



April 5, 2023

Five Medicaid trends we're watching in 2023

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Medicaid and the Children's Health Insurance Program (CHIP) are essential parts of the American health care system, providing services to children, pregnant women, parents, seniors, and individuals with disabilities. These programs touch the lives of over [90 million](#) low-income individuals and enrollment has grown more than 27% (or 9.9 million more individuals) since the beginning of the pandemic.

In 2023, Medicaid and CHIP will continue to play a significant role in helping us rebuild toward a healthier future. Since the continuous coverage provision ended on April 1, many people enrolled in these programs will need to re-enroll or transition to new coverage options – a process called the renewal process, also known as redetermination or recertification.

This process will shape the future of Medicaid and each of the trends we discuss below. As the process unfolds across states, we will monitor and assess its impacts. With this in mind, there are 5 trends we're watching in 2023:

Quality and health equity

The Centers for Medicare and Medicaid Services (CMS) continues to advance the [Biden Administration's focus on equity](#) in all parts of government. CMS' health equity framework prioritizes building the capacity of health care organizations and the workforce to reduce health disparities. This year, we anticipate a focus on quality and outcomes. We also expect to see a greater focus from CMS on measuring outcomes through broader data collection

under the Medicaid [child](#) and [adult](#) core quality sets as well as through CMS' recently announced [Universal Foundation](#). These efforts will focus quality measurement on interventions that advance equity by homing in on measures that will help CMS recognize and track disparities in care among and within populations.

Maternal and infant health

Medicaid plays a significant role in promoting the health of new mothers. In fact, Medicaid covers services for almost half of all U.S. births, along with prenatal and postpartum care. However, after 60 days postpartum, mothers may lose coverage in states that do not provide expanded Medicaid coverage. This loss of coverage is detrimental to maternal and infant health and increases income and racial disparities. Black women are more likely to suffer from maternal mortality and pregnancy-related health complications; the result is a death rate that is 3 to 4 times greater than that of non-Hispanic white women. The American Rescue Plan of 2021 allows states to extend Medicaid postpartum coverage to 12 months, and the Consolidated Appropriations Act of 2023 made this extension permanent. Since the extension was established, 35 states have implemented or are planning to implement this coverage option. This is a solid first step in acknowledging the support mothers and their children need to thrive.

Telehealth

In 2020, CMS [issued telehealth waivers](#) making it easier for people to receive medical care during the pandemic, covering both video and audio visits. As a result, all states and Washington, D.C. expanded telehealth access for Medicaid beneficiaries, allowing greater flexibility in providing care to people in their homes, in rural areas, across state lines, and in connecting with established and new patients. States recognize that telehealth flexibilities significantly increased access to care for their populations.

More health care providers are discussing the benefits and obstacles of telehealth access for the Medicaid population. Some benefits include increased convenience for the patient and provider, along with easing workforce shortages by allowing medical services to be

provided across state lines. We expect to see investments that expand support for telehealth services in behavioral health, substance use services, pediatric services, and OB/GYN services, particularly for people living in rural areas, as well as greater use of innovative tools like remote patient monitoring. Common challenges to providing quality care to this population include poor internet connections, language barriers, [and a lack of universal access to technology](#).

Treatment for mental health and substance use disorders

Our country is grappling with a growing mental health crisis that touches all people. Medicaid is the single largest payer for mental health services and is playing a larger role in reimbursement for substance use disorders. In response to growing need, CMS increased access to home and community-based services, substance use disorder services, and other levels of care for these conditions. This year, we expect that Congress will consider the extension of the SUPPORT for Patients and Communities Act of 2018, which created a [Medicaid state plan option](#) that allows payment for Medicaid beneficiaries age 21-64 and pregnant women with at least one substance use disorder in certain Institutions for Mental Disease (IMDs). Additionally, CMS has integrated mental health and substance use services in the child and adult [core set](#) so we foresee opportunities to better understand mental health and substance use disorders with improved data and reporting requirements.

Social needs

Where and how people live, work, and play drives more than [half of health outcomes](#). By supporting an individual's health-related social needs, including making connections to stable housing, healthy food, and reliable transportation, we can impact overall health. This year, we will see a renewed focus on designing programs that address social needs to improve health and reduce the long-term cost of caring for the Medicaid/CHIP population.

Earlier this year, CMS published new guidance to help states develop a roadmap to address health-related social needs of Medicaid enrollees through a category of services known as "in lieu of a service" (ILOS). This was an important milestone for states that partner with

Medicaid Managed Care plans. This guidance further allows plans to cover and receive payment for alternative services or settings to meet enrollees' needs. On the provider side, regulatory barriers often prevent payers and providers from offering critical interventions, including anti-kickback rules that limit the ability to address food and transportation needs, and policies that prohibit the use of audio-only telehealth or require in-person visits before allowing a provider to care for a patient virtually. This new guidance is designed to address this.

Looking ahead

These 5 trends represent a key opportunity at a critical time. Millions of people rely on Medicaid to receive important and timely whole-person care, and [the renewal process will present an opportunity to ensure continuity of coverage for all patients](#), with these 5 issues in mind. In 2023, let's reaffirm our commitment to providing high-quality, affordable, and comprehensive health care coverage for our country's most vulnerable citizens.

For more information about the renewal process, visit our [2023 Medicaid redeterminations guide](#). To learn more about Kaiser Permanente's participation and performance in Medicaid programs, check out [our state fact sheets](#).