

Kentucky and North Carolina are Protecting All Their Medicaid Children During Unwinding*

After April 2023, every state was required to redetermine eligibility for all Medicaid beneficiaries. This rapid “unwinding” of COVID-19 continuous enrollment requirements has already caused the [greatest loss of Medicaid coverage in American history](#) for children and adults alike.

To limit families’ losses, Kentucky and North Carolina proposed and gained federal approval for an innovative strategy that is both simple and powerful. These states are pausing redeterminations for Medicaid children for one year. During that time, the states can focus their finite administrative resources on redetermining adult beneficiaries’ eligibility and improving their systems to do a better job renewing coverage for children, [most of whom remain eligible over time](#).

Other states wrestling with the challenges of Medicaid unwinding should give their children the same healthcare security that children in Kentucky and North Carolina now enjoy.

Medicaid unwinding has hit kids hard.

More children have already lost Medicaid than during any previous three-year period in American history. Roughly halfway through the unwinding process, the number of [children covered through Medicaid](#) has fallen by 3.9 million. This figure [far exceeds history’s largest three-year drop](#), when the number of children enrolled in Medicaid fell by 2.3 million between 1995 and 1998.

These net enrollment losses understate the problem’s magnitude since terminations are offset by new people signing up for coverage. By [February 22](#), states had terminated more than 17 million people. In the 21 states reporting Medicaid terminations by age, roughly four out of ten (38%) people kicked off Medicaid were children. More than 1 million children have lost Medicaid in Texas alone, where [two-thirds of Medicaid children are Latino](#).



* Hannah Garelick, Health Policy Analyst, and Stan Dorn, Health Policy Project Director, UnidosUS

Most of these children who are losing Medicaid are probably eligible. Based on pre-pandemic patterns, [an estimated 72% of children](#) terminated from Medicaid continue to qualify but lose coverage for administrative reasons.

Families are being forced to navigate a complex system, some for the first time, and others for the first time since 2020. Many are fighting an uphill battle against red tape and administrative burdens. Despite ample time for preparation, many state systems were not ready for the “unwinding” period. The strain on state operations to do a mass eligibility determination for every single person who relies on Medicaid for their healthcare has triggered chaos in numerous states.

Unless states act now, children’s Medicaid losses will cause terrible harm—especially among Latinos and in other communities of color.

Medicaid covers children of all races and ethnicities, but some communities face exceptionally high risks from unwinding. [More than half](#) of all Latino, African American, and Native American children rely on Medicaid for their healthcare, compared to less than 30% of non-Hispanic, white children.

The consequences of Medicaid termination can be severe and long-lasting. Even a brief interruption in coverage can cause children to miss critical developmental screenings, risking later harm. [Without the access to healthcare that Medicaid provides](#), children are more likely to be hospitalized, less likely to progress in school and more likely to develop future chronic health problems and experience higher mortality rates. Avoiding these troubling results for millions of children, most of whom remain eligible for Medicaid, should be a top priority for state policymakers.

Kentucky and North Carolina have shown how states can protect children’s healthcare.

Kentucky and North Carolina are placing Medicaid redeterminations for children on hold for a year. In the meantime, these states can focus their finite administrative resources on doing a better job for adults. At the same time, they can revamp their eligibility systems to more effectively renew eligible children’s coverage once redeterminations resume 12 months hence. Other states can and should take the same step.

Kentucky and North Carolina proposed and gained approval from the Centers for Medicare & Medicaid Services (CMS) for waivers under Social Security Act Section 1902(e)(14)(A) allowing a 12-month pause to children’s unwinding. These and other approved waivers are publicly available on CMS’s Medicaid.gov [website](#).

At the same time, North Carolina is implementing a complementary waiver, under Social Security Act Section 1115, that covers children continuously, from birth through age six. Even after the 12-month pause on redeterminations ends, North Carolina's Medicaid-covered children will retain access to healthcare during their earliest years, which are profoundly important for later healthy development.

The Biden-Harris Administration is encouraging other states to follow the lead of Kentucky and North Carolina.

[On December 18 of last year](#), Daniel Tsai, who directs the Medicaid program at CMS, released a bulletin describing it as “crucial that states do all they can to protect children’s health coverage.” He added, “it is likely that many children that have been disenrolled for procedural reasons or other administrative barriers are still income eligible for Medicaid and CHIP coverage. This may have devastating effects on children’s health and well-being.” Director Tsai urged states “to adopt strategies that reduce red tape to help keep eligible children covered.” While listing many different strategies, he specifically highlighted the approach taken by Kentucky and North Carolina:

“ CMS recently granted waiver authority to two states to extend renewals for children for up to 12 months to prevent procedural disenrollments of eligible children. Additional states interested in adopting this strategy are encouraged to contact CMS.”

The federal government has done its part, inviting all states to adopt the policy pioneered by Kentucky and North Carolina. The baton has passed to state officials, who have the option to prevent Medicaid children in their state from losing healthcare during the remaining unwinding. To prevent children from suffering long-term harm, it is imperative that as many states as possible take advantage of this option.

About Us

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