
REAL SOLUTIONS: Policy Briefs

AMERIGROUP PUBLIC POLICY INSTITUTE

Savings in Medicaid Series

Enrollment Lock-In Period, Phone Contact Would Boost Care, Savings

Issue Defined

The health care system is most effective when beneficiaries are assured to be covered for a certain amount of time, rather than revolving coverage – or constantly entering and re-entering the program.

- Short-term beneficiary enrollments and temporary starts in the program create costs that are difficult to recover. Adequate and effective coordination (and continuity) of a beneficiary's care becomes difficult in short-term enrollments.
- If enrollments that end fewer than six months (from the start date) can be reduced, the investments made by state governments and the private sector can be recovered in the next three to six months. Additionally, some continuity of care can be ensured for the beneficiary.

Currently, half of all states have a six or 12 month lock-in provision, with 12 month provisions as the community standard in the private sector.

- If the capacity to obtain key contact information, such as a working phone number, increases during the enrollment process, then both the health insurer and the states benefit – by having earlier access to beneficiaries and an expedited start to care coordination activities.

Background

Many of the costs for recently enrolled beneficiaries are incurred within the initial months. Often, the health challenges the beneficiaries encounter are not resolved in just one or two physician visits. But once the beneficiary is in the program for several months and is getting the necessary preventive care and potential participation in disease management programs, then a proactive, preventive approach to care is utilized, and the quality of care improves while the overall cost decreases.

Beneficiaries who enroll short-term do not receive the full range of services or the benefits of the preventive care, for either themselves or the taxpayers. Should these beneficiaries re-enroll, they are often assigned a new number and cannot be ensured continuity of care. If the beneficiaries can stay enrolled for just a short time longer – a full year at a minimum – then it is to the advantage of the beneficiaries, the health insurer, and the federal and state governments.

Recommendations

Certain conditions are essential for realization of full cost savings and optimal care. Short-term and temporary participation need to be reduced as much as possible. To accomplish this, new beneficiaries signing up with the program need to:

- Participate in the program for a minimum of 12 months

- Provide a working phone number where they can be reached, or short of that, a working phone number of a relative or close friend.

Such measures enhance savings to taxpayers and the private sector, while ensuring continuity of care, as well as effective tracking and coordination of care.

Savings Outlook

Enrollee turnover and disenrollments create administrative costs for the states. Typically, an hour of service time is needed for each new household to enroll. Additionally, as outlined in a recent study by The Lewin Group, printing, postage and ID cards for an initial enrollment package can cost up to \$10 each. With nearly 60 million Americans enrolled in Medicaid, the savings could be significant.

By taking the guesswork out of the retention process, and by creating a lock-in provision, continuity of care increases and – as a result of medical and administrative savings – resources can be specifically dedicated to the care of the beneficiary.