

## VARIATION ACROSS STATES IN LOSS OF MEDICAID COVERAGE AMONG PREGNANT BENEFICIARIES WITH SUBSTANCE USE DISORDERS

### KEY POINTS

- Prenatal substance use is a significant risk factor for adverse pregnancy, birth, and early childhood outcomes. Two federal policies that can increase continuity of coverage in this population are the state option for 12 months of continuous postpartum eligibility in Medicaid, created by the American Rescue Plan (ARP), and Medicaid expansion under the Affordable Care Act (ACA). We analyzed the potential role of these policies for pregnant beneficiaries with substance use disorder (SUD).
- Thirteen percent of pregnant Medicaid beneficiaries with SUD lost their Medicaid coverage between 60 and 90 days postpartum in 2019 (N = 17,911 out of 136,343).
- Texas (66.3%), Missouri (53.7%), and Wyoming (45.4%) are the states with the largest percentage of pregnant beneficiaries with SUD losing Medicaid coverage between 60 and 90 days postpartum. One-quarter of pregnant Medicaid beneficiaries with SUD who lost coverage in 2019 resided in Texas (25%), followed by Pennsylvania (9%) and Missouri (8%).
- Eighty-seven percent of pregnant beneficiaries (N = 15,594) with SUD who lost Medicaid coverage in 2019 resided in states that have subsequently either implemented or have pending legislation to implement a 12-month postpartum coverage extension.
- Fifty-eight percent of pregnant beneficiaries (N = 10,376) with SUD who lost Medicaid coverage between 60 and 90 days postpartum in 2019 resided in states that had not adopted the ACA's optional Medicaid expansions at that time.
- These results indicate the need for improved continuity of coverage in the postpartum period, and the potential roles of the ACA and ARP in addressing this policy challenge.

### BACKGROUND

Prenatal substance use is a significant risk factor for adverse pregnancy, birth, and early childhood outcomes.<sup>1</sup> Pregnant women with a substance use disorder (SUD) experience more barriers to prenatal care, have higher unmet behavioral health care needs, and are more likely to lose custody of their children compared to women without SUD.<sup>2,3,4</sup> Postpartum health coverage is critical in addressing health care needs among this population, as a significant portion of maternal mortality occurs during the postpartum period, and mental health conditions, including overdose, are among the leading underlying causes of maternal mortality.<sup>5</sup> However, under current law,<sup>i</sup> coverage for those enrolled in Medicaid through the pregnancy pathway ends after 60 days postpartum unless additional action is taken by states. Individuals that are not eligible under another Medicaid pathway (for example as a low-income parent or low-income adult) may experience a disruption in coverage that can limit access to care.<sup>6</sup> This can be particularly detrimental for pregnant women with SUDs, among whom less than a quarter receive any treatment for their SUD.<sup>7</sup> Medicaid covers over 40% of all births

<sup>i</sup> Section 1902(e)(5) of the Social Security Act; 42 C.F.R. § 435.170.

nationally<sup>6</sup> and is the primary payer for behavioral health treatment in the United States,<sup>8</sup> further highlighting the importance of postpartum Medicaid coverage among pregnant beneficiaries with SUDs. While beneficiaries in Medicaid have been protected against coverage loss during the COVID-19 Public Health Emergency (PHE), this protection will expire beginning April 1, 2023, meaning many beneficiaries will be at risk for losing coverage.

The 2021 American Rescue Plan (ARP) provides an option for states to use federal matching funds to extend pregnancy-related Medicaid coverage for 12 months after birth to prevent any loss or disruption in health insurance coverage. This option was subsequently made permanent through the Consolidated Appropriations Act of 2022. While previous research has shown that this policy could benefit more than 700,000 people annually, it is not known how many pregnant beneficiaries with SUDs lose their health insurance coverage after 60 days postpartum and how this varies by state. Using 2019 data from a national Medicaid claims database, this brief estimates the number of pregnant beneficiaries with SUD who lost Medicaid coverage between 60 and 90 days postpartum at the national and state level. This gives us an estimate of the number of pregnant beneficiaries with SUD who would potentially benefit from policies to expand coverage beyond the pregnancy pathway. Accordingly, the brief also reports these numbers by the state's Affordable Care Act (ACA) Medicaid expansion status as of 2019, and notes whether the state has subsequently implemented either the 12-month postpartum Medicaid extension option made available under the ARP beginning in 2021 or has extended coverage through a 1115 waiver authority.

