

EXTENDED COVERAGE OPTION IN MEDICAID FOR POSTPARTUM WOMEN

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What is the American Rescue Plan Act?

The American Rescue Plan Act (also known as the COVID stimulus package or the American Rescue Plan) is a \$1.9 trillion economic stimulus bill signed into law by President Biden on March 11, 2021. <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>

The American Rescue Plan builds on the CARES Act passed in March 2020 and the Consolidated Appropriations Act of 2021.

The American Rescue Plan Act temporarily offers an option to provide extended coverage to postpartum women.

What Does This New Option Do?

The American Rescue Plan Act of 2021 gives states a new option to extend Medicaid postpartum coverage from 60 days to 12 months.

Every Medicaid program must cover low-income pregnant women with incomes up to 133% FPL through 60 days postpartum.

In New Hampshire, Medicaid covers this mandatory group and elects to offer coverage to a higher-income group of pregnant women with incomes up to 196% FPL.ⁱ

The new American Rescue Plan extended postpartum option is available now to state Medicaid programs. This means, the Centers for Medicare and Medicaid Services (CMS), with Congressional support, agrees to support and fund the federal share of the extended coverage if states choose to cover low-income pregnant women consistent with the option.

The extended coverage option provides a procedurally simpler way for a state to extend coverage than a Medicaid waiver process. Historically, the waiver process was the primary vehicle states have used for exploring extending postpartum coverage.

The federal match for the extended coverage option would be the traditional 50% Federal Medical Assistance Percentage also known as FMAP. FMAP is the fixed percentage of the costs of care the federal government promises to pay in the Medicaid program. (The FMAP is never less than 50% and for many programs within Medicaid, it is more.)

Any state that elects this new option must provide full Medicaid benefits during pregnancy and the extended postpartum period.

New Hampshire provides full benefits to its pregnant and postpartum women under its current Medicaid plan. However, states are permitted to cover a narrower set of pregnancy-related benefits to those who qualify under the pregnancy pathway, which some have chosen to do. Under this new American Rescue Plan option, a state may *not* limit benefits to only pregnancy-related services but must provide full benefits.

The new option will be available starting April 1, 2022 and last until April 1, 2027.

While the new American Rescue Plan extended coverage option takes effect next year, currently postpartum women covered by Medicaid will remain on the Medicaid program with full benefits beyond 60 days because of a Maintenance of Eligibility requirement enacted in 2020 that lasts until the termination of the federal COVID-19 Public Health Emergency (currently in effect until July 20, 2021). More specifically, the Families First Coronavirus Response Act (FFCRA) provides a 6.2 percentage point increase in the federal share of certain Medicaid spending with requirements to meet maintenance of eligibility (MOE). The MOE provisions require states to keep beneficiaries enrolled until the end of the month when the COVID-19 public health emergency (PHE) ends. During the PHE, states are also prohibited from adopting more stringent eligibility criteria.

The Impact of Extending Postpartum Coverage on New Hampshire Women.

Current Coverage Options:

In order to understand the impact of the extended coverage option in New Hampshire, it's important to understand that NH Medicaid currently covers pregnant women with incomes up to 196% FPL. NH's Granite Advantage Program (Medicaid expansion) covers any adult (not otherwise eligible) with incomes up to 138% FPL (133% plus a 5% income set aside). Therefore, many post-partum women in New Hampshire are eligible for the Granite Advantage Program at 60-days post-partum even without the extended coverage option.

New Hampshire's Medicaid Eligibility and Enrollment system identifies whether there is any other Medicaid eligibility category an enrollee qualifies for when her eligibility status changes. If the member does qualify for coverage through another eligibility category, she is then automatically enrolled into the next available eligibility group. In other words, the women covered by the current pregnant woman eligibility category with incomes 0-138% FPL are automatically moved into the Granite Advantage population when their pregnancy-related eligibility ends. This activity minimizes the risk of these women losing coverage. Too often, however, women do not transition seamlessly to such coverage even if technically eligible. For example, they may miss key eligibility steps required by the Medicaid redetermination processes, such as paperwork or updated information.

Extended Coverage Option:

The additional 12-month postpartum option would primarily extend seamless coverage to women with incomes above 138% FPL who would be over the income limit to qualify for the Granite Advantage Program or low-income parent group when their coverage ends 60 days post pregnancy. The women who have incomes too high to qualify for other coverage would otherwise be uncovered and need to seek alternative sources of coverage, such as advanced premium tax credits in the NH Individual Health Insurance Marketplace (*healthcare.gov*).

Pregnant and postpartum women, even those with Medicaid coverage, can experience significant fluctuations in insurance coverage. From 2005-2013, for example, 65% of women nation-wide who had their deliveries paid for by Medicaid were uninsured one month during their pregnancy and more than half were uninsured at some point in the six months after delivery.ⁱⁱ Significant levels of insurance coverage churn continues to exist even after the introduction of the Medicaid expansion eligibility group for adults with incomes up to 138% of the FPL. In fact, a recent national study revealed that 34.5% of new mothers with Medicaid covered prenatal care were uninsured before or after pregnancy, with 21.9% becoming uninsured two to six months postpartum and 26.8% being uninsured prior to pregnancy.ⁱⁱⁱ

Consistent with these findings, New Hampshire Medicaid covered women experience steep insurance losses 60 days postpartum even though the state expanded Medicaid in 2014. In SFY 2019, New Hampshire Medicaid covered 2,795 women in the pregnant women coverage category.^{iv} Approximately 27% or 761 of those women lost Medicaid coverage 60 days postpartum.^v This figure may be a rough proxy for the number of women who had incomes too high to continue to qualify for Medicaid through the Medicaid Expansion category.

New Hampshire Considerations for Extended Coverage Option Including Funding.

One question for New Hampshire is – *how many women would benefit from this extended coverage option?* While many women post-partum may be eligible for the Granite Advantage Program, there are roughly 27% who lost coverage at the 60-day mark, either because they have incomes above the expansion income threshold, miss key action steps in the redetermination process, or otherwise. These women would benefit with continued coverage especially during the first year after the birth of a child when health and wellness is critical and women are vulnerable to mental and physical health complications.

Another question for New Hampshire is – *how will the extended coverage be funded?* The federal match for pregnant women coverage is the traditional 50% Federal Medical Assistance Percentage also known as FMAP. The FMAP for expansion adults, the category most women in the pregnant-woman eligibility category qualify for postpartum, is 90%. New Hampshire Medicaid would likely need to obtain clarity from the Centers for Medicare and Medicaid Services (CMS) whether the state would be expected to keep all women in an extended postpartum coverage category or whether they would be permitted to move income-eligible members into Granite Advantage after pregnancy, while continuing to offer extended postpartum coverage to women who have incomes too high to qualify for Granite Advantage.

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ⁱ New Hampshire could offer only pregnancy related benefits to its optional pregnant women category (women with income 133%-196% FPL), but it does not. It offers full state plan services to all women who qualify for Medicaid due to pregnancy.

ⁱⁱ Daw JR, Hatfield LA, Swartz K, Sommers BD. “Women in the United States Experience high rates of coverage “churn” in months before and after childbirth.” Health Affairs. 2017; 36(4); 598-606.

ⁱⁱⁱ Johnston E., McMorro S., Caraveo C., Dubay L. “Post-ACA, More than One-Third of Women with Prenatal Medicaid Remained Uninsured Before or After Pregnancy.” Health Affairs, 2021: 40(4): 571-578.

^{iv} NH DHHS, March 29, 2021

^v NH DHHS, March 29, 2021