

CORE ISSUES

# A NEBRASKA APPLESEED POLICY BRIEF

## Unpacking the Medicaid “Unwind”

Understanding historic COVID-19-related protections and using lessons learned to improve Medicaid.



NEBRASKA  
**APPLESEED**  
STAND UP FOR JUSTICE

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## NEBRASKA APPLESEED

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# Unpacking the Medicaid “Unwind”

Understanding historic COVID-19-related protections and using lessons learned to improve Medicaid.

## Introduction

Medicaid is a jointly funded federal and state program that provides medical coverage to certain low-income individuals and families. Since 1965, Medicaid has provided health care coverage to hundreds of thousands of Nebraskans. Children make up about half of Nebraska Medicaid enrollees. Medicaid not only supports the health and well-being of Nebraskans, it also supports Nebraska’s workforce, health systems, and economy. Changes to Medicaid significantly impact Nebraska families and communities.

## COVID-19 Continuous Coverage Requirement

In March 2020, Congress passed a law responding to the COVID-19 pandemic that generally required states to keep most people enrolled in Medicaid coverage regardless of changes in their eligibility.<sup>2</sup> About 390,000 Nebraskans relied on Medicaid for their health needs during the pandemic.<sup>3</sup> For nearly three years, the protections allowed most people to keep their Medicaid coverage even when their circumstances changed (i.e., income, household size, etc.). This reliable, continuous coverage provides many benefits, which can include:

- More efficient health care spending;
- Improving short- and long-term health and wellbeing;
- Mitigating the impact of income volatility on families;
- Promoting health equity;
- Reducing administrative burden and costs;
- Enhancing the ability to fully measure the quality of care; and
- Providing states with better tools to hold managed care organizations accountable for quality and improved health outcomes.<sup>4</sup>

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1. As of August 2024, 345,006 Nebraskans were enrolled in Medicaid, including 177,108 children enrolled in Medicaid and the Children’s Health Insurance Program (CHIP). Centers for Medicare & Medicaid services, August 2024 Medicaid & CHIP Enrollment Data Highlights, last updated November 27, 2024, <https://www.medicaid.gov/medicaid/program-information/medicaid-and-chip-enrollment-data/report-highlights/index.html> Challenges.pdf.

2. Families First Coronavirus Response Act, Pub. L. No. 116-127, § 6008, 134 Stat. 178, 208-209 (2020).

3. Nebraska Dept. of Health and Human Services (DHHS), Medicaid Unwind Dashboard, last updated October 31, 2024, <https://datanexus-dhhs.ne.gov/views/MedicaidUnwindPublic/MedicaidUnwindPublic?%3Aembed=y&%3AisGuestRedirectFromVizportal=y>; reproduced as addendum.

4. Tricia Brooks and Allexa Gardner, Georgetown University Health Policy Institute Center for Children and Families, Continuous Coverage in Medicaid and CHIP, July 2021, at 2, <https://ccf.georgetown.edu/wp-content/uploads/2021/07/Continuous-Coverage-Medicaid-CHIP-final.pdf>

In March 2023, the continuous coverage protections ended and the Nebraska Department of Health and Human Services (DHHS) restarted conducting renewals that could result in Nebraskans' termination from Medicaid. The restarted renewals (sometimes called the "unwinding") started in Nebraska in March 2023, the first terminations took effect in April 2023, and the process has continued through at least summer 2024.

During the renewal process, DHHS reevaluates enrollee's eligibility criteria, often requests information from enrollees to make a determination, and ultimately issues enrollees notice of whether they are eligible for coverage. Some people who are determined ineligible for Medicaid may have access to health coverage through an employer or the Affordable Care Act (ACA) Marketplace.<sup>5</sup> Some, however, may not have other affordable options and may go uninsured.<sup>6</sup> Others may eventually re-enroll in Medicaid because their circumstances change again to make them eligible, or because they were terminated for procedural reasons despite still qualifying for Medicaid coverage.

## Lasting Impact

The end of the COVID-19 continuous coverage protections for Medicaid enrollees has precipitated historic disenrollment from health coverage nation-wide. Even short-term disruptions in health coverage enrollment can result in access barriers and higher administrative costs.<sup>7</sup>

## Focus on Nebraska

The unwinding process in Nebraska started in March 2023 and continued at least through summer 2024.<sup>8</sup> To date, over 140,000 Nebraskans have lost their Medicaid coverage during this process.<sup>9</sup> Very few, if any, renewals from the unwinding remain, meaning that DHHS has returned to normal operations, generally conducting Medicaid renewals at least once every year.

