

State Options and Actions to Extend Postpartum Coverage in Medicaid

Medicaid covers nearly half of all births in the United States.¹ As such, state actions to change aspects of the program, like the length of coverage during the postpartum period, can have a large effect on the lives of those enrolled in Medicaid. In response to ongoing concerns over rising pregnancy-related mortality and morbidity rates across the US and underscored by alarming racial disparities,² Congress offered states a new option to extend Medicaid coverage to 12 months postpartum through the American Rescue Plan Act of 2021. Extending postpartum coverage of Medicaid for 12 months would substantially reduce the number of new parents who lose their health insurance after the postpartum coverage period and may lead to improved health and economic outcomes for these parents and their infants.³

Access to Quality Care in the Postpartum Period Matters

Parents of newborns have unique and ongoing physical, psychological, and social needs following the birth of a child. The American College of Obstetricians and Gynecologists (ACOG) recommends that women be regularly assessed for mood and emotional wellbeing, physical recovery from birth, chronic disease management, and reproductive life planning during the postpartum period.⁴

Health insurance may promote access to these necessary medical services during the postpartum period and increase the likelihood that women receive care for pregnancy-related complications that can occur weeks or months after delivery, such as cardiomyopathy⁵ and postpartum depression⁶ which have severe consequences if left untreated.⁷

Medical outcomes are considered pregnancy-related if they occur any time throughout pregnancy, delivery, birth, and up to one year postpartum. In 2017, there were 17.3 pregnancy-related deaths per 100,000 live births in the US, equating to nearly 700 women dying from pregnancy-related complications annually.^{8,i} Nearly 12% of pregnancy-related deaths occur between 6 weeks and 1 year postpartum.⁹ The Centers for Disease Control and Prevention estimates that 3 in 5 pregnancy-related deaths are preventable¹⁰ and that these deaths may be the result of difficulty accessing consistent, quality prenatal and postpartum care.¹¹

ⁱ Note, pregnancy-related deaths are distinct from maternal mortality statistics and are slower to be reported. For additional information see the Frequently Asked Questions in CDC (2020). Pregnancy Mortality Surveillance System. <https://www.cdc.gov/reproductivehealth/maternal-mortality/pregnancy-mortality-surveillance-system.htm>

Policy Background

Federal law requires all states to extend Medicaid coverage to pregnant people with incomes up to 138% of the federal poverty level (FPL) and coverage must continue to 60 days after childbirth. States can elect to increase the income eligibility threshold for pregnancy-related Medicaid so that more pregnant people have access to care.¹² Currently, only four states (Idaho, Louisiana, Oklahoma, and South Dakota) provide coverage at the minimum income threshold of 138% of FPL. Iowa offers the most expansive income eligibility threshold, providing pregnancy-related coverage to individuals with incomes up to 380% of the FPL.¹³

However, pregnancy-related Medicaid coverage typically ends after 60 days postpartum, at which time new parents can access traditional Medicaid if their incomes are low enough (typically up to 138% of the FPL in states that have expanded Medicaid). Alternatively, they must cover any health care costs through private insurance, including on the Marketplace, or out of pocket payments, which are often unaffordable.¹⁴ To promote access to health care during the postpartum period, states may also elect to extend the coverage period beyond the federally required 60 days postpartum.

State Options to Extend Medicaid Coverage

The American Rescue Plan Act of 2021 (ARPA) created a new option that allows states to submit state plan amendments (SPAs) to extend postpartum Medicaid coverage from 60 days to 12 months of continuous coverage. Under this option, states can receive their traditional federal medical assistance percentage (FMAP) rate to extend Medicaid coverage to new parents. States that pursue this option must provide full Medicaid benefits to all who are eligible for a continuous 12 months postpartum.ⁱⁱ ARPA has streamlined the process for state Medicaid agencies to request approval from the federal Centers for Medicare & Medicaid Services (CMS).ⁱⁱⁱ The extension option in health insurance coverage goes into effect on April 1, 2022 and is available to states for 5 years before the option sunsets.¹⁵

States can also extend coverage through a Section 1115 waiver request that allows states to set requirements that fall outside of the standard SPA requirements, which several states had taken advantage of prior to the passage of ARPA. Some states are using these waivers to expand coverage for a briefer period (e.g., 6 months postpartum in Georgia and Texas) or specified services (e.g., Missouri provides support for substance use disorder and mental health services for individuals

ⁱⁱ If states extend Medicaid to postpartum women, they must do so for the Children's Health Insurance Program (CHIP) as well if those states were previously providing coverage for low-income pregnant women through CHIP. Prenatal-to-3 Policy Impact Center. (2021). *How Will the American Rescue Plan Strengthen the Prenatal-to-3 System of Care? A Summary of the 2021 Act's Benefits for Infants and Toddlers* (B.005.0321). Child and Family Research Partnership, Lyndon B. Johnson School of Public Affairs, University of Texas at Austin. <https://pn3policy.org/resources/how-will-the-american-rescueplan-strengthen-the-prenatal-to-3-system-of-care>

