



Minnesotans need continuous health insurance coverage

Minnesota has a strong history of investments in health care and has the capacity to make our health care system more equitable so that it works for everyone, regardless of income, address, age, disability, race, ethnicity, or gender. The state's [historic budget surplus](#) provides an opportunity to expand on Minnesota's existing framework and move toward providing the best possible coverage for all Minnesotans.

Research shows that folks who have continuous health insurance coverage for more than a year are more likely to [seek regular and preventative care and have their medical needs met](#). Unfortunately, many people who get health care through Medicaid (called Medical Assistance in Minnesota) don't get continuous coverage. Although Medicaid coverage redeterminations are done annually in Minnesota, people can lose their coverage during the year due to monthly fluctuations in income. One week of working overtime can potentially push someone over the income threshold for a single month, costing individuals and families their health care coverage. This is not acceptable.

Currently, [34 states recognize the importance of stability in health care and offer continuous Medicaid eligibility for children](#) for 12 months.¹ Two of those states offer continuous coverage for everyone enrolled in their Medicaid programs.² Sadly, Minnesota does not. But we can change that, ensuring that more Minnesotans have consistent access to the health care that they need.

For example, [Governor Tim Walz's Supplemental Budget](#) proposes to invest \$1.1 million in FY 2022-23 and \$41 million in FY 2024-25 to implement continuous eligibility for Medicaid for children ages 0 to 20. This Medicaid expansion would allow nearly 16,000 Minnesotan children to continue to receive the health care they need each month. Additionally, [House File 4157](#) and [Senate File 3905](#) would provide everyone who gets health insurance through Medicaid with continuous coverage for 12 months.

"Churn" is costly and can interfere with health care

Prior to the COVID pandemic, nationally approximately [one in 10 Medicaid participants disenrolled and then reenrolled \(known as churn\) within one year](#). Of those disenrolled and reenrolled, over 40 percent reenrolled within three months. The effects are frustrating and harmful. [Adults who go without insurance for portions of the year are far more likely to have unmet medical needs than those with continuous coverage for a year or more](#). About half of those without continuous coverage had unmet medical needs compared to just 14 percent of those with continuous coverage. This leads to worse health outcomes. The human cost to our friends, families, and neighbors of not receiving preventative services and not being able to get medication is staggering. The state ends up paying a higher cost as well. [Disenrolling and then reenrolling someone in Medicaid can cost hundreds of dollars](#), leading to unnecessary administrative costs from processing applications.

The number of children who are disenrolled and reenrolled from Medicaid within one year is even higher. In the U.S., 11 percent of children enrolled in Medicaid experienced churn during 2018. This puts children at risk of not receiving the health care they need and can interfere with academic achievement and stability.

Positive policy actions by the federal government during the COVID pandemic have shown us that continuous coverage for Medicaid is possible if we decide to prioritize it. Federal legislation responding to the pandemic has [guaranteed continuous Medicaid coverage through the end of the federal public health emergency](#). Medicaid enrollment in Minnesota grew by about 19 percent between February 2020 — before

the pandemic hit and the public health emergency was declared — and August 2021. At the same time, the number of monthly applications *fell* by about 29 percent.³ Over the past two years, the harmful cycle of churn has been broken, resulting in fewer people unnecessarily losing their health care coverage. This means more Minnesotans got the care they needed.

The [public health emergency is expected to be extended at least through July 2022](#), meaning folks may begin losing their health insurance coverage as soon as this coming August. States, including Minnesota, must be intentional when they start processing renewals again so that people don't lose their health care due to challenges in getting documentation and completing paperwork, address changes, homelessness, or temporary income changes. House File 4157 and Senate File 3905 would reduce the number of people who lose their coverage because they didn't receive their renewal notices by requiring DHS to attempt to contact folks whose mail is returned.

