



# Reversing the Unintended Impact of Medicaid Unwinding on Disenrollment through Data Integration

## Introduction

Medicaid is critical to millions of Americans for accessing healthcare. States expanded coverage, and enrollment grew significantly by more than 21 million during the COVID-19 public health emergency (PHE). Many individuals with low incomes, including families and children, have lost health coverage due to procedural disenrollment during what is commonly referred to as the "Medicaid Unwinding." With the Medicaid Unwinding over the past year, more than 15 million people were disenrolled for procedural reasons, many of whom remain eligible for coverage.

This white paper examines the complexities introduced during the Medicaid Unwinding, exploring the challenges MCOs face in keeping and growing their member enrollees, and proposing solutions facilitated by aligning MCO goals with data and systems integration. By leveraging innovative data management and integration approaches, Medicaid MCOs can enhance operational efficiency, correct erroneous disenrollment, and improve healthcare delivery.

## Unwinding Disenrollment Challenges Faced by MCOs

MCOs play a critical role in the Medicaid ecosystem, managing coverage and coordinating services while controlling costs for state Medicaid agencies. The PHE triggered a surge in Medicaid enrollment, significantly straining MCOs responsible for managing healthcare for a larger beneficiary population. As the PHE unwinding progressed, MCOs found themselves at the forefront of unprecedented challenges in business, administration, operations, and technology.

**Financial Loss:** Medicaid unwinding often leads to revenue loss for MCOs due to procedural errors causing wrongful disenrollments. It is particularly harmful to smaller regional MCOs and their members and providers.

**Administrative Burden:** Addressing disenrollments demands significant administrative efforts, including managing appeals and grievances while coordinating with state agencies to fix newly introduced enrollment issues. These actions reallocate resources from other important functions.

**Disruption of Care Continuity:** Disenrollments disrupt care for members, resulting in gaps in healthcare access, worse health outcomes, and higher costs. It also impacts MCO reputations and leads to increased churn and member dissatisfaction.

**Compliance Risks:** Mishandling Medicaid Unwinding processes can expose MCOs to compliance risks and regulatory scrutiny. Failure to comply in a timely manner results in penalties, fines, or legal consequences.

**Membership Growth and Retention Risks:** Ongoing Unwinding problems can damage an MCO's reputation, affecting its ability to attract and retain members and providers.

**Operational Challenges:** Disenrollments create operational difficulties, complicating processes like eligibility disruption, claims processing, communications, and network management. These challenges strain existing operational processes and require MCOs to effectively adapt their workflows to address disenrollment-related issues.

Overall, Medicaid unwinding poses significant challenges and risks for MCOs and their business goals, impacting their financial stability, operational efficiency, regulatory compliance, and reputation among providers and their members. Addressing these challenges requires proactive measures to minimize wrongful disenrollments, streamline disenrollment processes, and ensure continuity of care for Medicaid enrollees and all who are eligible.

## Understanding Procedural Disenrollment

Over the past year of the PHE Unwinding, over 22 million Medicaid enrollees have been disenrolled and lost their health coverage. 69% of those disenrollments were due to procedural deficiencies. While not all affected individuals were necessarily eligible for Medicaid, a significant portion of those disenrolled resulted from a widespread failure to respond to information requests from state Medicaid agencies.

Several factors beyond member non-compliance may have contributed to this, including:

- Issues with mail delivery cause delays in processing returned renewal forms
- Discrepancies between state renewal processing procedures and corresponding federal regulations

The Centers for Medicare and Medicaid Services (CMS) is particularly concerned about children who are disenrolled for these paperwork reasons as children have significantly higher eligibility limits than adults. Many disenrolled children, including newborns, are likely still eligible for Medicaid and the Children's Health Insurance Program (CHIP).

Without a fluid data framework and responsive infrastructure, MCOs face difficulties managing issues like wrongful disenrollments during Medicaid Unwinding. This limitation hampers their ability to adapt and respond to these challenges resulting in significant financial losses for MCOs and the cessation of essential healthcare services for otherwise eligible individuals, families, and children. Enhanced data infrastructure and transparency measures help safeguard the integrity of Medicaid enrollment processes and ensure continued access to care for vulnerable populations.

Aligning the appropriate architecture, integrations, and analytics on top of that infrastructure are transformational to MCOs.

## Exacerbating Challenges in Procedural Disenrollment

The detrimental effects of erroneous procedural disenrollments on MCOs are compounded by the following factors.

**Data Silos:** Fragmented data systems and lack of data transparency risk missed information and insights, impede timely resolution of disenrollment issues and decision-making, and impact access to care for patients and revenue for MCOs and providers.

