

# The Waiver Effect:

An Exploratory Analysis of Medicaid Enrollment Trends in the Presence of Waivers

This Research Brief finds that **MCO-specific waivers are valuable tools for maintaining Medicaid enrollment**, and that when MCOs are further engaged in the redetermination process, there is less disenrollment.

As of mid-September, [more than 25 million](#) people have been disenrolled from Medicaid as states “unwind” the continuous enrollment provision that was set in place under the COVID-19 Public Health Emergency. Nationally, [69% of those disenrolled](#) have had their insurance terminated for procedural reasons, with disenrollment rates and reasons varying from state to state.

The federal government had enabled and encouraged states to implement time-limited flexibility waivers designed to ease the redetermination process for Medicaid enrollees and lower the likelihood of losing coverage for procedural reasons. A Centers for Medicare & Medicaid Services (CMS) [analysis shows that in the first six months of unwinding](#), states that adopt more waivers have less enrollment decline for children.

Three of these waivers are specific to Medicaid Managed Care Organizations (MCOs), and states that adopt these three waivers can expand on the variety of Medicaid MCO [outreach activities designed](#) to ensure those still eligible for Medicaid do not lose their coverage. In fact, [many states credit their partnerships with MCOs](#) as a key component of their redetermination outreach strategies.

**This Research Brief explores net Medicaid enrollment change across states that have and have not adopted two of these waivers during the first full year of Medicaid redeterminations.** We excluded MCO Renewal Support given that this waiver is relatively new compared to the opportunity for states to implement the other two waivers. Examination of net enrollment change, which accounts for those who newly enroll, reenroll, and disenroll during the unwinding period, provides a more holistic view of the Medicaid program during this unique time.

## CMS Managed Care Specific Unwinding Waivers

- **MCO Beneficiary Contact Update** allows states to partner with Managed Care plans to update In-State Beneficiary Contact Information (32 states).\*
- **Managed Care Auto-Enrollment** extends automatic reenrollment into a Medicaid Managed Care plans up to 120 days after a loss of Medicaid Coverage (10 states).
- **MCO Renewal Support** permits Managed Care plans to aid enrollees in the completion and submission of Medicaid renewal forms (21 states).^

\*CMS made this waiver permanent as of June 3, 2024.

^While states could implement other waivers as early as April 2023, states began implementing this one in or after July 2023.

Source: [CMS Covid-19 Public Health Emergency Unwinding Section 1902e\(14\)\(A\) Approvals, as of Aug 19, 2024.](#)

## Managed Care Waivers and Change in Medicaid Enrollment, March 2023-March 2024

Looking at a full year of data, we find average net Medicaid enrollment declined 13.3% across all managed care states and Washington, DC (41), compared to 15.8% average net enrollment loss across the six states that did not adopt either of the two MCO-specific waivers. We also found a gradual improvement in net enrollment loss as states adopted one and then two waivers. States adopting one waiver averaged 13.0% net loss and states adopting two averaged 11.9% net loss.

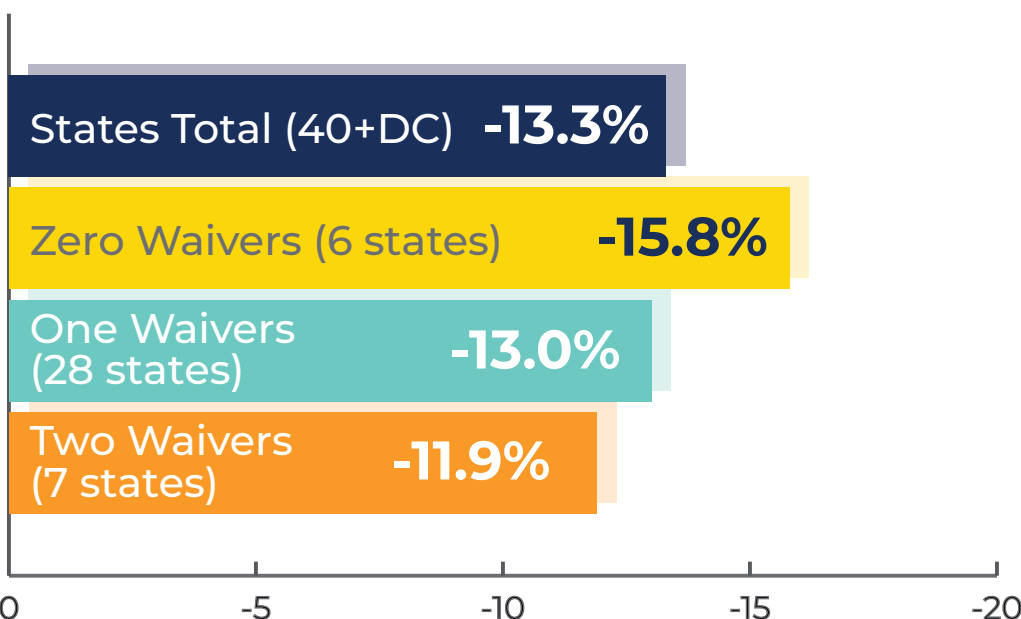
States adopting two MCO-related waivers experienced the lowest declines in Medicaid enrollment.

