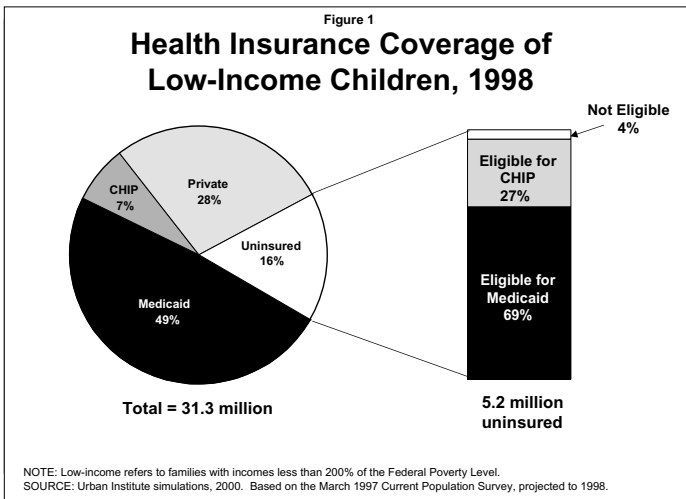


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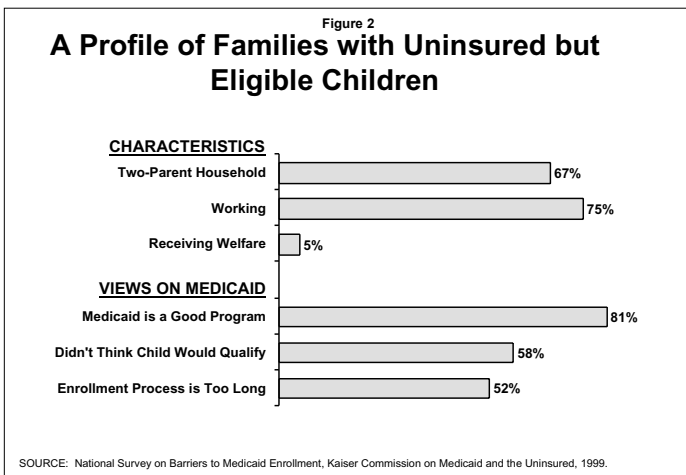
ENROLLING UNINSURED LOW-INCOME CHILDREN IN MEDICAID AND CHIP

Together, Medicaid and the State Children's Health Insurance Program (CHIP) form a critical health care safety net for children. Medicaid, the nation's major public financing program for health services for low-income people, covered 20.6 million children in 1998. CHIP, which targets low-income uninsured children who do not qualify for Medicaid, covered over 2 million additional children as of June 2000. With recent expansions in Medicaid and the implementation of CHIP, virtually all low-income children (with incomes below 200% of poverty, or \$29,260 for a family of three in 2001) are now eligible for health insurance coverage, yet millions 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 (Figure 2). Nearly all low-income parents say that having health insurance coverage for their child is very important, though many cannot afford to pay for it on their own. Most low-income parents (81%) view Medicaid as a good program, but have difficulties accessing the program.



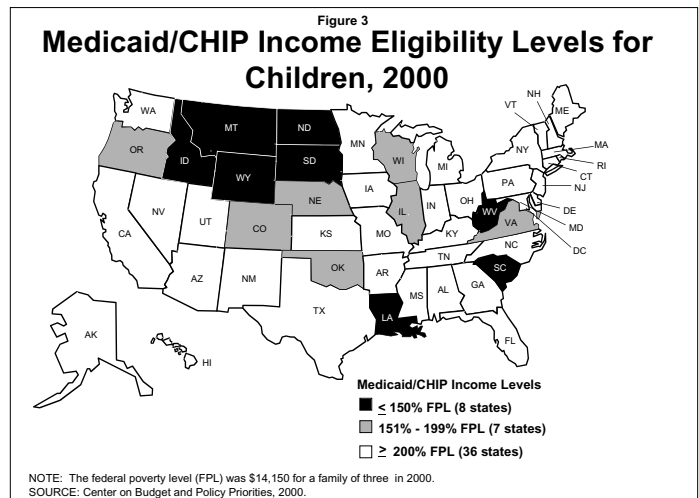
Lack of insurance coverage negatively affects access to care among low-income children: uninsured but Medicaid-eligible children are twice as likely as those enrolled in Medicaid to have an unmet medical need, to have not seen a doctor, and to have over \$500 in family spending on health care in the past year.

STRATEGIES TO IMPROVE MEDICAID/CHIP ENROLLMENT

The "delinking" of Medicaid from welfare in 1996 created an opportunity to redefine Medicaid as a health insurance program for low-income families, though some states continue to subject Medicaid eligibility and enrollment to many cash assistance requirements. However, the implementation of CHIP has focused attention on reaching out to eligible families and easing barriers to enrollment for both CHIP and Medicaid.

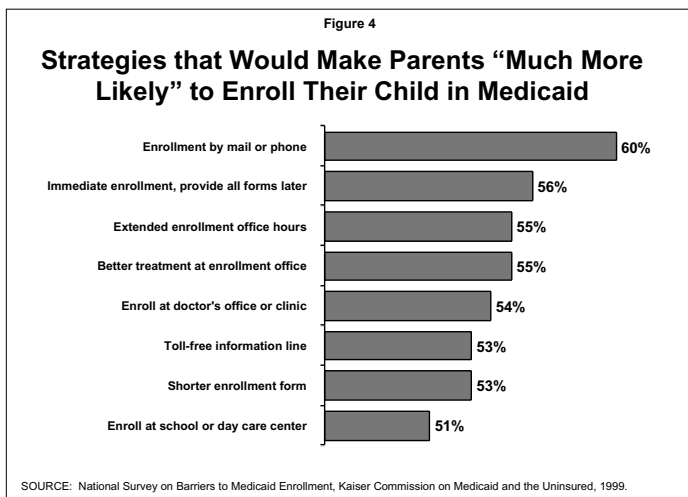
Simplify eligibility rules. Many parents have never tried to enroll their children in Medicaid because they do not think they qualify for the programs, often due to complex eligibility rules.

