



REPORT ON 12 MONTH CONTINUOUS ELIGIBILITY FOR CHILDREN

SOCIAL SERVICES APPROPRIATIONS SUBCOMMITTEE
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ISSUE BRIEF

SUMMARY

If Utah switched all eligible children on Medicaid to 12-month continuous eligibility, it would cost the State between \$300,000 and \$2.2 million General Fund. The Department of Health would likely pay for an additional 1,000 to 50,000 member months of medical services. The Department of Health indicates that currently 23 other states have a 12-month continuous eligibility for children on Medicaid. This brief is for informational purposes only and requires no Legislative action.

DISCUSSION AND ANALYSIS

Background

The report from the Department of Health (see <http://le.utah.gov/interim/2016/pdf/00003485.pdf>) is in response to the following intent language passed by the Legislature in H.B. 2, *New Fiscal Year Supplemental Appropriations Act*, item 58 from the 2016 General Session:

The Legislature intends that the Department of Health shall study enrollment trends for children in the CHIP and Medicaid programs. The Department of Health shall assess the estimated relative costs to the state of the current practice month-to-month eligibility vs. continuous 12-month enrollment for children. Cost estimates should also include if possible estimates of increased costs to the state related to care needed due to adverse outcomes related to delays in diagnoses and treatments related to the current practice of month-to-month eligibility. The Department of Health will work with stakeholders and report findings to the Office of the Legislative Fiscal Analyst by August 30, 2016.

The Department of Health indicated that it does not have data to estimate: “increased costs to the state related to care needed due to adverse outcomes related to delays in diagnoses and treatments related to the current practice of month-to-month eligibility.” The department suggested the following report: *Program Design Snapshot: 12-Month Continuous Eligibility* available at <http://ccf.georgetown.edu/wp-content/uploads/2012/03/CE-program-snapshot.pdf>.

The Department of Health determined that the following entities were stakeholders and did the following to work with them as required by intent language:

1. Utah Indian Health Advisory Board – the board expressed support for the 12-month continuous eligibility policy at the meeting held on August 11, 2016.
2. Voices for Utah Children – the department had several discussions regarding study methodologies.
3. Medical Care Advisory Committee – at its meeting on August 18, 2016 committee members suggested possible savings from switching to 12-month eligibility.

The Department of Health did not contact the Department of Workforce Services as a stakeholder.

Data Analysis

The Department of Health report estimated potential additional member months provided under a 12-month continuous eligibility policy by comparing average member months for existing programs with such

a policy to children groups that are eligible for such a policy. The two programs currently with a 12-month continuous eligibility program are listed below with their average length of eligibility for clients:

- 1) Children's Health Insurance Program – 11.10 months
- 2) Newborn Medicaid - 11.72 months

The Department of Health estimates costs of \$230,000 to \$2,190,000 General Fund (\$1,440,000 to \$12,060,000 total funds as well as \$170,000 to \$1,120,000 in other local funding sources) for paying for additional 1,000 to 50,000 member months of medical services. The Department of Health indicates that the cost for the change to 12-month continuous eligibility may be lower than in prior years because of the following federally-mandated policy changes associated with the Patient Protection and Affordable Care Act that moved the State towards more continuous eligibility enrollments:

- 1) “Modified Adjusted Gross Income (MAGI) Methodology requires that eligibility for Medicaid only be reconsidered once every 12 months. MAGI Methodology applies to most Medicaid programs.”
- 2) “MAGI renewals are completed using an ‘ex parte’ process. Renewals are processed where possible using the electronic data sources without client participation.”

The Fiscal Analyst contacted the Department of Workforce Services for their input and it estimated computer programming costs of \$26,200 General Fund and \$262,000 total fund associated with the change. This estimate is based on the need to reprogram the computer eligibility system.

The Department of Health indicates that CHIP (Children's Health Insurance Program) already has a 12-month continuous eligibility policy. The Medicaid program currently provides 12-month continuous eligibility to newborns, which was 13,165 or 7% of all Medicaid children in April 2015. Of the remaining 184,645 children in April 2015, 7,826 or 4% are in eligibility categories that are not eligible under federal law for a 12-month continuous eligibility policy.

For more information please see the full report by the Department available at <http://le.utah.gov/interim/2016/pdf/00003485.pdf>.