



PROMISING IDEAS IN CHILDREN'S HEALTH INSURANCE

Simplifying Eligibility Reviews

This is the third in a series of issue briefs about innovative ways to offer affordable health care to more children. This brief focuses on ways to keep children—and their parents—enrolled in Medicaid and the State Children's Health Insurance Program (CHIP). Too many children and parents lose Medicaid and CHIP coverage after they are enrolled because state systems for reviewing eligibility for people already enrolled in the programs are more cumbersome and complex than they need to be. In order to ensure that every eligible child and parent remains enrolled, states must turn their attention to simplifying the eligibility reviews for those families already enrolled in Medicaid and CHIP. Simplification measures include revising the forms used for eligibility reviews, extending the length of time people are enrolled in the programs between reviews, and helping families complete the eligibility reviews. This issue brief describes the points in the eligibility review process where families are at risk of losing Medicaid and CHIP coverage. It addresses state policies and practices that constitute barriers to maintaining enrollment for working families and suggests best practices that states can adopt to help keep people enrolled.

MAY 2001

CAN SIMPLIFYING MEDICAID AND CHIP PROCEDURES HELP KEEP PEOPLE ENROLLED?

Since the enactment of the State Children's Health Insurance Program (CHIP) in 1997, states have invested significant resources into efforts to find uninsured children and enroll them in Medicaid and CHIP. More recently, some states have begun

to provide Medicaid and CHIP to low-income working parents and to include those parents in their outreach efforts. Due, in part, to these efforts, the number of uninsured children declined modestly between 1998 and 1999¹ and the number of families, children, and pregnant women enrolled in Medicaid increased slightly between 1998 and 1999.² However, if this positive trend is to continue, states must take steps to

help children and their parents *keep* Medicaid and CHIP coverage once they are enrolled.

Every month, many people lose Medicaid and CHIP coverage—even as more people are enrolled in these programs. If Medicaid and CHIP are to succeed, states must vigorously continue efforts to find and enroll eligible people, but they must do more. They must also reform their procedures to ensure that eligible families *stay* enrolled.

MEDICAID AND CHIP COVERAGE OF CHILDREN AND FAMILIES

States provide health insurance coverage for low-income families through the Medicaid program (established in 1965) and CHIP (established in 1997). Families may get coverage for the family unit—both parents and children—or just for the children. Until July 2000, states could cover children, but not parents, in CHIP programs, although they were permitted to expand coverage for parents in Medicaid programs. Now, however, states may apply for a waiver from the CHIP program rules to allow the parents of CHIP-eligible children to enroll. As of May 2001, three states—New Jersey, Rhode Island, and Wisconsin—have received such CHIP waivers to provide coverage to parents. These states have generally applied the same rules for eligibility reviews for those parents as for the children enrolled in the programs. By contrast, Medicaid uses “categories” of coverage that often have different rules or procedures. Families, for example, are in a different category than children-only and may be subject to different rules or procedures. Throughout this issue brief, family Medicaid, child-only Medicaid, and state CHIP programs will be distinguished where appropriate to account for the different rules or procedures.

WHAT HAPPENS WHEN PEOPLE LOSE MEDICAID AND CHIP?

When children and families lose coverage in Medicaid or CHIP, they often become uninsured. In fact, more than half of those who lose Medicaid are uninsured the next month.³ This outcome is also true for children: 56 percent of children leaving Medicaid each month become uninsured.⁴ Nationally, 11 percent of people who become uninsured each year have lost Medicaid coverage.⁵

Nearly two-thirds of new Medicaid enrollees lose Medicaid coverage within 12 months of their initial enrollment.⁶ Some people are enrolled in Medicaid

for one brief period in a year, but others may go on and off Medicaid several times. This phenomenon is called “churning,” and it has significant implications for continuity of care among low-income children and families. As

Medicaid has largely

moved to managed care for children and families, these short durations of coverage also have implications for enrollment in managed care plans: When children and families are enrolled in a Medicaid managed care plan and experience a disruption in Medicaid eligibility, they may also experience a disruption in plan enrollment which can cause delays in care, require families to change doctors or even to enroll in a different plan when they regain Medicaid coverage. Fluctuations in Medicaid enrollment can also burden managed care plans participating in Medicaid and CHIP due to the additional administrative costs and budgeting issues related to persistent turnover of enrollees.⁷

WHY DO FAMILIES LOSE MEDICAID AND CHIP?

