

House Bill 09-1020 Expedited Re-enrollment for Public Medical Programs

For the Health District of Northern Larimer County Board of Directors

February 24, 2009

Bill Title:	House Bill 2009-1020: Expedited Processes for Re-enrollment in Publicly Funded Medical Programs
Issue Summary:	Directs the Department of Health Care Policy and Financing to establish a process for re-enrollment in Medicaid and the Children's Basic Health Plan both over the telephone and through the Internet.
Bill History:	01/07/2009 Introduced In House - Assigned to Health and Human Services + Appropriations 01/26/2009 House Committee on Health and Human Services Refer Unamended to Appropriations
Date of Analysis:	February 18, 2009
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BILL SUMMARY

House Bill 1020 directs the Department of Health Care Policy and Financing to establish a process to allow Medicaid and Children's Health Plan Plus (CHP+) participants, or their parents or guardians, to apply for re-enrollment over the telephone or through the Internet. The bill specifies that any changes to the current statute must be permissible within the context of federal law.

BACKGROUND

The state is responsible for designating the organizations and sites — known as medical assistance sites — where individuals and families are screened for eligibility and enrolled into Medicaid and CHP+. These sites include county social service departments, local social security offices, locations that process Colorado Works applications, and certain hospitals and medical provider locations that have been named by the state as medical assistance sites. For initial enrollment and re-enrollment, an individual must physically visit one of these sites and manually deliver their application for processing.

Medicaid Eligibility and Enrollment

Though Medicaid is available to all individuals who meet certain eligibility requirements, it is estimated that only about half of the people in Colorado who are eligible for Medicaid actually utilize the program, and that as many as 62% of all children who are eligible for public insurance programs nationwide are not enrolled.^{1 2} Additionally, one study for the Kaiser Commission on Medicaid and the Uninsured found that a majority of uninsured children had previously been enrolled in Medicaid.³

Studies have found that factors related to the enrollment process are part of the reason for limited participation. In their study for the Kaiser Commission, Perry, et al., conducted a national survey of individuals who were enrolled in Medicaid as well as people who appeared to be eligible for the program but were not enrolled. The survey showed that:

- Overall hassle of the registration process was cited by 66% of eligible individuals as a reason for not enrolling;
- Inconvenient office hours and locations were named by 40% of respondents as a barrier to joining Medicaid, and;
- One out of every three people surveyed did not like going to the Welfare office to register.

¹ U.S. Department of Health and Human Services; Health Resources and Services Administration. <http://mchb.hrsa.gov/chusa07/state/pages/402meereu.html>. Reviewed on-line, 02/13/09.

² Dorn, S. and Kenney, G. (2006) Automatically enrolling eligible children and families into Medicaid and SCHIP: opportunities, obstacles, and options for federal policy makers. The Commonwealth Fund. June 16, 2006. Vol 26. <http://www.commonwealthfund.org/Content/Publications/Fund-Reports/2006/Jun/Automatically-Enrolling-Eligible-Children-and-Families-Into-Medicaid-and-SCHIP--Opportunities--Obsta.aspx>. Reviewed on-line 02/17/2009.

³ Perry, M., Kannel, S., and Valdz, R.B. (2000) Medicaid and children: overcoming barriers to enrollment; findings from a national survey. Kaiser Commission on Medicaid and the Uninsured. January, 2000. Available at www.kff.org/medicaid.

As stated in the study, “These findings suggest that the Medicaid enrollment process is not structured in a way that helps working parents enroll their children in the program.” The study went on to ask about strategies for improving enrollment in Medicaid. Of those eligible yet not registered, 60% indicated that an enrollment process over the telephone would make them “much more likely to enroll.” For overall respondents, mail-in or phone-in registration was “the most popular idea tested,” with over half of all those surveyed indicating a preference for such enrollment procedures. Also noted by about half of the respondents was the desire to speak with a knowledgeable person on the telephone prior to enrollment.⁴ “Strategies focusing on making the enrollment process more convenient consistently ranked high among [respondents],” the study concluded. “These include mail-in or phone-in enrollment, more convenient office hours, more locations in the community at which to enroll, and automatic enrollment in Medicaid when enrolling in other programs, such as the school lunch program.”⁵

Current Use of the Internet to Facilitate Enrollment

As of January, 2009, about half of the states report that they are implementing or are in the process of designing on-line applications for Medicaid. Some states at the “forefront of using on-line applications also report that their applications currently interface with existing eligibility systems” so that enrollment procedures are not redundant and eligibility determination can “move forward more rapidly.”⁶ In 2002, a study for the National Governor’s Association (NGA) Center for Best Practices showed that:

- In Georgia, Internet applications outpaced mail-in applications by almost two to one and 41% of all eligible SCHIP children applied for enrollment in the first year after implementation of Internet registration;
- In California, a 21% decrease in time between application submission and eligibility determination was noted, and 95% of applicants indicated that they preferred the Internet application to a paper application;
- Applicants in Texas were far more likely to submit a completed application if they used the Internet to apply, as opposed to submitting a paper application—90% as opposed to 60%;
- Initial results in Pennsylvania, Michigan, and Washington did not show an increase in participation, or a marginal increase, at best.⁷

In a separate study for the National Academy for State Health Policy (NASHP), the potential benefits and drawbacks of on-line Medicaid applications were discussed. These are highlighted in the table below:

Potential Benefits	Potential Drawbacks
<ul style="list-style-type: none"> • Applying on the web can increase customer convenience for applicants with busy lives. • When high volumes of applications are received over the web, state administrative costs can be reduced. • Applications submitted on-line are more complete and have fewer errors than those completed on paper and then transcribed into information system databases. 	<ul style="list-style-type: none"> • In some cases, the development costs may not outweigh, or may not quickly enough outweigh, the costs of implementation. • On-line enrollment systems can be complex to design for Medicaid programs because of the Federal requirement to collect written signatures. • In addition, on-line enrollment systems that can collect premiums on-line can be challenging to design and operate.