## METHODS

This analysis includes pregnant beneficiaries with an enrollment record in the Transformed Medicaid Statistical Information System Analytic Files, Research Identifiable Files, and whose delivery was covered by Medicaid or Children's Health Insurance Program (CHIP) with a date of delivery between January 1, 2019, and December 31, 2019. Data from 49 states and the District of Columbia were included in the pregnant beneficiaries with SUD sample; data from the State of Vermont on pregnant beneficiaries with SUD was not included due to data quality issues.

We identified pregnant beneficiaries using a select set of diagnosis, procedure, and revenue codes on claims and limiting to female beneficiaries ages 15-50 in each year of the analysis. We identified beneficiaries with a SUD by identifying one inpatient claim or two non-inpatient claims during the year prior to the delivery date with procedure codes, diagnosis codes, or national drug codes related to alcohol use disorder, drug use disorder, and opioid use disorder.<sup>ii</sup> Tobacco use disorder (TUD) was not included, per Chronic Conditions Data Warehouse (CCW) algorithm which does not include TUD under SUD.<sup>iii</sup> A proxy date of delivery was identified using the earliest date associated with an inpatient claim related to delivery, or if an inpatient claim was not available, the earliest date associated with an outpatient claim related to delivery. We identified beneficiaries who lost Medicaid/CHIP coverage between 60 and 90 days postpartum by identifying those with an enrollment end date on or after their date of delivery plus 90 days (i.e., between day 60-90 after delivery) to account for beneficiaries allowed to remain enrolled until the end of the month in which their 60th day postpartum occurs.

## FINDINGS

**More than 13% of pregnant beneficiaries with SUD and a quarter of total pregnant beneficiaries who gave birth in 2019 lost their Medicaid coverage between 60 and 90 days postpartum, but with tremendous variation by state (Figure 1).** Overall, 477,970 pregnant beneficiaries in the United States lost Medicaid

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<sup>ii</sup> Further details on diagnostic and procedure codes used in the analysis are available from the authors upon request.

<sup>iii</sup> CCW algorithms are available at <https://www.ccwdata.org/web/guest/condition-categories>. Accessed March 1, 2023.

coverage after 60 days postpartum, out of which 17,911 were beneficiaries with SUDs (4%). While 13% was the national statistic, this number ranged wide by state; in Texas (77.3%), Oklahoma (58.5%), and Utah (53.7%) more than half of pregnant beneficiaries with SUD lost coverage between 60 and 90 days postpartum.

**The majority of pregnant beneficiaries with SUDs who gave birth in 2019 and subsequently lost Medicaid coverage 60 days postpartum were in states that have either implemented the 12-month postpartum coverage extension enabled through the ARP or have pending state action to implement it--suggesting that coverage continuity in 2022-2023 has likely improved since these estimates (Figure 2).** 17,911 Medicaid-covered pregnant beneficiaries with SUD who gave birth in 2019 lost their health insurance coverage after 60 days of giving birth. Sixty-four percent of those beneficiaries resided in states that have subsequently implemented the 12-month postpartum coverage extension (13%) or in states that have taken action that is pending approval (i.e., applied for an 1115 Waiver or submitted a State Plan Amendment) (51%), while 36% resided in states that currently have no pending actions to expand coverage. One-quarter (25%) of pregnant beneficiaries with SUD who lost coverage reside in Texas, followed by Pennsylvania (9%), and Missouri (8%). As of the publication of this brief, Texas and Missouri have pending action to extend coverage, and Pennsylvania has extended coverage as of April 1, 2022. The extension of postpartum coverage in 18 states through the ARP option and the pending actions in 21 states demonstrate the considerable impact that the ongoing efforts by the U.S. Department of Health and Human Services could potentially have on ensuring the continuity of health care coverage postpartum for women with SUD.

**A significant portion of pregnant beneficiaries with SUDs who gave birth in 2019 and lost Medicaid coverage after 60 days postpartum were in states that had not at that time adopted ACA Medicaid expansion (Figure 3).** The percentage of pregnant beneficiaries with SUD who gave birth in 2019 and lost coverage after 60 days postpartum was generally higher in states that had not adopted ACA Medicaid expansion compared to states that had expanded Medicaid. Texas had the highest rate of pregnant beneficiaries with SUD losing coverage after 60 days postpartum (66.3%), followed by Missouri (53.7%), Wyoming (45.4%), Oklahoma (42.8%), and South Dakota (38.0%)--all Medicaid non-expansion states as of 2019. Nationally, 58% (or 10,376 out of 17,911) of pregnant beneficiaries with SUD who gave birth in 2019 and lost their Medicaid coverage resided in Medicaid non-expansion states, while in states who adopted the Medicaid expansion 42% of the pregnant beneficiaries with SUD lost coverage. Research has shown that although the proportion of women who experienced a period of uninsurance during the perinatal period has declined since the implementation of the ACA, one-third still experience a loss of coverage.<sup>6</sup> In states that expanded Medicaid, the proportion of women with continuous coverage was higher and the churning was reduced.<sup>6</sup> A previous study has found that ACA expansion may promote coverage stability and may increase use of health services among postpartum women.<sup>11</sup>