Medicaid benefits kids far beyond childhood

Medicaid coverage strengthens the health, safety, and financial security of low-income and elderly folks and people with disabilities. This is especially true for the over 600,000 children who have health care coverage through Medicaid in Minnesota.⁴ Medicaid coverage results in [healthier infants and a decrease in child mortality rates](#). The benefits are clear through adulthood; [children who receive health care coverage through Medicaid](#):

- perform better in school,
- miss fewer school days due to injury and illness,
- have better health later in life,
- are more likely to graduate from high school and college, and
- have higher earnings as working adults.

In addition, Medicaid pays for essential services that schools provide to children, such as vision, hearing, and developmental screenings. Medicaid also pays for medical supports that schools provide to children with disabilities, such as occupational and speech therapy.

[Kids also benefit from their parents having stable health care coverage](#). Nationally, children whose parents have health care coverage through Medicaid are 20 percentage points more likely to be insured themselves and are 29 percentage points more likely to have an annual well-child visit, which can help identify health conditions and ensure healthy child development. Stable health care coverage is good for the children, their families, and the larger community. When we lift children and families up and give them the support they need, we all do better.

Continuous coverage is an equity issue

The Minnesotans facing the greatest barriers to health and economic security are also those most likely to be harmed by churn. Black, Indigenous, and People of Color (BIPOC) communities are disproportionately affected by churn because of [systemic racism](#); past policy choices and their continuing impact has limited their access to jobs with higher wages and benefits such as health insurance. [BIPOC households are also more likely to have monthly fluctuations in income](#), making them more likely to have their health care coverage interrupted. The ongoing legacy of residential segregation means less access to health care facilities among BIPOC communities, making it harder to obtain health care. Lack of health insurance and access to health care leads to [higher rates of premature death among BIPOC folks because they are not able to get treatment for preventable and treatable conditions](#).

Medicaid is an important tool in combating health disparities in BIPOC communities by making health care accessible and affordable to families. In 2019, 51 percent of BIPOC Minnesotans received health care through

public health insurance programs, compared to about 34 percent of white Minnesotans.⁵ Ensuring continuous health care coverage can help address health disparities even more, and save lives because people are able to consistently attend doctor's visits and keep up with their medication.

Minnesota should have continuous eligibility for Medicaid

Federal law allows states to offer continuous health care eligibility for people who get their health care coverage through Medicaid for 12 months, regardless of temporary income fluctuations such as seasonal employment or working overtime, by amending their Medicaid contract with the federal government. Minnesota should join other states that promote folks' health and well-being by ensuring 12 months of continuous Medicaid coverage.

Investments in Medicaid pay off in better health, higher achievement, and financial stability for families. This is especially true for BIPOC folks, who are disproportionately affected by health care disparities that Medicaid can help address. Minnesota's historic budget surplus affords us an opportunity to build on our successes in getting more Minnesotans the health care they need and create a better future for all Minnesotans. We should take this opportunity to expand continuous coverage for folks who receive health care through Medicaid.

By Becca O'Donnell

¹ This number includes both Medicaid and the Children's Health Insurance Program (CHIP), which is another federal health insurance program for children from low-income households. In Minnesota, children who are eligible for CHIP have health coverage through Medical Assistance using CHIP funds. In some other states, CHIP is separate. As of March 2022, 28 states offer continuous eligibility for Medicaid, 27 states offer continuous eligibility for CHIP, 21 states offer continuous eligibility for both, and 34 states offer continuous eligibility for either CHIP or Medicaid, or both.

² Montana and New York offer continuous coverage for everyone enrolled in Medicaid in their states.

³ U.S. Centers for Medicare and Medicaid Services, [State Medicaid and CHIP Applications, Eligibility Determinations, and Enrollment Data](#), 2021.

⁴ U.S. Center for Medicare and Medicaid Services.

⁵ Minnesota Department of Health, [2019 Minnesota Health Access Survey](#), 2019. These figures include Medicaid, Medicare, CHIP, and MinnesotaCare.