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Number of Arkansans who will lose Medicaid coverage under return to normal eligibility rules unknown, state officials say

Agency unsure how many deadline affects by [Michael R. Wickline](#) | Today at 7:41 a.m.



State officials are shown in Little Rock in these 2023 file photos. From left are Kristi Putnam, the secretary of the Arkansas Department of Human Services; state Sen. Missy Irvin, R-Mountain View; and Mark White, chief of staff at the Arkansas Department of Human Services. (Left, Arkansas Democrat-Gazette/Colin Murphey; center, Arkansas Democrat-Gazette/Staci Vandagriff; right, Arkansas Democrat-Gazette/Stephen Swofford)

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Officials at the Arkansas Department of Human Services don't know whether 50,000, 150,000 or 200,000 Arkansans will lose Medicaid coverage during the next six months, the department's Chief of Staff Mark White told the House Revenue and Taxation Committee earlier this month.

That's because Arkansas and other states are returning to normal eligibility rules for Medicaid for the first time in three years as President Joe Biden ends the federal public health emergency. Beneficiaries, and those whose coverage was extended because of special rules during the covid-19 pandemic, must go through a renewal process to determine whether they remain qualified for the program, department spokesman Gavin Lesnick said.

The state Department of Human Services "is working now to redetermine people's eligibility, and send renewal letters to those we need more information on," he said. "Those who respond with information that confirms their eligibility will remain covered by Medicaid."

In the federal Families First Coronavirus Response Act of March 2020, states were provided an increase of 6.2 percentage points in federal matching funds in certain Medicaid programs if states agreed to provide continuous eligibility through the end of the month in which the public health emergency ends for anyone enrolled as of March 18, 2020, or after, according to the Department of Human Services.

The enhanced rate dropped to 5%, starting April 1, and will be phased out gradually by the end of this year. For example, the federal government is currently covering 76.31%, including the enhanced rate of 5%, of the cost of the traditional Medicaid program with the state covering the other 23.69% through June 30.

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The continuous coverage requirement meant no Arkansans could be removed from the Medicaid rolls for a change in income or eligibility until the federal public health emergency ends, according to the state Department of Human Services. Cases have been closed only if individuals moved out of state, died, are incarcerated or requested their coverage end.

The state's number of Medicaid beneficiaries totaled 1.14 million Feb. 1, up from about 920,000 in March 2020, according to state Department of Human Services records.

As of Feb. 1, the state's Medicaid beneficiaries included 343,321 in the state's Medicaid expansion program called ARHOME, 322,646 adults in other Medicaid programs, and 478,672 children, according to the department.

ARHOME stands for the Arkansas Health and Opportunity for Me program.

In December, the federal Consolidated Appropriations Act of 2023 granted states the authority to begin the process of re-determining the eligibility for Medicaid beneficiaries kept on the Medicaid rolls because of the continuous coverage requirement, starting April 1, and to reinstate routine eligibility operations, according to the the Department of Human Services.

"Arkansas is moving swiftly to unwind the continuous enrollment condition to protect taxpayers and to restore the integrity of the Arkansas Medicaid program," the department said in Arkansas' comprehensive plan to unwind Medicaid continuous enrollment dated Feb. 1.

Within 180 days of the expiration of restrictions on the department's ability to unenroll individuals, such as those imposed by the federal Families First Coronavirus Response Act, Act 780 of 2021 requires the Department of Human Services to complete and act on eligibility re-evaluations for all cases that have not had a re-evaluation within the past 12 months.

Sen. Scott Flippo, R-Mountain Home, sponsored Act 780 of 2021. He said Thursday he expects "tens of thousands" of Medicaid beneficiaries to be removed from the Medicaid rolls because they don't meet eligibility requirements.

The state Department of Human Services described unwinding the continuous enrollment condition as one of the largest and most complex efforts for state Medicaid programs since the implementation of the federal

Affordable Care Act.