ⁱⁱⁱ CMS recently released guidance to state health officials to help them pursue this new option. See Tsai, D. (2021, December 7). RE: *Improving Maternal Health and Extending Postpartum Coverage in Medicaid and the Children's Health Insurance Program (CHIP)* (SHO# 21-007). Centers for Medicare and Medicaid Services, US Department of Health and Human Services.

diagnosed with a substance use disorder). Indiana considered extending coverage only to pregnant women with opioid use disorder, but has since pursued broader coverage.¹⁶

In addition to the SPA and Section 1115 pathways, states can also extend Medicaid coverage using state, rather than federal funds. California extended Medicaid coverage to postpartum people with a mental health condition using state funds in 2020. However, California passed legislation in 2021 and will request approval from CMS to provide continuous Medicaid coverage to all eligible postpartum people for 12 months.¹⁷

State Actions to Extend the Pregnancy-related Medicaid Coverage Past 60 Days Postpartum

As of January 2022, 25 states,^{iv} both Medicaid expansion and non-expansion states, have acted to extend the postpartum coverage period past 60 days, through either the new provision in ARPA or a Section 1115 waiver request, and/or with state funds.¹⁸ According to KFF, as of January 2022, 15 states (California, Colorado, Connecticut, the District of Columbia, Maine, Maryland, Minnesota, North Carolina, Ohio, South Carolina, Tennessee, Texas, Washington, West Virginia, and Wisconsin)^v have passed legislation that directs the state Medicaid office to submit a SPA or Section 1115 waiver to extend postpartum coverage and allocates state funding to finance the coverage extension. As of January 2022, five states (Florida, Indiana, Massachusetts, Michigan, and Pennsylvania) have proposed or pending Section 1115 waivers to CMS or plan to submit a SPA or Section 1115 waiver.¹⁹

Currently, five states (Georgia, Illinois, Missouri, New Jersey, and Virginia) have received federal approval from CMS on Section 1115 waiver requests to extend postpartum coverage. Each of these states submitted Section 1115 waiver requests that varied in duration and benefits. Illinois, for example, received approval to provide 12 months of Medicaid coverage to all eligible pregnant people following childbirth, effective through December 2025.²⁰

Beyond the varied ways states can approach Medicaid extension, states are also pursuing unique aspects of their program. A snapshot is below:

CONNECTICUT

Connecticut passed H.B. 6687, which appropriated state funding to extend postpartum Medicaid coverage to 12 months for those who do not qualify for Medicaid due to immigration status.²¹

MISSOURI

Missouri received a Section 1115 waiver in April 2021 to extend postpartum Medicaid for substance use disorder and mental health services for individuals diagnosed with substance use disorder.²²

^{iv} State counts include the District of Columbia.

^v Maine coverage limited to 6 months initially and will extend to 12 months by July 1, 2023; Texas Medicaid coverage limited to 6 months postpartum.

SOUTH CAROLINA

South Carolina enacted legislation to request federal approval to extend Medicaid to 12 months postpartum. The state's Department of Health and Human Services and the Maternal Mortality and Morbidity Review Committee will conduct an evaluation of how to best evaluate the policy after implementation.²³

The Evidence Suggests that Medicaid Extension Will Benefit New Parents

Because states only recently began adopting and implementing the extension of pregnancy Medicaid beyond 60 days postpartum, research on policy impacts is very limited. A scan of the research did not yield any rigorous studies identifying the causal link between Medicaid postpartum extension on health-related outcomes or cost savings to states. However, nonexperimental evidence suggests potential positive benefits of extending Medicaid during the postpartum period.

Medicaid Extension May Improve Access to Health Insurance for New Parents

- Current Medicaid income eligibility thresholds vary depending on whether a person is childless, pregnant, or a parent; in nearly all states the Medicaid income eligibility threshold for parents after 60 days postpartum is lower than the pregnancy income eligibility threshold.²⁴
- Approximately 55% of women who had a Medicaid-financed birth experienced a gap in health insurance coverage by 6 months postpartum, compared to 35% of women with private health insurance.²⁵
- Approximately 720,000 new parents across the US would be eligible for extended Medicaid coverage if all states adopted 12 months of postpartum coverage.²⁶
- Continuous postpartum health insurance coverage may improve maternal health outcome for pregnant people.²⁷

Medicaid Extension May Improve Maternal Health and Economic Outcomes

- Over half of uninsured new mothers reported concerns about the payment of their medical bills, suggesting a 12 month postpartum Medicaid extension will help boost the financial resources for new parents with low incomes.²⁸
- Medicaid extension should help more postpartum people seek medical treatment and services; a study found that 20% of new mothers who lost Medicaid coverage had at least one unmet medical need.²⁹
- The end of pregnancy-related Medicaid coverage after 60 days postpartum may prevent health care providers from adequately monitoring new parents' health conditions that may lead to maternal mortality and morbidity.³⁰

