Children's Hospital of Philadelphia PolicyLab

Momentum Builds for Extending Postpartum Medicaid Coverage

Population Health Sciences

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Update: On March 11, 2021, President Biden signed into law the American Rescue Plan that, among many other important provisions, makes it easier for states to offer Medicaid to women in the postpartum period. States will have the opportunity to extend pregnancy-based Medicaid eligibility for up to one year following a birth through a State Plan Amendment (SPA), and will receive an enhanced federal match rate to do so, defraying part of the cost. We are excited by this development and will continue to inform and engage with efforts to support its implementation.

Ensuring that new mothers have access to health insurance is an investment that can create a more equitable health care system and improve health outcomes for women and children. Medicaid is the single largest payer for pregnancy-related services in the United States, but under current policy and eligibility requirements, many women lose access to its essential health insurance coverage only weeks after giving birth. Recently, the

Medicaid and CHIP Payment and Access Commission (MACPAC)—the nonpartisan federal agency that provides policy analysis and guidance to Congress—recommended that Congress require states to extend their pregnancy eligibility for Medicaid coverage from 60 days to one year postpartum, and that the federal government finance 100% of the cost for this vital extension of health coverage.

The MACPAC recommendation is a welcome step, bringing attention to the importance of consistent health coverage in the postpartum period. Untreated postpartum conditions, and the maternal mortality and morbidity associated with them, have lasting effects on caregivers and children. For example, maternal depression affects 1 in 8 women following the birth of a child, which if gone untreated can negatively affect a child's development and mental health. Maternal mortality and morbidity impact women of every background, but women of color are disproportionately affected.

Current Postpartum Coverage Under Medicaid

The Medicaid program, which looks different in every state, currently offers coverage to pregnant individuals who earn a bit more than Medicaid's income-eligibility threshold. In Pennsylvania, the Medicaid income limit for most adults is 138% of the Federal Poverty Line (FPL)—about $18,000 per year for a single-person household. However, pregnant individuals can qualify for Medicaid with incomes up to 220% of the FPL—about $28,000 for a single-person household.

Under current law, in almost every state* pregnancy-based Medicaid eligibility ends 60 days after the birth of a child. Additionally, only weeks after giving birth, a woman can lose their Medicaid coverage if their income is above the non-pregnancy Medicaid eligibility and they don't otherwise qualify through other channels. Many women do experience a drop in their household income around having a baby, potentially qualifying them for Medicaid, but the reapplication process places an unnecessary administrative burden on individuals already living with the stress and emotional and physical demands of the early postpartum period.

What Extending Postpartum Coverage Would Mean for Pennsylvania

MACPAC's recommendation that the federal government fully finance extending postpartum Medicaid coverage is unique and speaks to the compelling evidence behind the policy. If acted upon, the recommendation could have significant implications for getting states to move on extending postpartum Medicaid coverage, and on the cost to them of doing so. As part of the PA Prenatal-Three Collaborative, a cross-sector coalition of stakeholders focused on strengthening high-quality prenatal-to-age-three services in the Commonwealth, Maternity Care Coalition and PolicyLab have supported extending postpartum Medicaid in Pennsylvania, highlighting the role of this policy change to advance maternal health equity.

To support this work, we developed a cost estimate for extending postpartum Medicaid—to 12 months—in Pennsylvania. In our preliminary estimate, which is based on the normal federal-state split of Medicaid costs and is being refined by input from different stakeholders, about 10,000 birthing individuals would be covered annually by the extension, costing the state about $14 million per year. For context, the cost of untreated perinatal disorders in the U.S. is over $14 billion annually, according to Mathematica. While we acknowledge that it is unlikely that Congress will act on the financing arrangement recommended by MACPAC, if they did, the cost of the extension in Pennsylvania, and every state, would shift to the federal government.

We've Never Been Closer to Extending Postpartum Medicaid Coverage Nationwide

The MACPAC recommendation adds to recent momentum for extending postpartum Medicaid coverage nationwide. Congress is currently taking up the issue of giving states the option to extend postpartum Medicaid in the U.S. House of Representatives' draft reconciliation bill and, back in September, the House unanimously passed the Helping MOMS Act. Both bills would make it easier for states to extend postpartum Medicaid coverage, allowing implementation to take place through the State Plan Amendment (SPA) process rather than the Medicaid waiver process—greatly reducing the regulatory barriers faced by states wishing to extend

postpartum coverage by providing automatic federal approval and cost-sharing for state extensions. The MACPAC recommendation goes much further, requiring states to extend postpartum coverage and financing the mandate.

The recommendation from MACPAC is encouraging, and we hope that it sends a strong signal to Congress to deliver greater access to Medicaid in the postpartum period. Meanwhile, PolicyLab and the PA Prenatal-Three Collaborative continue to bring the evidence forward and advance this work at the state level as part of a diverse group of stakeholders that support this critical policy. We are hopeful that the time has come to ensure all women have the health care access they need in their child's first year of life.

**Texas and Georgia have extended some form of postpartum Medicaid coverage using state funds only.*

Tyler DeRubio, MPA, is a former policy and strategy senior associate at PolicyLab.

Sara Jann is the director of policy & advocacy at the Maternity Care Coalition.

Rebecka Rosenquist
Rebecka Rosenquist
MSc
Deputy Director of Policy & Strategy