

Why is Medicaid postpartum coverage important?

Federal law requires that those who give birth while enrolled in Medicaid are provided just 60 days of postpartum coverage. Yet, the period beyond two months postpartum is also a critical time to prevent detrimental health outcomes or even death. The American Rescue Plan Act of 2021 (ARPA) created a new Medicaid and CHIP state plan amendment option to provide one year of continuous Medicaid postpartum coverage as a way to improve both coverage rates among those who have recently given birth and maternal and child health outcomes.¹ Michigan successfully extended this year-long Medicaid postpartum coverage in April 2022, which will benefit an estimated 16,000 pregnant and postpartum people in the state.²

Extending Medicaid coverage for postpartum people will have a myriad of benefits for families, including ensuring access to lifesaving care for new parents. For example, new parents without access to affordable and robust healthcare during this period may have unmet physical and mental health needs, which impacts not only their own health and well-being but also that of their newborn children. In particular, mental health care is critical for new parents, with as many as one in seven women experiencing perinatal depression.³ Research has found that perinatal depression and anxiety are linked to adverse child development, which can extend well beyond infancy.⁴ It is clear that robust healthcare services remain beneficial to parents and children well into the postpartum period.

In fact, from 2014-2018 in Michigan, 20% of pregnancy-related maternal deaths, and 70% of pregnancy-associated maternal deaths, occurred after 43 or more days postpartum.⁵ Pregnancy-associated deaths are those that occur while a person is pregnant or within one year of the end of a pregnancy due to a cause unrelated to pregnancy.⁶ Deaths related to substance use and other medical issues not directly related to pregnancy accounted for nearly 70% of pregnancy-associated deaths in the state.⁷

Michigan's existing Medicaid postpartum coverage includes benefits that can help address these health needs, including postpartum home visits, substance use disorder benefits and postpartum depression treatment. Michigan's extension of Medicaid postpartum coverage from 60 days to 12 months will improve access to healthcare and improve continuity of care throughout a longer, critical postpartum period.

However, without state-level action, thousands of new parents who are immigrants will be left out of the Medicaid postpartum coverage extension.

What is the problem?

Currently, not everyone who gives birth while enrolled in Medicaid will benefit from Michigan's extension of postpartum coverage—specifically, those who are ineligible because of their immigration status. This includes lawfully residing noncitizens who otherwise qualify for Medicaid based on their income but who are subject to the federally imposed five-year waiting period, or “bar,” from Medicaid and the Children's Health Insurance Plan (CHIP), as well as undocumented people who are only eligible for limited emergency services in Medicaid.⁸ Michigan has already taken the initiative to provide additional services to pregnant people who meet these criteria through the Maternity Outpatient Medical Services (MOMS) program.



Without state-level action, thousands of new parents who are immigrants will be left out of this Medicaid postpartum coverage extension.

MOMS provides prenatal care, labor and delivery services and a limited benefit package through 60 days postpartum to pregnant people who would otherwise be eligible for full-scope Medicaid but for their immigration status. To do so, the state leverages federal funding to provide services from conception to birth regardless of immigration status (also known as CHIP’s “unborn child option”). The state receives federal matching dollars at the enhanced CHIP matching rate to provide prenatal care and limited postpartum services, while labor and delivery services are covered through Emergency Services Only Medicaid for those enrolled in MOMS.⁹ Based on recent estimates, the MOMS program serves approximately 5,500 people in Michigan.¹⁰

Because the MOMS program provides services to the unborn child and not the pregnant person directly, policy changes are needed to align postpartum coverage for some immigrants with that of the 12-month postpartum extension that Michigan took up in April 2022.

There are two state-level policy solutions that will help close this 10-month coverage gap, align the benefits package to provide comprehensive coverage, and limit Medicaid “churn” or the likelihood of new parents becoming uninsured after 60 days postpartum:

- (1) adopting the Immigrant Children’s Health Improvement Act (ICHIA) option for pregnant people and
- (2) pairing CHIP Health Services Initiative (HSI) funding with Michigan’s existing “unborn child option.”



The ICHIA option could provide full-benefit coverage (prenatal through a full year of postpartum) for a subset of MOMS enrollees who are subject to the five-year waiting period. Utilizing HSI funding could extend 10 months of postpartum coverage to all MOMS enrollees, which includes undocumented people.

