Amid Medicaid ‘Unwinding,’ Many States Wind up Expanding

The pandemic showed how important health coverage is to ensure people’s health and communities’ safety from infectious diseases.

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Trisha Byers left behind one crucial item when she moved to North Carolina last year to be closer to her family after suffering a brain injury: health insurance.

In Massachusetts, Byers, 39, was enrolled in Medicaid, the government health program that covers low-income people. But she was ineligible in North Carolina, which had not yet expanded Medicaid coverage under the Affordable Care Act. She said she racked up thousands of dollars in unpaid emergency room bills while uninsured for several months after her move.

Then in December, North Carolina joined 39 other states and Washington, D.C., in widening Medicaid eligibility to include adults with incomes up to 138% of the federal poverty level, or $20,783 for an individual.

“I could finally get all the doctor appointments I needed,” said Byers, one of more than 500,000 North Carolinians who gained coverage.

The North Carolina expansion came amid the biggest upheaval in Medicaid’s nearly six-decade history. Since April 2023 — when protections that had blocked states from disenrolling Medicaid beneficiaries during the pandemic expired — states have disenrolled more than 24 million people whom they said no longer qualified or had failed to renew coverage.

This Medicaid “unwinding” led to fears that the number of people without insurance would spike. But it also coincided with moves in more than a dozen states to expand health coverage for lower-income people, including children, pregnant women and the incarcerated.

These expansions will mitigate the effects of the unwinding to some degree, though it’s still unclear how much. Five states have not finished culling their rolls, and the effect on the uninsured rate won’t be clear until the U.S. Census Bureau releases official figures in September of next year.

“The pandemic was destructive and concerning and clearly demonstrated that Medicaid is so crucially important for our national safety net,” said Jennifer Babcock, senior vice president for

Medicaid policy at the Association for Community Affiliated Plans, a trade group representing nonprofit health insurers that cover people on Medicaid. “These expansions are incredibly meaningful.”

Unwinding-era expansions include:

- South Dakota, like North Carolina, expanded Medicaid coverage under the Affordable Care Act last year. About 22,000 people enrolled in the first eight months.
- In July, Oregon launched a Medicaid-like coverage option for those who earn too much to qualify for Medicaid under federal limits. The plan is available to all adults with incomes between 138% and 200% — up to $30,120 for an individual — of the federal poverty level. More than 50,000 people have enrolled so far, Oregon officials say.
- In January, a new federal law required states to allow children to stay covered under Medicaid for at least a year after signing up. Several states are going beyond that: Oregon, New Mexico and Washington, for example, allow children to stay covered up to age 6. California passed legislation to expand continuous eligibility for children up to age 4 but has not yet implemented the policy.
- Three states widened income eligibility for children to qualify for Medicaid: Arizona, Maine and North Dakota.
- This year, Utah began offering a Medicaid-like coverage option for children regardless of immigration status, though the program is capped at about 2,000 children.
- Several states expanded coverage for pregnant women. Nevada, North Dakota and Tennessee widened income eligibility to make it easier for pregnant women to qualify for Medicaid. Alabama and Maryland expanded eligibility to cover those who are pregnant regardless of immigration status. And Maine, Oregon and Vermont extended postpartum coverage to 12 months, up from two. With those changes, 47 states now offer one year of postpartum coverage.
- In June, five states — Illinois, Kentucky, Oregon, Utah and Vermont — received approval from the Biden administration to extend Medicaid coverage to incarcerated people up to 90 days before their release. Those states will join several states, including California, Massachusetts,

Montana and Washington, in offering that coverage.

States, which split funding of Medicaid with the federal government, typically expand Medicaid eligibility during times of economic growth when they have more revenue. But several other factors have contributed to the expansion trend. These include heightened awareness over rising maternal mortality rates and new restrictions on abortion, which have reinforced the need for expansions for pregnant women, said Allison Orris, a senior fellow with the left-leaning Center on Budget and Policy Priorities.

In particular, the pandemic showed how important health coverage is to ensure people's health and communities' safety from infectious diseases, Orris said. "It is not surprising to see states look at their Medicaid programs and find ways to strengthen in the midst of the unwinding," she said.

For example, while federal Medicaid funding cannot be used for people living in the country unlawfully, a small but growing number of states have used their money to expand coverage to residents lacking legal status.

During the pandemic, as a requirement to gain extra federal funding, states were prohibited from cutting off Medicaid coverage even for those no longer eligible. The experience showed states the benefits of keeping people enrolled, rather than churning them in and out as their income fluctuates, Orris said. It also brought the nation's uninsured rate to a record-low 7.7%.

Some advocates fear the unwinding of that pandemic-era policy will reverse key gains. A KFF survey published in April found 23% of adults reported being uninsured after they were disenrolled from Medicaid in 2023. A Centers for Disease Control and Prevention report released Aug. 6 found the uninsured rate rose to 8.2% in the first quarter of 2024, from 7.7% in the same quarter in 2023.

Enrollment increased by about 23 million people during the pandemic. As of Aug. 1, with about 85% of the unwinding completed, roughly 14.8 million people have been removed from Medicaid rolls. As a result, it's unlikely the uninsured rate will rise as sharply as some advocates feared a year ago, said Jennifer Tolbert, deputy director of the Program on Medicaid and the Uninsured at KFF, a health information nonprofit that includes KFF Health News.

"We have seen some amazing coverage expansion in places like Oregon and California," said Ben Anderson, deputy senior director of health policy at Families USA, a consumer advocacy group. "But if you live in Texas, Florida and Georgia, since the pandemic your health coverage has been disrupted in ways that were preventable by state leaders." Those three states are among the 10 that have chosen not to expand Medicaid under the ACA.

Still, Anderson said, the effect of the expansions, even in a limited number of states, will ensure some people can better afford health care and avoid medical debt.

The unwinding process has been rife with fumbling, particularly in states that didn't steer enough

resources to connect people with coverage. A study by the federal Government Accountability Office released in July revealed a Centers for Medicare & Medicaid Services' finding that almost all states made mistakes that led to eligible individuals losing Medicaid coverage.

The recent Medicaid expansions provide examples of how some states prioritize health coverage, particularly for certain vulnerable groups.

Tricia Brooks, a Medicaid expert at Georgetown University, noted that some states are "targeting little pockets of coverage and doing it for a variety of reasons."

Getting and keeping children insured means they are more likely to have a regular health provider and be ready to learn in school, she said. "There is no doubt there is a return on investment," she said.

Medicaid advocates wonder, though, whether a second Trump administration would curtail coverage expansions. Republicans have signaled they do not want to extend the federal subsidies that reduce what lower-income people pay for ACA marketplace plans and that are scheduled to expire in 2025.

"We are bracing for that potential impact," said Erin Delaney, director of health care policy at the Progressive Policy Institute.

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