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5. Marketplace enrollment in Nebraska up by 16,392 or 13% from 2023 to 2024. Jared Ortaliza, Cynthia Cox, and Krutika Amin, KFF, Another Year of Record ACA Marketplace Signups, Driven in Part by Medicaid Unwinding and Enhanced Subsidies, January 24, 2024, <https://www.kff.org/policy-watch/another-year-of-record-aca-marketplace-signups-driven-in-part-by-medicaid-unwinding-and-enhanced-subsidies/>.

6. Id.

7. Jennifer Tolbert and Meghana Ammula, KFF, 10 Things to Know about the Unwinding of the Medicaid Continuous Enrollment Provision, June 9, 2023, <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-the-unwinding-of-the-medicaid-continuous-enrollment-provision/>.

8. DHHS, *supra* note 3.

9. Id.

The unwind made clear that administrative burdens in Medicaid often cause eligible people to lose coverage.<sup>10</sup> Many people who lost coverage did not lose coverage because they were actually determined ineligible for Medicaid. In Nebraska, over 62,000 lost coverage because DHHS was unable to complete a review of their Medicaid case,<sup>11</sup> meaning that they lost coverage for administrative reasons like incomplete paperwork.

In Nebraska, there is also further evidence that administrative burdens likely caused eligible people to lose coverage. Even though over 140,000 people were terminated from coverage, we have only seen about a 63,000 net drop in enrollment, which may signal that many people were terminated but remained eligible and subsequently re-enrolled.<sup>12</sup> Not only do these terminations disrupt care for many Nebraskans, which can increase health care costs, this phenomenon of people falling off of Medicaid coverage and quickly reregistering – which is often called “churn” – increases state administrative costs.<sup>13</sup>

Additionally, communication issues during the unwind also hampered access. Many Nebraskans were not aware of these significant changes taking place. Nebraskans experienced a number of communication issues, including:

- Being unaware that they were terminated from Medicaid until they showed up at the pharmacy or the doctor’s office and were told that they did not have coverage.
- Encountering language issues in navigating the renewal process.
- Experiencing long wait times – while the call center wait times seemed reasonable on paper (often about 5 minutes),<sup>14</sup> in practice, Nebraskans report it actually took a lot longer for people to get to the right person to get information about their coverage.

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10. Jennifer Wagner, Center on Budget and Policy Priorities, Lessons Learned from Unwinding Can Improve Medicaid, January 29, 2024, <https://www.cbpp.org/blog/lessons-learned-from-unwinding-can-improve-medicaid>.

11. DHHS, *supra* note 3.

12. See DHHS, *supra* note 3.

13. Sarah Sugar, Christie Peters, Nancy De Lew, Benjamin D. Sommers, U.S. Department of Health and Human Services, Assistant Secretary for Planning and Evaluation (ASPE) Office of Health Policy, Medicaid Churning and Continuity of Care, April 11, 2021, <https://aspe.hhs.gov/sites/default/files/documents/5f6e4d78d867b6691df12d1512787470/medicaid-churning-ib.pdf>.

14. DHHS, *supra* note 3.

## Disproportionalities Persist

Primarily due to systemic racism, Black people, people of color, and other groups that have faced higher barriers to health care access are disproportionately overrepresented in the Medicaid program.<sup>15</sup> Therefore, when major disruptions like the unwind occur in the Medicaid program, the same groups are similarly disproportionately impacted. Similarly, improvements to the Medicaid program present opportunities to address health care disparities based on race.

Recent survey data indicated that Black and Hispanic adults who lost Medicaid during the unwind were twice as likely as white adults who lost Medicaid to report losing their coverage because they were unable to complete their renewal.<sup>16</sup> National data confirms that Medicaid enrollees with limited English proficiency face increased risk of renewal difficulties due to language barriers.<sup>17</sup> Additionally, research shows that churn rates increased among children across racial and ethnic groups following annual renewal, but Hispanic children had the largest increase, likely reflecting greater barriers to maintaining coverage.<sup>18</sup>

## Lessons Learned

While the unwind resulted in historic coverage losses, it has also presented opportunities to improve Medicaid for the long term.

### Simplify and Update Renewal Procedures

First, Medicaid can simplify the renewal paperwork by relying on more internal and external data sources to automatically complete renewals and accept more self-attestations.