As of December 2000, 36 states have set their Medicaid and CHIP income eligibility levels at or above 200% of poverty (Figure 3). In the process of raising these standards, some states have evened out eligibility "steps" that result from basing eligibility on both income and age. This is especially important in states with separate CHIP programs to ensure that all children in a family are covered by one program. 42 states have also made eligibility determinations easier by eliminating the asset test for children.



Streamline the enrollment process. Many low-income parents believe the Medicaid enrollment process is confusing and inconvenient. Limited hours and locations for enrollment, difficulties in getting the required documentation, and the time required to apply are all important factors that keep them from enrolling. Some even lack basic information on how or where to enroll.

By streamlining the process, states reduce the single greatest barrier to Medicaid enrollment. Low-income parents have expressed support for concrete steps states can take to make the enrollment process more accessible (Figure 4). States, such as Indiana, Massachusetts, and Oklahoma, have substantially simplified the application process and have seen increases in enrollment.



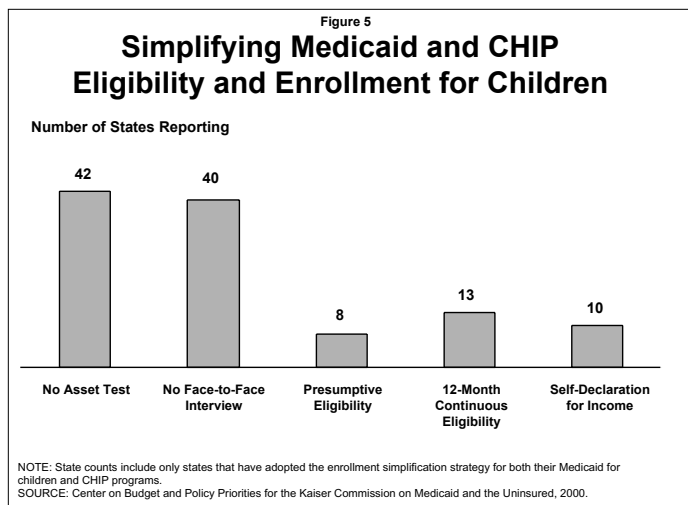
With few federal requirements for the enrollment process, states have several streamlining options open to them, though the extent they are adopted varies across states (Figure 5). These strategies include:

- Making application forms simpler and shorter;
- Allowing families to mail in their applications;
- Expanding enrollment office hours;
- Increasing enrollment sites and assistance in community settings;
- Eliminating burdensome verification requirements for income and residency;
- Adopting presumptive eligibility to enroll children who appear eligible immediately and allow them to complete the formal process later; and
- Accelerating enrollment of uninsured children already participating in other public programs such as food stamps or school lunch.

Not all states that have made improvements to the enrollment process for their separate CHIP programs have carried these innovations over to their Medicaid programs. Applying these same strategies to the poorer families that are eligible for Medicaid would assure they do not face greater enrollment hurdles than those with higher incomes.

Support applicants. Many non-English speaking parents are discouraged from enrolling their children because they assume that enrollment materials are not available in their language. Translated forms and interpreter services to assist these applicants would promote broader enrollment.

While negative associations with welfare may deter some families from enrolling, recent studies suggest that a larger chilling effect on Medicaid enrollment stems from how people are or expect they will be treated by eligibility workers during the application process and by providers once they are enrolled. Promoting better treatment at the enrollment office and among Medicaid providers can help lessen applicants' anxiety around enrolling in the program.



Expand outreach. Despite recent outreach efforts, many low-income families still do not know about the availability of health coverage through Medicaid and CHIP. States can continue to raise awareness through marketing campaigns and by working with community-based organizations to conduct outreach and enrollment activities. Materials with key program information such as covered benefits and income guidelines are essential to effective outreach, though strategies may need to be tailored to reach targeted groups. 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 up to 10% of their CHIP allotments.

RETENTION AND REDETERMINATION

Outreach and enrollment efforts need to be supported with measures to ensure that eligible children retain their coverage during redetermination and when their families leave welfare. Unwarranted disenrollment disrupts continuity of care, decreases access to care, and dilutes efforts to increase enrollment by contributing to the constant “churn” of children cycling on and off Medicaid and CHIP.

States can use their flexibility to apply the same streamlining strategies used in the initial enrollment process to make the reenrollment process more accessible. Community-based assistance continues to play a key role in keeping eligible families enrolled. Adopting 12-month continuous eligibility can help families maintain insurance coverage despite small income fluctuations. Because redetermination for children may result in enrollment shifts between Medicaid and CHIP, coordination between the programs is critical to ensure seamless coverage.

COVERING FAMILIES

While nearly all low-income uninsured children qualify for Medicaid or CHIP, most of their parents are ineligible. 41% of low-income uninsured parents have a child who is eligible for coverage but not enrolled. Extending Medicaid eligibility to these parents may help reach more uninsured children who are eligible for Medicaid or CHIP. Establishing common eligibility rules and enrollment procedures for parents and children is important in promoting health insurance coverage for the whole family.

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