



# Unwinding the Continuous Coverage Requirement

## Background

*Enrollment has increased over 30% from 114,689 in March 2020 to 151,640 in January 2023.*

Ending the continuous coverage requirement authorized by the Families First Coronavirus Response Act of 2020 creates a significant coverage transition for some Medicaid recipients. The Act provided a 6.2% increase in Medicaid federal matching dollars during the COVID-19 federal public health emergency (PHE). States received increased federal funds if they met maintenance of effort (MOE) requirements that prevented:

- Lowering income levels established for Medicaid eligibility
- Adopting new provisions to Medicaid enrollment
- Involuntarily disenrolling individuals

In December 2022, Congress passed its end-of-the-year federal spending package. The following Medicaid provisions were included in the bill to end the continuous coverage requirement tied to the PHE.

## Decoupling the MOE & Increased Federal Matching Funds

In February 2023, South Dakota began processing redeterminations, a function it historically has carried out every month prior to the COVID pandemic. If a recipient is found to no longer be eligible through the redetermination process, Medicaid coverage for recipients may be terminated beginning April 2023. South Dakota anticipates completing this process in 9-12 months. The increased federal matching funds will be phased down over this same time. States must meet three conditions to receive the federal matching funds:

### **Condition #1: Eligibility Operations**

States must meet all federal requirements for renewals. The Center for Medicare and Medicaid Services (CMS) recommends states initiate no more than 1/9 of their total caseload renewals in any given month during the unwinding.

### **Condition #2: Enrollee Contact Information**

States must maintain up-to-date recipient contact information for individuals that will undergo redetermination. States can use reliable sources of information outside of the eligibility system to improve contact information. Examples of possible sources include U.S. Postal Service and other public programs.

### **Condition #3: Contacting Ineligible Individuals**

States cannot disenroll individuals solely based on mail that is returned. States must make a "good faith effort" to contact all recipients using more than one mode of communication.

## South Dakota's Plan

- The Department of Social Services (DSS) has been proactively planning for the unwinding while awaiting the Federal declaration ending the PHE. This included providing regular updates to Medicaid recipients, alerting them to the unwinding process and reminding them to keep their information current so they would continue to receive information when the unwinding process would begin.
- This puts South Dakota at an advantage as it relates to unwinding by keeping recipient contact and other information as current as possible aiding DSS' ability to make timely redeterminations.
- South Dakota's submitted its plan to CMS for approval in February 2023. The proposed plan prioritizes cases for review focusing first on cases most likely to be ineligible based on those who no longer meet a coverage group, aged out of a coverage group, a coverage group time limit has expired, or income has increased.
- Consistent with federal requirements, DSS staff began notifying applicants starting in February 2023 of the renewal requirement. Actions based on the renewal process findings will not begin before April 2023.
- States are required to submit monthly data to the Centers for Medicare and Medicaid Services regarding their progress, including the number of individuals found to be eligible and ineligible.
- Individuals that no longer meet current Medicaid eligibility will be referred for other coverage. They will also be advised that the expansion of Medicaid, set to cover adults with income up to 138% of the Federal Poverty Level, will begin July 1, 2023. In June 2023, individuals who were previously terminated from Medicaid will again be notified, reminding them of expanded eligibility and how to access all Medicaid programs.