
REAL SOLUTIONS: Policy Briefs

AMERIGROUP PUBLIC POLICY INSTITUTE

Savings in Medicaid Series

Standardize and Simplify Enrollment

Issue Defined

Inefficient or burdensome enrollment processes can generate avoidable Medicaid costs. Enrollment problems contribute to confusion among Medicaid applicants and, occasionally, result in erroneous early terminations of coverage. Erroneous termination is especially problematic as it leads to reduced continuity of care, which is essential to the well-being of Medicaid beneficiaries. Additionally, Medicaid program costs increase with the movement of beneficiaries with acute health care needs in and out of the Medicaid program. Inefficient enrollment is a result of several factors, including:

- Lack of a standardized enrollment form;
- Lack of knowledge of an online enrollment option; and
- Complicated recertification process.

Background

The recession, high unemployment rate and slow economic recovery have a direct impact upon Medicaid enrollment among families. As families experience job losses and income declines, the number of Americans eligible for Medicaid rises. Advanced planning and some potential changes are necessary to accommodate this influx. With an increasing number of Americans introduced to the Medicaid enrollment process, it is imperative to maximize enrollment efficiency through the simplification of the enrollment and recertification processes.

Recommendations

The following changes in Medicaid enrollment practices can be implemented to reduce Medicaid costs and ensure the program is ready for the challenges at hand:

- *Use a standardized federal enrollment form that captures key beneficiary information such as phone number and email address.* One form should be required regardless of the state, and it should be formatted in a user-friendly manner. The enrollment form should be made available in all languages identified as prevalent to a particular state. By capturing key enrollee information at the onset of program enrollment, states will be able to use this information to contact beneficiaries regarding recertification.
- *Promote online enrollment.* With more than 40 percent of families with household incomes of \$25,000 or less connected to the internet, the convenience of an online Medicaid enrollment option is a logical method to increase enrollment and recertification rates. Additionally, studies (from Cornell University and the University of Toronto) show that lower income families with an online connection use their services more frequently than more affluent families – 11.6 hours a week total on average. However, simply having an online Medicaid enrollment option is not enough, because applicants need to be made aware of the option through public outreach measures.

- *Simplify the recertification process.* It is important to keep beneficiaries enrolled in Medicaid to promote continuity of care and avoid lapses in coverage. The recertification process should be thoroughly communicated to beneficiaries through letters, online reminders and calls from a designated Medicaid contact center. By partnering with community-based organizations and health plans, states can better remind and assist beneficiaries during recertification. For example, in the first year of New York's Medicaid Recertification Assistance Demonstration Project, when community-based Recertification Assistants were enlisted, involuntary disenrollment decreased by 23 percent. Additionally, states should coincide renewal times for Medicaid and CHIP programs to reduce confusion and involuntary disenrollment.

Such efforts serve as a precursor to electronic medical records adoption, as well as a foundation for using similar approaches in collecting information for other publicly funded programs.

Savings Outlook

A study published in 2007 illustrates the impact of a 10 percent Medicaid disenrollment rate on health care use and cost. The 2004 health care transactions for uninsured children and children insured through the Children's Health Insurance Program living in the Phoenix metropolitan area were analyzed using a community-wide administrative health database (Arizona HealthQuery). It was determined that a 10 percent disenrollment would increase the costs of health care in the community by \$3.46 million annually, or \$2,121 for each child disenrolled. (These trends bolster evidence of a need for guaranteed minimum lock-in periods to ensure continuity of care and to reduce the disproportionate costs associated with short-term enrollments – *see Savings in Medicaid, Volume 1, Issue 1.*) This increase in costs is attributed to a shift of care from ambulatory settings to more expensive emergency departments, as well as an increase in length of hospital stays.

Changes that result in disenrollment from public health insurance programs will increase the number of emergency department visits and hospital days as well as the total community costs of health care. These increases in health care use can be expected to aggravate community problems of emergency department overcrowding and inpatient bed shortages. The majority of the changes in use are attributable to changes in insurance status, which results in a shift of care from less expensive ambulatory settings to emergency departments and increases in hospital days.

Based on the \$2,121 for each child disenrolled in the Arizona study and current nationwide Medicaid enrollment of nearly 60 million, **a 10 percent Medicaid disenrollment rate nationally would increase the overall costs of health care by almost \$125 billion annually.**