West Virginia Healthy Kids and Families Coalition
Issue Brief
December 2003
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Executive Summary
Improving Access Through Policy and Process Change

West Virginia has made great strides in providing health insurance coverage for children through WVCHIP and Medicaid. A small number of children – an estimated three percent or about 12,000 children, do not have private insurance coverage nor do they qualify for CHIP or Medicaid. Most of these children live in families that earn too much for CHIP or Medicaid but not enough to afford private coverage. Creating a program that would allow these families to buy coverage through CHIP would assure that ALL West Virginia children have access to affordable health insurance coverage.

An unprecedented partnership of state agencies and organizations, private foundations, and communities has spread the word and helped eligible families enroll their children in CHIP and Medicaid. In 2003, about 240,000 children or 60 percent of all West Virginia children were enrolled in these two programs. These numbers suggest that we are reaching all eligible families and getting their children enrolled.

Not only outreach but also changes in administrative procedures and processes have made the difference in getting children enrolled. Over the past five years, the Department of Health and Human Resources (DHHR) has simplified and improved the eligibility and enrollment process. Most noteworthy is that families can enroll their children by filling out a simple two-page form and mailing it to a central location.

While enormous progress has been made, the West Virginia Healthy Kids and Families Coalition, recommends further work on the following issues to expand coverage and to improve and streamline administrative processes.

Recommendations to Expand Health Coverage

- Create a buy-in for WV CHIP for children not currently eligible.
- Expand Medicaid coverage for low income parents.

Recommendations to Streamline Administrative Processes

- Outstation eligibility workers and application assisters.
- Permit self-disclosure of income.
- Address the problem of children losing coverage before the end of 12 months eligibility period.
- Clarify child support enforcement rules.
- Implement presumptive eligibility for children.
- Eliminate face-to-face interviews for Medicaid parents.
- Remove the asset test for Medicaid parents
- Create an ombudsman function to address wrongful denials
- Collect information through the fair hearing process to identify problems with wrongful denials.
- Provide for ongoing education and incentives for state eligibility workers to implement policy consistently and correctly.
- Highlight the importance of application renewals in letters and notices.

- Contact families who have not returned application by renewal deadline.

- Improve the electronic application by providing for electronic signature and income verification.

- Simplify income verification for self-employed and seasonal workers and provide training for eligibility workers on variations of income.

- Create a seamless system of coverage for children, families and pregnant women including one name, one card, one look.

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Health Care Coverage for West Virginia Children and Families

Improving Access
Through Policy and Process Changes

Although many factors influence the health and well-being of a child, nothing is more important than health insurance coverage. Not only does it assure that children get the services they need to grow into healthy and productive adults, it also improves the conditions of family life by reducing the financial risks and the burdens of medical debt that uninsured families face.

Through Medicaid and the Children's Health Insurance Program, West Virginia has been able to insure almost every child. About 240,000 children were enrolled in these two programs during fiscal year 2003 (October 1, 2002 – September 30, 2003). This represents about 60 percent of all West Virginia children.

An unprecedented partnership of state and local organizations supported by public dollars and private foundation money has reached out to West Virginia families to tell them about the benefits available to their children and help them enroll.

To improve and strengthen the current system of health coverage for children and low-income families, the Healthy Kids and Families Coalition recommends a number of policy and process strategies to expand eligibility and to make the current system more efficient. The Coalition acknowledges the many positive changes that have taken place over the last several years to streamline systems and improve health coverage for children. Nevertheless the processes to enroll children into these programs could be streamlined still further, reduce administrative costs and help to assure that children do not suffer gaps in coverage. While 97 percent of all West Virginia children have access to affordable coverage, about 10,000 children do not have private coverage and are not eligible for WVCHIP or Medicaid under current income guidelines.

What West Virginia is Doing Well

West Virginia can be proud of the progress that has been made in insuring low income children. The strategies that have made the difference include:

Strong local efforts to enroll children

Managers of local offices of the Department of Health and Human Resources and eligibility workers have worked hard and embraced the changes brought about by WVCHIP. A state-wide network of outreach workers employed through family resource networks, primary care centers, starting point centers and other local organizations have promoted WVCHIP as a program for working families and helped families negotiate the process of enrolling their children.

A partnership between local and state agencies and organizations

For the past five years, the Healthy Kids and Families Coalition has provided a forum for discussion where local organizations and state policy makers could address problems and barriers to enrollment.

