

Texas Medicaid Unwinding

Presenters:

Michelle Alletto, HHSC (no slides)

Stacey Pogue, Every Texan [slides](#)

Carina Sturgeon, La Esperanza Clinic [slides](#)

Ana Rangel, Los Barrios Unidos Community Clinic [slides](#)

Michelle Alletto of Texas Health and Human Services Commission (HHSC) provided an update on the agency's progress with Medicaid unwinding.

Texas Medicaid has a caseload of approximately six million recipients who need to go through renewal or redetermination as part of the huge Medicaid unwinding post COVID public health emergency (PHE).

For background context:

In 2020, as part of Congress' response to the PHE, people who were on Medicaid were able to maintain "continuous eligibility." In Texas, many adults and children were able to keep Medicaid coverage for up to three years (March 2020-March 2023) that might ordinarily be terminated after a short time, and to maintain their coverage without submitting renewals. Congress also increased benefits for the Supplemental Nutrition Assistance Program (SNAP) during the PHE. In March 2023 these benefits ended and Texans are being disenrolled from Medicaid and SNAP at a brisk rate. The documents from HHSC provide additional information about Medicaid and SNAP changes:

[End of Continuous Medicaid Coverage FAQ from HHSC](#)

[SNAP Emergency Allotment FAQ from HHSC](#)

Progress so far:

Texas started notifying Medicaid recipients in March 2023 that continuous Medicaid coverage would be ending and they would need to renew their coverage. Some Medicaid recipients are likely to keep their Medicaid eligibility, but many are likely to lose their eligibility and will need to reapply.

The timeline for notification and initiation of renewals is approximately one year. The first notifications began in March 2023 and all renewals will be initiated by HHSC by March 31, 2023. The entire process will be completed by May 31, 2024. From April-September 2023 HHSC initiated renewals for 4.5 million, including recipients with continuous eligibility due to the public health emergency (PHE). HHSC recently released an interim report on the end of continuous eligibility to CMS. HHSC's monthly reports are available [here](#).

Problems encountered at the start of unwinding:

Numerous problems occurred in the first few months of unwinding, resulting in incorrect terminations and denials. Some recipients were terminated without a full renewal process, others were denied incorrectly because the system showed they hadn't renewed when they did, and others were terminated because of incorrect data. These terminations and denials seemed to be due to large-scale systems errors. Coverage has been restored and the system has been updated to prevent the same issues in the future.

It was not mentioned in this presentation, but many recipients have experienced procedural denials. This topic is covered in other presentations.

Workload and staffing issues:

The end of the PHE has created significant workload and staffing issues as HHSC undertakes the process of redetermining Medicaid eligibility for such a large number of recipients. The agency is also dealing with the end of emergency SNAP which will be covered in another session's recap.

While HHSC received funding for 642 new positions from the Legislature, they are still aggressively hiring and training new workers, while working to retain existing staff. The agency's vacancy rate is down to 4% vs. 6.35% in February according to [Texas Tribune](#), but not all newly hired employees are operating at full strength, which has ramifications for both SNAP and Medicaid. 211 call center staff are playing a key role getting information to recipients, checking the status of applications and renewals.

Systems issues continue to be a major complicating factor:

HHSC technical staff are also under a massive workload with system coding required for Medicaid unwinding as well as coding for upcoming changes in benefits, including 12-month Medicaid for new mothers and some changes to SNAP eligibility for adults. Notably, most other states are also encountering problems regardless of the age or quality of their systems due to the vast number of changes required.

HHSC does catch some incorrect denials because of systems errors internally before they affect recipients, and they're able to restore benefits quickly. When incorrect denials do occur, part of the solution is ensuring people aren't liable for costs incurred at times when they were mistakenly disenrolled.

Future system improvements will help mitigate these sorts of problems down the road, but won't make much difference during the unwinding process.

Stacey Pogue of Every Texan spoke about the scope of challenges Medicaid recipients face and provided context for the Medicaid unwinding process in Texas vs. other states.

Texas has the worst coverage losses of all states during unwinding. In late September the *Texas Tribune* published an article with the headline [900,000 Texans have lost Medicaid as others struggle to access SNAP benefits](#) that reported on the struggles Texans are experiencing as they lose coverage. Many lost coverage because of procedural denials or failure to be automatically moved to other programs (e.g. Medicaid to CHIP) because their eligibility wasn't determined.

Texas has the third-worst rate of procedural denials in the nation, with 670,000 so far. Most of those are children. **Three out of four Texas children who lose coverage during unwinding are still eligible for Medicaid.**

Procedural denials happen when a client doesn't complete every step in the renewal process and/or misses a key deadline. Barriers that prevent clients from completing their applications correctly include mail sent to the wrong address and/or in the wrong language, conflicting due dates on different paperwork, problems with the Your Texas Benefits app, and minimal use of third-party data by Texas Medicaid to confirm eligibility.

Texas requires people to provide more data and paperwork than almost any other state (except Wyoming) instead of relying on data matching in application renewals. The use of third-party data (such as income information) to confirm ongoing eligibility eliminates red tape at renewal and streamlines the

process for both recipients and the state. But, **only 3% of unwinding renewals in Texas had paperwork eliminated by using data matches to confirm ongoing eligibility.** The national average is 28%, and many states use data matching in 40% or more cases.

Another perspective on the impact of system errors:

Approximately 120,000 incorrect denials are due to system issues. Alleged errors include:

- Denials with no renewal packet or request for verification
- Denied during a period when they should have coverage (such as newborns)
- Denials for failure to provide verification that was actually uploaded or faxed
- Denials based on requests for documentation not needed at renewal (affecting mixed-immigration status families)

HHSC does reinstate coverage retroactively, but it can take several months

Backlogs and more backlogs:

Clients needing Medicaid and/or SNAP are experiencing significant delays and backlogs. New Medicaid applications are delayed, and those who are denied at renewal may face a long wait once they re-apply.

SNAP applications and recertifications are also delayed, so families run out of benefits while waiting

As of the end of August

- 55,000 Medicaid applications received in March 2023 or earlier that weren't processed.
- SNAP lapsed for 32,000 Texas families in September while they waited for recertification.
- SNAP applications are backlogged 100 days before an eligibility worker first touches it as of September.

Texas advocates call for fixes:

Advocates recognize that HHSC is doing the best they can with the resources they have for the enormous task of unwinding, but the problems are huge and families are struggling. Recommendations to the governor include:

- Pause procedural denials and restore coverage to Texans who already lost Medicaid from a procedural denial until Texas can fix the system errors and eliminate all paperwork backlogs. Expecting eligible Texans to re-apply and wait in backlogs is not acceptable.
- Direct HHSC to improve data matching for third-party renewals to reduce procedural denials and reduce strain on the overburdened eligibility system.

Enrollment Assistants Ana Rangel of Los Barrios Unidos in Dallas and Carina Sturgeon La Esperanza Clinic in San Angelo each briefly presented aspects of their work.

Ana Rangel outlined the types of incorrect denials her clients experience and described the feedback loop her clinic has established with their HHSC eligibility worker to help clients complete applications and renewals more efficiently.

Carina Sturgeon presented on outreach strategies her clinic uses to connect with their community on health and nutrition programs such as Medicare savings for seniors, SNAP renewal and the ending of the emergency allotment. Their outreach has focused on school districts, senior apartment complexes and community centers, and education fairs for seniors through coalitions.