

# Simplification Ideas for Medicaid: Application & Renewal



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Col Owens  
Senior Attorney  
Legal Aid Society of Southwest Ohio

# Overview: Medicaid in Ohio

Ohio Medicaid provides health benefits to nearly 1.7 million Ohioans monthly, including:

- 931,000 non-disabled children;
- 344,000 non-disabled parents;
- 186,000 disabled adults and children; and
- 187,000 seniors

# Overview: The Uninsured in Ohio

- In Ohio, there are over 1.3 million individuals without health coverage.
- According to the 2004 Family Health Survey, 156,000 of these are uninsured children.
- The substantial majority of Ohioans without insurance are adults, and the majority are under the age of 40.
- One third of the uninsured have incomes below poverty and another third have incomes below 200% of poverty (\$35,200 per year for household of three).
- And, almost two-thirds of all uninsured adults below poverty work full or part time.

# Overview: Medicaid Eligible in Ohio

Approximately 260,000 Ohioans are presently eligible for but not enrolled in Medicaid, including:

- 150,000 adults; and
- 110,000 children

# What Does Simplification Really Mean?

- Streamlined process for applicants and re-enrollers.
- Simplifying the process can lessen barriers to access and preserve safeguards to privacy.
- Simplifying the enrollment and reenrollment process can achieve real cost offsets, based on lowered incidence of inappropriate emergency care and increased administrative efficiencies.
- Since 2006, nine states have simplified their application and renewal procedures for children.
- Simplification strategies adopted for application and renewal include asset disregards, elimination of in-person interview, and less frequent renewal.

# The Churning Phenomenon

- “Churning” is the cycling in and out of care because of lapses in coverage, most often due to failure to renew timely.
- There is a high degree of churning within Medicaid.
- According to the State Medicaid Enrollment files, 23% of eligible children experienced a gap in coverage within a 3 year period. The average gap is three months.
- Having eligible beneficiaries qualify and enroll, then fail to renew, then re-qualify, is inefficient and costly.
- In Ohio, administrative costs for each enrollment or reenrollment are approximately \$71.
- Interrupted periods of eligibility due to churning undermine care. Churning makes it difficult for care to be coordinated and continuous and for preventive services to be administered.
- More often than not, people lose coverage because of the burdensome re-certification process.

# Simplification Strategies

## Administrative Cost-Efficiency:

- 3rd party verification
- Simplified income verification allowing shortened retroactive review and/or self-declaration of income
- HMO participation in recertification
- 24 month recertification for ABD-Medicaid

## Solution Underway:

- The Ohio Benefit Bank

## Wise Investments:

- Administrative renewal using internal/external data
- Pre-populated renewal form

# Overview: Deficit Reduction Act (DRA)

- Aimed at limiting federal spending, the Deficit Reduction Act (DRA) of 2005 went into effect in early 2006.
- The Act requires states to obtain documentary evidence of citizenship as part of the application process for Medicaid.
- The Act also gives states greater authority to impose cost-sharing for Medicaid-covered benefits and services.

# 3rd Party Citizenship Verification

- Prior to 2006, self-attestation of citizenship and legal status met the eligibility requirements for Medicaid. The DRA requires states to obtain documentary evidence of citizenship as part of the application process for Medicaid.
- A Federal study found this new verification requirement to be a barrier to accessing Medicaid.
- Under the Social Security Act, a state can contract out the verification confirmation to an outside source so long as the final eligibility determination is not delegated.
- Ohio could certify distinct community-based agencies to verify essential eligibility factors such as citizenship by attesting to viewing an original birth certificate.

# Simplified Income Verification

- The income verification component of the eligibility process is highly burdensome.
- Income counted toward eligibility includes: wages, pensions, veterans benefits, child support, unemployment, social security and rental income.
- The financial instability of many Medicaid applicants makes it critical that income verification be simplified.
- Applicants are often required to disprove continuation of previous employment, which can be very difficult.
- For those with multiple and/or revolving employment, the “look-back” period should be shortened to a maximum of 6 months.
- Limiting this review to a meaningful time period could increase access to care, preserve integrity of benefit entitlement, and lower administrative costs.