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Continuous eligibility

An important policy change occurred in 2001 when the State Medicaid program adopted 12 months continuous eligibility for Medicaid children. WVCHIP has had 12 months continuous eligibility from the beginning. This means that children should remain enrolled in the same program for 12 month period even if family circumstances change. This policy promotes administrative efficiency and protects children by supporting continuity and consistency of care. It gives health providers the comfort of knowing that the services they provide will be reimbursed.

Marketing of CHIP as a program for working families

From the beginning, the WVCHIP was marketed as an insurance program for low income working families. It was promoted as a hand-up not a hand - out. Consequently, it has been well received by families, health providers, policy makers and the general public.

A joint two-page, mail-in application form

Since 1998, the state has had a simple, two-page, mail-in application form. This form has gone through several iterations and improvements. The same simple form enrolls children and pregnant women in WVCHIP or Medicaid.

Electronic application

In 2003, the Department of Health and Human Resources began piloting an electronic application for WVCHIP, Medicaid and Medicaid/pregnant women. The electronic application is potentially a big step forward in speeding up the enrollment process. It also addresses the problem of lost applications. To create a total electronic process, however, West Virginia must still implement an electronic signature and provide for faxed income verification.

No asset test or face-to-face interviews

Eliminating the asset test for children and pregnant women has made enrollment easier for families and has helped to reduce administrative costs.

Income disregards

Both CHIP and Medicaid deduct expenses for childcare and work expenses from income to qualify children for these programs. Childcare expenses and $95 per month per working parent is deducted from the gross family income to qualify children for WVCHIP or Medicaid.

Options for Policy and Process Improvements For Low Income Children

Create a buy-in for WVCHIP for children not currently eligible

With a small expansion to WVCHIP, West Virginia could become one of the first states to make health coverage available to all children. About 3 percent or 10,000 children currently have no private insurance nor are they eligible for WVCHIP or Medicaid. By creating a buy-in program, parents of these uninsured children could buy into WVCHIP. Given the state's 82 percent

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federal match rate, a premium of about $25 per month would cover the state cost of the program. With a premium payment by parents, the state costs of the expansion would be minimal to none.

Outstation Eligibility Workers and Application Assisters

Outstationed eligibility workers and application assisters allow families to obtain enrollment and renewal assistance without the need to go to a local welfare office. Federal law requires that states outstation Medicaid eligibility determination staff at Disproportionate Share Hospitals and Federally Qualified Health Clinics for determining eligibility for pregnant women and low income children.

Application assisters can help to simplify the application and renewal processes by providing families with one-on-one help completing applications. Application sites can include schools, family resource networks, child care centers and other community partners.

West Virginia outstations eligibility workers at hospitals. Salaries for outstationed workers are paid 50 percent from hospital funds and 50 percent from the State Medicaid Administrative match. For a period of time, the state also paid for eligibility workers at Federally Qualified Health Centers through the TANF delinking fund. Those funds, however, have expired and there are currently no state-supported outstationed eligibility workers anywhere except in hospitals.

With private foundation dollars, the West Virginia Healthy Kids and Families Coalition will continue to provide training and application assistance for the next one to two years through local organizations. Private foundation dollars, however, will not sustain this effort forever. The state should play a greater role in supporting CHIP and Medicaid application assistance at the local level.

Eliminate verification

Requesting a long list of verification documents can be burdensome for families and eligibility staff and can result in denial or loss of coverage even though the family may be eligible. Table 1 shows a list of commonly used federal documentation requirements for Medicaid. It shows that commonly used verification documents are not required by the federal government.

For the enrollment of children, West Virginia has eliminated all requirements for verification except for income. Some states are also experimenting with self-disclosure of income. West Virginia should pilot such experiments in one or more counties. Program integrity can be maintained through audits.

Improve Continuous Eligibility

SCHIP legislation passed in 1997 changed Medicaid policy by allowing states the option to provide up to 12 months of guaranteed coverage to children enrolled in Medicaid. Continuous eligibility means that children and families remain eligible for a specified period regardless of changes in family circumstances. If coverage is not continuous, families are responsible for reporting within 10 days a change in family circumstances, such as a change in income, so that

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eligibility can be reviewed. Requiring families to report changes in circumstances can result in a termination of benefits for children who may become eligible again shortly after being terminated due to fluctuation of family income.

Ensuring a consistent source of payment for a 12-month period through guaranteed continuous health care coverage brings stability for both the family and the providers. This stability greatly enhances the child's continuity of health care.

