Medicaid Enrollment:
Is the First Step the Hardest?

A DISCUSSION FEATURING:

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FORUM SESSION ANNOUNCEMENT

FRIDAY, SEPTEMBER 10, 2010
8:30AM–9:00AM—Breakfast
9:00AM–11:00AM—Discussion

LOCATION
Reserve Officers Association
One Constitution Avenue, NE
Congressional Hall of Honor
Fifth Floor
(Across from the Dirksen
Senate Office Building)

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OVERVIEW

To receive Medicaid benefits, the first step a potential beneficiary must take is to enroll through a process that determines eligibility for the program under federal and state rules. In many states, enrollment systems are complex, difficult and cumbersome. But procedures vary widely from state to state, and some have simplified their enrollment processes, streamlining both initial eligibility determination and recertification. Such modernization and streamlining of administrative processes will be necessary to sign up the millions of uninsured Americans who will be covered by Medicaid or receive subsidies for health coverage under the provisions of the Patient Protection and Affordable Care Act (PPACA). The act requires that states implement online applications, as well as electronic coordination between Medicaid, CHIP, health insurance exchange, and subsidy programs. This Forum session will address the current status of Medicaid eligibility and enrollment processes and consider the need for changes in the future. Speakers will describe how states have approached this process in the past, discuss what has been learned about streamlining and simplifying enrollment, and consider changes that are necessary to effectively implement the health care reform legislation.

BACKGROUND

It is estimated that 16 million new low-income people will become eligible for Medicaid in January 2014; an additional 16 million are projected to be covered through health insurance exchanges, which may be administered by states. States will need to have administrative processes in place to ensure that those who are eligible can enroll quickly and efficiently. Specifically, the Patient Protection and Affordable Care Act (PPACA) mandates states to develop online applications utilizing electronic signatures and to implement coordination between Medicaid, CHIP, exchange, and subsidy programs. The Secretary of the Department of Health and Human Services must provide a single, standardized, simplified form for states to use to determine eligibility for the programs. A state wishing to develop a different form can do so, but must meet still meet standards similar to those used by the Secretary to develop the federally provided form. The form can be filed with any of the state’s health subsidy programs, including Medicaid, CHIP, exchange plans, and tax and
other premium assistance funds, and must be suitable for submission online or by mail, telephone, or in person. States are required to screen applicants for all health subsidy programs and enroll them in the appropriate program, in the process requiring a minimum of paper-based data directly from the potential beneficiary and coordinating seamlessly across the programs. To meet these requirements, many states will need to significantly change their current practices.

**Eligibility Determination Process**

To receive Medicaid benefits, a potential beneficiary must first be determined to be eligible under federal and state Medicaid rules and procedures. This process typically requires the potential beneficiary to provide information that verifies, at a minimum, income, resources, assets, and family status. Additional information about expenses is also usually required. The overall goal of these processes is to ensure that those who are qualified are enrolled and that expenditures of public funds are safeguarded. Once deemed eligible and enrolled, beneficiaries must be periodically recertified, often through the same procedures. Recertification can occur as frequently as every month but is usually quarterly or semiannual. These new or renewal applications are often handled by caseworkers in a local or county welfare office, using a uniform state application; while many states make applications available online, supplemental information must usually be faxed or mailed in to a local or state office.

Since the statutory delinking of Medicaid from welfare programs in the 1996 welfare reform legislation (the Personal Responsibility and Work Opportunity Reconciliation Act), and enactment of the Children’s Health Insurance Program (CHIP) the following year, some states have significantly simplified enrollment processes, especially for children, while maintaining required safeguards. Nearly all states have reworked some facet of their enrollment process, and some have developed sophisticated outreach activities, involved partners to help get children signed up for public programs, simplified their rules and applications, moved to automated systems, and undertaken efforts to change the nature of the interaction between potential beneficiaries and state bureaucrats.

To streamline both initial eligibility determination and recertification, a few states have adopted other new practices. Examples include a “screen and enroll” procedure, in which states use one simplified application process for enrolling children in either CHIP or Medicaid, and “express lane eligibility,” a procedure in which beneficiary
information contained in other state files, such as the Supplemental Nutrition Assistance Program (food stamps), Temporary Assistance for Needy Families, or a school lunch program, is used to certify or recertify Medicaid eligibility. Passive reenrollment, which maintains beneficiaries in the program unless they report a change in circumstances (rather than having them initiate and fill out a full application), has been used in some states. A few states have centralized and/or automated children’s enrollment and no longer use local or county-based eligibility workers for this task.

