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GOVERNMENT

States largely maintain or improve Medicaid, CHIP access

Millions still will be uninsured until health reform provisions that expand Medicaid coverage take effect.

By DOUG TRAPP, amednews staff. Posted Jan. 24, 2011.

Washington -- Nearly all states maintained or improved access to Medicaid and the Children's Health Insurance Program in 2010 despite continued state budget deficits and higher enrollment.

States were encouraged to keep access stable through mandates and incentives in last year's national health system reform law and 2009's stimulus package and CHIP reauthorization. The legislation had the intended effect in this area, according to an annual survey of Medicaid and CHIP enrollment and eligibility standards released Jan. 11 by the Kaiser Commission on Medicaid and the Uninsured.

These laws helped many people maintain health coverage when millions lost private health insurance, said report co-author Tricia Brooks, senior fellow at the Georgetown University Center for Children and Families in Washington, D.C.

"Without Medicaid and CHIP, the uninsured rate -- which reached a record 50 million -- almost certainly would have been higher," she said.

The stimulus package and a subsequent Medicaid funding extension, for example, required states to maintain their July 2008 Medicaid eligibility and enrollment standards to receive a share of \$103 billion in federal Medicaid funding. The stimulus Medicaid funding runs out on July 1.

Instead of implementing widespread cuts, more than 20 states streamlined Medicaid or CHIP application procedures or expanded eligibility in 2010, mostly for children. Fourteen states adopted at least minor improvements in enrollment processes, such as ending face-to-face interview requirements for children and adopting 12-month continuous eligibility for kids. Thirteen states expanded Medicaid or CHIP eligibility.

But the federal laws did allow states to reduce physician Medicaid pay. Twenty states cut Medicaid fees for doctors in fiscal 2010, the most since fiscal 2004, according to the Kaiser Family Foundation and Health Management Associates, a research and consulting firm.

Cuts to come?

In May 2010, Colorado implemented one of the more significant Medicaid expansions. The state adopted a hospital tax to draw additional federal Medicaid funding that so far has allowed it to enroll an additional 30,000 people, mostly adults, said Joan Henneberry, the outgoing executive director of the Colorado Dept. of Health Care Policy and Financing, the state's Medicaid agency. The Colorado Hospital Assn. and the Colorado Medical Society supported the hospital tax.

However, conservative Republican victories in statehouses around the country in November 2010 means increased scrutiny of Medicaid and CHIP spending by state legislators. At least one Colorado lawmaker has introduced a bill to repeal the hospital tax, Henneberry said.

20 states cut physician Medicaid payment for fiscal 2010.

"The political winds right now are very, very difficult," she said, and additional budget cuts are likely in the state. Colorado lawmakers reduced the fiscal 2011 budget three times to close deficits. The fiscal 2012 budget still may be \$1 billion short.

Arizona and New Jersey are two exceptions to the overall 2010 trend of states maintaining Medicaid and CHIP access.

Arizona capped CHIP enrollment in December 2009, and New Jersey closed enrollment for legal immigrant parents in a state coverage program in March 2010. Both states faced large budget deficits.

Many states are monitoring access to care for children in Medicaid and CHIP by checking records of immunizations, well-child visits and other quality reporting, Henneberry said. "We all want to see that increased coverage results in better care for kids."

Henneberry said many low-income families seek health coverage for their children during an illness but may not fully enroll them when they recover.

But children with some health coverage are more likely to receive care than those who are not insured. "Coverage alone isn't the picture ... but coverage matters," said Mary Wachtel, director of health policy for Voices for Ohio's Children, a nonpartisan children's advocacy organization.

Many adults still uninsured

Adults without children represent 41.7 million of the 50 million uninsured. That's partly because in 26 states, they aren't eligible for public health coverage or assistance. Only seven states offer full Medicaid coverage to childless adults, according to the Kaiser report.

Millions of these adults are expected to gain coverage in 2014, when health reform expands Medicaid eligibility to 133% of the federal poverty level and creates health insurance exchanges with new subsidized health coverage based on income.

32 states accept Medicaid applications

Adopting electronic Medicaid applications and streamlining the sign-up process are key steps in preparing for the 2014 coverage expansions. Many states began this work in 2010, but they still have far to go, according to the Kaiser report. For example, every state and the District of Columbia post their Medicaid applications online.

online.

But only 32 states accept their applications online. Of those, only eight don't ask for paper documents to verify the application.

Financial incentives in the CHIP reauthorization influenced states to improve their Medicaid and CHIP application processes.

Six states began offering Medicaid coverage to legal immigrants in 2010 with the help of federal funding. Also, 29 states began electronic identity verification through the Social Security Administration.

The CHIP reauthorization also provides bonuses to states that took at least five of eight actions to streamline their Medicaid and CHIP enrollment and renewal processes. Fifteen states are receiving a total of \$206 million this year for enacting such changes.

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ADDITIONAL INFORMATION:**Easing access to Medicaid**

Despite tight budgets, more than 20 states and the District of Columbia adopted policies in 2010 to expand Medicaid or CHIP eligibility or to make enrolling in the programs easier, such as ending face-to-face interview requirements and renewal income verification.

EXPANDED ELIGIBILITY

For children: Colorado, Delaware, Kansas, Minnesota, Montana, Nebraska, North Carolina, Oregon, Tennessee, Wisconsin

For pregnant women: Colorado, Delaware, Minnesota, Nebraska, North Carolina, Wisconsin

For parents and other adults: California, Colorado, Connecticut, District of Columbia, Oregon

STREAMLINED ENROLLMENTS OR RENEWALS

For children: Alabama, Colorado, Iowa, Louisiana, Maryland, Montana, New Jersey, New York, Ohio, Oregon, South Carolina, West Virginia

For pregnant women: Connecticut

For parents and other adults: Colorado, Nebraska, New York

Source: "Holding Steady, Looking Ahead: Annual Findings of a 50-State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost Sharing Practices in Medicaid and CHIP, 2010-2011," Kaiser Commission on Medicaid and the Uninsured, January (www.kff.org/medicaid/8130.cfm)

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