



## OHIO CUTS THE RED TAPE FOR CHILDREN AND FAMILIES

Ohio has made progress in covering more eligible kids and families and improving program efficiencies. Earlier this year, the 2008 Ohio Family Health Survey found that Ohio's uninsured rate for children is about 4 percent. This remarkable progress is due in large part to Ohio's strong Medicaid/CHIP program. But we can do better.

About 77,000 of Ohio's 110,000 uninsured children are eligible for health coverage, but not enrolled. Red tape keeps many families from the health care they need and wastes precious administrative resources. However, as our state is seeing growing caseloads and fewer caseworkers at county Job and Family Services (JFS) offices, we must find program efficiencies and streamline enrollment and renewal processes as much as possible, while still preserving program integrity.

Through changes in Am Sub HB 1, the state budget bill, and administrative rule changes, supported with bi-partisan leadership Ohio has made a down payment on cutting the red tape for families and county JFS agencies. This document outlines these changes.

Starting Oct. 1, 2009, revised administrative rules authorized:

- Efficient telephone renewals. Families can now renew Medicaid/CHIP coverage by telephone, without a paper form. Mailing a renewal form to families and waiting for a response can lead to a lapse in eligible children and families' coverage. Telephone renewals eliminate the need for multiple, time-consuming mailings and redundant requests for information. Instead, caseworkers now can confirm information via telephone and renew eligible families quickly and efficiently.
- Twelve-month coverage for children and parents<sup>1</sup>. Prior to this change, eligible Ohio parents had to renew their coverage every six months, while children had an annual renewal. This change saves administrative dollars and reduces the likelihood that eligible parents will lose coverage. In addition, children are more likely to retain their own Medicaid coverage if their parents do so. Ohio joins 40 other states that offer yearly renewals for parents.<sup>2</sup>

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<sup>1</sup> This change was included in Am Sub HB 1; Ohio's 2010-2011 biennial budget.

<sup>2</sup> The Kaiser Commission on Medicaid and the Uninsured (2009) - <http://www.statehealthfacts.org/comparetable.jsp?ind=233&sort=298&st=3>

On March 10, 2010, Ohio announced three simplification reforms to cut the red tape, get more children enrolled, and keep them enrolled:

- 12-month continuous eligibility for children;
- Presumptive eligibility for children and pregnant women; and
- Express Lane eligibility.

Because of the possibility of federal performance bonus dollars, Ohio Department of Job and Family Services and Ohio Medicaid leaders committed to implementing two of these measures, 12-month continuous eligibility for children and presumptive eligibility for children, by April 1, 2010. As a result of hard work and leadership by state officials and by county departments of job and family services, Ohio met the April 1 deadline and the other requirements, and will receive federal performance bonus dollars in December 2010.

Below is a summary of each policy, including implementation plans and next steps:

- Twelve-month continuous eligibility. This is a straightforward change that means once a child's initial eligibility is established, s/he will maintain Medicaid coverage for a full twelve months regardless of changes in income or family situation, unless one of the following occurs: the child or parent/guardian requests termination; the child turns age 19; the child dies; or the child moves out of Ohio. This change is expected to reduce churning – when eligible children lose coverage, reapply, gain coverage again, and then repeat the process – among the child population.
- Presumptive eligibility for children and pregnant women. Presumptive eligibility allows children to receive the care they need while their eligibility for coverage is being determined. “Qualified entities” such as Medicaid providers, WIC programs and Head Start programs, make a preliminary or presumptive determination that a child or pregnant woman is eligible for Medicaid. After presumptive determination of eligibility, the family has until the end of the following month to submit a full Medicaid application. While the child or pregnant woman awaits final eligibility determination, (s) he can receive all health services covered under Medicaid. Current agency rules authorize the only agency that can determine presumptive eligibility is the county department of job and family services (CDJFS), including any out-stationed eligibility workers they may place in the community. This means that all children who apply for Medicaid should be screened for presumptive eligibility, along with their full eligibility determination. CDJFS' were chosen as the sole qualified entity because they are the only agency that has access to the eligibility system (CRIS-E) and are thereby able to 1) determine if a child may already have an application pending, and 2) issue a temporary card/document authorizing payment for services. Ohio has moved forward with presumptive eligibility for children, but not pregnant women.
- Express Lane eligibility. Many children who are uninsured but already eligible for Medicaid/CHIP coverage are enrolled in other public programs. States now can use a new option – Express Lane eligibility – to reach these children and determine their eligibility with relevant findings from other public programs such as WIC, food stamps, child care and school lunch. For example, if the school lunch program has determined that a child lives in a family with income less than 133 percent of the federal poverty level, the state can rely on that determination to enroll or renew the

child in Medicaid/CHIP without re-calculating income or requiring the family to resubmit or re-verify the information. Ohio has not yet implemented this option. It is newer and more complex and will require more thought and planning.