West Virginia state policy has provided for 12 months continuous eligibility for CHIP since its inception and since July 2001 for Medicaid. A study of CHIP enrollment data, however, suggests that as many as 58 percent of all CHIP children lose coverage before the end of the 12 month eligibility period.

Anecdotal evidence suggests that many Medicaid children are also losing coverage before the end of

the 12-month period. While many children subsequently regain coverage, this "churning" in coverage is confusing for parents and providers and creates inefficiency and adds to administrative costs.

Clarify Child Support Enforcement rules

Child Support Enforcement procedures can pose barriers to child health coverage enrollment. Some eligibility agencies and custodial parents have misunderstood the policy that no child can be denied Medicaid coverage due to lack of cooperation on the part of an adult in paternity establishment. West Virginia state policy clearly states that children cannot be denied coverage for CHIP or Medicaid because a parent refuses to cooperate in providing information to Child Support Enforcement. In practice, however, this is another area where policy is not uniformly implemented.

Implement Presumptive Eligibility

Presumptive eligibility can increase entry points into the children's health coverage system, speed enrollment and eliminate gaps in coverage. Presumptive eligibility is a process that allows for "qualified entities" to enroll families and pregnant women in health care coverage temporarily while families complete the formal application process. "Qualified entities" can be hospitals, health centers, schools, and others. Piloting presumptive eligibility efforts should be explored in the effort to improve eligibility processes.

Options for Policy and Process Improvements for Low Income Parents

Address coverage for low-income parents

While West Virginia has made progress in covering children, the state has not done as well by adults. Medicaid eligibility for low-income parents is among the lowest in the nation. A parent must earn less than 30 percent of the federal poverty level (FPL), an income of $_____for a family of three, to be eligible for health coverage under Medicaid. Many states have used their

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federal match to expand coverage to low-income parents to 100 percent or higher of the FPL With a generous match of 75 percent for every dollar spent through Medicaid, West Virginia could help more low-income families meet their medical needs and help stabilize the health care industry by reducing the number of uninsured. Expanding Medicaid for low-income parents has proven to be a wise investment by states improving both the health and well being of populations and promoting community economic development. A brochure, *WV CHIP and Medicaid, Making a Difference for WV Children and Families,* describes the research to document this assertion. It is available by contacting the Healthy Kids and Families Coalition.

Eliminate face-to-face interviews for Medicaid parents

For those _____parents, who receive Medicaid coverage, West Virginia could eliminate the face-to-face interview. Face-to-face interviews are not a federal requirement for enrollment or renewal. Requiring families to have an in-person interview prior to enrollment or renewal can create significant barriers for families to enroll and retain Medicaid and CHIP coverage. Lost wages and lack of transportation are the most cited barriers when a face-to-face interview is required for enrollment and renewal. Requiring a face-to-face interview for the parents, may also discourage applying for coverage for their children.

Remove asset test for Medicaid parents

West Virginia has eliminated the asset test for low-income children. It should also eliminate the asset test for low-income parents eligible for Medicaid. The asset test can create a barrier to coverage. It also contributes to the overall administrative burden and costs to agencies.

The passage of welfare reform in 1996 allowed states to eliminate the asset test for adult and family coverage categories under Medicaid. States can adopt eligibility methods under Section 1931 and Section 1902 (r)(2) that are less restrictive than regular Medicaid and would allow for the elimination of asset tests for low-income families, children and pregnant women categories.

Recent research by the Kaiser Commission on Medicaid and the Uninsured showed that removal of the asset test has served to help eligibility staff save time and realize administrative savings. Further, of those states that participated in the study, no state reported an increase in its Medicaid eligibility error rate due to the elimination of the asset test.

West Virginia Healthy Kids and Families Coalition

Goals and Strategies for 2004-2005

GOAL

Simplify enrollment and renewal processes for WVCHIP and Medicaid.

Strategy

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Remove policy and procedural barriers that impede or prevent eligible children and adults from enrolling and retaining health care coverage.

Recommendations to the Department of Health and Human Resources

- Create an ombudsman function to address individual issues and help shape policy change. Regional consultants may be able to fulfill this function
- Systematically collect information through the fair hearing process to correct problems of denial that are result of procedural error.
- Provide for ongoing education and incentives for state eligibility workers to implement policy consistently and correctly.
- Highlight the importance of application renewal in letters and notices.
- Telephone families who have not returned a renewal application by the renewal deadline.
- Improve the electronic application by providing for electronic signature and electronic income verification.
- Simplify income verification for self-employed and seasonal workers and provide training for eligibility workers on multiple variations of income.
- Create a seamless system of coverage for children, families and pregnant women including one name, one card, one look.