During the unwind period, the federal Centers for Medicare & Medicaid Services (CMS) encouraged states to leverage flexibilities particularly to mitigate procedural disenrollments. Data shows that states that took advantage of such flexibilities

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15. Sarah Somers & Jane Perkins, The Ongoing Racial Paradox of the Medicaid Program, 16 J. Health And Life Sci. L. 96 (2022), American Health Law Association, [www.americanhealthlaw.org/journal](http://www.americanhealthlaw.org/journal); <https://healthlaw.org/wp-content/uploads/2022/05/The-Ongoing-Racial-Paradox-of-the-Medicaid-Program.pdf>.

16. Kranti C. Rumalla, Daniel B. Nelson, K. John McConnell, et al., Racial and Ethnic Disparities in Medicaid Disenrollment After the End of the COVID-19 Public Health Emergency, JAMA Intern Med. 2024;184(8):987-989, June 3, 2024, <https://jamanetwork.com/journals/jamainternalmedicine/article-abstract/2819478>.

17. Sweta Haldar, Samantha Artiga, Robin Rudowitz, & Anthony Damico, KFF, Unwinding of the PHE: Maintaining Medicaid for People with Limited English Proficiency, March 3, 2022, <https://www.kff.org/medicaid/issue-brief/unwinding-of-the-phe-maintaining-medicaid-for-people-with-limited-english-proficiency/>

18. Id.

reduced procedural terminations and kept more eligible children enrolled.<sup>19</sup> One way to reduce procedural terminations is to increase the percentage of renewals completed based on available information (called “ex parte” renewals). Higher percentages of ex parte renewals reduces the need for DHHS to follow-up and request additional information from enrollees to complete the renewal process.<sup>20</sup> Increasing the percentage of successful ex parte renewals reduces workload for state eligibility workers and minimizes the burden on enrollees.<sup>21</sup> Higher rates of ex parte renewals are also significantly correlated with a smaller percent of disenrollments among children.<sup>22</sup>

Long-term strategies are available to streamline income and resource verification, particularly for ex parte reviews. Improving the ex parte process has been shown to be particularly effective in minimizing the administrative burden of conducting renewals and preventing improper disenrollment of enrollees who are actually eligible.<sup>23</sup> Long-term options available through State Plan Amendment (SPA) or other implementation strategies after the unwind to improve ex parte processing include:

- Expand the number and types of data sources used for renewal.
- Using gross income determinations from the Supplemental Nutrition Assistance Program (SNAP);
- Completing an ex parte renewal when no data sources return income information;<sup>24</sup> and
- Streamlining use of the asset verification system (AVS).<sup>25</sup>

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19. Centers for Medicare & Medicaid Services (CMS), Medicaid and CHIP Enrollment: Child and Youth Data Snapshot, December 18, 2023, <https://www.medicaid.gov/sites/default/files/2023-12/medicaid-unwinding-child-data-snapshot.pdf>.

20. Centers for Medicare & Medicaid Services (CMS) Medicaid and CHIP (MAC) Learning Collaboratives, Strategies States and the U.S. Territories can Adopt to Maintain Coverage of Eligible Individuals as they Return to Normal Operations, November 2021, at 3, <https://www.medicaid.gov/state-resource-center/downloads/strategies-for-covrg-of-indiv.pdf>.

21. Id.

22. Medicaid and CHIP Enrollment, supra note 19, at 13.

23. Centers for Medicare & Medicaid Services, Use of Unwinding-Related Strategies to Support Long-Term Improvements to State Medicaid Eligibility and Enrollment Processes, November 2024, at 11, <https://www.medicaid.gov/resources-for-states/downloads/e14-policy-deck-11142024.pdf>.

24. Eden Volkov, Amelia Whitman, Nancy De Lew, Thomas Buchmueller, U.S. Department of Health and Human Services Assistant Secretary for Planning and Evaluation Office of Health Policy, Evaluating Medicaid Strategies to Streamline Ex Parte Renewals, November 14, 2024, <https://aspe.hhs.gov/sites/default/files/documents/d1c68327569498e86e98764e536b74f4/ex-parte-renewal-data-point.pdf>.

25. CMS supra note 20, at 3-4; Daniel Tsai, CMS Informational Bulletin, Use of Unwinding-Related Strategies to Support Long-Term Improvements to state Medicaid Eligibility and Enrollment Processes, November 14, 2024, at 4, <https://www.medicaid.gov/federal-policy-guidance/downloads/cibe1411142024.pdf>.

