

Ohio Can Keep Its Promise to Cover More Kids



VOICES FOR OHIO'S CHILDREN

Mission

Voices for Ohio's Children is a non-partisan collaboration of public, not-for-profit and private sector organizations and individuals that advocate for public policy changes to improve the well-being of our community's children and their families.

Introduction

Through hard work and bipartisan commitment, in 2007 Ohio's leaders adopted measures to provide health coverage to uninsured children using our state's successful, cost-effective Medicaid program. Unfortunately, due to red tape and federal roadblocks, 156,000 of our children—enough to fill Ohio Stadium one and a half times—are still uninsured.

Despite current federal barriers, however, there's good news: Our leaders can act right now to keep their promise to many of these uninsured children. By cutting red tape that keeps eligible children from getting the coverage they need, we can make significant progress in covering 2 out of every 3 uninsured children – approximately 106,000 – who are already eligible for Medicaid.¹

To make meaningful progress in covering more kids, Ohio needs to overcome its current challenges in keeping eligible children enrolled in Medicaid. Historically, policymakers and advocates alike thought that the problem lay in finding uninsured children, but new research shows that faulty retention of eligible children is a primary reason that so many children are uninsured. Nationally, 42% of uninsured children have been enrolled in Medicaid the prior year.² Assuming

these proportions hold true for Ohio, of the 106,000 uninsured children in Ohio, 44,520 are already known to the Medicaid system. We know, in fact, that 23% of Ohio children covered by Medicaid have at least one gap in enrollment in the last three years.³

These gaps in Ohio children's Medicaid coverage not only put children's health

at risk, but also cost taxpayers unnecessarily. The cost to enroll a child in Medicaid is \$71, including outreach, paperwork and processing costs to the health plan, but not including administrative costs to county departments of Job and Family Services. When a child loses coverage and experiences a gap in coverage of at least three

months, total medical costs are nearly doubled.⁴ Insuring children provides them with cost-efficient, quality care, and keeping them insured reduces paperwork and its associated bureaucratic costs.



New York reduced costs by 40 percent through simplification

The best way to get children covered and keep them that way is to simplify enrollment and renewal procedures. Other states have proven that

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simplifying these processes with specific best practices both saves money and makes health care more accessible. For example, New York reduced costs by 40 percent through simplification.⁵ Simplified systems allow fast processing of applications and renewals, minimize redundant paperwork, and effectively involve parents, trusted community members, managed care plans, and state and county workers in ensuring children's coverage. Simplified systems also include safeguards that maintain program integrity and ensure that benefits flow to those who are eligible.



Ohio can achieve high rates of appropriate Medicaid renewal for children while also reducing administrative barriers and making the Medicaid system more efficient.

Ohio children deserve effective health coverage so they can grow up healthy and strong and so their parents can spend their days at work, not at the emergency room. Ohio taxpayers deserve that same efficiency so that their tax dollars are spent on cost-effective children's health care⁶ rather than correcting bureaucratic mistakes. In short, insuring Ohio's children provides them with cost-efficient care. Keeping them insured benefits everyone.

Get Eligible Kids Enrolled: Simplify Enrollment

Ohio can simplify its Medicaid enrollment process by eliminating the paperwork and delays that families face when applying for their children's coverage. We can adopt three strategies to streamline eligible children's enrollment:

- Get kids into care quicker: Presumptive Eligibility
- Reduce the paperwork burden by using information already on file: Use Existing Databases To Verify Information
- Spread the word, so we can find and enroll more eligible kids: Investment In Community Based Outreach And Enrollment.

Get Kids Into Care Quicker: Presumptive Eligibility for Children

Presumptive eligibility allows sick children to receive the care they

need while their eligibility for coverage is being determined. Without presumptive eligibility, a sick child may have to wait up to several weeks for an eligibility determination that opens the door to treatment. During this time, a health condition can progress from mild to severe, compromising the child's health and costing families and taxpayers much more for treatment in the end.

