



Medicaid Continuous Eligibility and Churn Reduction

HF 4157/SF 3905

Medicaid “churn” - people being repeatedly dropped off of Medical Assistance (MA) due to problems with redetermination or small eligibility changes, only to re-enroll months later – is a chronic problem that causes costly disruptions in access to care for Minnesota children and adults and the providers and state agencies that serve them.

During the pandemic, new monthly MA applications dropped off dramatically while Minnesota complied with federal requirements to not disenroll people during the public health emergency. This drop-off in new applications demonstrates how many of Minnesota’s typical monthly MA applications are due to churn. When pre-pandemic eligibility processes resume, we can expect to see not only a return to high levels of churn but a spike, given the large number of renewals to process and the long time-lapse since last contact with many enrollees. HF 4157 would smooth that transition and implement the eligibility lessons of the pandemic through two policies:

12 Month Continuous Eligibility

Once determined eligible for MA, enrollees would be eligible for a full twelve months, without the threat of losing coverage due to changes such as small fluctuations in income or issues with periodic data matching. 34 states already offer this for children, and at least two states offer it for all enrollees through a demonstration project (MT and NY).

Continuous eligibility for children protects them from being dropped from coverage due to system or parental error, and encouraging parental confidence in scheduling and keeping medical, dental, and mental health appointments with trusted providers. Continuous

eligibility for all MA enrollees strengthens the benefit to children through continuity of family coverage, offers an off-ramp to adults transitioning to better paying jobs, and stabilizes access to mental health care and critical medications for vulnerable adults.

Churn Reduction

A high percentage of churn is driven by eligible enrollees not receiving their 12-month eligibility renewal notice, often due to high mobility, homelessness, and language needs.

HF4157 would codify current DHS best practices and expand on them to ensure DHS has the most up to date mailing addresses and contact information for MA enrollees and makes at least two attempts to contact enrollees if mail is returned before issuing a notice of pending disenrollment.

Please support HF4157 to improve health care access, support stability for low income families and their health care providers, and reduce administrative waste.