



## THE KAISER COMMISSION ON **Medicaid and the Uninsured**

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Tuesday, July 29, 2003, 11:30 a.m. EDT

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### **New Survey Reports Ten States Moving to Reinstate Barriers to Enrollment or Cut Eligibility for Health Coverage—A Harbinger of Future Problems**

*Most States Try to Protect Eligibility for Children, But Other Actions Designed to Curb Enrollment and Reduce Eligibility for Parents Put Coverage for Low-Income Families at Risk*

WASHINGTON— As states struggle with their worst fiscal crisis since World War II, health coverage for low-income families may be at risk. A new survey finds that state actions in the past several years to simplify enrollment procedures and expand eligibility for coverage may have plateaued with some actions a bellwether for future concerns.

The new report, *Preserving Recent Progress for Health Coverage of Children and Parents: New Tensions Emerge*, was prepared for the Kaiser Commission on Medicaid and the Uninsured (KCMU) by researchers at the Center on Budget and Policy Priorities. It finds that between January 2002 and April 2003, five states made significant eligibility cuts for low-income parents; four states reduced coverage for children, including two states that froze enrollment in their State Children's Health Insurance Program (SCHIP); and five states reinstated at least one procedural barrier that could compromise enrollment or renewal in their health coverage programs.

The good news; however, is that most states remain protective of health coverage programs for low-income children via Medicaid and SCHIP. All but one state (Tennessee) maintained income eligibility levels for children to qualify for health coverage. Furthermore, two states (Oregon and Illinois) enacted modest coverage expansions for children. Additionally, the report profiles Virginia's passage of a package of reforms to simplify eligibility and enrollment that substantially broadened coverage of children in their SCHIP and Medicaid programs. "States, like Virginia, that have pressed forward with simplified procedures, have seen that families enroll because they value the coverage and fear being uninsured," said James R. Tallon, Jr., chairman of the Kaiser Commission on Medicaid and the Uninsured and president of the United Hospital Fund in New York.

Yet, after the survey was completed in April 2003, states continued to take actions affecting their health coverage programs, including measures to curb enrollment enacted in Texas, Maryland, Washington, and Florida. In some cases, states like Ohio, Minnesota, and Missouri were able to abandon or postpone proposals that would have negatively impacted enrollment when the Federal government through the tax cut legislation made \$20 billion available for state fiscal relief (half of which was an increase in Federal money for Medicaid).

"While this study is heartening because it shows that most states are reluctant to undo the progress of the past several years, it also indicates how fragile health coverage is for low-income families in current economic times. In place of monitoring expansions, we expect to have to begin assessing erosions in coverage," said Diane Rowland, executive director of KCMU. "In addition to the many aspects of enrollment analyzed here, we also need to assess whether states are cutting back on outreach funding or staffing—actions which can also hinder enrollment."

Whether states take actions that directly cut eligibility or impose administrative hurdles to suppress enrollment, the effect is the same—they both diminish participation in health coverage programs. Moreover, since coverage for parents boosts enrollment of children, a cut in eligibility for parents will decrease the likelihood their children are enrolled.

New eligibility cuts or barriers that one or more states reinstated include:

- Reduced income eligibility levels for low-income parent coverage – New Jersey went from 200 percent to 35 percent of the Federal Poverty Level (FPL), Connecticut went from 150 percent to 100 percent of FPL and Missouri went from 100 percent to 77 percent of FPL.
- Eliminated guarantee of 12 months of continuous eligibility – the guarantee avoids increased reporting requirements for the family and the interruption of care for ongoing health needs.
- Face-to-face interview at enrollment – most states have removed this requirement recognizing the burden of parents having to take time off from work for this process.
- Family-provided proof of income – several states have moved from requiring pay stubs to automatically verifying a family's income via state databases.
- Elimination of presumptive eligibility – some states have moved to allow providers, schools, and other state agencies to temporarily enroll children they believe are eligible for coverage so the child can receive care without delay.

The new report, *Preserving Recent Progress for Health Coverage of Children and Parents: New Tensions Emerge*, <http://www.kff.org/content/2003/20030729/>, is the latest in a series of surveys of eligibility rules and enrollment and renewal procedures in all 50 states and the District of Columbia in their Medicaid and SCHIP programs for children and parents. It reflects changes states implemented between January 2002 and April 2003. The current survey also solicited information about states' premiums and cost-sharing practices. This is the third year that KCMU has commissioned the survey and links to the previous surveys dating back to the year 2000 can be found on the same web page as the new report.

A webcast of today's policy briefing in Washington, D.C., can be viewed after 5 p.m. EDT at the following link <http://www.kaisernetwork.org/healthcast/kff/29jul03>.

*The Kaiser Commission on Medicaid and the Uninsured (KCMU) serves as a policy institute and forum for analyzing health care coverage and access for the low-income population and assessing options for reform. The Commission is a major initiative of the Henry J. Kaiser Family Foundation and is based at the Foundation's Washington, DC office. The Henry J. Kaiser Family Foundation is a non-profit, independent national health care philanthropy dedicated to providing information and analysis on health issues to policymakers, the media and the general public. The Foundation is not associated with Kaiser Permanente or Kaiser Industries.*

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