## LIMITATIONS

A strength of this study is the use of a large, nationwide, Medicaid claims database. However, the study was unable to account for other possible pathways or mechanisms through which pregnant beneficiaries might have gained health coverage after losing Medicaid. For example, it is possible that a pregnant beneficiary with a SUD who lost coverage after 60 days postpartum might have subsequently qualified for Medicaid through income eligibility or subsequently qualified for private insurance. Research has shown that identifying SUDs among pregnant beneficiaries can be challenging, as pregnant people are less likely to disclose their substance use to providers for fear of criminal persecution and potential loss of child custody,<sup>9,10</sup> particularly in states with punitive policies towards substance use in pregnancy. As such, our estimate of pregnant beneficiaries with SUDs is likely an underestimation. Another limitation of the study is that it is based on data from 2019. 2020 data was not used as we could not track coverage loss for the full calendar year given that women had to be followed 90 days after delivery, and 2021 data was not available at the time of analysis to follow beneficiaries delivering in October-December 2020.

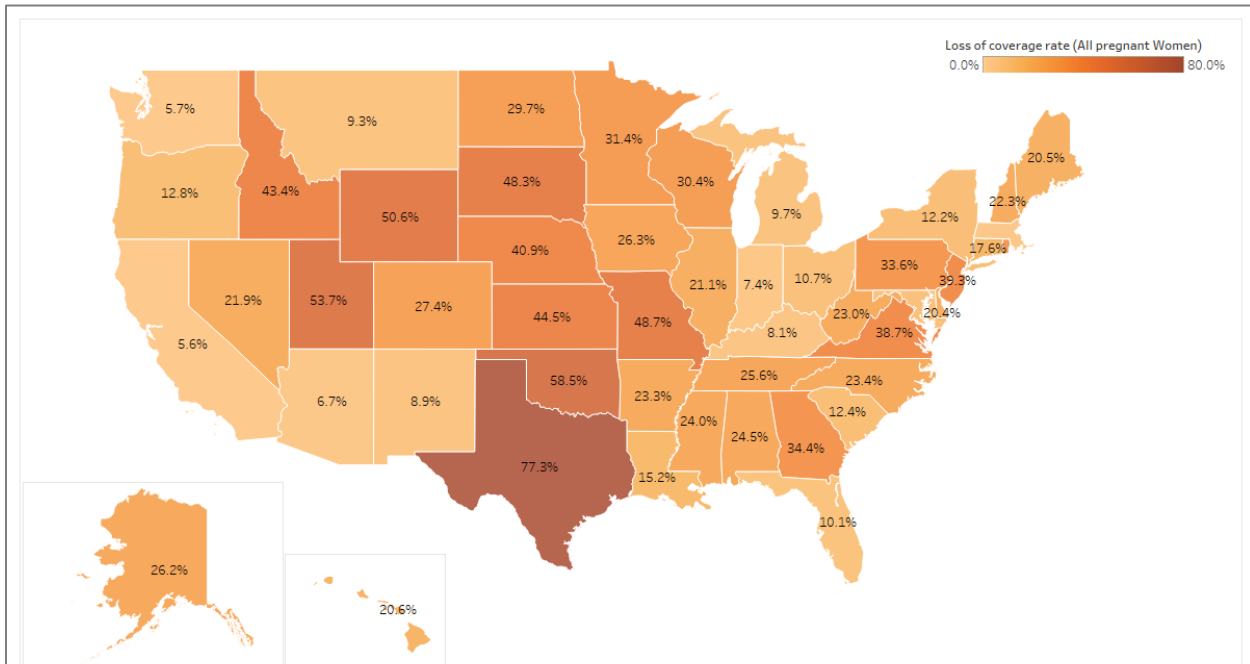
In addition, this study used pre-2020 data in order to estimate loss of coverage before the continuous coverage protection provision in Medicaid during the COVID-19 PHE declaration. This approach allowed us to show estimates that would be closer to realities after the unwinding of the COVID-19 PHE if states do not take up the ARP postpartum expansion option. The policy landscape around postpartum Medicaid coverage has shifted significantly since the 2021 ARP passage and the Consolidated Appropriations Act of 2022, which may have increased the number of women that retain coverage postpartum. While 2021 and 2022 data were not available at the time of this analysis, an important area for future research to consider would be estimating the loss of Medicaid coverage among pregnant beneficiaries with SUD using more recent data and comparing it to pre-2020 data to determine the impact of the ARP on loss of coverage among postpartum women with and without SUD in Medicaid.

