

Nearly Two Million People Enrolled in Texas Medicaid Were Ineligible

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Introduction

In March 2020, the federal government offered states a 6.2 percent increase in federal matching funds through the Families First Coronavirus Response Act (FFCRA).¹ This bonus funding was initially set to last for the duration of the public health emergency, but Congress altered that arrangement in its December 2022 omnibus spending package.²⁻³

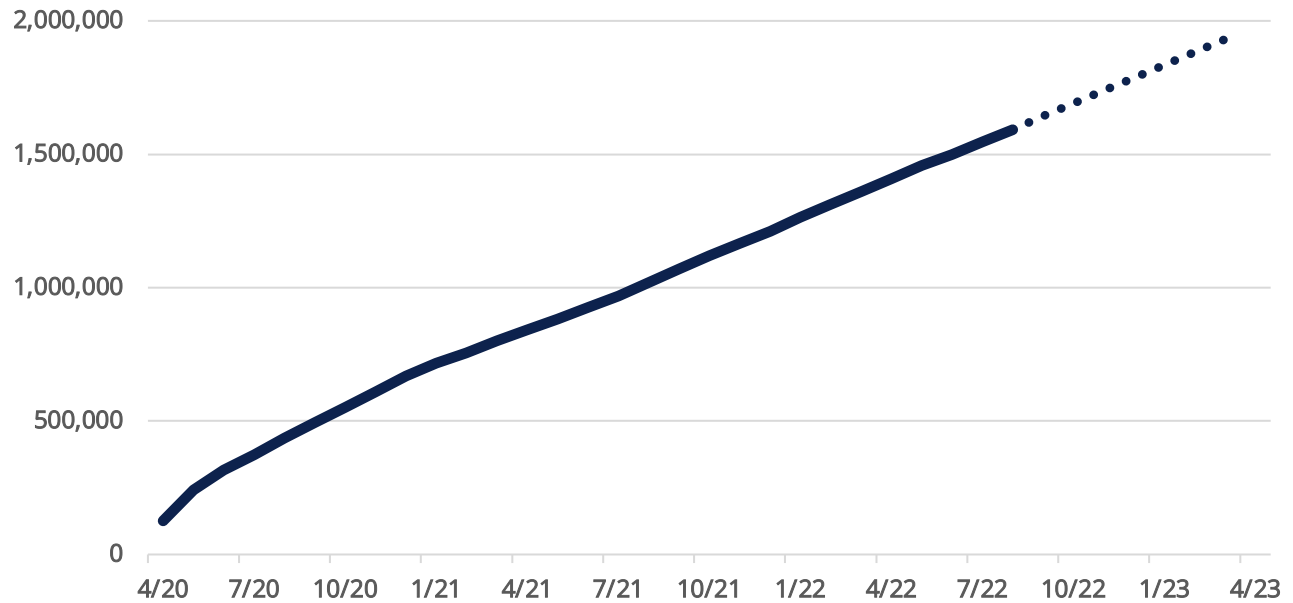
Unfortunately, like most federal funding, this new money came with a catch: To receive the additional funding, Texas had to agree to not make any changes in eligibility or enrollment rules in Medicaid.⁴ Texas also had to agree to not remove anyone from Medicaid—unless they die or move out of state—even if they became ineligible.⁵

In December 2022, Congress altered that deal by allowing states to begin removing ineligible enrollees starting in April 2023, with the bonus funding starting to phase out.⁶

Nearly two million people enrolled in Texas Medicaid were ineligible

The Texas Health and Human Services Commission estimated that nearly 1.6 million Medicaid enrollees were ineligible in August 2022.⁷ Assuming these trends continued—as overall enrollment trends did—an estimated 1.9 million ineligible enrollees were receiving Texas Medicaid by March 2023.⁸ A separate analysis by the Foundation for Government Accountability estimated approximately two million ineligible enrollees receiving Texas Medicaid in March 2023.⁹

Nearly two million Texas Medicaid enrollees were ineligible in March 2023



Source: Texas Health and Human Services Commission

Ineligible Medicaid enrollees cost Texas taxpayers nearly \$4.5 billion

The Texas Health and Human Services Commission estimated that ineligible enrollees cost state taxpayers nearly \$2.9 billion between April 2020 and August 2022.¹⁰ Assuming these trends continued, ineligible enrollees cost state taxpayers an estimated \$4.5 billion by March 2023.¹¹ By April 2022, the state cost to cover those ineligible enrollees was more than the additional money from the federal funding bonus, with the gap between the additional money and the cost to cover ineligible enrollees growing each month.¹²