Presumptive eligibility allows "qualified entities," such as pediatricians' offices, community health centers, WIC programs and Head Start programs, to make a preliminary, or presumptive, determination that a child is eligible for Medicaid. These qualified entities can provisionally enroll a child in Medicaid by relying on the family's declaration that its income is below the state's Medicaid eligibility guidelines.

When a child loses coverage and experiences a gap in coverage of at least three months, total medical costs are nearly doubled.

After presumptive determination of Medicaid eligibility, the child's parent or adult caregiver has until the end of the following month to submit a full Medicaid application on the child's behalf. While the child awaits final eligibility determination, (s)he is covered to receive all health services covered under the Medicaid state plan, including all Early and Periodic Screening Diagnosis and Treatment (EPSDT) services.⁷

Federal law allows states to implement presumptive eligibility in Medicaid and SCHIP, and fourteen states already do so.⁸ Ohio already uses presumptive eligibility for pregnant women; the practice is known as “expedited Medicaid.” Covering more children through presumptive eligibility would also, through leveraging the state investment, bring additional federal funds into Ohio’s economy.

Reduce the paperwork burden by using information already on file: Use Existing Databases To Verify Information

We can greatly reduce enrollment barriers to Medicaid enrollment for Ohio’s children by allowing county Departments of Job and Family Services to verify information in Medicaid applications using existing government databases. In particular, we can streamline enrollment with administrative verification of income – a practice allowed by the federal government and already in use for initial enrollment by eighteen states.⁹

Administrative verification of income allows county departments to match families’ employment and earnings data using electronic records or income documentation already received for other public programs. Since many families enrolling children in Medicaid have had more than one job in the past six months, administrative verification of income can eliminate the costly and time-consuming need to locate, submit and process pay stubs from every

job held during that time. If a match with existing records cannot be found, county caseworkers can still require paper documentation.

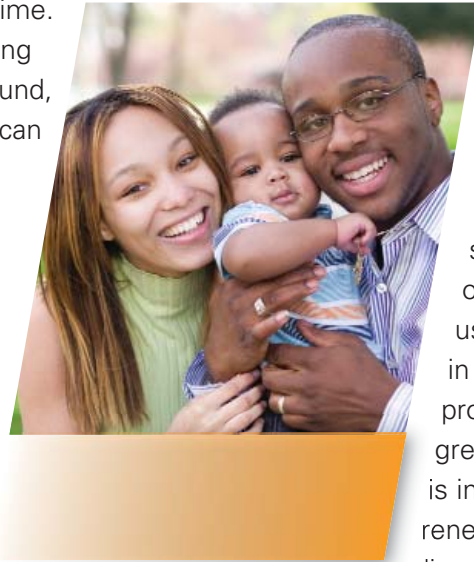
Cuyahoga County conducted a pilot project on administrative verification of income (called self-declaration of income) from December 2000

- November 2001; we expect statewide outcomes to mirror these pilot project findings:¹⁰

- “Self-declaration has a 98% accuracy rate. Five percent of Healthy Start applicants understate income; however, review of actual income finds only 2% ineligible.”
- “Approval rates are higher – 85% of applications are approved, up from 65% before income self-declaration.”
- “Parents and caseworkers say income self-declaration make the application process simpler and easier.”
- “Processing times are faster – two weeks to 30 days rather than 30-60 days.”

Of the 106,000 uninsured children in Ohio, 44,520 are already known to the Medicaid system.

County systems can also use available systems to verify



information other than income; that practice is called ex parte review.” Ohio should explore opportunities to us ex parte review in the enrollment process, but its greatest potential is in simplifying renewal and is discussed below.

Spread the word, so we can find and enroll more eligible kids: Investment In Community Based Outreach And Enrollment

Enrolling children in Medicaid is simpler when families hear about the program and can find out more and get help from trusted community members. Ohio can spread the word about Medicaid for children by investing in community outreach, and each dollar our state invests in community outreach will draw down another \$1 in matching federal funds.¹¹ At least 34 other states invest in various kinds of outreach for children’s coverage;¹² most draw down federal matching funds with a combination of community-based enrollment assistance and statewide outreach and marketing support.