Finally, technology system updates are required to improve the renewal process and reduce administrative burdens. National research shows that states with access to streamlined eligibility data and automated procedures were more likely to prevent unnecessary disenrollments.<sup>26</sup>

### **Address Persistent Communication Issues**

Nebraska can also work to improve forms and notices, including providing information in more languages, ensuring updated contact information, conducting more targeted outreach, and streamlining call center processes to improve communications.

Nebraskans consistently report that DHHS verification requests and notices are difficult to understand. Documents related to renewal, eligibility, and enrollment should be revised to be simple and understandable, ensure all necessary information is included, and be available in multiple languages.

To minimize returned mail, updated federal regulations will require states, including Nebraska, to establish a process to obtain updated address information for enrollees from reliable sources. By December 3, 2025, states must use the National Change of Address (NCOA) database, mail returned by the U.S. Postal Service (USPS) with a forwarding address, and managed care organizations (MCOs) to update beneficiary contact information.<sup>27</sup> States will also have flexibility to deem other sources as reliable for purposes of updating contact information. Nebraska should ensure all reliable strategies for updating contact information are implemented as soon as possible to reduce burden on enrollees and DHHS.

DHHS can also implement strategies to ensure comprehensive, targeted efforts to reach enrollees, including:

- Share data among other child- and family-facing state agencies;
- Partner with State and local education and community-based agencies and schools to reach families; and
- Provide data to health plans, community health centers, and provider practices to help them provide direct support to families renewing coverage.<sup>28</sup>

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26. Giuliana Grossi, AJMC, Lessons Learned from Medicaid Unwinding as States Tackle Eligibility Checks, November 7, 2024, <https://www.ajmc.com/view/lessons-learned-from-medicaid-unwinding-as-states-tackle-eligibility-checks>.

27. CMS, supra note 23, at 9.

28. CMS supra note 19, at 19.

Finally, DHHS can improve call center processes by hiring staff at call centers, with particular focus on staff who speak the most common non-English languages in Nebraska (including Spanish, Vietnamese, Arabic, Chinese, German, French, Somali, and others).<sup>29</sup> Additionally, DHHS can improve call center processes to ensure that the wait time to talk to an appropriate staff member is shortened and that automated phone systems are understandable in multiple languages.

### **Ensure Transparent and Timely Data**

Data transparency is key to understanding systemic changes. DHHS maintained a helpful data dashboard that tracked some important data points throughout the unwind - see a recent snapshot in the attached addendum. DHHS responded to some requests for increasingly specific data and provided nearly monthly updates. This ongoing tracking of termination types and completed renewals was helpful for enrollees, advocates, and service providers. Tracking tools such as the existing dashboard should continue and improve even after the unwinding is complete.

Additionally, there is a need for more specific publicly-available data on eligibility and enrollment post-unwinding. The lack of disaggregated demographic data about Medicaid enrollees has made it difficult to evaluate issues in real time and target outreach.

These steps can help meaningfully improve the Medicaid program and reduce administrative costs.

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29. Nebraska Department of Health & Human Services Division of Public Health Office of Health Disparities and Health Equity, Nebraska Language and Limited English Proficiency Report Card 2021, at 5, <https://dhhs.ne.gov/Reports/Language%20and%20LEP%20Population%20Report%20Card2021.pdf>.

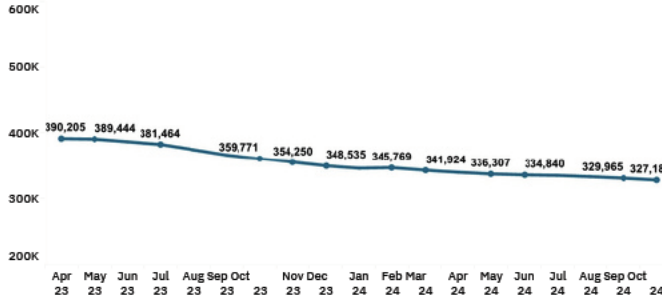
Medicaid Unwind Public Dashboard

About the Data

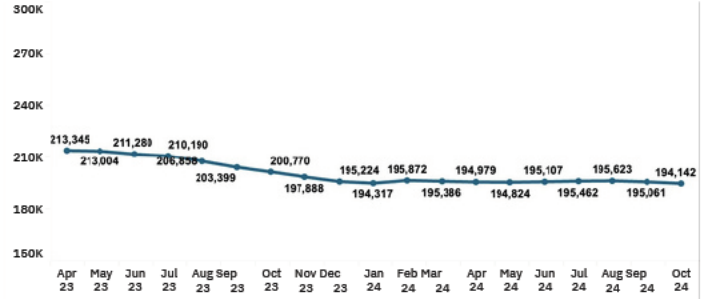
Following the recent passage of federal legislation, the Nebraska Department of Health and Human Services (DHHS) has resumed regular reviews of Medicaid eligibility. Since the beginning of the COVID-19 pandemic, Medicaid members have kept Medicaid coverage even if no longer eligible.