When looking at adoption of specific MCO waivers



(Figure 2), we find states that adopted the Managed Care Auto-Enrollment waiver averaged notably lower net enrollment decline than all states (10.7% vs 13.3%). Given that nearly all MCO states adopted the MCO

### States adopting two MCO-related waivers experienced the lowest declines in Medicaid enrollment.

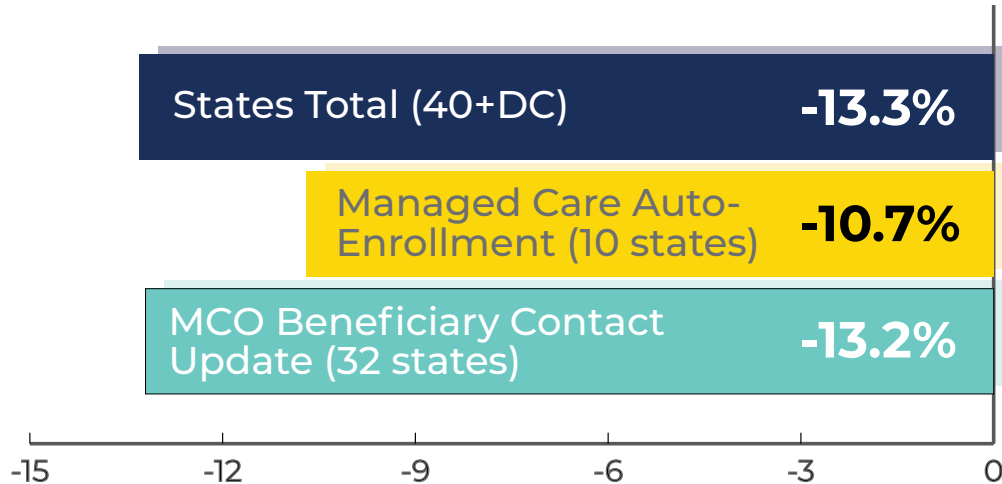


**Figure 1:** Average Percent Change in Net Medicaid Enrollment by Number of MCO-Specific Waivers, March 2023-March 2024

Beneficiary Contact Update waiver, it is not surprising that adopting states averaged similar net enrollment decline as all states (13.2% vs 13.3%). Previous research from [MHPA found that plans](#) often report spending significant staff time and resources updating state-provided beneficiary contact information, and a more recent [state survey](#) found that states reported the MCO Beneficiary Contact waiver particularly useful in simplifying the redetermination process. In response, CMS made this a permanent option for states in June 2024.

### Various Factors Drive Medicaid Enrollment

## Managed Care Auto-Enrollment states experienced far less enrollment decline and nearly all states adopted MCO Beneficiary Contact Update



**Figure 2:** Average Percent Change in Net Medicaid Enrollment by Waiver Type, March 2023-March 2024

This exploratory analysis examines a narrow set of waivers and does not account for how these waivers may interact with other waivers or factors. It is likely that the combination of waivers and other factors make the most impact. States vary considerably in how and when they conduct Medicaid redeterminations, enrollment as well as timing of waiver implementation. States also vary in sequence of populations targeted for redetermination, how they conduct outreach, how they process applications, data infrastructure, processes for reenrolling those procedurally terminated but still eligible for Medicaid, and the use of temporary pauses for corrective actions on procedural issues.

Moreover, since unwinding began, states have simultaneously implemented expansions of Medicaid eligibility or enrollment. States are now required to grant children continuous eligibility for at least a year,

### Methodology and Source

We tracked monthly Medicaid enrollment in all states that partnered with MCOs (40 states + DC), using the month before unwinding began (March 2023) as the baseline for enrollment change during and through the unwinding. We then compared the average net change in total Medicaid enrollment in states that adopted

and [most states](#) now do so for postpartum enrollees as well. [Other states](#) have expanded Medicaid to new populations, such as justice involved individuals and children. The variation across states makes it difficult to highlight one cause for the continuous changes in enrollment.

As states move past the unwinding period and CMS considers new waiver guidance, we recommend approaches that leverage the positive impact MCOs can have in maintaining Medicaid enrollment.

these waivers and states that did not over a full year of unwinding, March 2023-March 2024. Data is derived from CMS state reported monthly enrollment trends. As reported by CMS, the March 2024 data reported here were preliminary and last updated as of June 2024.

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