kaiser commission on medicaid and the uninsured
MEDICAID FACTS
THE HENRY J. KAISER FAMILY FOUNDATION
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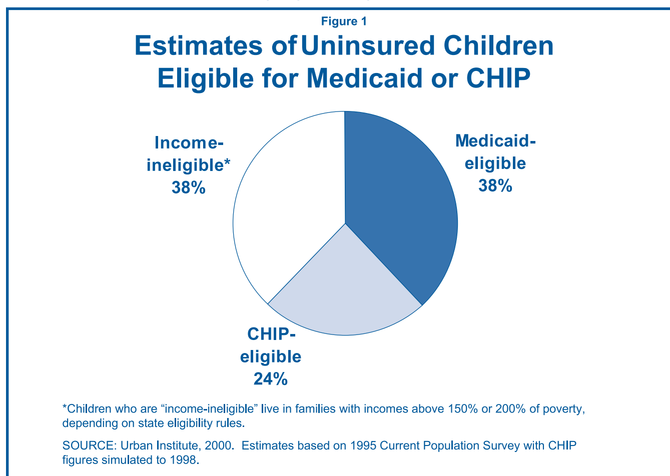
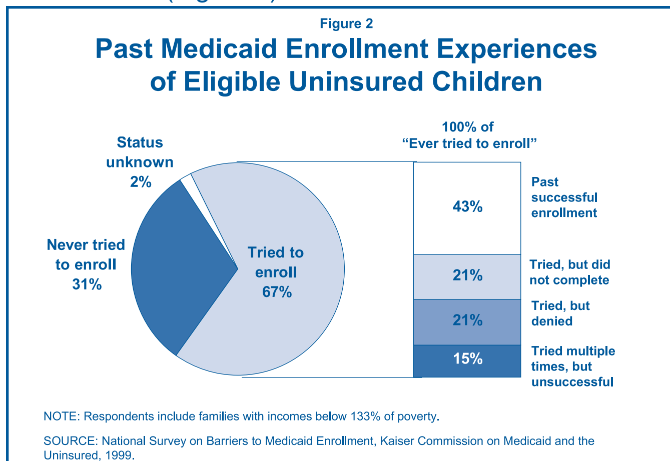
ENROLLING UNINSURED CHILDREN IN MEDICAID AND CHIP

Nationally, over 11 million, or one in seven, children are uninsured—two-thirds live in families with incomes below 200% of poverty ($33,400 for a family of four in 1999). The Medicaid program is a critical health care safety net for low-income children, covering 21 million children in 1998. The State Children's Health Insurance Program (CHIP) has extended coverage to an additional 2 million children who do not qualify for Medicaid. Yet millions of children are believed to be eligible for these programs but remain uninsured (Figure 1).



ELIGIBLE BUT UNINSURED CHILDREN

Low-income uninsured children typically live in two-parent, working households and have little contact with the welfare system. Nearly all low-income parents believe having health insurance coverage for their child is very important. In fact, two-thirds of low-income parents (67%) have tried to enroll their child in Medicaid. However, over half (57%) of these attempts were unsuccessful (Figure 2).

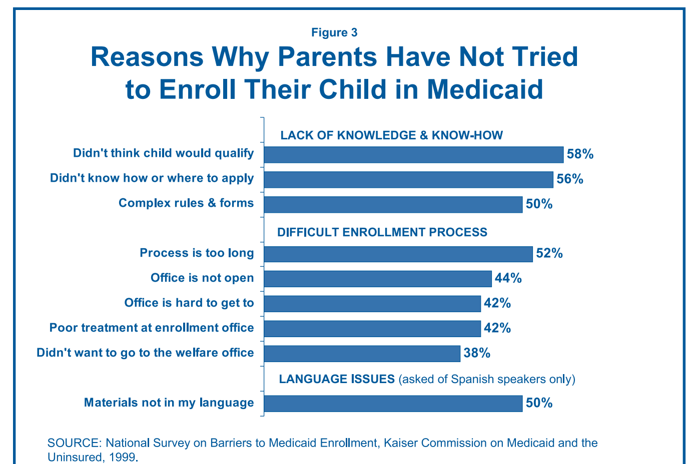


Lack of insurance coverage negatively affects access to care among low-income children: 41% of parents of eligible uninsured children postponed seeking medical care for their child because they could not afford it.

