

Refining outreach in a new administration

Anticipating the new administration of a governor who has pledged to find and enroll all eligible children in CHIP and Medicaid, the Pennsylvania Covering Kids and Families Coalition is recommending significant policy changes, pilot testing, and small enhancements to improve coverage.

Enrollment

The state should continue using COMPASS, the online application for social services, to further streamline the application process for families. A Power User version due for implementation in June will allow faster completion by agencies and organizations providing application assistance in community settings. **Applications could be taken over the phone and submitted over the Web** by the Helpline staff as well as other agencies.

Presumptive eligibility can be applied in several situations. Children moving from Medicaid to CHIP at ages 1 and 6 due to changes in income eligibility should be presumed eligible for CHIP and automatically enrolled to prevent interruptions in health coverage. Children moving between Medicaid and CHIP at renewal should be

automatically enrolled, based on reported family income. Children applying for Supplemental Security Income should be presumed eligible for Medicaid and automatically enrolled based on the SDX tape provided by the Social Security Administration. The state should pilot-test presumptive eligibility for children seen in emergency rooms, clinics, or hospitals, to determine the feasibility of providing rapid, on-site CHIP and Medicaid enrollment.

A previous test of self-declaration of income in the Philadelphia School District revealed significant problems in obtaining retrospective income information. The state should **further explore state and federal income reporting systems** to improve accurate and timely reporting.

The state should continue to test and implement a **combined school lunch and health coverage application**, based on the pilot project among the Consumer Health Council and school districts in Allegheny County.

Renewal

CHIP and Medicaid renewal should have a common set of data elements and a set of processing procedures that maintain coverage for children at renewal. One priority for the new administration should be a **common renewal form** — drafted but not yet implemented by state agencies. State departments should also explore

Inside

- Key officials filling new posts in Rendell Administration, page 3
- Impact of President's Medicaid revisions could be negative, page 3

continued on page 2

Recommendations to the new administration

continued from page 1

pre-printing renewal forms with the information obtained through the initial enrollment process or through previous renewals.

Another streamlining use for COMPASS: Families **could call the Helpline or go online to renew coverage.**

One of the remaining major differences between Medicaid and CHIP is the length of enrollment. In Pennsylvania, for most families with children, Medicaid requires a complete, annual redetermination. However, families must report income changes to DPW, and they lose Medicaid coverage if the new income exceeds eligibility standards. **Continuous 12-month Medicaid eligibility** would cover children for a full year regardless of changes in family income, similar to CHIP coverage. Twelve-month continuous eligibility would also align the two programs for families with children in both programs, simplifying utilization and renewal.

Outreach

The state has supported extensive outreach efforts, with television and radio advertising and the Reaching Out mini-grants for 20 community-based agencies.

Following proven strategies revealed in focus-group testing, the Department of Insurance should **add the maximum income limits to existing and new TV and radio ads.**

Reaching Out mini-grants, in place since October 2000, have funded outreach and enrollment efforts in rural and urban settings. These grants support assisted enrollment in a variety of settings and have produced a series of lessons on working with diverse populations. Pennsylvania should **continue to fund these 20 grantees and expand the mini-grants to reach 20 more organizations.**

Schools remain a key resource for outreach efforts. A new law requires the Department of Insurance to provide information on CHIP applications to each school district. Set for a fall 2003 start date, these materials should provide fami-

lies with information on eligibility, accessing applications, and where to call for assistance. In addition, schools should be offered information on combined applications for school lunch and health coverage as pilot-tested, identifying eligible children through emergency card information, and outreach through school nurses.

Expand eligibility and benefits

Since 1999, families have been allowed to deduct a portion of their child and dependent care expenses. However, these allowances are less than those allowed by the Department of Public Welfare in other programs. Pennsylvania should **increase the child care deduction** to better reflect the actual cost of child care.

Federal rules allow states to disregard family income when calculating Medicaid eligibility. Pennsylvania does disregard some dependent care expenses and a small portion of earned income, with its the \$90-per-month work allowance. Some states have disregarded child support income, all dependent care expenses, transportation expenses, and education costs. The federal rules allow states to arbitrarily disregard a flat amount such as the first \$2,000 in earned or unearned income each month. Pennsylvania should **explore further income disregards** to expand the number of families eligible for coverage.

The low-cost CHIP program continues to grow at a far slower rate than free CHIP, and the strongest deterrent to enrolling is the premium. Even at 200 percent to 235 percent of poverty, families have trouble affording the 50 percent co-payment for health insurance premiums. Pennsylvania should **expand eligibility for the free program to 300 percent.**

Medicaid provides all "medically necessary" health care services to enrolled children, and CHIP provides a comprehensive benefits package with certain limits. The two programs provide similar services — with some notable exceptions. To further meet the health care needs of children enrolled in CHIP, **family-based mental health services and medically necessary orthodontia** should be added.