## CONCLUSIONS

The postpartum period presents an important window for policy intervention. However, a significant proportion of women with Medicaid-covered births and SUD experience loss of health insurance after 60 days postpartum. The ARP and the Consolidated Appropriations Act provides states with an opportunity to ensure continuous coverage for pregnant beneficiaries with SUDs for 12 months postpartum. In addition, the ACA Medicaid expansion provision has played an important role in providing health insurance coverage for postpartum women with SUDs, by providing many women with a coverage option through expanded parental eligibility. By raising the income eligibility limit for parents, ACA Medicaid expansions offered more people a pathway to maintain coverage once no longer pregnant--and in the case of a miscarriage, ACA Medicaid expansions offered an opportunity to still qualify as a childless adult.

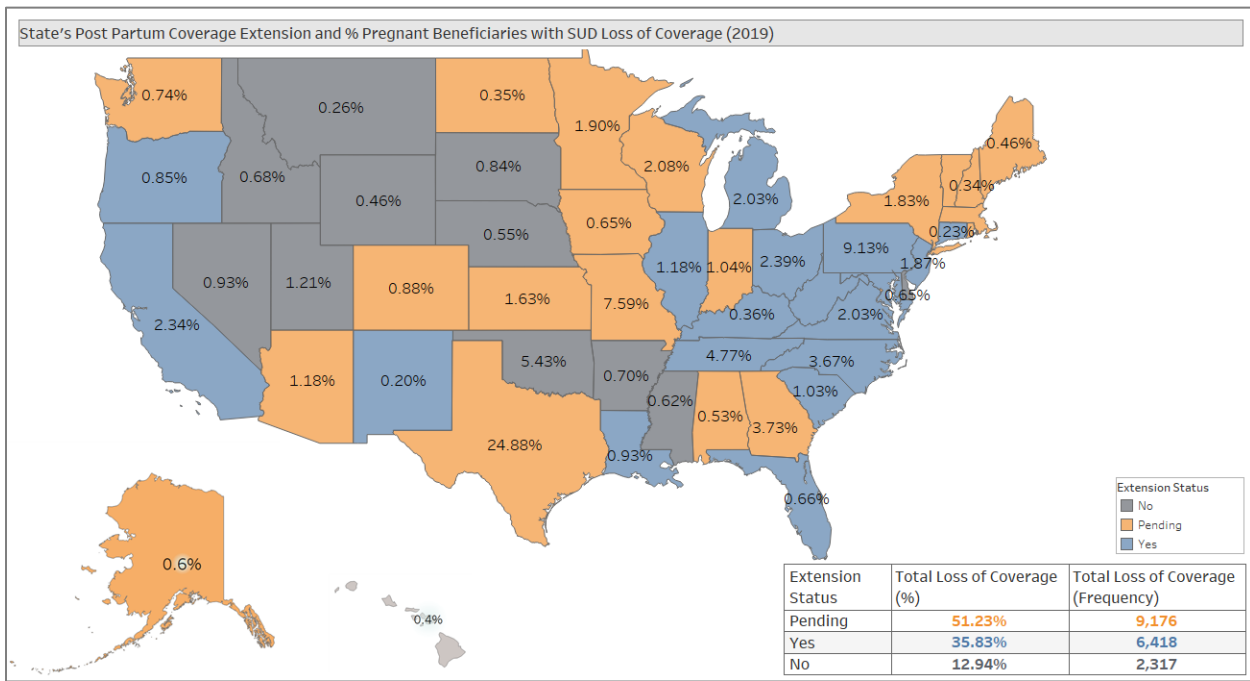
The ACA Medicaid expansion and the ARP postpartum coverage extension option, subsequently made permanent through the Consolidated Appropriations Act of 2022, are examples of policies that can potentially play an important role in improving stability of health coverage during a critical period for pregnant people. At the same time, the Medicaid continuous enrollment provision related to the COVID-19 pandemic will end on April 1, 2023, raising the risk for coverage losses among Medicaid beneficiaries. Increased continuity of coverage can potentially facilitate access to SUD treatment services among pregnant beneficiaries with SUDs, which will be beneficial for both maternal and child health. Given their high risk for overdose postpartum, access to coverage and health care is especially important for women with SUDs and their infants.<sup>12,15,16</sup>