State Department of Human Services Secretary Kristi Putnam said in a recent interview that "there have been a lot of proactive things put in place that weren't there before.

"Even with the proactive measures, if there is somebody in an unreachable place," these people are likely to learn they lost Medicaid coverage when they seek services, she said.

As of March 23, the department had identified 423,110 Medicaid beneficiaries whose coverage was extended because of the special rules during the public health emergency, Lesnick said. Those beneficiaries' eligibility will be redetermined as part of the renewal process.

Beneficiaries were extended during the emergency even if they had an income that exceeded eligibility limits, did not respond to a request for information, had a level of care of medical change that made them no longer eligible, or have aged out of eligibility, according to the department. Under normal eligibility rules, they can lose coverage for those reasons.

"They are getting a couple of notices that tell them that, 'Hey, you are going to be terminated if you don't provide this information,' " said Amy Webb, director of the state's Medicaid Control Center.

Among other things, the department also is using paid media and social media and meetings with Medicaid providers, nonprofits and advocacy groups to help get Medicaid beneficiaries to update their information with the program, said state Medicaid Director Janet Mann.

According to Lesnick, these 423,110 beneficiaries in the extended coverage population include:

131,030 in the state's Medicaid expansion program currently known as ARHOME.

101,214 in the ARKIDS A program.

81,311 parent-caretaker relatives.

45,179 in Medicare Savings Programs.

30,902 newborns.

5,284 in the ARKIDS B program.

3,595 in nursing facilities.

2,008 in TEFRA, which is the Tax Equity and Fiscal Responsibility Act, a Medicaid program that can help families with children younger than 19 who have a disability and receive care in their homes rather than in an institution, according to the Department of Human Service's website.

2,008 in the ARChoices program, a Medicaid program that includes home and community-based services for adults ages 21 through 64 with a physical disability and seniors age, according to the Department of Human services' website.

772 in the Developmental Disability Services waiver program.

Based on a national estimate, the state Department of Human Services estimates between 15% and 30% of the extended Medicaid population will be disenrolled during the unwinding, department officials said.

IMPACT OF INCREASED MINIMUM WAGE

"It's important to note here that right before and during the pandemic, Arkansas' minimum wage increased three times -- to \$9.25 in 2019 to \$10 in 2020 and \$11 in 2021 -- and would have resulted in a portion of the beneficiaries becoming income ineligible for Medicaid programs," the department wrote in its plan.

Mann said the earliest that Medicaid beneficiaries in the extended coverage population could lose coverage will be sometime this month. If Medicaid beneficiaries are determined to be ineligible, their information will be transmitted electronically to the marketplace to try to find them insurance coverage, she said.

Fifteen percent of 423,110 beneficiaries in the extended population as of March 23 would be 63,466 beneficiaries in Arkansas, and 30% of the 423,110 beneficiaries in the extended population would be 126,933 beneficiaries in Arkansas.

It is important to stress this is only an estimate based on the national figures and not a projection, Lesnick said.

"Right now, we have no idea what is going to happen to that extended population because we have already seen some move into regular Medicaid," Mann said, noting she is anxious to see whether that 15% to 30% national estimate pans out in Arkansas.

Senate Public Health, Welfare and Labor Committee Chairwoman Missy Irvin, R-Mountain View, said Wednesday "I really have no idea" on how many Arkansans will lose Medicaid coverage.

"This redetermination is one of the reasons we wanted to wait on any Medicaid policy changes," Irvin said in a text message to the Arkansas Democrat-Gazette. "It's important to adjust according to the recipients and their needs and focus intentionally on improving health outcomes."

Trevor Townsend, public benefits subject area manager for the Center for Arkansas Legal Services, said Medicaid plays a vital role in providing essential health care services to individuals and families who cannot afford it otherwise.

"The end of the Medicaid Continuous Enrollment Condition means that hundreds of thousands of Arkansans will be without health insurance or have to find an alternate source on their own, and many of our clients are not in an economic position to do so," he said in a written statement.

