

# Let's Cut the Red Tape

## in ARKids First



Two-thirds of the state's 65,000 uninsured children are already eligible for ARKids First, but problems with enrollment and renewal keep them off the program and uninsured. We need to cut the red tape in ARKids First to make enrollment and renewal easier for families. Streamlined enrollment and renewal procedures can save Arkansas money and resources by allowing parents to avoid the hassle of re-enrolling eligible children over and over again.

**Each year, bureaucratic red tape pushes 20,000 qualified children off ARKids First:** Many children fall through the cracks during re-enrollment for ARKids First because of paperwork and procedural requirements, not changes in eligibility. ARKids First requires families to re-enroll in the program each year by returning a form mailed to the home address on record. Between 2007 and 2009, 49 percent of children leaving ARKids First rolls were dropped for paperwork or procedural reasons—like when a family does not return a renewal form or has moved and the form gets lost in the mail. On average, more than 20,000 children between 2007 and 2009 lost ARKids First coverage and access to the health care they need to keep them healthy—not necessarily because they were no longer eligible, but because their parents simply did not return a form on time or provide other required information.

We can make it easier to keep kids covered and healthy by:

- **Expanding paperless renewal options:** Right now, families re-enroll their children in ARKids First by submitting a paper form; instead, we can use paperless or “administrative renewal” procedures to verify an enrolled child’s ongoing eligibility for ARKids First. This system would use administrative databases (such as income records in workforce services databases) to determine eligibility when families are renewing. This could be easily integrated into the Access Arkansas online system. Parents would be asked to report changes to their income as they happen and would avoid having to submit forms each year to prove eligibility. Louisiana made similar changes in its renewal system and has seen results from it. They now lose less than one percent of enrolled kids from paperwork-related renewal problems, compared with 49 percent of enrolled kids who are lost each year from paperwork problems in Arkansas.<sup>i</sup>
- **Offering 12-month continuous coverage for ARKids First A.** Under ARKids First B, enrolled children currently keep coverage for a year, regardless of income changes during that year. This ensures that income fluctuations do not disrupt coverage. This same policy should also be applied to children covered under ARKids First A—and other categories of Medicaid—to keep their coverage consistent, too, and avoid the administrative costs of children moving in and out of the system. Twenty-two states offer 12-month continuous coverage for both Medicaid and CHIP programs.<sup>ii</sup>
- **Starting Express Lane enrollment.** Case workers can use approved applications from other programs—such as free school lunch applications—to approve ARKids First enrollment, so families don’t have to submit the same information many times to apply for related programs.
- **Accelerating enrollment for children who likely qualify:** Using trained screeners in schools and community-based organizations, Arkansas can screen applicants and provide immediate coverage to children whose families clearly qualify. If families meet a pre-determined threshold—where it is clear they are eligible ARKids First—the screener could then provide an ARKids First card while the completed application goes to ADHS for verification. This process, also referred to as “presumptive eligibility,” allows children to be covered immediately and decreases the chance that a family’s application will fall through the cracks.
- **Figuring out the best way to reach kids:** By collecting and reporting data on outreach efforts, we can better determine how children enroll, who enrolls them, and shine a light on what works.
- **Developing a comprehensive ARKids First outreach plan.**

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**What will it Cost?** Enrolling and keeping more kids on the program will cost more money, but these are children the state has already committed to serve. The longer children stay covered, the cost of their care decreases. In addition, making enrollment and renewals means time and money saved when eligibility workers don't have to start the enrollment process over repeatedly when kids fall off. Covering 20,000 more children—which would put us as one of the highest states in the country for participation rates among eligible-but-unenrolled kids—would cost the state approximately \$11 million, and yield an additional \$30 million from federal matching funds.

### **Research Says...**

**Arkansas is a leader in covering children.** We were one of the first states to create a children's health insurance program for low- and middle-income families when ARKids First started in 1997. Since then, we've cut the number of uninsured Arkansas children in half, from 21 percent to 9 percent today. It's time to finish the job and make sure all Arkansas children are covered.

**ARKids First works and is serving families during the economic crisis.** Health insurance impacts the economic stability of families as well as their health. ARKids provides affordable and quality health care, especially important as more and more families face economic uncertainty recently. During the recession, ARKids has done its job, serving 30,000 more children whose families need the support as they lose health care coverage from employers or coverage becomes unaffordable.

**Every dollar the state spends on Medicaid yields over \$6 in the economy.** A recent report by the Walton College of Business stresses the economic impact of Medicaid spending in Arkansas. The report considers the relationship between Medicaid and the state economy, along with the opportunities that new dollars will bring to the state (GDP increase in the healthcare sector, job opportunities, etc.). It concluded that for every dollar the state puts into Medicaid, the state received an estimated \$6.31 in economic benefit and output.

**Improving the enrollment and renewal process for families can be done without risk of fraud.** Many states that have found ways to make enrollment easier for families have not sacrificed program integrity. They use state databases and other information to their fullest. In fact, Louisiana has made many of these enrollment simplifications and has the lowest error rate in the country at 1.56 percent.<sup>iii</sup>

**When children are healthy, families and communities thrive.** Children with health insurance are more likely to receive the health care they need to become healthy, educated and productive citizens. Parents can ensure their children receive quality routine health care, as well as needed help in a medical emergency. When children are covered, it also impacts education and future workforce development. Good health is linked with school performance and children with health insurance are more likely to access health services.<sup>iv</sup> Studies in Missouri and California found that when uninsured children received health insurance, school absences decreased and they were more likely to pay attention in class and keep up with school activities.<sup>v</sup>

For more information, see *Crossing the Finish Line 2010: Moving Toward Covering All Kids* at [www.aradvocates.org](http://www.aradvocates.org)

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<sup>i</sup> Georgetown Center for Children and Families (2009). *The Louisiana Experience: Successful Steps to Improve Retention in Medicaid and SCHIP*. Washington DC: Georgetown University. Available at <http://ccf.georgetown.edu/index/cms-filesystem-action?file=postcards/the%20louisiana%20experience.pdf>

<sup>ii</sup> Cohen Ross, D. et al (2009). *Findings of a 50 State Survey of Eligibility Rules, Enrollment and Renewal Procedures, and Cost-Sharing Practices in Medicaid and CHIP for Children and Parents During 2009*. Washington, DC: Kaiser Commission on the Medicaid and the Uninsured. Available <http://www.kff.org/medicaid/upload/8028.pdf>

<sup>iii</sup> J. Ruth Kennedy, LA Department of Health and Hospitals (2009). *Saving Trees in Louisiana: Keeping Eligible Children Enrolled in Medicaid and CHIP with Paperless Renewals*. CHIPRA Children's Outreach Summit, power point presentation, November 4, 2009, Chicago, IL.

<sup>iv</sup> Schwarz, C. and Lui, E. (2000). *The Link Between School Performance and Health Insurance: Current Research*. San Francisco, CA: Consumers Union.

<sup>v</sup> Center for Family Policy and Research (2003). *Children's Health Insurance*. Columbia, MO: Center for Family Policy and Research and Child Health Assessment Project (2002). *Data Insights Report No 10*. Available <http://www.mrmib.ca.gov/MRMIB/HFP/PedsQLYr2CHHS.pdf>