There are two reasons that parents and children may be terminated from Medicaid and CHIP. First, a change in family circumstances may make them ineligible. Second, they may be disenrolled for an administrative reason. Family circumstances that might cause a family to become ineligible include:

- ◆ family income may go up (or down, in the case of CHIP);
- ◆ the family may gain access to health insurance from another source (in the case of CHIP);⁸
- ◆ they may move out of the state; or
- ◆ a child may become too old for the program.

In many states, however, the primary reason that families are disenrolled from Medicaid and CHIP is not a change in circumstances affecting eligibility but, rather, a procedural problem: They do not complete some aspect of the eligibility review process or miss premium payments.

FEWER THAN HALF OF THE 550,000 CHILDREN WHO LEAVE MEDICAID EVERY MONTH DO SO BECAUSE THEY ARE NO LONGER ELIGIBLE FOR MEDICAID.

SOURCE: John Czajka, *Analysis of Children's Health Insurance Patterns: Findings from the SIPP* (Washington: U.S. Department of Health and Human Services, May 12, 1999), available at (aspe.hhs.gov/health/reports/sippchip/EXECSUM.htm).

This issue brief focuses on the procedural reasons for disenrollment from Medicaid and CHIP and, specifically, how the eligibility review process can cause children and parents to lose coverage even when they remain eligible. States can and should take steps to simplify the eligibility review process in order to help families maintain coverage for which they are eligible. Some of the steps states can take are adopting continuous eligibility for children, allowing 12 months between eligibility reviews, and adopting simplification measures already used by most states for CHIP applications.

WHAT IS AN ELIGIBILITY REVIEW AND HOW IS IT A BARRIER TO CONTINUING COVERAGE?

Eligibility for both Medicaid and CHIP is based on factors such as age, income, resources, and family composition. Because these are circumstances that can change over time, the federal government requires states to regularly review individuals' eligibility. States are required by federal Medicaid regulations to review eligibility for Medicaid at least once every 12 months to ensure that family circumstances that affect eligibility have not changed.⁹

In addition to these regularly scheduled reviews, a state must review eligibility for Medicaid if it receives information between scheduled eligibility reviews about changes in a family's circumstances that could affect eligibility for the program.¹⁰ Federal Medicaid regulations require individuals to report changes in eligibility-related circumstances in a "timely and accurate" manner.¹¹ States have been given flexibility to determine what constitutes timely reporting, but they must review eligibility for Medicaid if the information provided would affect eligibility. States that have used CHIP funds to expand Medicaid for children are also subject to Medicaid regulations regarding eligibility reviews for the children covered under those expansions. Final federal CHIP regulations issued January 11, 2001 and currently scheduled to go into effect on June 11, 2001 adopt the Medicaid rule requiring eligibility reviews at least every 12 months for separate state CHIP programs.¹²

Because the federal and state governments run Medicaid and CHIP jointly, states have significant flexibility in how they conduct eligibility reviews and

whether the reviews are done more frequently than every 12 months. Until recently, most states reviewed eligibility several times a year for families and children enrolled in Medicaid. Now, most states schedule eligibility reviews for children on an annual basis,¹³ but where the parents are also covered, eligibility reviews are often still more frequent than once a year—especially if the family participates in other programs such as Food Stamps or Temporary Assistance to Needy Families (TANF).

Similarly, many states have simplified eligibility reviews for children but have not made as much progress where the entire family is covered. For children, many states have eliminated the requirement that families come in for an in-person interview at an eligibility review. Several states have simplified the forms used during a review to mirror the simplified application forms used for CHIP and Medicaid for children.¹⁴ The eligibility review process for family Medicaid coverage, however, often remains more complex than that for children: In many states, families must complete a much longer and more detailed Medicaid application, submit more documentation, and go to the Medicaid office to complete the eligibility review process. Federal rules do not require more complex reviews for families than for child-only cases. Advocates should urge their states to make the process as easy for families as it is for child-only cases.