The NASHP study went on to note that in some instances, “states find that an administrative change, such as the simplification of the state’s existing application process, may be a more efficient remedy to a problem than the implementation of an on-line enrollment system;” but that, “Overall, on-line enrollment systems have clearly increased the satisfaction of those applying for Medicaid and SCHIP in several states.”⁸

⁴ Ibid: 16-18.

⁵ Ibid: 22.

⁶ Ross, D. and Marks, C. (2009) Challenges for providing healthcare coverage for children and parents in a recession: a 50 state update on eligibility rules, enrollment and renewal procedures, and cost-sharing practices in Medicaid and SCHIP in 2009. Kaiser Commission on Medicaid and the Uninsured. January, 2009.

⁷ Krause, B. (2002). Enrollment hits the web” states maximize Internet technology in SCHIP and Medicaid. *Issue Brief*. NGA Center for Best Practices. Health Policy Studies. May 29, 2002.

⁸ Wysen, K. (2003). A state guide to on-line enrollment for Medicaid and SCHIP. National Academy for State Health Policy. January, 2003.

WHY IS THIS ISSUE IMPORTANT?

As the largest insurer of low-income individuals and families, Medicaid and SCHIP are vital to securing and promoting the overall health and well-being of our nation's populace, yet data show that the programs are consistently under-utilized. It is estimated, for example, that there are almost 5 million Medicaid-eligible children, nationwide, who are not enrolled in the program. One study highlights the importance of this statistic by noting that, "Children who are eligible for but not enrolled in Medicaid do, in fact, encounter greater obstacles to care than their Medicaid-covered counterparts. When compared with Medicaid-covered children with the same health status, family income, and other characteristics, the uninsured are more likely to report unmet medical need and less likely to use health care services."⁹ Similar trends are found for Medicaid-eligible adults, as roughly 50% of all eligible adults are not enrolled in Medicaid and are more likely to "report unmet need, lack a usual source of care, and make less use of physician services" than their Medicaid-enrolled counterparts.¹⁰

REASONS TO SUPPORT BILL:

- This bill helps assure continuity of coverage for individuals and families who rely on Medicaid and CHP+ for their medical insurance. Consistent and continuous care is imperative for people with certain acute medical conditions and is vital to establishing and maintaining a medical home — a cornerstone of delivering quality primary care.
- HB 1020 helps close the gap between re-enrollment processes of public and private health insurance carriers. By and large, individuals with private, work-sponsored health insurance can re-enroll at their jobs with little time lost and little burden due to the process. The same can not be said for individuals and families who are covered by public insurance in Colorado.
- On-line re-enrollment can significantly reduce administrative problems that cost the state extra money and keep people from getting the coverage they need. Within a year of introducing their on-line enrollment option, for example, California reported a 40% drop in application errors and Texas reported a significantly larger number of completed applications through the on-line process,¹¹ — meaning fewer resources were wasted revisiting applications and individuals became verified for eligibility much more quickly.
- Many people who qualify for public medical assistance have neither the time nor means to re-enroll in person. Often, these individuals work in jobs without paid leave and can not afford to lose wages by taking time off to enroll in Medicaid. Many have transportation issues that preclude them from visiting a medical assistance site to register. Telephone and on-line re-enrollment gives these individuals a viable option for continuing in the program.

REASONS TO OPPOSE BILL:

- Designing and implementing an on-line and telephone enrollment system can be difficult and expensive. Though start-up costs will be split between the state and federal governments, estimates place Colorado's share at over \$3 million, carried over two years (FY 2009-10, FY 2010-11).¹² There are already systems in place for re-enrollment in Medicaid and CHP+; and while there may be room for improvement, these processes have worked for Colorado, so far. At a time when the economy is forcing many public programs to face deep cuts, it makes little sense to spend money developing a new program where an existing, workable one already exists.

⁹ Davidoff, A., et al. (2000). Children eligible for Medicaid but not enrolled: how great a policy concern? Urban Institute. <http://www.urban.org/publications/309643.html#n1>. Reviewed on-line 02/17/2009.

¹⁰ Davidoff, A., et al. (2001). Medicaid-eligible adults who are not enrolled: who are they and do they get the care they need? Urban Institute. <http://www.urban.org/publications/310378.html>. Reviewed on-line, 02/17/2009.

¹¹ Wyses, K. (2003). A state guide to on-line enrollment for Medicaid and SCHIP. National Academy for State Health Policy. January, 2003.

¹² HB 1020 Fiscal Note

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.

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