BARRIERS TO ENROLLMENT

Since its inception, Medicaid has been tied to the welfare system. Though recently "delinked," Medicaid eligibility rules and enrollment process are still subject to many of the requirements for cash assistance.

Lack of knowledge and complex eligibility rules. Many parents who have never tried to enroll their children in Medicaid do not know that their children qualify for the programs, often because of complex eligibility rules. Others lack basic information on how or where to enroll (Figure 3). Medicaid and CHIP often have different eligibility levels depending on a child's state of residence, age, and family income. Fluctuations in family income could result in children moving on and off either program.



Difficult enrollment process. Parents who have never tried to enroll believe the Medicaid enrollment process to be difficult and inconvenient. They cite limited hours and locations for enrollment and the time required to apply as important factors that keep them from enrolling (Figure 3).

These perceptions are borne out by actual enrollment experiences. Many parents who have tried to enroll their children did not complete the process because it was too complicated and confusing (62%). Others cited difficulties in getting all the required documentation (72%) and the overall hassle of the enrollment process (66%) as important reasons for not completing the process.

Other enrollment barriers. Among Spanish-speaking parents, half (50%) assume that enrollment materials would not be available in their language, discouraging them from even trying to enroll their children.

Finally, negative associations with welfare persist and create barriers to Medicaid enrollment. Over one-third of parents who have never tried to enroll their children (38%) do not want to go to the welfare office to enroll in Medicaid and 42% worry that they will be treated badly at the enrollment office. In addition, some states have encountered eligibility systems problems that have led to the inappropriate disenrollment of eligible children whose families leave welfare.

STRATEGIES TO IMPROVE ENROLLMENT

With few federal requirements for the enrollment process, states have the flexibility to help families overcome many of these enrollment barriers (Figure 4).

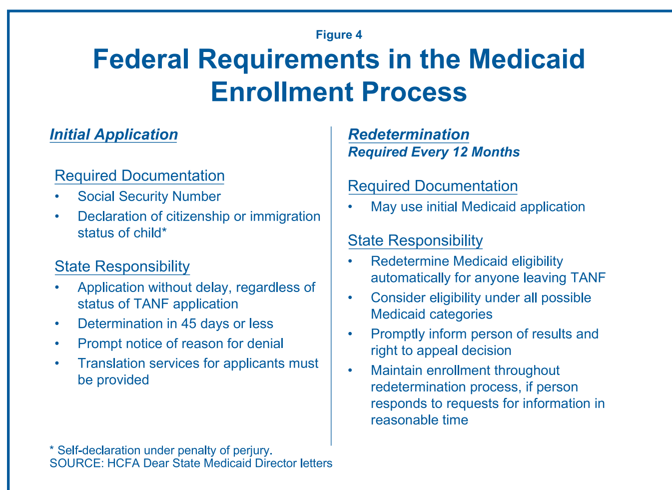


Figure 4

Federal Requirements in the Medicaid Enrollment Process

Initial Application

Required Documentation
- Social Security Number
- Declaration of citizenship or immigration status of child*

State Responsibility
- Application without delay, regardless of status of TANF application
- Determination in 45 days or less
- Prompt notice of reason for denial
- Translation services for applicants must be provided

Redetermination
Required Every 12 Months

Required Documentation
- May use initial Medicaid application

State Responsibility
- Redetermine Medicaid eligibility automatically for anyone leaving TANF
- Consider eligibility under all possible Medicaid categories
- Promptly inform person of results and right to appeal decision
- Maintain enrollment throughout redetermination process, if person responds to requests for information in reasonable time

* Self-declaration under penalty of perjury.
SOURCE: HCFA Dear State Medicaid Director letters

Streamlined enrollment process. By streamlining the process, states reduce the single greatest barrier to Medicaid enrollment. States, such as Indiana, Massachusetts, and Oklahoma, have already restructured the enrollment process to make it more accessible and have seen increases in enrollment.

