

HB06-1270 Bill Analysis

For the Health District of Northern Larimer County Board of Directors

March 28, 2006

Bill Title: Concerning the Authority of Public School Personnel to Make Determinations of Eligibility for Certain Public Medical Benefits

Summary: Establishes a demonstration project to authorize qualified public school personnel to make determinations of eligibility for Medicaid and the children's basic health plan.

Sponsors: House – Merrifield, Paccione, Benefield, Larson, et al/ Senate - Gordon

Committees: House Education

History: 02/21/2006 House Committee on Education Refer Amended to Appropriations

Estimated Date of Next Action: Hearing in Appropriations the week of March 27

Date of Analysis: March 15, 2006

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Background

The stated intent of the bill is to make it easier for families to enroll children in Medicaid or CHP+ by obtaining the necessary financial information in one form as families are applying for free or reduced price school lunch in schools. Presently, in most school systems, there is no mechanism to refer children to the CHP+ or Medicaid program when completing the application for free or reduced price lunch. In some school districts there is an informal link between the programs. These schools have a check box on the form asking families if they would like to be referred to have their eligibility determined for the health insurance programs. In those cases, families are referred to the county and a county employee then contacts the family, receives the complete application and determines eligibility. The bill aims to significantly reduce the amount of time and effort required for families to apply to the programs by putting all needed information on one form and then processing those forms themselves.

California implemented a similar program using a strategy called Express Lane Eligibility.¹ The California project used information from the school lunch form to determine temporary eligibility for Medi-Cal (California's Medicaid program). Children deemed income eligible received temporary benefits. The county then sent a follow-up information request to families and made the final eligibility determination. This project design is different from the pilot program proposed in HB 1270 which involves the school site actually processing the application themselves.

Bill Summary and Overview

The bill establishes a demonstration project that allows schools to develop and process one form for determining eligibility for and enrollment in both the free and reduced price lunch program and Medicaid and CHP+ programs. The bill directs the Executive Director of the Department of Health Care Policy and Finance (HCPF) to convene an advisory committee for the purpose of developing a model application, establishing the criteria for the selection of school districts, soliciting school districts or select schools within a district to apply to be in the demonstration project, reviewing proposals from schools, and choosing the schools to participate.

The model application will contain:

- Federally required information to determine eligibility for free and reduced cost lunches
- Notification that if the child qualifies for the lunch program, he or she may qualify for Medicaid or CHP+
- A request for the applicant's consent to share information regarding the child's eligibility for the programs
- A listing of the other requirements of eligibility for Medicaid and CHP+
- Information on Medicaid and CHP+

¹ Horner, Dawn C., Morrow, Beth, Lazarus, Wendy, *Building an On-Ramp to Children's Health Coverage: A Report on California's Express Lane Eligibility Program*, Express Lane Eligibility Issue Brief, The Henry J. Kaiser Family Foundation, September 2004, <http://www.kff.org/medicaid/7173.cfm>

The bill allows participating schools to seek reimbursement for the costs associated with determining eligibility and enrollment for the health insurance programs from state or federal money available. Schools may only do this with HCPF's permission. The bill directs HCPF to contract for an independent evaluation of the demonstration project if sufficient funds are available through the receipt of gifts, grants or donations.

Why is this issue important?

According to HCPF, approximately 93,435 kids are eligible for CHP+. Of that number, 41,112 are not enrolled. Research has shown that enrolling uninsured children in the public health programs Medicaid and CHP+ improves their access to care. For example, children with Medicaid were 26% more likely than uninsured children to have a well child visit and uninsured Medicaid eligible kids are three times more likely to have an unmet health need than kids enrolled in Medicaid.²

