Testimony before
House Finance Health and Human Services Subcommittee
April 8, 2011

Good afternoon Chairman Burke, Ranking Member Goyal, and members of the Subcommittee. My name is Mary Wachtel and I am the Director of Health Policy for Voices for Ohio’s Children and co-convener of the Ohio Covering Kids and Families Coalition, representing over 30 organizations who work together to reduce the number of uninsured children and families in Ohio. I am here today to talk about good news – Ohio’s progress towards the goal of health care for our state’s uninsured children – and the need to further simplify the Medicaid enrollment and renewal procedures for children and families, a process known as simplification.

Access to quality health care makes an important difference for growing and developing children. Research confirms that children with health insurance are more likely to obtain preventive care\(^1\), to have a medical home or regular source of ongoing care\(^2\), to participate in physical activities\(^3\), and to have better health outcomes than uninsured children\(^4\). But these benefits don’t accrue fully to children who do not have stable health coverage on which they can count.

Ohio does many things right for children’s health and that commitment has paid off. The rate of uninsured children in Ohio decreased from 9.8% in 1998 to 4% in 2008, and increased slightly to 4.6% in 2010 (source: Ohio Family Health Survey). This overall decline is a remarkable achievement given the growth in Ohio’s poverty rate, annual average unemployment rate, declines in employer-based coverage, and increase in the rate of uninsured Ohio adults during the same time period. Of all our health reforms in recent years, expanding coverage to children through Medicaid and CHIP has been the most successful and efficient.

A few key facts about Ohio children on Medicaid:

- Medicaid covers nearly 1.2 million Ohio children every month.
- Eligible children are under age 19 and live in families with earnings of up to 200% of the federal poverty level ($44,700 a year for a family of 4 in 2011).
- 95% of covered kids live in homes with earnings of less than 150% of the federal poverty level ($33,525 a year for a family of 4 in 2011).

Behind these facts and figures are real families for whom this coverage is critical, like Mrs. Campbell from Vinton County, who had hoped to be here today to speak with you but could not take time off from her job.

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\(^2\) Ibid, citing CDC 2003b, analyses of 2001 National Health Interview Survey.


Her four kids are on Healthy Start and that health coverage has meant they can have their vision problems treated as well as their well child care visits. She shared with me that she recently applied for a new job but had to withdraw from the interview process because the increased income would have meant the loss of coverage for her kids and she could not access health insurance through that new job.

On behalf of Mrs. Campbell, we commend Governor Kasich’s commitment to maintain Medicaid eligibility at current levels.

According to the 2010 Ohio Family Health Survey, about 85% of Ohio’s uninsured children live in families with incomes under 200% of the federal poverty level which means they are likely eligible for Medicaid but not enrolled. Historically, policymakers and advocates alike thought that the problem lay mainly in finding uninsured children. Indeed, data shows that many working parents do not know their uninsured children qualify so clearly there is a need to invest in more effective outreach and enrollment in communities.

In addition, new research shows that faulty retention of eligible children is a primary reason that so many children are uninsured. Another word for this is “churning” — when eligible people move on and off Medicaid rolls due to renewal difficulty.

In order for Ohio to reduce the uninsured rate for kids even further, then, we need to both enroll AND retain eligible children. One of the best ways to do this is by further streamlining the Medicaid eligibility and renewal processes.

Ohio has made significant progress already over the past several years to cut the red tape in the Medicaid eligibility and renewal processes. These efforts have resulted in greater efficiencies for county JFS agencies and for families, and in a $12.4 million CHIPRA performance bonus award received in December 2010.

Changes to date include:
- Parents can now renew coverage every twelve months, like their children.
- Families can renew via telephone, rather than relying on paper forms or in-person interviews.
- 12-month continuous eligibility for children; once a child’s eligibility is established, s/he maintains coverage for a full 12 months.
- Presumptive eligibility, determined by the county JFS agency; allows eligible children to receive the care they need while their eligibility is finalized.
- Verify citizenship through electronic exchange with the Social Security Administration.
- Development of an on-line application for public benefits.

We recommend two priority strategies for further simplification.

**1) Strengthen presumptive eligibility for children and implement it for pregnant women:**

While Ohio deserves much credit for the fast implementation of presumptive eligibility for children, the current model is not adequate. Unlike other states, in Ohio, only county departments of job and family services can make presumptive determinations. This means that only children who would typically initiate an application at the CDJFS will benefit from presumptive eligibility, leaving out children who do not know about Medicaid/CHIP, and/or who go directly to a provider because of an immediate health need.

Federal law permits “qualified entities” to enter into partnership with states to make presumptive eligibility determinations for children who enter their doors. While the federal definition of qualified entity is quite broad, we recommend that Ohio start narrowly with providers who already screen for Medicaid/CHIP
eligibility, specifically, federally qualified health centers and hospitals. Health clinics and hospitals would operate under a formal agreement with the state and/or CDJFS agencies to ensure program integrity.

In addition, Ohio should implement presumptive eligibility for pregnant women (also using qualified entities, including federally qualified health centers, hospitals, and ob-gyn practices) so they can enter prenatal care earlier, an important component of reaching the Administration’s goal of reducing low birthweight babies.

2) Implement Administrative Renewals:

Administrative renewal is a broad term that refers to a strategy in which a state uses administrative data to verify a client’s continued eligibility, rather than requiring families to complete a full application at renewal time. States then inform the family of their continued eligibility and require affirmation from the family before continuing coverage, or inform and automatically renew without requiring any action by the family. The benefits of administrative renewal include:

- Greater efficiencies due to the use of data-matching, and reduced time to handle a renewal case
- A reduction in churning – the process in which eligible children and families lose coverage at renewal due to paperwork complexity, have a gap in coverage, reapply, then are covered again.
- Stability of coverage, leading to better health outcomes.

Twenty states use administrative renewal for either their Medicaid, CHIP or both programs. Louisiana is the leader, closing less than 1% of their child cases due to procedural reasons. In addition, administrative renewals in Louisiana have produced significant administrative savings of over $19 million per year, including staff time, postage and paper\(^5\). Most importantly, through all these changes, Louisiana has maintained program integrity, as evidenced by their ability to maintain an error rate well below the 3% threshold.

Streamlining the Medicaid application and renewal processes are a win-win situation. Simplified systems allow fast, accurate processing of applications and renewals, minimize redundant paperwork, reduce administrative costs, and help ensure children get the health care they need and for which they are eligible.

We commend this body and Governor Kasich for your firm commitment to covering Ohio’s uninsured children. The suggestions we offer today reflect how to make sure that the systems which determine eligibility and renewal for this health care are as efficient and effective as possible. Thank you.

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Voices for Ohio’s Children is the non-partisan voice of Ohio’s nearly 3 million children. With more than 100 collaborative partners, we impact changes in public policy that improve the health, safety, education, family stability and childcare of Ohio’s children and their families.

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\(^5\) Kennedy, Ruth, Eligibility Simplification and Modernization: Lessons Learned from Louisiana’s LaCHIP Program, presentation at Ohio Covering Kids and Families Conference, March 12, 2009