Providing application assistance through trusted community sources such as food banks, health clinics, Head Start programs and others is one of the most effective methods of reaching uninsured children. One

successful outreach strategy is to station Medicaid eligibility workers in hospitals and community health centers. This longstanding approach helps eligible pregnant women and children obtain health coverage when they most urgently need it. In addition, employees of the health care provider or related community organizations can be trained to conduct all the work necessary to complete an application short of the actual eligibility determination. To begin, Ohio could station Medicaid workers in its 30 Federally Qualified Health Centers (FQHCs), which have more than 110 service sites across the state.

Expanding the already-successful Ohio Benefit Bank is another strategy for community-based outreach. The state can assure that the Benefit Bank and assisters trained in Medicaid and EPSDT enrollment are available across the state, especially in community-based organizations and hospitals.

Keep Eligible Kids Enrolled: Simplify Renewal

Ohio can reduce “churn” – eligible children who move on and off Medicaid rolls due to renewal difficulty – by using these strategies to make Medicaid renewal simple and effective:

- Use of Existing Databases to Verify Information

- Greater Engagement of Managed Care Plans to Speed Renewals
- Rolling Renewals
- Yearly Renewal of Eligible Parents’ Coverage.

Reduce the paperwork burden by using information already on file: Use Existing Databases To Verify Information

Just as with initial Medicaid applications, much of the information needed for renewal is available in existing government databases. Mailing a renewal form to families and waiting for a response can allow children’s coverage to lapse, but using third-party sources for information about enrolled families can speed enrollment and reduce churn. This practice of using third-party databases, called ex parte review, has been advised for use to the greatest extent possible by the Centers for Medicare and Medicaid Services (CMS).¹³ Using ex parte review can help states avoid unnecessary and repetitive requests for information that both add to administrative burdens and expenses and make it difficult for families to retain their children’s coverage.



Ex parte renewal has helped to reduce dramatically the number of children losing coverage at renewal.

State or county workers can use a range of existing databases to verify renewal information, including unemployment and workers compensation records and food stamp or other assistance data. Other states use ex parte review to increase retention rates and reduce the burden on enrollment workers and families. For example, Louisiana, a state with one of the highest Medicaid renewal rates in the country, has been particularly aggressive in eliminating unnecessary and redundant requests for information. Its most successful strategy has been to check information otherwise available, particularly from food stamp records, before sending families a renewal form. Ex parte renewal practices like those used by Louisiana consume less time for agency workers than application-based renewal and also simplify the renewal process for the client. Data from several states show that ex parte renewal has helped to reduce dramatically the number of eligible children losing coverage at renewal.¹⁴

Using ex parte review to its fullest extent, Ohio could redesign its Medicaid renewal process. If

enough information is available in existing databases, eligible family members could be automatically renewed, much like enrollment works in the private sector. For families with gaps in data, workers could call to verify information. Only the most complex cases would require a renewal form. Florida employs a similar process, and in a recent study, researchers determined that these “passive” renewal procedures resulted in a risk of disenrollment 10 times smaller than under active procedures.¹⁵



In short, by using ex parte review appropriately to the fullest extent possible, Ohio can achieve high rates of appropriate Medicaid renewal for children while also reducing administrative barriers and making the Medicaid system more efficient for workers and county governments.

Partner with Ohio’s private health insurance companies to help families navigate the system: Greater engagement of managed care plans to improve renewals

Managed care plans (MCPs), Ohio’s partners in the state’s Medicaid program, can be important partners in simplifying renewal. MCP’s have a vested interest in reducing churn on the Medicaid rolls, because interrupted periods of coverage make it difficult to manage a member’s health care and to deliver effective preventive services. In addition, when enrollees continually enter and exit a plan, MCPs have difficulty maintaining

the stability of their membership and assuring their financial viability.¹⁷

In order for MCPs to assist the state in retaining children’s Medicaid coverage, the state must invest in the required systems and staff.

Managed care plans could significantly increase the efficiency of renewal by reminding their enrollees of their redetermination dates and ensuring that they are informed about renewal requirements and are able to comply.¹⁸ For example, Pennsylvania requires that MCPs mail a renewal notice 90 days prior to a child’s actual renewal date,¹⁹ and MCPs have integrated renewal reminders into their routine operations.