**Administrative Burden:** Manual processes for verifying eligibility and resolving data discrepancies contribute to administrative inefficiencies, leading to erroneous disenrollments and delays in disenrollment procedures.

**Communication Barriers:** Poor communication between Medicaid agencies, health plans, healthcare providers, and beneficiaries exacerbates disenrollment challenges, resulting in confusion and frustration.

**Adverse Impact on Health Outcomes:** Disenrollment disruptions can disrupt continuity of care, exacerbate health disparities, and lead to avoidable healthcare costs.

## Solutions Through Data and Systems Integration

To mitigate the challenges of PHE Unwinding, we recommend MCOs implement data and systems integration that streamlines processes improving data transparency and communication with state agencies. It also enables MCOs to proactively identify and resolve disenrollment issues.

**Unified Data Infrastructure:** Setting up a centralized data system that gathers information from different sources provides real-time, accurate data on enrollment and eligibility. This helps streamline and improve the accuracy of processes like redetermination and disenrollment.

**Automated Tools and Processes:** Implementing automated data management processes and developing comprehensive, intuitive dashboards reduce manual reporting, minimize errors, and expedite effective escalation to the state agency to resolve erroneous disenrollments promptly.

**Enhanced Communication Channels:** Using technology to improve communication among Medicaid agencies, MCOs, healthcare providers, and beneficiaries increases transparency and helps quickly resolve disenrollment issues.

**Predictive Analytics:** Utilizing predictive analytics to identify individuals at risk of disenrollment enables proactive interventions. For example, targeted outreach and support services can prevent coverage disruptions.

**Interoperable Systems:** Promoting interoperability among Medicaid systems and external stakeholders promotes seamless information exchange, streamlines administrative workflows, and enhances care coordination.

## How an MCO overturned the disenrollment of 20% of its members

An MCO experienced a significant revenue loss of 20% due to wrongful disenrollments caused by procedural errors. These issues were exacerbated by the MCO's limited administrative capacity and technical resources, which struggled to handle and analyze the large volume of disenrollment data from the state.

Although the MCO recognized the presence of erroneous disenrollments, they faced challenges accessing and processing the relevant data, which ultimately delayed the resolution of these issues with the state agency hindering re-enrollment efforts.

The longer it took to rectify these errors, the greater the risk to the well-being of its enrollees and the MCO's business continuity.

In response to this predicament, the MCO engaged Agilian to implement a solution that involved:

- Centralizing the data from siloed databases and systems
- Automating data management processes
- Developing a dashboard for enrollment data, insights, and trends

The centralized data layer ingests and integrates large volumes of raw data from daily feeds and transfers from the state agency. Automated data management processes ensure near real-time access to accurate enrollment and eligibility information, facilitating disenrollment quality assurance.

Layered on the newly centralized data, Agilian developed an intuitive dashboard to streamline data management workflows further, reducing manual data intervention and reporting. The dashboards provide timely insights into enrollment data and trends and empower the MCO to identify inaccuracies and expedite the resolution of wrongful disenrollments proactively.

Not only do these data integration solutions improve operational efficiency, but they also provide MCOs with the critical information needed to address and resolve disenrollment issues with the

state agency. Prompt and accurate reporting of procedural errors to the state agency helped the MCO quickly re-enroll members and ensure healthcare access for vulnerable populations.

This case highlights the importance of effective data infrastructure and technical capabilities in navigating the complexities of Medicaid disenrollment processes and ensuring the continuity of care for members.

## **Conclusion:**

Erroneous procedural disenrollments significantly hinder healthcare access for Medicaid beneficiaries and challenge MCO sustainability. By adopting integrated data systems and promoting data-driven collaboration among stakeholders, MCOs can address these challenges. They can also improve the accuracy and effectiveness of disenrollment processes. Key strategies like integrated data solutions, automated tools, and data-driven communication are essential for addressing the complexities of disenrollment issues and maintaining essential healthcare services for Medicaid beneficiaries.

### **About Agilian:**

At Agilian, we show that better-integrated data and systems make Medicaid MCOs and their providers more effective. Our engagements positively impact member health outcomes, free up time and money for care, and close disparities across communities.

We are a boutique consulting firm that transforms MCOs' technology and data from a liability into a competitive advantage through three complementary service lines:

- Value Delivery Office
- Ecosystem Integration
- Organizational Learning

Delivered by consultants trained in Medicaid, our solution employs a holistic health ecosystem methodology and cloud integration accelerators purposefully designed for Medicaid MCOs.

For more information on how you can gain control over your data and systems, please reach out to:

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