Current Research on Medicaid *Extension* is Limited, but Rigorous Medicaid *Expansion* Evidence Indicates Better Outcomes for Adults

To date, 39 states have expanded Medicaid coverage to most adults with incomes up to 138% of the FPL, which has offered researchers an opportunity to assess the impact of that health insurance coverage expansion. Although distinct from the extension of pregnancy Medicaid coverage during the postpartum period, findings from the evidence base on Medicaid expansion^{vi} may offer insight into how the extension of Medicaid coverage during the postpartum period can also benefit families. Strong, causal studies of expanded income eligibility for Medicaid suggest:

- Expanding the income eligibility threshold for Medicaid led to more women enrolling in Medicaid in the postpartum period³¹ and longer coverage during the postpartum period.³²
- Parents' enrollment in Medicaid after expansion led to an increase in children's enrollment^{vii} in public health insurance.³³
- Medicaid expansion led to a significant reduction in postpartum people switching between any type of health insurance or no insurance, called insurance churn;³⁴ higher income eligibility rates due to Medicaid extension may also lead to reductions in insurance churn.
- Medicaid expansion led to an increase in the number of postpartum outpatient visits.^{35,36}
- Access to Medicaid increased financial resources for adults with low incomes by reducing out-of-pocket spending related to health care and negative financial outcomes such as evictions or bankruptcy filings.³⁷
- Medicaid expansion led to less avoidance of care³⁸ with greater effects found over time.³⁹

^{vi} For additional information on the evidence review process and comprehensive evidence review on Expanded Income Eligibility for Health Insurance, please see: <https://pn3policy.org/>. The evidence cited for Medicaid expansion includes only strong, causal studies.

^{vii} The income eligibility threshold for children did not change because of Medicaid expansion.

Additional Resources

States are expected to continue to take actions to extend coverage length. To monitor and explore this topic further, please see the below organizations and resources highlighted below:

- American College of Obstetricians and Gynecologists – [“Extend Postpartum Medicaid Coverage”](#)
- The Commonwealth Fund – [“State Options for Extending Medicaid Postpartum Coverage”](#) (August 11, 2021)
- Georgetown University Health Policy Institute, Center for Children and Families –
 - [“Where States Stand on Extended Postpartum Medicaid Coverage”](#) (July 9, 2021)
 - [“CMS Issues Guidance on New Postpartum Coverage State Option in Medicaid and CHIP”](#) (December 7, 2021)
 - [“More from CMS on Postpartum Coverage: FAQs and New State Data”](#) (December 17, 2021)
- KFF –
 - [“Expanding Postpartum Medicaid Coverage”](#) (March 2021)
 - [“Medicaid Postpartum Coverage Extension Tracker”](#) (last updated February 7, 2022)
- National Academy for State Health Policy – [“View Each State’s Efforts to Extend Medicaid Coverage to Postpartum People”](#) (last updated January 5, 2022)
- Maternal and Infant Health Initiative (2021) – [Postpartum Care Learning Collaborative Webinar Series](#)

Recommended Citation

Prenatal-to-3 Policy Impact Center. (2022). *State options and actions to extend postpartum coverage in Medicaid* (B.007.0222). Peabody College of Education and Human Development, Vanderbilt University. <https://www.pn3policy.org/resources/state-options-and-actions-to-extend-postpartum-coverage-in-medicaid>

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² CDC (2020). *Pregnancy Mortality Surveillance System*. <https://www.cdc.gov/reproductivehealth/maternal-mortality/pregnancy-mortality-surveillance-system.htm>; Hoyert, D. L. (2022). *Maternal mortality rates in the United States, 2020* National Center for Health Statistics Health E-Stats. <https://dx.doi.org/10.15620/cdc:113967>

³ Gordon, S., Sugar, S., Chen, L., Peters, C., De Lew, N., & Sommers, B. D. (2021). *Medicaid after pregnancy: State level-implications of extending postpartum coverage* (Issue Brief No. HP-2021-28). Office of the Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services. <https://aspe.hhs.gov/reports/potential-state-level-effects-extending-postpartum-coverage>

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- ⁵ ACOG. (2019, May). *Pregnancy and heart disease*. Practice Bulletin 212. <https://www.acog.org/clinical/clinical-guidance/practice-bulletin/articles/2019/05/pregnancy-and-heart-disease>
- ⁶ ACOG. (2020). *Talking points: Extending Medicaid coverage for pregnant women beyond 60 days postpartum*. <https://www.acog.org/-/media/project/acog/acogorg/files/advocacy/talkingpoints-extending-medicaid-coverage-for-pregnant-women-beyond-60-days-postpartum.pdf>
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- ¹⁷ Ibid.
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- ²⁰ US Centers for Medicare & Medicaid Services. (2021, April 12). *Illinois continuity of care and administrative simplification*. <https://www.medicare.gov/medicaid/section-1115-demonstrations/downloads/il-continuity-care-admin-simplification-ca.pdf>
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