The new final CHIP regulations address another issue with regard to eligibility reviews. The new rules clarify that the "screen and enroll" requirement, which requires states to screen separate CHIP program applicants for Medicaid eligibility and enroll them in Medicaid if appropriate also applies to eligibility reviews.¹⁵ States must have a process in place to ensure that a child who is found to be eligible for a state's Medicaid program—instead of the separate CHIP program—at an eligibility review is transferred to the Medicaid program without a gap in coverage. Although it is not a federal requirement, advocates should urge their states to also have a process to ensure that children in the state's Medicaid program who are found ineligible in the review process are immediately transferred to the state's CHIP program without any gaps in coverage.

When a family does not complete the process for

TURNOVER IN CALIFORNIA'S HEALTHY FAMILIES PROGRAM

In California, fewer than 20 percent of the 121,209 children who were disenrolled from the Healthy Families program (the state's CHIP program) between March 2000 and February 2001 were disenrolled because they were found to be ineligible for further coverage. Nearly 30 percent were disenrolled because the family failed to complete some aspect of the eligibility review process. (In the remaining of cases, the reason for disenrollment was failure to pay a premium, applicant request, proof of citizenship or immigration status was not received, or a child aged out of the program.) Amid California news reports that the Healthy Families program is having difficulty enrolling all the children eligible for coverage, one recent news story found that children are being dropped from the program "almost as fast as they sign up." This problem has grown over time. Although the program has been enrolling about the same number of children each month since early 2000, the number of children who leave the program each month has been increasing. Enrollment reports from California show that, from November 2000 to January 2001, the number of children who disenrolled was nearly 60 percent of the number who enrolled.

SOURCES: *Managed Risk Medical Insurance Board, Health Families Program Children Disenrollment Statistics, HFP Report 9*, February 2001 (www.mrmib.ca.gov/MRMIB/HFP/HFPRpt9.pdf); Susan Duerksen, "Low-Cost Insurance Program Can't Keep Healthy Enrollment," *San Diego Union Tribune*, March 4, 2001.

redetermining eligibility for health coverage—by missing an appointment, not completing and returning paperwork, or not providing necessary documentation—the case will be closed for procedural reasons. Likewise, if the agency cannot locate the family at the time their eligibility review is scheduled, the family will be terminated for procedural reasons. Therefore, it is important for states to simplify the procedures for eligibility reviews and keep families well informed about the need to complete the eligibility review process.

WHY DON'T FAMILIES COMPLETE THE ELIGIBILITY REVIEW PROCESS?

Some families do not complete the eligibility review process because they have experienced a change in

circumstances and know they will be ineligible for ongoing coverage. However, there are some other important reasons that families might not complete the eligibility review process, including the following:

- ◆ the process may be complicated by burdensome requirements that interfere with other responsibilities (such as keeping a job);
- ◆ families may feel mistreated by welfare office staff or health care providers;
- ◆ families may not understand that they are required to recertify their eligibility for the program on a regular basis; or
- ◆ families may not understand the notices that are sent to them.

Many of the requirements that states impose are more stringent than the standards set by the federal government. Last year, the Health Care Financing Administration issued letters to state Medicaid directors urging them to reduce barriers to maintaining Medicaid eligibility so that everyone who is eligible for Medicaid and CHIP gets that coverage and keeps it.¹⁶ If states were to simplify the process of reviewing eligibility for Medicaid and CHIP, they could increase continuity of coverage, reduce the costs of administering the programs, and make more efficient use of health outreach funds.

ELIGIBILITY REVIEW PROBLEMS HURT OUTREACH EFFORTS IN NEW YORK

A survey of Medicaid and CHIP managed care plans in New York found that approximately 4 percent of enrollees were involuntarily disenrolled each month, and over a 12-month period, nearly half of each plan's Medicaid membership lost coverage for some amount of time. According to the study, the vast majority of these individuals lost coverage because of an interruption in their Medicaid enrollment, which most likely was caused by burdensome and confusing eligibility review processes in Medicaid and CHIP. If involuntary disenrollments had been lower, January 2000 enrollment in Medicaid managed care in New York could have been as much as 40 percent higher.¹⁷

SOURCE: Kalkines, Arky, Zall & Bernstein LLP, Coverage Gaps: *The Problem of Enrollee Churning in Medicaid Managed Care and Child Health Plus: A Report of the New York State Coalition of Prepaid Health Services Plans* (New York: Kalkines, Arky, Zall & Bernstein LLP, June 2000).

