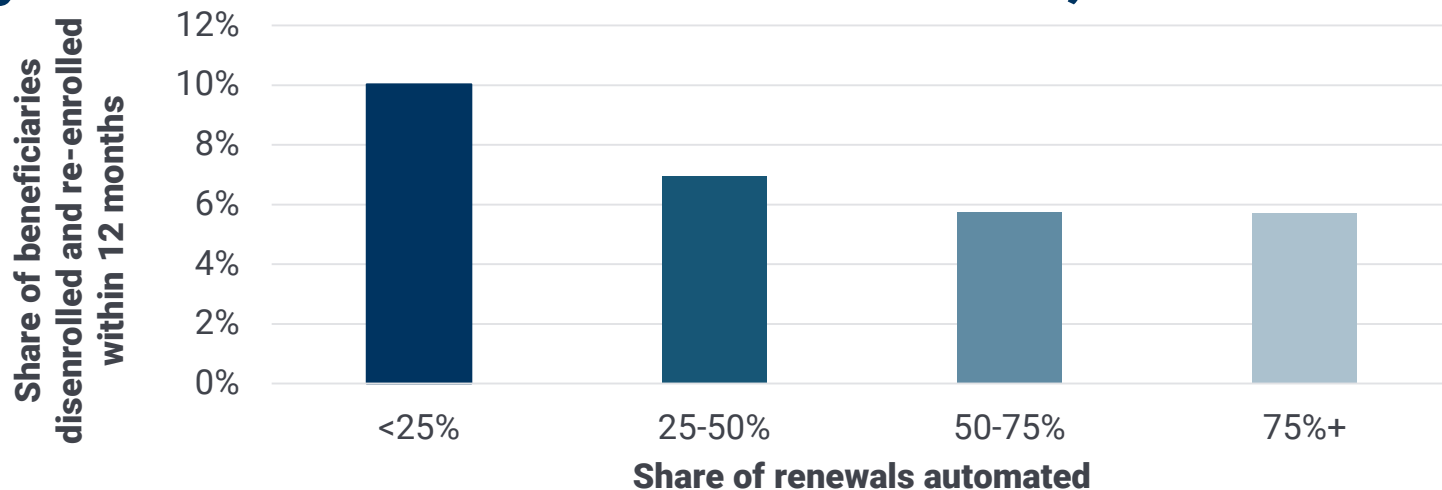
# Average Rates of Continuous Coverage in States with and without Mid-Year Data Checks, 2018

Coverage statistics for adults enrolled in MAGI eligibility groups (under age 65 and not eligible on the basis of disability)	States without mid-year data checks for changes in circumstances (n=21)	States with mid-year data checks for changes in circumstances (n=22)
Average share of beneficiaries with fewer than 12 months of coverage	8.6%	14.5%
Average length of first span of coverage (capped at 12 months)	11.52	11.24
Average share of beneficiaries who disenroll and re-enrolled within 12 months	7.7%	10.9%

**Notes:** MAGI is modified adjusted gross income. Analysis excludes Florida, Kentucky, Mississippi, Nebraska, Oklahoma, Oregon, Utah, and Wyoming because of incomplete or unreliable T-MSIS data.

**Source:** MACPAC, 2021, analysis of T-MSIS data and Brooks et al., 2018, *Medicaid and CHIP eligibility, enrollment, and cost-sharing policies as of January 2018*, Washington, DC: Kaiser Family Foundation, <https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-renewal-and-cost-sharing-policies-as-of-january-2018-findings-from-a-50-state-survey-premiums-and-cost-sharing/>.

# Average Rates of Churn for Medicaid Beneficiaries by Share of Renewals Automated, 2018



**Notes:** Hawaii, North Dakota, and Texas did not report the share of renewals automated and are excluded from this figure. Analysis also excludes Florida, Kentucky, Mississippi, Nebraska, Oklahoma, Oregon, Utah, and Wyoming because of incomplete or unreliable T-MSIS data.

**Source:** MACPAC, 2021, analysis of T-MSIS data and Brooks et al., 2018, *Medicaid and CHIP eligibility, enrollment, and cost-sharing policies as of January 2018*, Washington, DC: Kaiser Family Foundation, <https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-renewal-and-cost-sharing-policies-as-of-january-2018-findings-from-a-50-state-survey-premiums-and-cost-sharing/>.

# Limitations

- The associations we observed do not necessarily imply causation
- We do not know whether beneficiaries who disenrolled transitioned to other sources of coverage or became uninsured
  - Prior analyses of survey data suggest that most become uninsured
  - We are exploring future analyses with federal exchange data to examine transitions in coverage

# Potential Areas for Future Work

- Developing policy options to change continuous eligibility policies
- Improving notice requirements for changes in circumstances
- Examining best uses of electronic data sources
- Improving coverage transitions between public programs
- Examining policy and program integrity issues when beneficiaries move across state lines



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