Locally, in pursuit of a joint vision that no child should go without health insurance, the Health District entered into an agreement in 2000 with Fort Collins Area United Way and other community organizations to submit a grant proposal to the CHP+ grants program to implement a pilot CHP+ outreach and enrollment project in Larimer County. Since 2001, the Health District, through an Memorandum of Understanding with Poudre School District, has been providing the outreach and enrollment for the CHP+ program for the school district. This Health District's CHP+ Outreach and Enrollment project was originally intended to be a three-year effort with a goal of institutionalizing the outreach and enrollment process into appropriate community based settings. However, due to many circumstances, (including additional funding for project continuation and a cap on enrollment) the project continued its efforts beyond the initial three years. The initiation of the County Benefits Management System (CBMS) in 2004 provided a new channel to institutionalize the Health District's CHP+ program, though the initial implementation of the system was fraught with many difficulties that once again delayed institutionalization. With improved services being provided by the County, it is now possible to transfer all enrollment duties to the County's CBMS office by the end of June 2006. With the phase-out of the Health District's involvement in CHP+ outreach and enrollment planned for the end of June 2006, families will have to access the CHP+ program by going through the county to receive an application and have the application processed. They will not receive any help filling out the application or obtaining necessary financial documents.

Finding a way to make it the standard that children who live in low-income families will be enrolled in the programs their family is eligible for (with parental consent) has long been a goal of those who believe that all children should be covered by health insurance. Various proposals, from allowing public health clinics and other healthcare providers, such as hospitals, to enroll eligible people, to this proposal, have been considered. All have been challenging to achieve due to federal requirements regarding establishing eligibility.

Reasons to support bill

- Early data from the implementation of the California Express Lane Eligibility Project is promising. According to the report on project implementation, about half of all the students applying for free-lunch also applied for health coverage under Express Enrollment.³ Of those students who applied about one-third received temporary Medical coverage. It's important to remember that the California project included a second, follow-up step for both county official and families in order to determine final eligibility for Medicaid. The pilot project proposed in HB 1270 would process applications at the school and would not likely lose applicants during the application procedure.
- The bill contains a provision calling for an independent evaluation of the pilot project which could yield valuable information about the success of the program in capturing eligible but unenrolled kids.
- The bill allows schools and counties some flexibility in determining how to supply adequate personnel to implement the bill. It's important to note that although the fiscal note includes the addition of one FTE for HCPF, most of the work on this project will take place in the fall when kids are going back to school and applying for the school lunch program. The project may not necessarily need a full-time, year-round HCPF employee.

² Covering Kids and Families, *Maintaining the Gains: The Importance of Preserving Coverage in Medicaid and SCHIP*, June 2003 http://coveringkidsandfamilies.org/ckf/files/maintaining_the_gains.pdf

³ Ibid.

Groups that support the bill:

Family Voices of Colorado

Colorado Chapter of the American Academy of Pediatricians

Colorado School Medicaid Consortium

Colorado Children's Campaign

Reasons to oppose bill:

- The bill, as amended, allows HCPF to decide if schools may receive federal matching money for outreach and enrollment. This provision would allow HCPF to deny schools the opportunity to receive federal matching money and remove a significant funding source.
- The removal of a provision specifically notifying families that HCPF may use the federal "Systemic Alien Verification of Eligibility Program" may not provide enough information for families to determine if they would be negatively affected by submitting an application for the health program.
- The evaluation piece is only implemented if HCPF receives funding through gifts, grants or donations and the bill does not direct HCPF to actively seek such gifts, grants or donations.
- Although HCPF included an estimate of the number of children expected to be enrolled in Medicaid and CHP+ as a result of the pilot projects, it is difficult to determine an exact estimate of the number of new children. HCPF used an "average size" school district but until sites are selected a truly accurate number may be hard to determine. Opponents of the bill might argue that we are increasing enrollment in an entitlement program without being assured that there will be money in the budget in the foreseeable future to pay for increased enrollment in these program.

Groups that oppose the bill:

There has not been any formal testimony in opposition.

About this Analysis

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. Analyses are based on bills or issues at the time of their consideration by the Board and are accurate to the best of staff knowledge. It is suggested that people check to see that a bill has not changed during the course of a legislative session by visiting the Colorado General Assembly web page at www.state.co.us/gov_dir/stateleg.html. To see whether the Health District Board of Directors took a position on this or other policy issues, please visit www.healthdistrict.org/policy.

About the Health District

The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. For more information about this analysis or the Health District, please contact Carrie Cortiglio, Policy Coordinator, at (970) 224-5209, or e-mail at ccortiglio@healthdistrict.org