States can make their application forms simpler and shorter and allow parents to mail them in to the enrollment office. Expanded enrollment sites and hours along with the outstationing of eligibility workers and application assistants can also help to reduce enrollment barriers. Eliminating unnecessary verification requirements would ease the burden on families and eligibility workers alike. Finally, adoption of presumptive eligibility and/or accelerated Medicaid enrollment of uninsured children already participating in other income-comparable public programs such as food stamps or school lunch would make the enrollment process more user-friendly (Figure 5).

Simplified eligibility rules. States can choose to raise income and age eligibility levels for children beyond federal minimum standards to provide uninterrupted coverage as children grow older. States can make income eligibility determinations easier and more inclusive by eliminating asset tests and applying income disregards. Adopting 12-month continuous eligibility can help families maintain insurance coverage despite small income fluctuations (Figure 5).

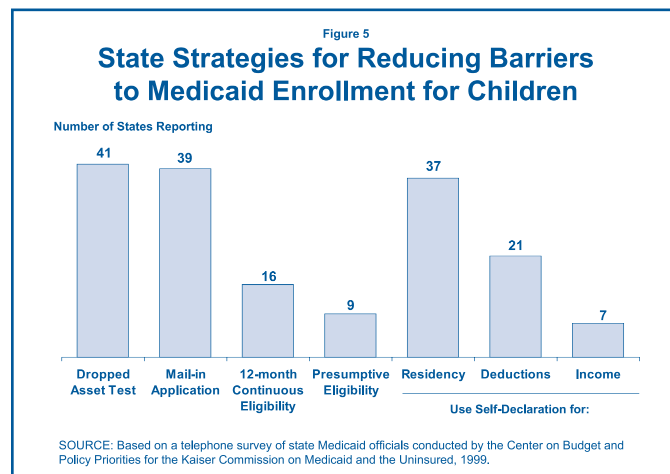


Figure 5

State Strategies for Reducing Barriers to Medicaid Enrollment for Children

SOURCE: Based on a telephone survey of state Medicaid officials conducted by the Center on Budget and Policy Priorities for the Kaiser Commission on Medicaid and the Uninsured, 1999.

Expanded outreach. States should continue raising program awareness through public education campaigns and by contracting with community-based organizations to conduct outreach and enrollment activities. Different approaches may be needed to reach different groups, though printed materials and personal contact are key to effective outreach. Funding for these activities include state allocations from the $500 million fund established to assist states with maintaining Medicaid coverage for persons affected by welfare reform, Medicaid administrative funds, and CHIP administrative funds (up to 10%).

RETENTION AND REDETERMINATION

Greater outreach and enrollment efforts should be supported with measures to ensure that eligible children retain their coverage during redetermination. Unwarranted disenrollment disrupts continuity of care, decreases access to care, and dilutes state efforts in increasing enrollment by contributing to the constant "churn" of children cycling on and off Medicaid and CHIP.

States have much discretion in designing the redetermination process as federal requirements are minimal for Medicaid and nonexistent for CHIP (Figure 4). States should apply the same tools used to streamline the initial enrollment process to make the reenrollment process more accessible. Finally, because redetermination for children may result in enrollment shifts between Medicaid and CHIP, coordination between the programs is critical to ensure seamless coverage.

The Kaiser Commission on Medicaid and the Uninsured was established by the Henry J. Kaiser Family Foundation to function as a policy institute and forum for analyzing health care coverage, financing and access for the low-income population and assessing options for reform. The Kaiser Family Foundation is an independent national health care philanthropy and is not associated with Kaiser Permanente or Kaiser Industries.