The state has an obligation to handle the unwinding process appropriately, from properly notifying enrollees to having enough staff with the skills to handle each case adequately, Townsend said.

"This will be a massive undertaking; therefore, it is legally essential for the State to provide adequate notice to Medicaid beneficiaries of any intended adverse action it intends to take," he said. "Previous litigation on Medicaid has made it clear that these due process rights are fundamental and must be specifically followed.

Every person has the right to due process, which means if Arkansans have been denied Medicaid due to this change, they have a right to challenge the denial in a fair hearing. Our staff is here to immediately help Arkansans if they receive a redetermination or denial letter through our dedicated helpline ..."

Department of Human Services officials said the department has about 800 employed eligibility staff throughout the state and about 280 contract employees to help assist with the expected surge of help sought by Medicaid beneficiaries.

In its comprehensive plan to unwind Medicaid continuous coverage, the department said states will face challenges, particularly related to workload and staffing, but Arkansas is positioned to address workload and staffing challenges.

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That's because the state has continued to process renewals and conduct re-determinations of eligibility throughout the continuous enrollment period while other states put that work on hold, and has increased its eligibility workforce through contractor support and by the filling of vacant positions to help address a backlog of casework in advance of the unwinding period, according the department.

In addition, all Medicaid and Supplemental Nutrition Assistance Program cases also are in one eligibility system for the first time in a decade, and the department is an umbrella human service agency that allows Medicaid to communicate across divisions to reach populations by working both with program and eligibility staff, according to the department.

A concern across the nation is that beneficiaries, especially more vulnerable populations such as those who are aged, disabled or with developmental and intellectual disabilities, will lose coverage during the unwinding because states were not given updated contact information and cannot reach them. The state is taking steps to mitigate that concern, according to the department.

"The unwinding is a large-scale effort that involves resources from across this agency and affects hundreds of thousands of Arkansans," Putnam said in a written statement.

"We have been planning for over a year and we are committed to getting this right, but we also understand that it will be difficult and there will be mistakes. We will closely monitor every aspect of this process, and we will rigorously address any problems as they occur."

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The enhanced federal matching funds for the state's Medicaid program will end at the end of this year, but they've allowed the state's Medicaid trust fund to build up reserves of more than \$600 million, White told the House Revenue and Taxation Committee earlier this month.

Lesnick said Thursday the balance of the state's Medicaid trust fund was \$662 million at the end of March.

White said the state's general revenue allocation for the Medicaid program is flat in fiscal 2024 that begins July 1 because the department will tap funds out of the Medicaid trust fund instead and it's projected the Medicaid trust fund could be at \$200 million or less at the end of the fiscal 2024-2025 biennium.

That will depend on how many Medicaid beneficiaries remain on the Medicaid rolls, he said.

In fiscal 2023 that ends June 30, the Medicaid program's forecasted budget is \$9.7 billion with the federal government forecast to pay \$7.87 billion of that and the state forecast to pay \$1.89 billion, according to Lesnick.

In fiscal 2024 that begins July 1, the Medicaid program's forecasted budget is \$9.6 billion with the federal government forecast to pay \$7.36 billion of that and the state forecast to pay \$2.28 billion, he said.

In fiscal 2025 that begins July 1, 2024, the program's forecasted budget is \$10.1 billion with the federal government forecast to pay \$7.71 billion of that and the state forecast to pay \$2.39 billion, he said.

Print Headline: Some in state face loss of Medicaid benefits

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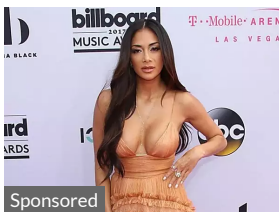
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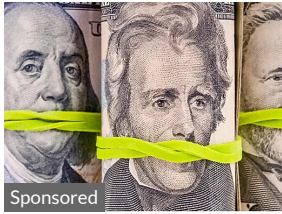
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