HOW CAN STATES ADDRESS SPECIFIC PROBLEMS WITH THE ELIGIBILITY REVIEW PROCESS?

States and child health advocates are beginning to address problems with the eligibility review process in very innovative ways. Below are five strategies states are pursuing to streamline and simplify the eligibility review process along with specific state examples. Advocates and state officials should think creatively about how to make it easier for families to keep Medicaid and CHIP coverage as long as they are eligible.

1. Streamline Procedures and Educate Families

Some states are beginning to address the problems they have retaining eligible Medicaid and CHIP enrollees by simplifying the eligibility review process. One way for states to simplify the process is to adapt changes they made to the application process to the review process. These simplifications include:

- ◆ eliminating the in-person interview requirement and allowing mail-in or phone-in reviews;
- ◆ shortening the review forms;
- ◆ making the forms easier for families to read and complete;
- ◆ eliminating documentation requirements or reducing the number of supporting documents required;
- ◆ including a postage-paid or postage-guaranteed envelope with the forms; and
- ◆ using review forms to evaluate a child's eligibility for Medicaid if the child is no longer CHIP-eligible and vice versa.

In addition to simplifying and streamlining the forms and process for eligibility reviews, states should also make sure that families are well informed about what they need to do to maintain their coverage and when they need to do it. First, states should ensure that the notices sent to families are clear. Advocates report problems when families do not understand the notices that were sent to them about the eligibility review. In some instances, the problem is related to language barriers: not all state notices have been produced in languages understood by Medicaid and CHIP clients, and notices that have been poorly translated from English to another language may be confusing or use words and phrases that are unfamiliar to the people receiving them.

Moreover, notices written in English for English-speakers can be confusing if the notices are written at a reading level that is too high for the reader.

Second, states should ensure that families understand the eligibility review process. Advocates report that families often are unaware that they need to undergo regular eligibility reviews to maintain their Medicaid or CHIP coverage. As the number and variety of sites where individuals can get information about and enroll in Medicaid and CHIP increases, states should make sure that outreach workers and people who assist families with the enrollment process clearly inform families that eligibility reviews are required, how frequently they occur, and what information families will need to provide in order to maintain Medicaid and CHIP coverage.

HCFA ENCOURAGES STATES TO SIMPLIFY ELIGIBILITY REVIEWS

The Health Care Financing Administration has issued letters to state Medicaid and CHIP directors encouraging them to make both the application process and eligibility reviews simple and easy for families. To further this effort, the agency has sponsored the Simplifying Medicaid/SCHIP Enrollment and Retention Forms (SMERF) project, which will provide guidance to states on how they can simplify the notices that are sent to applicants and recipients of Medicaid and CHIP and the forms that are used to apply for and renew eligibility for the programs. In addition to developing model forms and notices, the SMERF project will also provide guidance to states about how to develop and test simplified materials. The model forms and notices should be completed by the end of 2001. In addition to the SMERF project, in 2000 HCFA awarded grants to five states for pilot projects that test simplified eligibility processes. The agency plans to award more grants in 2001, some of which will focus specifically on pilot projects testing policies or procedures to improve retention in Medicaid and CHIP.

SOURCE: Health Care Financing Administration, Letter to State Medicaid Directors, "Additional Information Regarding Application and Notice Simplification Project," December 21, 2000, available at (www.hcfa.gov/init/ch122100.htm), and Letter to State Health Officials, "HCFA Grant Announcement: Medicaid/SCHIP Eligibility Pilot," June 26, 2000, available at (www.hcfa.gov/init/ch62600.htm). Also see (smerf.maximus.com) for more information about the SMERF project. The web site has findings from a review of state notices and a discussion group for state health officials and advocates to talk about issues regarding simplification of applications and eligibility reviews.