Taking up these policies in tandem would help ensure the largest number of eligible Michiganders who are immigrants receive comprehensive continuous Medicaid coverage for a full 12 months after delivery.

What are the policy solutions?

1. Take up the Immigrant Children’s Health Improvement Act (ICHIA) option to waive the five-year waiting period for Medicaid and CHIP for lawfully residing pregnant people.

Federal law requires lawfully residing immigrants (including lawful permanent residents, visa holders and those with Temporary Protected Status, for example) to live in the country for five years before they can enroll in some public programs. The 2009 Children’s Health Insurance Program Reauthorization Act (CHIPRA) gave states the ICHIA option to waive this five-year waiting period for Medicaid and CHIP for lawfully residing children and/or pregnant people and provide coverage to these groups sooner.¹¹

Michigan is in a minority of states that have not eliminated the five-year waiting period for either group through the ICHIA option; doing so for pregnant people would cover these individuals directly—as opposed to providing limited prenatal care from conception to birth in the MOMS program (i.e., the “unborn child option”). Such a change would ensure that the approved April 2022 extension of Medicaid postpartum coverage from 60 days to a full year will include all lawfully residing immigrants, who otherwise may not be eligible based on their immigration status.

Importantly, if the state takes up the ICHIA option, some pregnant people currently enrolled in MOMS will instead be eligible for comprehensive Medicaid coverage during their pregnancy and through 12 months postpartum. Depending on how many additional pregnant, lawfully residing immigrants would become eligible, costs may increase due to greater Medicaid enrollment. However, enrolling more people in full benefit coverage will reduce the number of those in the more limited MOMS program, offsetting its cost to the state.

2. Pair coverage through the “unborn child option” with a CHIP Health Services Initiative (HSI) to maximize federal funding.

States can develop HSIs to support a broad range of public health-related activities and services that improve the health of children and youth under the age of 19—and directly benefit those who are eligible for Medicaid or CHIP. A state’s CHIP administrative expenses are capped at 10% of total expenditures, which includes activities like outreach and marketing, as well as HSI expenditures. But if there is available funding in the state’s CHIP allocation (i.e., administrative costs are less than 10%), expenditures associated with an HSI will qualify for the enhanced federal CHIP match (75.3% in Michigan for 2023).¹² Therefore, there is substantial federal financial support for these initiatives. Michigan currently utilizes HSIs to support the Michigan Regional Poison Control Center,¹³ as well as to provide lead abatement services in homes where a resident is either under the age of 19 or pregnant. Still, the state has funding available to finance additional HSIs.

Michigan’s ARPA-enabled extension of Medicaid postpartum coverage to one year will not apply to undocumented individuals who make up a portion of those enrolled in MOMS. Yet, Illinois, Minnesota and California have successfully paired HSI funding with coverage through the “unborn child option” to provide comprehensive Medicaid coverage through a full 12 months for undocumented individuals.¹⁴ Maryland also recently passed legislation that directs its health department to utilize an HSI to maximize federal funding and provide postpartum coverage for one year to those eligible for Medicaid save for their immigration status.¹⁵ **In Michigan, this option would cover the full group of MOMS-eligible individuals, which includes those subject to the five-year waiting period as well as undocumented people.**

Based on estimates from the Congressional Budget Office and current MOMS program enrollment, the total cost to provide 10 additional months of Medicaid coverage would be approximately \$8.8 million.¹⁶ CHIP expenditure data shows that Michigan has consistently reported more than \$10 million available under its 10% CHIP administrative cap—in 2021, Michigan had \$14.4 million available for additional outreach and HSIs,¹⁷—which would be enough to cover the cost of this new HSI (\$6.6 million in federal funds, \$2.2 million in state funds).

Yet, the state does project significant increases in CHIP administrative costs in future years (albeit it is unclear why these costs are expected to grow), which may lower the amount of available HSI funding to just over \$6 million.¹⁹

Still, if Michigan utilized \$6 million (\$4.5 million in federal funds, \$1.5 million in state funds) to finance an HSI and provide an additional 10 months of postpartum coverage in the MOMS program, the remaining cost would be an estimated \$2.7 million in state dollars. Importantly, if MOMS program enrollment were reduced due to take up of the ICHIA option as explained above, postpartum costs for lawfully residing immigrants would qualify for direct federal funding and the state share of this HSI would decrease and may not require additional state funding.