Not all states have followed the same path, however. Many still use paper applications with no Web-based or automated alternatives, require hard-copy signatures in face-to-face interviews at a welfare office, and need backup justification from pay stubs and bank accounts rather than electronic verifications. And recertifications result in a continual replay of these difficult paper-based and interpersonal interactions, which were developed before the advent of digital documentation and do not necessarily provide the program integrity protections they were intended to produce. Given the myriad of social and economic challenges often facing the low-income people who need Medicaid and CHIP, it is not surprising that many are on and off of these programs multiple times within each year, leading to additional administrative costs.

Information Technology Challenges

A particularly difficult problem for state Medicaid programs as they move toward 2014 is information technology capacity and management. While eligibility and enrollment systems have been modified dozens, if not hundreds, of times over a period of decades in many states, they have not been substantially overhauled or modernized. Modern systems are expensive and time-consuming to develop, install, and maintain, and they require specialized expertise, leading many states to outsource these responsibilities. In addition, there are long lead times to meet statutory procurement requirements and standards. States usually receive a 50 percent federal match for developmental work on eligibility systems but receive a 90 percent match if a new system addresses claims processing. The lower match is one important reason states have given for not updating eligibility systems in the past, and funding may present a significant hurdle as states work to implement the PPACA enrollment requirements during a period of economic downturn. Without significant modernization, however, it is difficult to see how many states’ jerry-built
systems will be able to accommodate the PPACA requirements for simplification as well as the use of new modified adjusted gross income, or MAGI, standards for income eligibility for Medicaid and exchange subsidies. Finally, eligibility and enrollment systems may be managed in other income support and social service programs. Depending on working relationships, it is complicated at best for Medicaid directors to influence modernization efforts in order to improve enrollment processes.

New streamlined processes, modernized systems, innovative approaches—all will be important to every state and the federal government in the coming months and years. Looking ahead to January 1, 2014, state and federal officials alike see developing, testing, and implementing new and better enrollment processes as a high priority. Some states have already pioneered streamlined Medicaid enrollment procedures but all will have to develop the system capacity to handle the influx of new Medicaid enrollees and integrate their eligibility systems with the new state exchanges. Getting from here to there will be a challenge for all concerned and critical to achieving and maintaining coverage for millions of newly eligible individuals.

SESSION

This Forum session will review current procedures for determining and maintaining Medicaid eligibility, broadly described as the enrollment process, as well as some of the challenges states face in modernizing their practices. Speakers will consider challenges states have faced in the past and the changes that are required in the future under the PPACA.

SPEAKERS

Carol Steckel, Medicaid commissioner in Alabama and president of the National Association of Medicaid Directors, will describe the history and current functioning of Medicaid eligibility and enrollment in Alabama and across the nation, commenting on the many current challenges and issues that states face as they move toward health reform implementation in January 2014. Cindy Mann, deputy administrator of the Centers for Medicare & Medicaid Services and director for the Center for Medicaid, CHIP, Survey and Certification, will comment on what has been learned in the last decade about CHIP and Medicaid outreach and enrollment, as well as the administration’s vision for the future of enrollment processes under
Claudia Page, co-director of the Social Interest Solutions, a nonprofit organization chartered to assist in developing tools to connect low-income families to public programs, will discuss her organization’s signature tool, “One-e-app,” an innovative Web-based system for connecting families with a range of public health and human services programs, and the lessons that this work holds for future public program enrollment with a consumer focus.

**KEY QUESTIONS**

* What is the history of Medicaid enrollment processes? What are the essential components of eligibility and enrollment systems? How extensive are changes that states will be required to make to enroll the millions of people who will be newly eligible under the PPACA?

* How greatly do states vary in terms of the design and operation of their eligibility and enrollment processes? Can states share expertise or work together in some ways? What is the federal role in assisting states to overhaul their eligibility and enrollment procedures? What opportunities do foundations and the private sector have to contribute to enhanced enrollment systems?

* What have we learned about enrollment processes from the recent emphasis on expanding coverage of children in Medicaid and CHIP? Will those lessons apply to enrolling the low-income adults who will make up the majority of new Medicaid beneficiaries under the PPACA?

* Can states implement new processes by adding onto current systems, or will the provisions of the PPACA and the demands of new enrollees require entirely new systems?

* Given the “great recession” and difficult state budget situations, where will states turn for resources needed to develop and implement new systems and procedures? If the money is somehow available, what additional resource limitations do states face: Technical expertise? Staff resources? Other?

* How do states balance their new responsibilities for streamlining enrollment and their need to pay sufficient attention to other critical concerns, including access to providers, delivery system reform, and value and quality of care for beneficiaries?