**Figure 1. Share of Pregnant Medicaid Beneficiaries Who Lost Coverage after 60 Days Postpartum, by State, 2019**

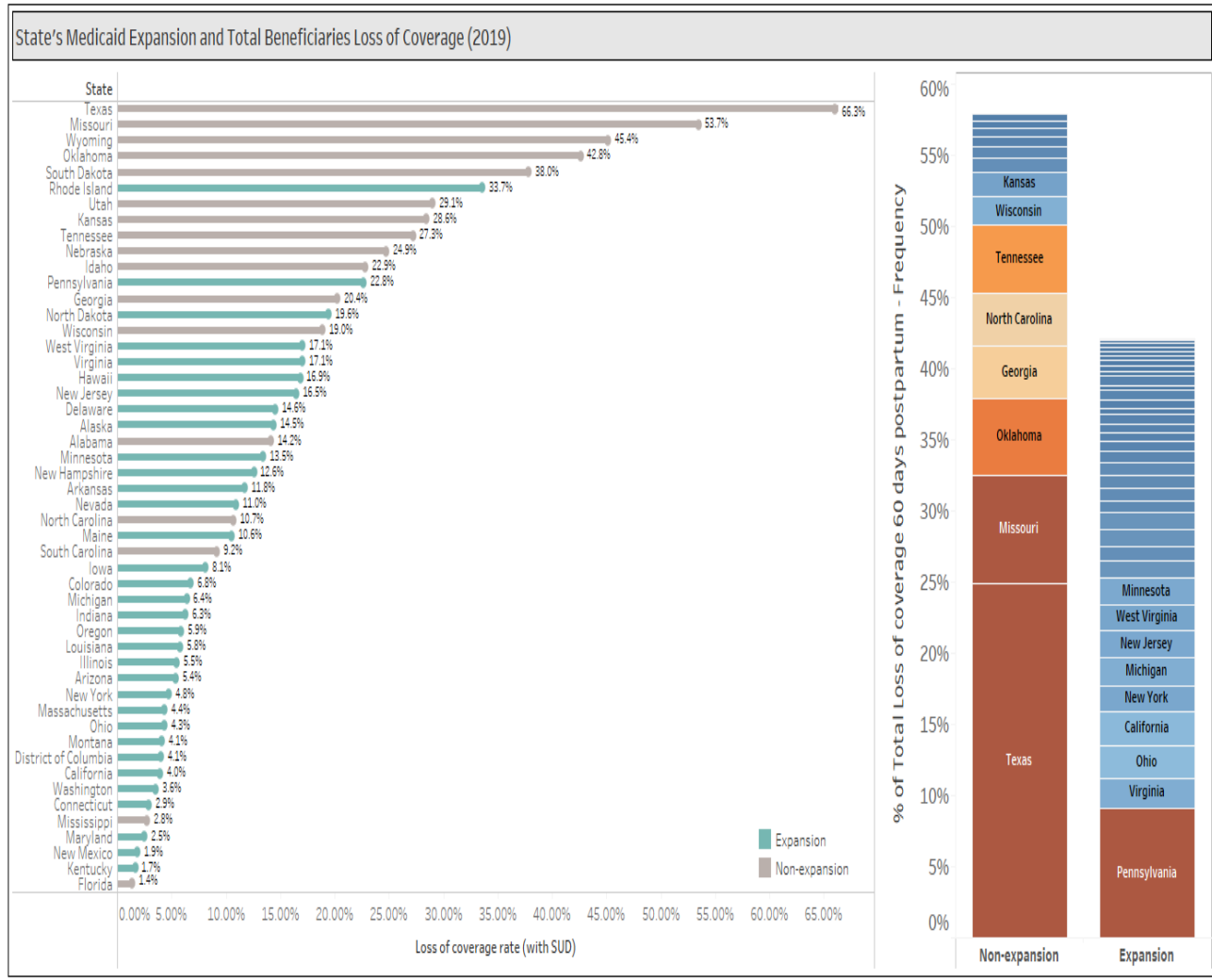


Percentage of pregnant women with SUD who lost coverage out of the total pregnant women with SUD in Medicaid: **13.4%**  
 Percentage of pregnant women who lost coverage out of the total pregnant women in Medicaid: **25.87%**

**Figure 2. State Share of Pregnant Beneficiaries with SUD Who Lost Coverage after 60 Days Postpartum and ARP Postpartum Coverage Extension Status**



**Figure 3. Percent of Pregnant Beneficiaries with SUD Who Lost Coverage after 60 Days Postpartum out of All Pregnant Beneficiaries with SUD per State**



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