



# What employers need to know about Medicaid redetermination and its impact on employees



Starting April 1, 2023, employees no longer eligible for Medicaid may look to employer-sponsored health insurance to stay covered.

Beginning as early as April 1, approximately 15–18M people will no longer be eligible for Medicaid coverage because of the redetermination process and likely will seek health insurance from another source, including employer-sponsored coverage. As a result, employers, brokers, consultants and UnitedHealthcare representatives can work together to determine what this development might mean for companies' health plans and employees.

## Background

The Public Health Emergency (PHE) period was declared in response to the COVID-19 pandemic and has been in place since March 2020. The Families First Coronavirus Response Act (FFCRA) prohibited states from disenrolling Medicaid recipients during the PHE to help ensure continuous health insurance coverage.

A provision in the federal Consolidated Appropriations Act, 2023, decouples the PHE from CMS's annual Medicaid enrollment process. Beginning April 1, 2023, states will be required to resume annual Medicaid renewals, regardless of the PHE status. States may begin notifying their Medicaid beneficiaries of the change beginning Feb. 1, especially in states that are enacting this requirement for April 1. All states must complete this Medicaid determination process by March 2024.

## What factors determine Medicaid eligibility?

For those currently enrolled in Medicaid, maintaining eligibility can depend on several factors, including changes in income, household size, age and disability status.

## What are the options for people disenrolled in Medicaid?

Individuals no longer eligible for Medicaid would be eligible for affordable and quality coverage, which may include employer-sponsored plans, ACA marketplace plans, Medicare and individual plans. UnitedHealthcare is uniquely positioned to help these individuals find the right health care coverage to meet their care and financial needs and will be developing a multi-pronged approach to reach these individuals, educate them about their plan options and enroll in appropriate plans.

UnitedHealthcare's website has an overview of options—[uhc.com/staycovered](https://www.uhc.com/staycovered)—for these individuals and offers a tool for people to determine the best option for their personal situation.



Starting Feb. 1, those who no longer qualify for Medicaid can call HealthMarkets at **1-888-595-3645** to speak to a licensed insurance agent to review financial circumstances and help identify health coverage options.

**“If employees don’t actively pursue coverage with their employer or in another area, they will go uncovered. This is where we all have a role to play in empowering members to take action.”**

– Brandon Cuevas, Chief Growth & Strategy Officer, UnitedHealthcare Employer & Individual

### **How does Medicaid redetermination impact employers?**

According to early industry research, about 40% of those currently on Medicaid will be eligible for employer-sponsored coverage.<sup>1</sup> While covering additional lives may equate to higher health care costs for employers, the negative implications that could result from employees forgoing coverage altogether may be greater. For example, uninsured individuals are less likely to seek or receive care, especially preventive care.<sup>2</sup> This may lead to worse health outcomes, increased absences from work, decreased productivity and ultimately higher overall costs for an employer.

### **How do employees enroll in an employer-sponsored plan as part of the redetermination Special Enrollment Period?**

Losing Medicaid coverage is considered a qualifying life event and triggers a special enrollment period. As a result, employers must offer 60 days for affected employees to enroll in employer-sponsored coverage. If employees do not enroll within the time period allotted for the special enrollment period, they will need to wait for the next annual open enrollment period.

### **How can employers support employees during this process?**

1. Communicate details around the redetermination process to employees—including sharing [this flier](#)—and outline how employer-sponsored coverage can help them stay covered.
2. Work with UnitedHealthcare to understand how redetermination will roll out state-by-state throughout 2023.
3. Help employees prepare for the special enrollment period, like employers do ahead of general open-enrollment periods.

UnitedHealthcare is committed to helping individuals stay covered while working to fulfill the mission of helping people live healthier lives and making the health system work better for everyone. Learn more at [uhc.com/staycovered](https://uhc.com/staycovered).

**Learn more**

Contact your UnitedHealthcare representative

<sup>1</sup> UnitedHealthcare Briefing webinar, Dec. 2022.

<sup>2</sup> Key Facts about the Uninsured Population. Kaiser Family Foundation, 2022.

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