TABLE 1: DOCUMENTATION CHECKLIST		
Documentation Requirements	**Federal Requirements**	**State Option**

For Applicants	to provide Documentation	to Allow Self-Declaration
Immigration status for qualified aliens	X	
Citizenship		X
Income		X
Resources		X
Date of birth		X
Residency		X
Social Security Number		X
Child care expenses		X

Source: Continuing the Progress: Enrolling and Retaining Low-Income Families and Children in Health Care Coverage, (Baltimore, MD: Centers for Medicare and Medicaid Services, US Department of Health and Human Services, August 2001).

Notes

Southern Institute on Children and Families, Understanding Policy and Improving Eligibility Systems, December 2002.

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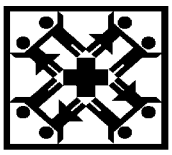
Walter, Charles, Testing the Efficacy of Children's Health Insurance Program: A Study of Enrollment History and Disenrollment in West Virginia Children's Health Insurance Program, West Virginia University School of Public Administration, 2003

For inside back cover

Coalition Partners

The West Virginia Council of Churches State Primary Care Association

West Virginia Hospital Association
State Medical Association
Bureau for Children and Families, DHHR
Bureau for Medical Services, DHHR
Children's Health Insurance Program, PEIA
Coalition for WV Children
KIDS COUNT Fund
West Virginia Association of School Nurses
Community Health Promotion Program, DHHR
WVU Institute for Health Policy Research
WV Academy of Family Practice
American Friends Service Committee
Prevent Child Abuse WV
WV Women's Commission
United Way of Central West Virginia
In West Virginia Communities, the Coalitions partners include
The Family Resource Networks
Community Health Centers
Hospitals
Starting Point Centers



WV Healthy Kids *and Families* Coalition

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Our Coalition partners have worked hard over the past several years at the community level reaching out to families and promoting public awareness of public health coverage programs. They have worked at the state level to understand and improve complex administrative policies and procedures.

The Coalition has pioneered a model for implementation of complex new programs that could be instructive for other innovations. At monthly meetings, Coalition partners working at the front lines to help implement the new program, and state officials making policy at the state level, discussed problems and issues and listened to each other. As a result, outreach workers gained greater understanding and sympathy for the complexity of state-federal program partnerships; and state officials worked to solve problems by clarifying or changing policies that created barriers to enrollment.

Many people have contributed to the progress we have made in West Virginia. We would like to acknowledge a few of them. Julie Pratt was the first project director for the Robert Wood Johnson Covering Kids Initiative. She laid out the model of state and community partnerships. Nancy Tonkin brought years of experience in public and government relations to the effort. Brian Cunningham became involved in outreach as an Americorps Promise Fellow and moved on to become the second project director. He never lost his passion for helping families get enrolled. Many of the improvements made were the direct result of his work helping families enroll. Eddie Ingles represented the State Policy Office at the Coalition meetings. He patiently and valiantly dealt with the frustrations of outreach workers and helped to clarify and change policies as appropriate. Carol Sharlip worked diligently to master the complexities of eligibility policies of state and federal programs. Mary Virginia DeRoo has been a staunch supporter, kept the faith community at the table and expertly managed multiple funding sources. Cindy Thomas invented CHIPPY, found true love at a Covering Kids meeting, and left us for greener pastures in New Hampshire. Julie Greathouse is our newest recruit bringing creativity and energy to the cause.

The State CHIP directors went above and beyond the call of duty to make CHIP successful in West Virginia. We are especially grateful to Lynn Sheets, the first CHIP director, who did the heavy lifting and Sharon Carte, the current CHIP director, who is blazing new ground combining sound fiscal management with program innovation.

There's not room to mention all the people who moved the work forward at the state and community level. But we want to especially acknowledge Mike Robbins, Nancy Dunst, Ann Jackson, Debbie Mullins, Cheryl Mitchem, Marla Short, Julie McCumbers, Carolyn Wesley, Heather White, Pam Gunter, Fred Cooper, and Brenda Isaac.

Governor Bob Wise has been a champion of the Children's Health Insurance Program. We couldn't have done it without his leadership and support.

Renate E Pore, Co-Chair
Nancy Tolliver, Co-Chair