

Retention Initiative: Achieving Stability in Medicaid and SCHIP Coverage

*Leadership provided by the Southern Institute on Children and Families
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Electronic Referral System Between Medicaid and SCHIP

Implementing an electronic referral system in states with separate SCHIP programs improves the transition between Medicaid and SCHIP during the renewal processes, thus keeping children from unnecessarily losing coverage.

Iowa's Auto Referral System for Medicaid and SCHIP

Data collected by the Iowa Department of Human Services (DHS) showed that children who were found to be ineligible for Medicaid because of family income were not consistently being referred to SCHIP for eligibility review. Consequently, children who were potentially eligible for SCHIP were falling out of the system and losing health coverage.

DHS is the agency that administers Medicaid and SCHIP in Iowa. Eligibility for the Medicaid program is determined by county office income maintenance workers using a legacy mainframe system. Iowa's separate SCHIP program is administered centrally by a third party administrator using a proprietary Oracle-based system. The SCHIP contractor does not have access to the DHS mainframe system and likewise, the county eligibility offices do not have access to the SCHIP system.

Development of an automated referral system became a top priority of the DHS Administration. State Medicaid and SCHIP administrators, with input from community advocates and consumers, worked on developing an automated referral process that was added to the Medicaid computer system. The computerized process replaced a manual paper referral process. Previously, income maintenance workers were required to copy and fax forms to make a referral. The DHS team developed and tested several support documents to be added to the system including a new notice of decision, an email reminder for the income maintenance worker to make the referral and management reports for the supervisors. In addition, a training guide was developed to assist the income maintenance workers. DHS team members conducted statewide training for income maintenance workers on the new automated system and on their role in making referrals. Statewide data was collected continuously on referrals made throughout the state. In addition, the team reviewed monthly data and developed new goals and strategies to continue the development of the referral system based on the data review findings. During this time, Iowa's DHS restructured so the SCHIP Administrator became responsible for eligibility policy for both Medicaid and SCHIP. This reorganization allowed eligibility changes to be more closely coordinated between the two programs.

The following is a brief description of the electronic referral process. When a child is denied or cancelled from Medicaid due to family income being above the income eligibility level: (1) an email reminder message is generated to the eligibility worker; (2) the information is automatically populated into the third party administrator system for SCHIP; (3) the client is notified of the referral; and (4) the referral history is maintained on the eligibility system. Management reports are generated by the referral system allowing supervisors to monitor the referrals. The email message to the eligibility worker serves as a reminder to complete the referral to SCHIP within 24 hours. The referral is processed in the same manner as an electronically filed application or renewal. Income used to establish Medicaid ineligibility is used to determine SCHIP eligibility. Because a child must be uninsured to participate in SCHIP, the state conducts a data match with commercial health insurance data files prior to final approval of eligibility. The client referral notice informs the family that the *hawk-i* program (SCHIP) is determining if their child(ren) qualify for *hawk-i* health care coverage and that they will be contacted within two weeks. The streamlining of the referral process yields a same day turnaround for eligibility determination.

IMPACT MEASURES

The auto referral system provides a seamless transition between Medicaid and SCHIP programs and allows eligibility changes to occur more rapidly and simultaneously within both programs. Processing time for referrals has been greatly reduced. The new average referral time is two minutes.

The electronic system eliminates the risk for manual data entry errors, lost paper documents and discrepancies between Medicaid and SCHIP information. Cost savings are realized from the electronic process in reduced staff time and use of supplies such as paper, copy toner, faxes and postage.

Average monthly referrals have steadily increased, resulting in improved continuity of care for children who move from Medicaid to SCHIP.

RESOURCES NEEDED

Collaborative partnerships between state Medicaid and SCHIP administration and Information Technology staff are essential. The eligibility determination staff must be willing to embark on utilizing an electronic referral process. Training for state eligibility staff and county income maintenance workers, a critical factor in system implementation and operation, requires staff time and availability. Information Technology staff time and expertise are required for development and implementation of the system changes and for monitoring, testing and troubleshooting. Sufficient state budget funding is required to invest in the necessary computer hardware and software.

KEY PARTNERS

Iowa DHS administered the Medicaid component of the auto referral process and the third party contractor administered the SCHIP component of the auto referral process. Information Technology staff from DHS and the third party administrator were responsible for making system changes and adjustments as needed. Support services were provided by the Center for Healthy Communities to test materials with consumers and represent their perspective.

LESSONS LEARNED

The automated referral system reflects positively on Medicaid and SCHIP, because the enhanced coordination between the programs results in more families having a positive experience with the programs. Additionally, the automated referral system lightens the workload on income maintenance workers who are now available to spend more time assisting families through the application and renewal process.

Electronically shared data results in faster referrals, saves resources that would otherwise be expended to perform data entry functions, eliminates lost paperwork and presents fewer opportunities for data entry errors. Ultimately, fewer eligible children are dropped from the system and lose coverage.

CONTACT INFORMATION

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The goal for the Retention Initiative is to increase the rate of retention of eligible children and adults in Medicaid and SCHIP. The Southern Institute is assisting state teams from Alabama, Florida, Iowa, New Hampshire, New Mexico, Pennsylvania, Texas and Washington through specialized consultation and technical assistance designed to help the state teams: (a) adopt simplified eligibility policies and processes focused on retaining eligible children and adults, and (b) ensure accuracy of the eligibility determination processes at renewal to decrease inappropriate Medicaid and SCHIP closures.

For additional information about the Retention Initiative please contact
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