Starting March 1, 2023, each Nebraska Medicaid member's current eligibility will be reviewed starting up to 90 days prior to their renewal month. It will take approximately 12 months to review all households. A member can find out their own renewal month by logging into their [ACCESSNebraska account](#) or calling toll-free (855) 632-7633.

Total Medicaid Member Enrollment



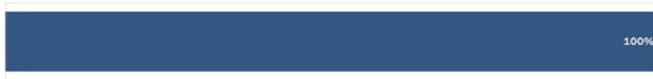
Total Medicaid Household Enrollment



Medicaid Member Renewals

370,356 of 370,473

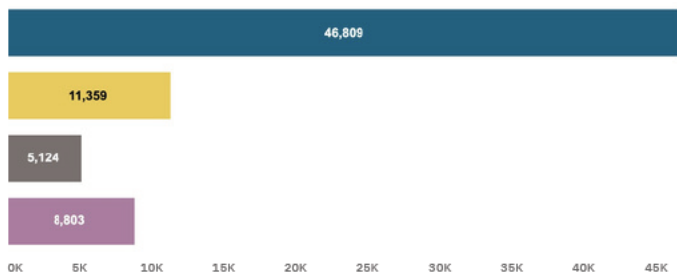
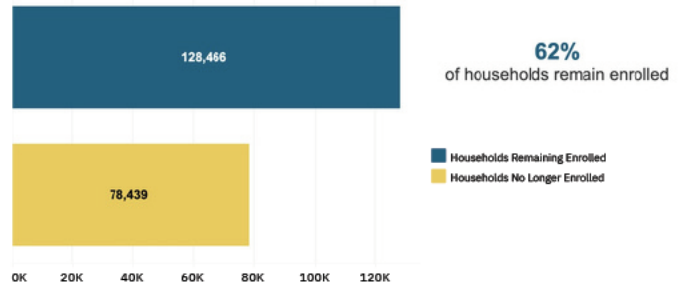
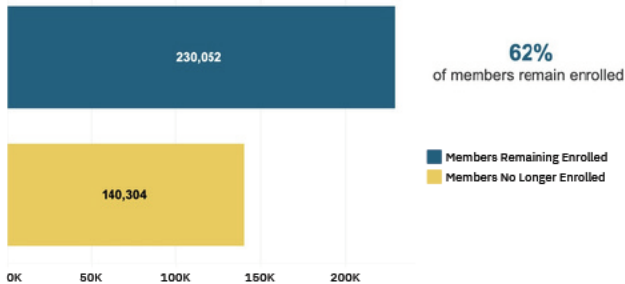
Medicaid members have been reviewed with 117.0 pending renewals remaining.



Medicaid Household Renewals

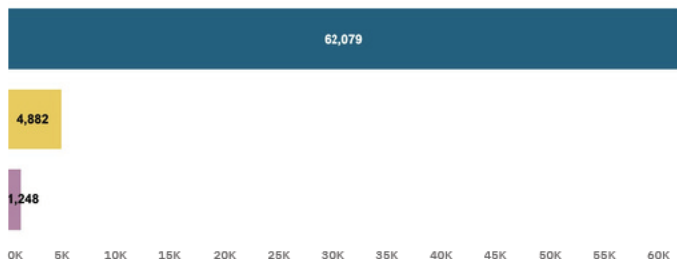
206,905 of 206,962

Medicaid household have been reviewed with 57.00 pending renewals remaining.



72,095  
Total Programmatic Closures

- Client Does Not Meet Medicaid Eligibility Or Financial Requirements
- Client Moved Or Is Not Considered A Nebraska Resident
- Client Request To Be Removed From Medicaid
- Other



68,209  
Total Procedural Closures

- Unable To Complete Case Review
- Client Death
- Other

Since March 1, 2023, our customer service representatives have received 365,831 phone calls. During this period of increased call volume, please be patient as we try to address all calls in a timely manner. Our average call wait time is 5.3 minutes.