RHODE ISLAND EDUCATES FAMILIES AND STREAMLINES ELIGIBILITY REVIEW FORMS TO IMPROVE RITE CARE RETENTION

In the last half of 2000, advocates and staff at the Rhode Island Department of Human Services noticed a marked increase in the number of families who lost coverage in Rite Care (the state's Medicaid expansion program for families) because they failed to complete eligibility reviews. In July through December, the average number of missed eligibility reviews each month was nearly 30 percent higher than the monthly average in the first half of the year. A survey of families who had not completed eligibility reviews revealed that they did not know they were required to undergo periodic eligibility reviews. The primary source of the confusion for families was lack of information: Many families were not informed that they needed to undergo regular eligibility reviews in order to keep their Rite Care coverage. Additionally, the review forms were the same forms families had used to apply for the program, and the forms were not always accompanied by a cover letter explaining that this was a different step than an initial application.

In response to the problem, the Consumer Advisory Committee and the Department of Human Services worked together to revise the eligibility review process. The state is simplifying and streamlining by:

- ◆ adding information about the eligibility review process in written materials given to families about Rite Care;
- ◆ sending pre-printed eligibility review form and asking a family to indicate any changes to their information, sign it and send it back to the Department of Human Services;
- ◆ including a self-addressed, postage-paid envelope for families to send their forms;
- ◆ engaging health plans to help inform their members about eligibility reviews, and sending reminder cards to families who are due for a review;
- ◆ sending follow-up letters to families who have received eligibility review materials reminding them to complete and return the forms before they lose coverage.

SOURCE: Unpublished article, "Rhode Island Efforts to Retain Enrollment of Rite Care Members," (Providence, RI: Department of Human Services, 2001); Telephone conversation with Dorothy Stamper, *Rhode Island Kids Count*, Washington, DC, February 16, 2001.

WASHINGTON STATE ADOPTS ROLLING ELIGIBILITY REVIEWS LINKED TO FOOD STAMPS

In 2000, Washington State adopted a review process for families and children enrolled in Medicaid that eliminates the need for families to undergo a Medicaid eligibility review as long as they are receiving food stamps or cash assistance. When a family undergoes a food stamp review (usually every three months in Washington) or a review for cash assistance, the computer system automatically reviews eligibility for Medicaid at the same time. As long as the family continues to be eligible for Medicaid, coverage is extended for another 12 months, without any need for extra paperwork or a separate Medicaid eligibility review. If the family misses a food stamp review, nothing happens to its Medicaid until the next scheduled Medicaid eligibility review. At that time, the family would undergo a regular Medicaid eligibility review that entails completing a review form and mailing it back to the local Community Service Office.

SOURCE: Telephone conversation with Judy Maginnis, Program Manager for *Medicaid Eligibility and Policy*, Department of Social and Health Services, Washington, DC, May 4, 2001; Donna Cohen Ross and Laura Cox, *Making it Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures: Findings from a 50-State Survey* (Washington: Kaiser Commission on Medicaid and the Uninsured, October 2000).

2. Send Pre-Printed Eligibility Review Forms

Even when the eligibility review form is short and easy to read, some families may not be able to complete it or may not understand why they need to fill in information that the state already has on file. Recognizing this problem, a few states have begun to send families simplified eligibility review forms that are pre-printed with the relevant information that the state already has about the family. Families are asked to indicate whether there have been any changes to any of the pre-printed information and then to sign and return the form. Although many states ask families to sign and return forms to complete the eligibility review process, there is no federal requirement that families sign any documents at an eligibility review. As described below, states could use information available to them to affirm that a family continues to be eligible for Medicaid or CHIP and send a notice to the family informing them of their renewed coverage without requiring any response from the family.

A review using information already in the state's possession about the family is called an *ex parte* review. In April 2000, HCFA sent a letter to state Medicaid agencies clarifying the state's responsibility to conduct an *ex parte* review of eligibility before requesting information from clients enrolled in Medicaid.¹⁸ To fulfill this obligation, states must review information they have on file for an individual or a family to see if they continue to be eligible for coverage. This means that the state should review information in a family's Medicaid file as well as information that another state program—such as TANF, Food Stamps, or WIC—may have gathered before the state asks the family for that information. States can also look for information from such sources as managed care plans, child care and child support agencies, or other organizations with accurate information about a family's circumstances. In fact, if the family has undergone a recent eligibility

review for another program with eligibility guidelines that are similar to, or more restrictive than, Medicaid, the state can accept the determination of the other program's eligibility review and extend an individual's coverage for up to a year.¹⁹