References

1. Public Law 116-127 (2020), <https://www.congress.gov/116/plaws/publ127/PLAW-116publ127.pdf>.
2. Ibid.
3. Public Law 117-328 (2022), <https://www.congress.gov/117/plaws/publ328/PLAW-117publ328.pdf>.
4. Jonathan Ingram et al., "Extra COVID-19 Medicaid funds come at a high cost to states," Foundation for Government Accountability (2020), <https://thefga.org/research/covid-19-medicaid-funds>.
5. Ibid.
6. Public Law 117-328 (2022), <https://www.congress.gov/117/plaws/publ328/PLAW-117publ328.pdf>.
7. Texas Health and Human Services Commission, "Medicaid PHE maintenance of eligibility (MOE) tipping point summary," Texas Health and Human Services Commission (2022).
8. Author's calculations based upon data provided by the Texas Health and Human Services Commission on the number of ineligible Medicaid enrollees between April 2020 and August 2022, disaggregated by month, trended forward to March 2023 using a linear regression from the most recent 12 months of data.
9. Author's calculations based upon data provided by a proprietary microsimulation model that incorporates data on monthly Medicaid enrollment, distribution of ineligible enrollees at annual redetermination, and the share of new enrollment attributable to reported lock-ins.
10. Texas Health and Human Services Commission, "Medicaid PHE maintenance of eligibility (MOE) tipping point summary," Texas Health and Human Services Commission (2022).
11. Author's calculations based upon data provided by the Texas Health and Human Services Commission on the General Revenue cost of ineligible Medicaid enrollees between April 2020 and August 2022, disaggregated by month, trended forward to March 2023 using a linear regression from the most recent 12 months of data.
12. Texas Health and Human Services Commission, "Medicaid PHE maintenance of eligibility (MOE) tipping point summary," Texas Health and Human Services Commission (2022).

Appendix

Medicaid PHE Maintenance of Eligibility (MOE) Tipping Point Summary

The point at which monthly costs associated with receiving the increased FMAP (MOE policy) begin to exceed the monthly benefit of FMAP. This tipping point is estimated to be April 2022, based on projections from August 2021 Operating Budget forecast.

	Estimated Medicaid MOE Caseload Impact	Estimated Medicaid MOE GR Cost	Estimated Stimulus FMAP Freed-Up GR	Net MOE GR Cost Impact
Jan-20	-	\$ -	\$ (161,000,000)	\$ (161,000,000)
Feb-20	-	\$ -	\$ (161,000,000)	\$ (161,000,000)
Mar-20	-	\$ -	\$ (160,700,000)	\$ (160,700,000)
Apr-20	126,000	\$ 12,500,000	\$ (155,500,000)	\$ (143,000,000)
May-20	242,000	\$ 24,000,000	\$ (153,000,000)	\$ (129,000,000)
Jun-20	317,000	\$ 32,600,000	\$ (149,800,000)	\$ (117,200,000)
Jul-20	375,000	\$ 40,100,000	\$ (145,900,000)	\$ (105,800,000)
Aug-20	437,000	\$ 47,500,000	\$ (146,000,000)	\$ (98,500,000)
Sep-20	494,000	\$ 53,400,000	\$ (168,400,000)	\$ (115,000,000)
Oct-20	551,000	\$ 59,400,000	\$ (166,500,000)	\$ (107,100,000)
Nov-20	608,000	\$ 65,000,000	\$ (164,600,000)	\$ (99,600,000)
Dec-20	669,000	\$ 71,200,000	\$ (161,500,000)	\$ (90,300,000)
Jan-21	716,000	\$ 76,400,000	\$ (158,800,000)	\$ (82,400,000)
Feb-21	755,000	\$ 79,500,000	\$ (160,700,000)	\$ (81,200,000)
Mar-21	801,000	\$ 84,700,000	\$ (159,800,000)	\$ (75,100,000)
Apr-21	842,000	\$ 87,400,000	\$ (159,100,000)	\$ (71,700,000)
May-21	883,000	\$ 91,800,000	\$ (158,600,000)	\$ (66,800,000)
Jun-21	926,000	\$ 97,300,000	\$ (157,600,000)	\$ (60,300,000)
Jul-21	970,000	\$ 101,900,000	\$ (154,900,000)	\$ (53,000,000)
Aug-21	1,020,000	\$ 106,900,000	\$ (151,800,000)	\$ (44,900,000)
Sep-21	1,069,000	\$ 113,400,000	\$ (160,700,000)	\$ (47,300,000)
Oct-21	1,120,000	\$ 119,200,000	\$ (161,300,000)	\$ (42,100,000)
Nov-21	1,166,000	\$ 124,800,000	\$ (161,800,000)	\$ (37,000,000)
Dec-21	1,212,000	\$ 130,900,000	\$ (162,400,000)	\$ (31,500,000)
Jan-22	1,263,000	\$ 139,800,000	\$ (162,900,000)	\$ (23,100,000)
Feb-22	1,311,000	\$ 147,600,000	\$ (163,400,000)	\$ (15,800,000)
Mar-22	1,359,000	\$ 156,400,000	\$ (164,000,000)	\$ (7,600,000)
Apr-22	1,409,000	\$ 164,900,000	\$ (164,500,000)	\$ 400,000
May-22	1,457,000	\$ 170,600,000	\$ (166,000,000)	\$ 4,600,000
Jun-22	1,499,000	\$ 175,900,000	\$ (167,600,000)	\$ 8,300,000
Jul-22	1,546,000	\$ 181,400,000	\$ (169,100,000)	\$ 12,300,000
Aug-22	1,592,000	\$ 187,300,000	\$ (170,600,000)	\$ 16,700,000

MOE GR Cost is the estimated clients services costs for the additional caseload growth due to the PHE MOE policy, includes full and partial benefit clients. Freed-up GR is the estimated additional federal share (6.2%) received for existing populations and services, excluding Covid related impacts. Figures are rounded.