New administration, new administrators

The new governor's administration has arrived with new officials responsible for developing and implementing policies in children's health coverage. Key players are:

Office of the Governor:

- David Myers, Deputy Chief of Staff
- Donna Cooper, Policy Director
- Rosemarie Greco, Director, Office of Health Care Reform

Secretary of Public Welfare:

- Estelle Richman

Secretary of Education:

- Vicki Phillips

Secretary of Health nominee (not yet accepted the nomination)

- Ana Pujols-Mekee

Diane Koken remains Insurance Commissioner until the governor selects a nominee.

CKF-Access Initiative: Call for Proposals

To improve access to health care services after enrollment in Medicaid and SCHIP, the Robert Wood Johnson Foundation has developed the Covering Kids and Families-Access Initiative. This \$4 million program, administered by the Center for Health Care Strategies (CHCS), will

award up to 25 two-year grants of up to \$125,000. Only current Covering Kids and Families local grantee organizations can respond to this Call for Proposals. Applicants must submit proposals online, due by April 1, 2003.

President's proposed Medicaid revisions could have a negative impact on coverage

President Bush's budget proposal to revise Medicaid could create problems in both Pennsylvania's coverage and infrastructure, failing to provide fiscal relief for state Medicaid budgets and, instead, frontloading funds that must be paid back in the short term and removing the federal guarantee of funds to support growth and expansion.

Medicaid is a shared federal and state program with specific rules regarding benefits, eligibility, due process and appeals. Through several congressional expansions in the 1980s and 1990s, Medicaid is an entitlement program divided into mandatory and optional categories of beneficiaries.

Pennsylvania receives 54.8 cents from the federal government for every 45.2 cents in state funds spent in Medicaid. There is no limit on the amount of money that can be spent, and Medicaid funding grows as enrollment grows. Because it is an entitlement program, Medicaid has a defined set of federal rules that states must follow regarding eligibility and benefits. Children

under 21 in Medicaid are entitled to receive all medically necessary services.

In the face of states' shrinking revenues and growing Medicaid rolls, several congressional proposals have been advanced to temporarily increase the federal match for Medicaid or revise funding formulas. However, the heart of the Bush Administration's proposal for the 2003-04 federal budget is not increased funding but greater state flexibility.

Block grant

The Bush proposal is offered to states on a voluntary basis, giving states the option to continue the current program.

The Bush proposal would merge Medicaid and SCHIP into a 10-year health care block grant. In the first seven years of the proposed block grant, states would receive a greater share of the funds. Those "frontloaded" funds would be paid back by

continued on page 4

Proposed Medicaid revisions

continued from page 3

reducing the allotments in the later three years of the period. The total 10-year amount of the allotment would be fixed. If Medicaid costs increase due to rising enrollment or expenses, the block grant would not grow with those costs. Currently, if Medicaid costs increase, the federal share of those costs rises, too.

Under the block grant concept, states would gain some flexibility over their Medicaid programs, receiving their Medicaid and SCHIP funds in two categories: acute care and long term care. States would still have to cover individuals in the mandatory Medicaid categories but would have flexibility over eligibility and benefits for those in the optional categories.

Most of Pennsylvania's Medicaid children, except for infants between 133 percent and 185 percent of poverty, would not be affected because they fall into the mandatory category. But Pennsylvania's 127,000 children in CHIP would be considered optional beneficiaries. As part of the optional category of beneficiaries, they would be pooled with the elderly, people with disabili-

ties, and parents. As a result, the dedication of SCHIP federal funds to children would be lost and budgetary pressures could pit one group of beneficiaries against another.

Questions remain about the extent of the plan's flexibility impact on consumer protections, including due process procedures, appeals, notices regarding coverage and eligibility, and definitions of benefits and medical necessity.

In addition, changing Medicaid from an entitlement to a block grant poses infrastructure questions that would affect even those in mandatory coverage. Nationally, the block grant option would cover 100 percent of the children in SCHIP, 56 percent of seniors, 22 percent of people with disabilities and 20 percent of children in Medicaid. If their coverage is restricted to a set of "basic" benefits, the providers of services such as mental health and dental care, durable medical equipment, and substance abuse treatment would lose a significant source of operating funds and might not be able to sustain services.

The same may be true for facilities providing outpatient services through hospital clinics and emergency rooms. Reductions in payments rather than benefits could produce similar results.

Within a managed care environment for Medicaid and SCHIP, such as Pennsylvania's, enforceable patient protections and due process rights are critical to ensuring that families receive the benefits paid for through a capitated system. The absence of federal rules and regulations for a portion of beneficiaries could have a profound impact.

For more information, visit:

- Families USA at www.familiesusa.org, under Take Action.
- The Center on Budget and Policy Priorities, www.cbpp.org.
- Kaiser Network, www.kaisernetwork.org.

Or enroll in the Pennsylvania Children's Advocacy Network, www.papartnerships.org/ourform.html.



Pennsylvania Partnerships for Children

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