\$6 million is likely a conservative estimate of the state funding available for a new HSI. In 2022 and 2023, this amount could be above \$10 million and as high as \$14 million, based on both recent Michigan CHIP expenditure data and whether the state’s substantial 250% projected increase in general administration costs is truly borne out in future years.

Although administrative costs have fluctuated somewhat, such an increase is worth noting and taking into consideration when estimating the available funding to finance this HSI.

Conclusion

State-level action to take up the ICHIA option for pregnant people and/or pair CHIP HSI funding with Michigan's existing "unborn child option" will provide Medicaid postpartum coverage to thousands of new parents who are immigrants who will otherwise be left out of the recent Medicaid postpartum coverage extension. These parents include both lawfully residing noncitizens who otherwise qualify for Medicaid based on their income but who are subject to the five-year waiting period for Medicaid and CHIP, as well as undocumented people who are only eligible for limited emergency services in Medicaid. If enacted in tandem, these solutions will help close the 10-month coverage gap, provide more comprehensive coverage, and reduce the likelihood of new parents becoming uninsured after just 60 days postpartum—all while leveraging available federal financial support. It is clear that such policy changes will improve access to continuous, often lifesaving healthcare through a yearlong postpartum period, which benefits not only new parents but also their children. To reap these benefits, Michigan must move from two months of Medicaid postpartum coverage to twelve for all eligible people, regardless of immigration status.

*The League gratefully acknowledges the Georgetown University Center for Children and Families for their technical assistance and review of this report.
Produced with support from the W. K. Kellogg Foundation.*

End Notes

- 1 "H.R.1319 - 117th Congress (2021-2022): American Rescue Plan Act of 2021." Congress.gov. March 11, 2021. <https://www.congress.gov/bill/117th-congress/house-bill/1319/text>.
More information on state plan amendments can be found at: "Medicaid State Plan Amendments." Medicaid.gov. Accessed November 30, 2022. <https://www.medicaid.gov/medicaid/medicaid-state-plan-amendments/index.html>.
- 2 "Re: Approval of State Plan Amendment MI-22-0100." Centers for Medicare and Medicaid Services. April 14, 2022. <https://www.medicaid.gov/medicaid/spa/downloads/MI-22-0100.pdf>.

Centers for Medicare and Medicaid Services. "CMS Approves Michigan's Extension of Medicaid & CHIP Coverage for 12 Months After Pregnancy." News release, April 14, 2022. <https://www.cms.gov/newsroom/news-alert/cms-approves-michigans-extension-medicaid-chip-coverage-12-months-after-pregnancy>.
- 3 American College of Obstetricians and Gynecologists. "ACOG Committee Opinion Number 757: Screening for perinatal depression." *Obstetrics & Gynecology* 132, no. 5 (2018): e208–212. <https://www.acog.org/clinical/clinical-guidance/committee-opinion/articles/2018/11/screening-for-perinatal-depression>.
- 4 Rogers, Alana, Shelley Obst, and Samantha J. Teague et al. "Association Between Maternal Perinatal Depression and Anxiety and Child and Adolescent Development: A Meta-analysis." *JAMA Pediatrics* 174, no. 11 (2020): 1082–1092. doi:10.1001/jamapediatrics.2020.2910.
- 5 "Maternal Deaths in Michigan, 2014-2018 Data Update." Michigan Maternal Surveillance (MMMS) Mortality Program, Michigan Department of Health and Human Services. https://www.michigan.gov/mdhhs/-/media/Project/Websites/mdhhs/MCH-Epidemiology/MMMS_2014-2018_Pub_Approved.pdf
- 6 Ibid.
- 7 Ranji, Usha, Ivette Gomez, Alina Salganicoff, Carrie Rosenzweig, Rebecca Kellenberg, and Kathy Gifford. "Medicaid Coverage of Pregnancy-Related Services: Findings from a 2021 State Survey." Kaiser Family Foundation. May 2022. <https://files.kff.org/attachment/Report-Medicaid-Coverage-of-Pregnancy-Related-Services-Findings-from-a-2021-State-Survey.pdf>.
- 8 To learn more about the five-year bar from Medicaid and CHIP, see: Marshall-Shah, Simon. "Covering More of Michigan's Children: Making the Most of Existing Federal Flexibilities to Remove the Five-Year Waiting Period for Immigrant Children & Pregnant People." Michigan League for Public Policy. November 2021. <https://mlpp.org/covering-more-of-michigans-children/>.

