

REQUEST #AE

12- Month Continuous Eligibility for Children on Medicaid

Sponsor: Representative Ray Ward

What is 12-month Continuous Eligibility for Children on Medicaid?

Continuous eligibility is a state option that allows children to maintain Medicaid coverage throughout the year, even if families experience a temporary change in income or family status. By implementing continuous eligibility policies, a state ensures that for 365 days a year children get- *and keep*- health coverage.¹

Every year, thousands of Utah children are dis-enrolled from Medicaid and then re-enrolled after only a brief period (2-6 months). This on-off-on pattern of enrollment is often unrelated to actual eligibility status.

In many cases, families must dis-enroll from Medicaid after securing unexpected temporary or seasonal work. When the short-term job ends, they must re-enroll in benefits. This creates an unnecessary burden for families. Parents are penalized for trying to improve their family's economic circumstances through temporary or seasonal work.

Continuous Eligibility Reduces Utah's High Child Uninsured Rate

Utah has one of the highest rates of uninsured children in the nation at 7.2%. Nationally Utah ranks #43 (worst) in its child uninsured rate. There are 65,000 children in Utah who do not have insurance coverage. Even more concerning, Utah has one of the highest rates of children who are eligible for Medicaid, but not enrolled.

Health insurance is the foundation for children's health. 12-month continuous eligibility is a critical way to make sure that Utah children have health insurance the entire year.

Continuous Insurance Coverage Improves Children's Health and Wellbeing Outcomes

Children who have health insurance continuously throughout the year have better health outcomes. Guaranteeing ongoing coverage ensures that children can receive appropriate preventive care, stay up to date on well-child visits, immunizations, prescriptions and receive timely treatment for any health issues that arise. Stable coverage also enables providers to establish relationships with children and their parents and to track their health and development.²

¹ Georgetown Center for Children and Families. (March 2009). Program Design Snapshot: 12 Month Continuous Eligibility. Available at <http://ccf.georgetown.edu/wp-content/uploads/2012/03/CE-program-snapshot.pdf>

² Irvin, Carol, et al. *Discontinuous coverage in Medicaid and the implications of 12-month continuous coverage for children*. No. 3110. Mathematica Policy Research, 2001. Available at <http://www.mathematica-mpr.com/~media/publications/PDFs/discontinuous.pdf>

“Chronically uninsured children, as well as those experiencing coverage lapses, have lower rates of check-ups and vaccinations, experience more illness related restrictions on activities and are more likely to forego needed care when sick, compared with children whose insurance coverage stays constant.”³

In contrast, interruptions in coverage cause children to lose their usual source of care and leads to a decline in preventative care. Interruptions in coverage mean children skip or delay a doctor’s visit or a prescription refill. When children experience gaps in health insurance coverage, they are less likely to have access to medical care.

Continuous Coverage Decreases Administrative Costs and Risk of Hospitalization

The monthly state cost of providing health care declines when individuals are enrolled for longer periods. Continuous eligibility also lowers state administrative costs. Administrative costs related to churning are estimated at \$400 to \$600 per enrollee.⁴ Continuous eligibility for children could lower state administrative costs between 2- 12%.⁵

Continuous eligibility is associated with fewer hospitalization and emergency room visits.

Several studies have found that continuous coverage not only helps children stay healthier, but saves states money by reducing costs when children are hospitalized or receive emergency room care.⁶

“Churning also contributes to increased Medicaid expenditures for medical care. People who experience lapses in coverage often re-enroll in Medicaid when, for example, they obtain high-cost care in hospitals that could have been avoided with better ongoing care.”⁷

Continuous Eligibility Improves Health Plan Accountability and Value

Continuous eligibility allows health plans to more accurately measure the quality of children’s health services and initiate program improvement strategies. Continuous eligibility improves health plan accountability. Health plans use a set of tools, called HEDIS measures (the Healthcare Effectiveness Data and Information Set), to assess their performance on health care and service. HEDIS measures require a one-year standard of continuous enrollment data. Children experiencing churn are not captured; HEDIS does not reflect the full make-up of children receiving care. Continuous eligibility leads to more comprehensive program improvement targets and better health care value for enrollees. **All children should have access to health coverage without gaps or disruptions in care.**

³ Sommers, B. (2007) “Why Millions of Children Eligible for Medicaid and SCHIP are Uninsured: Poor Retention Versus Poor Take-Up.” *Health Affairs* 26, no 5.

⁴ Swartz, Katherine, et al. “Evaluating State Options for Reducing Medicaid Churning.” *Health affairs (Project Hope)* 34.7 (2015): 1180.

⁵ C. Irvin, et al. “Discontinuous Coverage in Medicaid and the Implications of 12-Month Continuous Coverage for Children” Mathematica Policy Research

⁶ Children’s Health Council. (2003). Available at <http://www.ctvoices.org/sites/default/files/h03huskyrestorece04.pdf>

⁷ Swartz, Katherine, et al. “Evaluating State Options for Reducing Medicaid Churning.” *Health affairs (Project Hope)* 34.7 (2015): 1180.