In addition to these important changes, Ohio now verifies citizenship via electronic data matching. As of April 22, 2010, Ohio now documents citizenship for Medicaid applicants via a matching process with the Social Security Administration (SSA). This option, established by the Children's Health Insurance Program Reauthorization Act (CHIPRA), allows states to document citizenship by submitting to the Social Security Administration (SSA) the names and Social Security Numbers (SSNs) of individuals declaring they are citizens or nationals. If data received back from SSA is consistent, no further action is required by the applicant. If the information is not consistent, then the applicant has an opportunity to resolve the discrepancy. This option greatly reduces the time and expense of procuring original birth certificates to prove citizenship, particularly for applicants born out of state. States that have been operating this system and are finding a success rate of over 94 percent in the electronic data exchange.

### **Why are these changes important?**

#### Stable coverage keeps children healthy and supports their development

Quality health care helps children to grow up strong and reach their potential. Research confirms that children with health insurance are more likely to get preventive care<sup>3</sup>, to have a source of ongoing care<sup>4</sup>, to participate in physical activities<sup>5</sup>, and to be healthier overall than uninsured children<sup>6</sup>. But these benefits don't accrue fully to children who do not have stable health coverage... In fact, when a child loses coverage for three months or more, total medical costs are nearly doubled<sup>7</sup>. These administrative changes are expected to reduce the number of eligible children who lose Medicaid/CHIP coverage at renewal. When eligible kids keep the coverage they need, we all win.

#### Cutting red tape reduces the number of uninsured Ohio children

About two-thirds of Ohio's uninsured children are eligible for our current Medicaid program but are not enrolled<sup>8</sup>. Enrolling these kids is the most straightforward and immediate way to reduce the number of uninsured children in our state. New research shows many uninsured children had Medicaid/CHIP coverage but lost it because of paperwork snafus or complex administrative requirements. This cycle – when the system costs eligible children their coverage, asks them to reapply, covers them again and repeats

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<sup>3</sup> Ku, Leighton and Sashi Nimelendran, Center on Budget and Policy Priorities, *Improving Children's Health: A Chartbook About the Roles of Medicaid and SCHIP* (January 2004), citing Kenney, et al, 2003, analyses of National Survey of America's Families.

<sup>4</sup> Ibid, citing CDC 2003b, analyses of 2001 National Health Interview Survey.

<sup>5</sup> Sicker and Poorer, citing Keane, et al, *Pediatrics. The Impact of a Children's Health Insurance Program by Age, 1999*. November; 104(5): 101-7.

<sup>6</sup> Institute of Medicine, *Hidden Costs, Value Lost: Uninsurance in America*, National Academy of Sciences (2003).

<sup>7</sup> Ibid.

<sup>8</sup> "Taking the Pulse of Health in Ohio: Results of the 2008 Ohio Family Health Survey, released March 16, 2009, found at [www.ofhs.webexone.com](http://www.ofhs.webexone.com).

the process – is called “churning.” Churning has a big impact. Nationally, 42 percent of uninsured children have been enrolled in Medicaid the prior year<sup>9</sup>. Assuming these proportions hold true for Ohio, more than 32,000 of Ohio’s uninsured children are already known to the Medicaid system.

Churning not only puts children’s health at risk, but also saddles taxpayers with avoidable costs. The cost to enroll a child in Medicaid is \$71, including outreach, paperwork and processing costs to the health plan.<sup>10</sup> That figure increases when the costs of the county departments of job and family services who determine eligibility are included. Churning also adds to the administrative burden on county departments of job and family services. When caseworkers are required to collect and document duplicate information for multiple programs, it wastes time and resources. This is especially important during the current economic downturn when more families are seeking services at the same time that county departments of job and family services are forced to cut staff.

### **Common sense changes make a difference**

By implementing these changes, Ohio now joins other states who have shown that simplifying enrollment and renewal processes with specific best practices saves money and makes health care more accessible.

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<sup>9</sup> Fairbrother, Gerry, Schuchter, Joseph, and Simpson, Lisa, “What do we know about the effects of insurance expansions for children?” Volume 1, Issue 1, February 2008, Child Policy Research Center, Cincinnati Children’s Hospital Medical Center

<sup>10</sup> Ibid.