However, in order for MCPs to reach members who are at risk of losing coverage at renewal, MCPs need timely information on members’ scheduled renewal dates. Although Ohio has begun providing MCPs with some renewal date information, the data is flawed. In order for MCPs to assist the state in retaining children’s Medicaid coverage, the state must



Ohio can simplify its Medicaid enrollment process by eliminating the paperwork and delays that families face when applying for their children’s coverage.

Because Ohio’s Medicaid system uses managed care extensively, a new renewal system must also take steps to ensure that children and families are not automatically renewed if they are no longer eligible for coverage or have relocated out of the state. One possible solution, in use in many states, is to use information gathered from ex parte review to pre-populate renewal forms and require families only to update information that has changed.¹⁶

invest in the required systems and staff to produce timely, accurate data on Medicaid renewal dates.

Because reducing churning makes good business sense for both managed care and government, MCPs in Ohio are already initiating other strategies to reduce churning. These include telephone call reminders for members whose renewal dates are due and transportation for members to county offices when a face-to-face interview with an eligibility worker is required for renewal.



Consolidate enrollments and renewals with Food Stamps and other programs to reduce the number of bureaucratic hoops families have to jump through: Rolling Renewals

Some states – Idaho, Illinois, Massachusetts, South Dakota, New York, Washington, and Wisconsin²⁰ – increase the likelihood that families will successfully renew coverage by coordinating renewal with other public programs. This one-stop shopping approach, called rolling renewals, can give families a convenient way to renew their children’s Medicaid coverage when they renew benefits for food stamps or other public programs even before their next regularly scheduled renewal period.



Ohio’s leaders don’t need to wait for federal action or further policy debate to enroll more eligible children in Medicaid.

Coordinate renewals when both kids and parents are covered: Yearly Renewal of Eligible Parents’ Coverage

When parents are insured, children gain better access to health care and improve their use of preventive health services.²¹ Currently, eligible Ohio parents must renew their coverage every six months, while children do so only once a year. We can reduce the likelihood that parents will lose coverage by following forty other states²² in adopting yearly renewals for parents who receive Covered Families and Children Medicaid and no other benefits from ODJFS.

Rolling renewals can give families a convenient way to renew their children’s Medicaid coverage when they renew benefits for food stamps or other public programs.

Federal law allows states to implement presumptive eligibility in Medicaid and SCHIP, and fourteen states already do so.

Conclusion

In Ohio today, 156,000 children – enough to fill Ohio Stadium one and a half times – are still uninsured, and that’s too many. The majority of these kids – approximately 106,000 – are already eligible for Medicaid coverage.

Ohio’s leaders don’t need to wait for federal action or further policy debate to enroll more eligible children in Medicaid. Like many states across the country, we can get and keep many of these children in Medicaid by cutting red tape and adopting a few critical, common-sense changes to simplify enrollment and renewal. By doing so, we will eliminate bureaucratic roadblocks, reduce inefficiencies and make Medicaid more effective for families, for state and county governments and for taxpayers.

Each dollar our state invests in community outreach will draw down another \$1 in matching federal funds. At least 34 other states invest in various kinds of outreach for children’s coverage.



Most importantly, however, by simplifying Medicaid enrollment and renewal, we will keep our promise to Ohio’s uninsured children – not just by passing laws, but by getting them access to the health care they need to grow up healthy and strong.

We can streamline enrollment with administrative verification of income—a practice allowed by the federal government and already in use for initial enrollment by eighteen states.

When parents are insured, children gain better access to health care and improve their use of preventive health services.



Coming Soon:

***Cut the Red Tape: Issue Brief #2
The Bottom Line of Cutting Red Tape***

Endnotes

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3634 EUCLID AVENUE, STE 101 • CLEVELAND, OH 44115
510 E. MOUND STREET, STE 200 • COLUMBUS, OH 43215
WWW.VFC-OH.ORG

PH: 216-881-7860 FX: 216-881-7863
PH: 614-225-9073 FX: 614-228-5150
TOLL FREE: 877-881-7860