HCFA also clarified that for eligibility reviews, states may only require information that is necessary to determine eligibility, which means that state agencies may not require families (or third parties, such as employers) to provide information about circumstances not directly related to eligibility for Medicaid. In addition, states must not review information that does not change between redetermination periods, such as citizenship or date of birth. This means that states cannot require a family to go through the entire application process every time eligibility is redetermined, nor can states require families to bring in documents that they have previously provided to the agency (such as birth certificates). After the state has reviewed all the information available to it, if it finds that there is not enough to determine whether the child or other family member remains eligible for Medicaid, the state can ask families for more information.

FLORIDA'S PASSIVE REVIEW PROCESS

Florida is going a step further than simplified eligibility reviews in its CHIP program and implementing what some refer to as a "passive" review process. In a passive review, the state agency completes the forms, filling in all known information about the family. If the information is correct, the family can ignore the form, and its CHIP coverage will continue. If there are errors on the form, or if the family's circumstances have changed, the family can mark changes on the form and send it back to the state agency to be processed. If the family's income has gone down and the child appears to be eligible for Medicaid, the information is electronically transferred to the Medicaid agency for a determination. Florida does not have the same passive review process for Medicaid. Rather, families with children enrolled in Medicaid are sent a blank Medicaid review form along with a new, blank application for KidCare (the umbrella name of the state's child health programs). They must complete and mail-in the forms to the local office of the Department of Children and Families. If the children are found ineligible for Medicaid, the KidCare application is forwarded to the CHIP agency to see whether the children are eligible for CHIP.

SOURCE: Donna Cohen Ross and Laura Cox, Center on Budget and Policy Priorities, *Making it Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures: Findings from a 50-State Survey* (Washington: Kaiser Commission on Medicaid and the Uninsured, October 2000).

3. Coordinate Eligibility Reviews

Once enrolled in Medicaid or CHIP, families are scheduled for regular reviews to determine whether they continue to be eligible for coverage. States schedule these reviews at different intervals, depending on how an individual qualifies for coverage. Families who receive assistance from other state programs in addition to Medicaid or CHIP may have to have their eligibility reviewed or complete regular reports even more frequently than families that receive only Medicaid or CHIP. Even families that only receive Medicaid may need to undergo eligibility reviews more frequently than cases where only the children in a family are covered. As states have implemented their CHIP programs, they have often coordinated eligibility review periods (as well as other eligibility review procedures) for their child-only Medicaid coverage and their CHIP expansion programs. As of July 2000, only four states—Georgia, New Jersey, Texas, and Wyoming—had not aligned their eligibility review periods for child-only Medicaid and CHIP programs.²⁰ However, more states still

require cases involving the entire family to be reviewed more frequently than child-only Medicaid or CHIP programs.

4. Adopt Continuous Eligibility for Children

The 1997 Balanced Budget Act allowed states a new option to provide “continuous eligibility” to children enrolled in either Medicaid or CHIP. Continuous eligibility helps children retain coverage: Once determined eligible for the program, children remain eligible until their next review, regardless of changes in family income.²¹ This policy eliminates the burden of having to report changes in income between reviews, so families do not have to work as hard to keep their children covered. Only 13 states have adopted 12-month continuous eligibility in both their Medicaid and CHIP programs; an additional 14 states have adopted continuous eligibility in their separate CHIP programs. New York has adopted continuous eligibility in its Medicaid program but not in the state’s separate CHIP program, and Florida has adopted continuous eligibility in its Medicaid program but only for children under the age of six.²² Continuous eligibility can help children maintain coverage for longer periods of time, improve continuity of care, and reduce administrative costs.