# HMO Participation in Recertification

- Health maintenance organizations (HMOs) have the unique advantage of an ongoing relationship with Medicaid recipients.
- Given their regular communication with recipients and providers, HMOs could be instrumental in streamlining the Medicaid recertification process.
- HMOs have the incentives and resources to insure the successful completion of the recertification process more efficiently than government.
- HMOs would benefit from a simplified recertification process which decreases churning, promotes continuity of care, and prevents breaks in payment.
- By empowering HMOs to participate proactively in the recertification process, the state could lessen its administrative costs.

# Self-Declaration for Income Verification

- Ten states - Arkansas, Connecticut, Hawaii, Idaho, Maryland, Michigan, Oklahoma, Vermont, Wisconsin and Wyoming - allow for self-declaration of income for Medicaid.
- Eight more states allow for self-declaration of income for SCHIP eligibility.
- Declaration can be made subject to penalty for perjury.

# Cuyahoga County Pilot on Self-Declaration of Income

- From December 2000-November 2001, Cuyahoga County implemented a pilot project allowing Medicaid applicants to verify income via self-declaration.
- An evaluation of this pilot determined there was a 90% accuracy rate.
- Only 2% of applicants were found to be ineligible; between 2-9% of applicants overstated their income.
- Self-declaration increased the initial approval rate from 65% to 85%, and shortened processing times from up to 60 days to up to 30 days.
- While this pilot program has ceased, it is easily replicable.
- Self-declaration for re-enrollees could reduce churning significantly.

# 24-Month Recertification for Appropriate Medicaid-ABD Beneficiaries

- Ohio presently requires ABD-Medicaid beneficiaries to re-certify every twelve months.
- ABD applicants must meet Social Security eligibility criteria to qualify. For those with permanent disabilities, recertification could be conducted every two years and program integrity would be preserved.
- No provision of the Social Security Act forbids adopting a Medicaid certification period of two years.
- Providing a two-year recertification period for appropriate ABD beneficiaries would save administrative dollars, preserve program integrity, and alleviate needless hassle for many disabled Ohioans.

# Solution Underway: Ohio Benefit Bank

- The Ohio Benefit Bank is a web-based program designed to link low-income Ohioans with an array of public benefits.
- There are 120 Benefit Bank sites in Ohio where trained counselors assist individuals in exploring their eligibility for various benefits including health care coverage, home energy assistance, child care subsidies, food stamps, etc.
- In less than 18 months of operation, the Benefit Bank has helped more than 7,500 Ohioans claim more than \$9 million in tax credits and other work supports.
- A project is currently underway to provide an electronic bridge for the Benefit Bank web-based application to CRIS-E, the Medicaid computer eligibility system, which would provide immediate filing and save administrative funds.

# Wise Investments: Administrative Renewal Using Internal/External Data

- Multiple databases within the Department of Job & Family Services could be accessed to determine initial or continuing eligibility for a variety of benefits.
- Such cross-referencing could streamline and lower administrative burdens with respect to Medicaid, Child Support, Child Care, and Unemployment Compensation.
- Ideally, there would ultimately be a web-based application and renewal process.

# Wise Investments: Pre-Populated Renewal Form

- A pre-populated renewal form could be created by re-programming CRIS-E and/or by developing a county form.
- A pre-populated renewal form would eliminate the need for a Medicaid recipient to repeatedly provide previously submitted information at recertification.
- This simplification measure has been approved in concept in previous years, but has not been a priority for CRIS-E improvements.

# Moving Forward



- CKF could propose Pilot Projects with a few counties.
- CKF could enlist the Ohio County JFS Directors Association to issue a "best practices letter" regarding local simplification strategies such as 3<sup>rd</sup> party verification and administrative verification.
- CKF could engage the Ohio Department of Job & Family Services to plan for data exchange modifications for pre-populated renewal and administrative verification.
- CKF could partner with Medicaid to pursue budgetary approval for necessary "start up" costs, hopefully to be (partially) recovered through administrative savings.