

Big Changes Coming To Medicaid, Disability Services as Public Health Emergency Ends

by Michelle Diament | February 6, 2023

With the Biden administration planning to soon end the emergency status prompted by the pandemic, advocates are warning that the shift will have major implications for people with disabilities that go far beyond COVID-19.

Under the public health emergency, which has been in place since 2020, states have been eligible for extra federal funding for Medicaid in exchange for agreeing not to drop most beneficiaries from the program. The federal government has also given home and community-based services providers added flexibilities as they work to maintain staffing.

But now the White House says that it intends to extend the public health emergency to May 11, at which point it will end.

The change will trigger a massive effort by Medicaid programs nationwide to re-evaluate each beneficiary to determine whether or not they remain eligible. That has advocates worried that some people with developmental disabilities could be inadvertently dropped from the program even if they still qualify.

“It’s vital that people with disabilities and their families make sure they respond to any mail or email from their Medicaid office, that their address is up to date with the state, and that they are in compliance with the financial eligibility rules under Medicaid,” said David Goldfarb, director of policy at The Arc.

States can start the redetermination process as soon as this month and can terminate Medicaid coverage for individuals as early as April 1. Across the country, the process is expected to be complete no later than May 2024.

“States have a massive undertaking before them with an estimated 90.9 million individuals on the program,” Goldfarb said. “There is a lot of uncertainty about how prepared states are to undertake this process.”

Goldfarb said he’s especially concerned about people with disabilities who have moved during the pandemic who may not have updated all of their information with their state. Individuals also need to ensure that they are meeting financial eligibility requirements, which typically mean beneficiaries cannot have more than \$2,000, he said, though tools like ABLE accounts can help alleviate such issues.

Aside from its impact on Medicaid eligibility, the public health emergency has also offered disability service providers additional regulatory wiggle room, advocates note.

“Many providers have become reliant on the use of Appendix Ks which provide flexibilities like expanded service settings and the ability to provide temporary direct support wage increases and pay family caregivers,” said Elise Aguilar, director of federal relations at the American Network of Community Options and Resources, or ANCOR, which represents disability service providers across the nation.

An ANCOR survey of providers last fall found that 66% are concerned that the loss of COVID-19 relief funding and regulatory changes when the public health emergency ends will lead to higher vacancy and turnover rates in their workforce.

“That in turn could lead to additional closures and discontinuations of programs and services offered,” Aguilar said.