

# States Turn to Technology to Improve Medicaid and CHIP Programs

[Dylan Scott](#) | January 19, 2012

Budgetary pressures and the pending requirements of the Affordable Care Act (ACA) defined 2011 for Medicaid and Children Health Insurance Programs (CHIP). But according to the Kaiser Commission on Medicaid and the Uninsured's annual 50-state survey on eligibility, enrollment, renewal and cost-sharing in Medicaid and CHIP released this week, states maintained their enrollment populations and improved their digital infrastructure to streamline their administrative processes.

The weight of state budget deficits and growing costs for the low-income insurance programs forced states to adopt technological innovations as cost-saving measures in 2011, according to Kaiser. Enhanced federal funding for the programs under the American Recovery and Reinvestment Act (ARRA) expired last year. Meanwhile, most states' revenue sources have not rebounded to their pre-recession levels, and job recovery remains slow, the survey noted. A total of 25 states pursued a variety of options in 2011 to make their enrollment and renewal processes more efficient.

For example, 13 states chose to electronically verify the citizenship of CHIP and Medicaid enrollees with the Social Security Administration, bringing the total number of states doing so to 44. Eight added simplified online and telephone renewal options. Five (Georgia, Iowa, New Jersey, Pennsylvania and South Carolina) received waiver approvals from the U.S. Department of Health and Human Services (HHS) to streamline digital information from other public agencies to determine eligibility for children (known as Express Lane Eligibility). Massachusetts was the first state to be granted a waiver to do the same for adults.

Five (Colorado, Georgia, Maine, New Hampshire and West Virginia) enhanced their online application capabilities -- some accepting electronically submitted applications or electronic signatures for the first time. As of January 2012, 34 Medicaid programs and 30 CHIP systems accept electronic submission of applications, while 33 Medicaid programs and 28 CHIP systems accept electronic signatures.

HHS has also financially supported states' efforts to upgrade their digital infrastructure. Under the ACA, states can receive a 90 percent match, up from the usual 50 percent, from the federal government for the design and implementation of upgraded eligibility and enrollment systems. According to Kaiser, 18 states have received approval for their plans from HHS, 11 states have submitted their plans, and another 19 have stated their intentions to do so.

Kaiser singled out Oklahoma for its effort "to maximize the use of technology through a web-based, fully automated, real-time eligibility determination system that is available 24 hours a day, seven days a week." Oklahoma residents can apply for the insurance programs online and receive an instantaneous decision about their application after software streamlines information from several state sources to determine eligibility. Residents can also renew coverage or update personal information through the system after being enrolled. The state can process thousands of applications daily, according to the survey, and 90 percent of applicants receive an immediate response on their eligibility.

Several states simplified their renewal processes on multiple fronts in 2011, according to Kaiser, a method proven effective in maintaining coverage. South Carolina was one of them. John Supra, chief information officer and deputy director for eligibility and beneficiary services at the South Carolina Department of Health and Human Services, outlined his state's success at a briefing Jan. 18 that introduced the survey's findings.

Prior to 2011, the state saw 140,000 children "churn out" of its Medicaid and CHIP programs on average annually, and 90,000 were reenrolled within the next year, Supra said. So the state took several steps to improve its

renewal process. Using the Express Lane Eligibility model, South Carolina utilized data from its Supplemental Nutrition Assistance Program and Temporary Assistance for Needy Families program to determine eligibility for children. Further efforts to reduce the amount of paperwork for renewal and increased online access have been undertaken, *Supra* said, and the state approved 65,000 children for continued coverage within eight months.

“We were creating a lot of administrative hassle for our families, our staff and our provider networks,” he said, explaining the circumstances that led to South Carolina’s reforms. “It shows the transition we need to make collectively: looking at the data, understanding what we’re doing and why we’re doing it, and making data-driven decisions.”

For its efforts, South Carolina was one of seven new states to earn a performance bonus from the Centers for Medicare and Medicaid (CMS), which reward states for successfully enrolling eligible children in Medicaid. According to Kaiser, 23 states received performance bonuses in 2011, ranging from \$1.3 million to \$28.3 million, funded through the CHIP Reauthorization Act passed in 2009 along with the ACA.

With the expansion of Medicaid and CHIP, which will extend insurance to an estimated 20 million people starting in 2014 (according to [CMS](#)), 11 states made a targeted expansion of their coverage last year, according to the survey. West Virginia increased CHIP eligibility from 250 to 300 percent of the federal poverty level. The health-care reform law also increased Medicaid eligibility for children over six from 100 percent of the federal poverty level to 133 percent, and in 2011, New York became the first state to shift older children into Medicaid, according to Kaiser. Colorado also passed legislation to do so.

Illinois, Texas and Vermont opted to cover children of legal immigrants without a five-year waiting period. Five states (Alabama, Georgia, Kentucky, Pennsylvania and Texas) adopted a provision in the ACA that allows the children of qualifying state employees to be covered under CHIP. Minnesota, New Jersey and Washington, D.C., took steps to preemptively expand their Medicaid coverage for low-income adults, according to the survey, in preparation for 2014. They received waivers approved from HHS to do so.

Cindy Mann, deputy administrator and director for the Center for Medicaid, CHIP and Survey & Certification at CMS, expressed confidence that the survey’s findings showed that states were effectively preparing for the expansion of the low-income insurance programs under the ACA in the coming years.

“There are tried-and-true methods, and there are also new ways of doing things... and we need to continue to focus on technology and modernization,” Mann said. “The kind of progress documented in this survey provides a roadmap for 2014.”

Below is a copy of the survey, based on feedback from state health officials in all 50 states.

To print the document, click the "Original Document" link to open the original PDF. At this time it is not possible to print the document with annotations.