Although federal law does not allow states to adopt continuous eligibility for parents enrolled in Medicaid or CHIP, states do have the option of doing something similar for parents: States that have enrolled families in managed care plans can opt for a “guaranteed eligibility” period of up to six months.²³ The guaranteed eligibility period is similar to continuous eligibility for children except that it is limited to six months, and it can be adopted for anyone in Medicaid managed care. During the guaranteed eligibility period, families can stay enrolled in their managed care plan, regardless of changes in their circumstances that might otherwise cause them to lose eligibility for Medicaid or CHIP. Guaranteed eligibility has advantages and disadvantages that state advocates should weigh before asking states to adopt it. While it helps people maintain their coverage and increases continuity of care, it also prevents families from changing plans if they are unsatisfied with the plan in which they are enrolled. Managed care plans generally like guaranteed eligibility because it helps

them retain members for longer periods; they would be likely allies in a campaign to get your state to adopt it.

5. Help Families Through the Eligibility Review Process

In several states, state staff, community-based organizations, or entities such as managed care organizations assist with initial enrollment in Medicaid and CHIP for children. A few states have found that families need help not only with the initial application process but also with completing an eligibility review once they are enrolled. Providing assistance to families who are renewing their child health program

MASSACHUSETTS MEMBER EXPRESS RENEWAL PROJECT

Massachusetts found that between 20 and 30 percent of families were losing health coverage because they did not return eligibility renewal forms they received by mail. To address this problem, the state’s Covering Kids program, in partnership with the Department of Human Services and managed care organizations serving families enrolled in MassHealth (the state’s Medicaid program for children and families), began a pilot project to streamline eligibility reviews and allow families to renew their eligibility with assistance from trained outreach workers at community locations between scheduled eligibility reviews. The project allows families to renew their eligibility for MassHealth when they go to the doctor or see a MassHealth outreach worker in their community, even if they are not due for an eligibility review. The project allows outreach workers and service providers to renew eligibility for families just as they would help them initially apply for the program. It also empowers families to extend their coverage in MassHealth by 12 months when they seek services or assistance, rather than waiting until they receive forms in the mail. The renewal form has been shortened significantly, asking minimal questions about address information and changes to income and health insurance status. Phase I of the pilot began in March 2001, and preliminary data are being analyzed. The participants are hopeful that it will improve retention, extend families’ coverage, and improve continuity of care.

SOURCE: Telephone conversation with Josh Greenberg, *Massachusetts Health Care For All*, Washington DC, April 6, 2001.

enrollment can be a good way to ensure that eligible children keep their coverage. Families should be informed that they will need to complete more paperwork in order to keep their children enrolled in the program and should be told what to expect to see in the mail. Once they receive the renewal materials, families may need help completing the process, just as they did when they originally applied for the program.

CONCLUSION

By adopting policies to simplify and streamline the eligibility review process for children and families, states can make real progress keeping people enrolled in Medicaid and CHIP. Improved retention in these programs will help make more efficient use of outreach funds, improve continuity of care, and help states reduce the number of uninsured children and families.