End Notes

- 9 Ibid; "Health Care Programs Eligibility." Michigan.gov, Health and Human Services. Accessed November 30, 2022. <https://www.michigan.gov/mdhhs/doing-business/providers/providers/health-care-programs-eligibility>.
- 10 MOMS provided coverage to 5,306 people in 2016 (MACPAC) and enrollment typically fluctuates between 4,000 and 5,500 people (CHIP Annual Report). "Fact Sheet: State Children's Health Insurance Program (CHIP), Table 5: Unborn Children and Pregnant Women Enrollment in CHIP by State, FY 2016." Medicaid and CHIP Payment and Access Commission. February 2018. <https://www.macpac.gov/wp-content/uploads/2018/02/State-Children%E2%80%99s-Health-Insurance-Program-CHIP.pdf>. "2019 CHIP Annual Report for Michigan." Medicaid.gov. Submitted January 7, 2020. <https://www.medicaid.gov/chip/downloads/mi-2019chipannualreport.pdf>.
- 11 "Dear State Health Official Re: Medicaid and CHIP Coverage of 'Lawfully Residing' Children and Pregnant Women (SHO #10-006, CHIPRA #17)." Centers for Medicare and Medicaid Services. July 1, 2010. <https://www.medicaid.gov/federal-policy-guidance/downloads/SHO10006.pdf>.
- 12 United States Health and Human Services Department. "Federal Financial Participation in State Assistance Expenditures; Federal Matching Shares for Medicaid, the Children's Health Insurance Program, and Aid to Needy Aged, Blind, or Disabled Persons for October 1, 2022 Through September 30, 2023, Table 1." *Federal Register* 86, no. 225 (November 26, 2021): 67481. <https://www.govinfo.gov/content/pkg/FR-2021-11-26/pdf/2021-25798.pdf>.
- 13 Information in this paragraph and more details about Health Services Initiatives (HSIs) can be found here: "CHIP Health Services Initiatives: What They Are and How States Use Them." Medicaid and CHIP Payment and Access Commission. July 2019. <https://www.macpac.gov/wp-content/uploads/2019/07/CHIP-Health-Services-Initiatives.pdf>. See Table A-12 for Michigan HSIs.
- 14 "CHIP State Plan Amendment CA-21-0032 Approval." Centers for Medicare and Medicaid Services. September 14, 2021. <https://www.dhcs.ca.gov/formsandpubs/laws/Documents/CHIP-SPA-21-0032-Approval.pdf>. "CHIP State Plan Amendment IL-21-0014 Approval." Centers for Medicare and Medicaid Services. September 15, 2021. <https://www.medicaid.gov/CHIP/Downloads/IL/IL-21-0014.pdf>. See also: "Leveraging CHIP to Improve Children's Health: An Overview of State Health Services Initiatives." National Academy for State Health Policy. Updated September 2021. <https://www.nashp.org/leveraging-chip-to-improve-childrens-health-an-overview-of-state-health-services-initiatives/>.
- 15 Department of Legislative Services for the Maryland General Assembly. "Maryland Medical Assistance Program - Children and Pregnant Women (Healthy Babies Equity Act)." *Senate Bill 778*. 2022 Session. https://mgaleg.maryland.gov/2022RS/fnotes/bil_0008/sb0778.pdf.
- 16 The Congressional Budget Office estimates that the cost to provide 10 additional months of Medicaid coverage is approximately \$1,590, on average, in Fiscal Year 2023. Applying this cost to each of the 5,500 MOMS enrollees results in a total of \$8,745,000 to extend this coverage. "Reconciliation Recommendations of the House Committee on Energy and Commerce." Congressional Budget Office. February 14, 2021. <https://www.cbo.gov/system/files/2021-12/EnergyandCommerceReconciliationEstimate.pdf>.
- 17 Georgetown Center for Children and Families analysis of 2018-2021 Michigan CHIP Financial Management Reports, found at: Medicaid.gov. "Expenditure Reports from MBES/CBES." <https://www.medicaid.gov/medicaid/financial-management/state-expenditure-reporting-for-medicaid-chip/expenditure-reports-mbescbes/index.html>.
- 18 United States Health and Human Services Department, *ibid*.
- 19 "2021 CHIP Annual Report for Michigan, Table 2: Administrative Costs." Medicaid.gov. Accessed November 16, 2022. <https://www.medicaid.gov/CHIP/downloads/mi-2021chipannualreport.pdf>.