ENDNOTES

1. Robert Mills, "Health Insurance Coverage 1999," *Current Population Reports: Consumer Income*, P-60-211 (Washington: U.S. Census Bureau, September 1999).
2. Eileen R. Ellis, Vernon K. Smith, and David Rousseau, *Medicaid Enrollment in the 50 States: June 1997 to December 1999* (Washington: Kaiser Commission on Medicaid and the Uninsured, October 2000).
3. Olveen Carrasquillo MD, MPH, David Himmelstein MD, Steffie Woolhandler MD, MPH, and David Bor MD, "Can Medicaid Managed Care Provide Continuity of Care to New Medicaid Enrollees? An Analysis of Tenure on Medicaid," *American Journal of Public Health*, March 1998, 88(3):464-6.
4. John Czajka, *Analysis of Children's Health Insurance Patterns: Findings from the SIPP* (Washington: U.S. Department of Health and Human Services, May 12, 1999), available at (aspe.hhs.gov/health/reports/sippchip/EXECSUM.htm).
5. Families USA, *How Americans Lose Health Insurance* (Washington: Families USA, April 1994).
6. Olveen Carrasquillo et al., op. cit.
7. Kalkines, Arky, Zall & Bernstein LLP, *Coverage Gaps: The Problems of Enrollee Churning in Medicaid Managed Care and Child Health Plus, A Report of the New York State Coalition of Prepaid Health Services Plans*, (New York: United Hospital Fund, June 2000).
8. Children are only eligible for CHIP if they are otherwise uninsured. Gaining access to health insurance from another source can make a child ineligible for CHIP. However, there is no similar restriction on eligibility for Medicaid; if a child has other health insurance, Medicaid acts as the payer of last resort.
9. 42 CFR §435.916(a).
10. 42 CFR §435.916(c)(1).
11. 42 CFR §435.916(b) requires the agency responsible for Medicaid eligibility determinations to have in place "procedures designed to ensure that recipients make timely and accurate reports of any change in circumstances that may affect their eligibility."
12. 42 CFR §457.320(e)(2), as printed in 66 FR 2676, January 11, 2001. These regulations were originally scheduled to go into effect on April 11, 2001 but were placed on hold for 60 days under an Executive Order issued by President Bush on January 22, 2001. While they are currently scheduled to go into effect on June 11, 2001, it is unclear whether the Administration will make any changes to the regulations before they become effective.
13. Donna Cohen Ross and Laura Cox, *Making it Simple: Medicaid for Children and CHIP Income Eligibility Guidelines and Enrollment Procedures: Findings from a 50-State Survey* (Washington: Kaiser Commission on Medicaid and the Uninsured, October 2000).
14. See Donna Cohen Ross and Laura Cox, *Making it Simple*, op. cit. for more information about how states have shortened application forms for child health coverage.
15. 42 CFR §457.350(a), as printed in 66 FR 2627, January 11, 2001.
16. Health Care Financing Administration, Letter to State Officials, "Supporting Families in Transition: A Guide to Expanding Health Coverage in the Post-Welfare Reform World," March 22, 1999 (www.hcfa.gov/medicaid/wrd13229.htm); Health Care Financing Administration, State Medicaid Director Letter, "Regarding Efforts to Improve Eligible Families' Ability to Enroll in Medicaid," April 7, 2000 (www.hcfa.gov/medicaid/smd40700.htm); Health Care Financing Administration, Letter to State Medicaid Directors, "MEQC and Other Monitoring Activities," September 12, 2000 (www.hcfa.gov/medicaid/smd91200.htm).
17. The authors of the survey project that enrollment could have been as high as 907,000 in January 2000 if involuntary disenrollments had been reduced by 75 percent. Actual January 2000 enrollment was 659,137.
18. Health Care Financing Administration, State Medicaid Director Letter, "Regarding Efforts to Improve Eligible Families' Ability to Enroll in Medicaid," op. cit.
19. Ibid.
20. Donna Cohen Ross and Laura Cox, *Making it Simple*, op. cit.
21. In states that have adopted continuous eligibility, families must still report when a child turns 19, gets private health insurance coverage (if the child is enrolled in a state's CHIP program), or moves out of the state during the continuous eligibility period.
22. Donna Cohen Ross and Laura Cox, *Making it Simple*, op. cit. States that have adopted 12-month continuous eligibility in both their Medicaid and CHIP programs are: AL, CT, ID, IL, IN, KS, LA, MS, NE, NM, NC, SC, and WA. Those with continuous eligibility only in their separate CHIP programs are: AZ, CA, CO, DE, IA, MI, MT, NV, ND, PA, TX, UT, WV, and WY.
23. 42 U.S.C. §1396a(e)(2).

**THE CHILDREN'S HEALTH CAMPAIGN IS A
PROJECT OF FAMILIES USA**

Ron Pollack, Executive Director

Rachel Klein, Policy Analyst

Joan Alker, Assistant Director of Government
Affairs

Kim Perry, Field Coordinator

Readers are welcome to reprint all or part of this document, with credit to Families USA.

For additional copies, visit the "Child Health Expansion" section of the Families USA Website (www.familiesusa.org) or call Families USA: (202) 628-3030.

Also available: **Promising Ideas in Children's Health Insurance: Presumptive Eligibility for Children, April 2000**; and **Promising Ideas in Children's Health Insurance: Coordination with School Lunch Programs, May 1999**.

CREDITS

Support for this report was generously provided by:

The Annie E. Casey Foundation

The Nathan Cummings Foundation

The George Gund Foundation, and

The David and Lucile Packard Foundation

This report was written by Rachel Klein.



1334 G Street, NW ♦ Washington, DC 20005
Phone: (202) 628-3030 ♦ Fax: (202) 347-2417
E-Mail: kids@familiesusa.org