



Kansas Health Policy Authority

MARCIA J.NIELSEN, PhD, MPH
Executive Director

ANDREW ALLISON, PhD
Deputy Director

Report on:

Early Results from the Presumptive Eligibility Pilot Program

presented to:

House Appropriations Committee and Senate Ways and Means
Committee

January 8, 2007

For additional information contact:

Luke Thompson
Kansas Health Policy Authority

Landon State Office Building
900 SW Jackson Street, Suite 900
Topeka, KS 66612
Phone: 785-296-3981
Fax: 785-296-4813

Agency Website: www.khpa.ks.gov

Address: Rm. 900-N, Landon Building, 900 SW Jackson Street, Topeka, KS 66612-1220

Medicaid and HealthWave:
Phone: 785-296-3981
Fax: 785-296-4813

State Employee Health
Benefits and Plan Purchasing:
Phone: 785-296-6280
Fax: 785-368-7180

State Self Insurance Fund:
Phone: 785-296-2364
Fax: 785-296-6995

**House Appropriations Committee and Senate Ways and Means Committee
January 8, 2007**

Early Results from the Presumptive Eligibility Pilot Program

The 2006 Kansas Legislature, as outlined in proviso, directed the Kansas Health Policy Authority (KHPA) to prepare a report about the Presumptive Eligibility (PE) program. The proviso specified the following items be addressed in the report: "...to prepare a report to be presented on or before the first day of the 2007 regular session of the legislature to the house committee on appropriations and the senate committee on ways and means regarding the implementation of presumptive eligibility for the Title XIX and XXI programs: *Provided*, That the report shall include a detailed description of the plan for implementation at both the state and provider level, as well as the anticipated number of children served and the cost of providing services under this program."

**Executive Summary:
Early Results from the Presumptive Eligibility Pilot Program**

The policy objective of implementing presumptive eligibility through local hospitals and clinics across Kansas is for uninsured children to gain access to ongoing preventive health care services. There are an estimated 40,000 Kansas children who are uninsured and potentially eligible for Kansas Medicaid - Title XIX or the State Children's Health Insurance Program - Title XXI health insurance programs (HealthWave). Presumptive eligibility allows each health care provider who cares for a presumptively eligible child to be reimbursed for medical services provided at the Medicaid reimbursement rate, instead of having to provide uncompensated care. Based on the past six months of pilot activities for the presumptive eligibility program in Kansas, KHPA has learned the following:

- Through November 30, 2006, 651 children had enrolled as presumptively eligible, resulting in about \$50,000 in medical services per month in the three pilot sites combined. The primary service costs for those presumptively enrolled are from in-patient hospital services, followed by physician and pharmacy services.
- Through an early quality review process, KHPA estimates that 38% of families whose children are determined presumptively eligible successfully complete the formal eligibility process and enroll their child in ongoing coverage in HealthWave for their children. This rate of successful enrollment is below that of other states with more mature presumptive eligibility programs.
- The primary reason that children who apply for presumptive eligibility do not go on to full enrollment is the failure to provide information on the HealthWave application in order to complete a formal eligibility determination.
- KHPA has identified some problems with the pilot sites completing the determination tools accurately, and is actively working to correct these problems and revise the tools and our training process as necessary. Expanded use of an electronic eligibility tool is viewed as a key to improvement, and the enrollment process would be streamlined through the use of a proposed web-based tool.
- The earliest results from the presumptive eligibility pilot sites indicate the need for additional training, monitoring, and program improvement before the program is expanded. As KHPA determines the need for additional outreach, and as program performance and staff levels allow, new sites will be recruited and prepared for implementation of presumptive eligibility.

Background

There are an estimated 40,000 Kansas children who are uninsured and potentially eligible for Kansas Medicaid - Title XIX or the State Children's Health Insurance Program - Title XXI health insurance programs. Together, these programs are referred to as HealthWave. The policy objective of implementing presumptive eligibility through local hospitals and clinics across Kansas is for uninsured children to gain subsequent access to ongoing preventive health care services. Additionally, presumptive eligibility allows each health care provider who cares for a presumptively eligible child to be reimbursed for medical services provided at the Medicaid reimbursement rate, instead of having to provide uncompensated care. The goal of presumptive eligibility is to enroll children who are eligible for Title XIX or XXI, but who have not applied and, therefore, are uninsured, and to ensure proper payment to providers for services rendered.

Presumptive Eligibility Pilot

Test sites. In order to prepare for statewide implementation of the program, a pilot presumptive eligibility process was initiated in three selected sites. A State Plan Amendment (SPA) was submitted to, and approved by, the Centers for Medicare and Medicaid Services (CMS) to allow Kansas to perform presumptive eligibility determinations. The state is required to select and provide training to designated entities that are authorized to determine presumptive eligibility. The KHPA chose two counties in which to test presumptive eligibility. The two locations chosen were Children's Mercy Hospital in Kansas City and Via Christi Medical Center in Wichita. Working in cooperation with Via Christi Medical Center, Grace Medical Evergreen Clinic is participating as a health clinic pilot site.

Training and eligibility tools. On site training was provided to staff from each facility about the program. KHPA staff specifically developed both electronic and paper eligibility tools that can be used by designated entities to determine presumptive eligibility. The electronic eligibility tool automatically calculates portions of the application, helping the staff correctly determine the child's eligibility, and can be sent electronically to an e-mail address at the Kansas Family Medical Clearinghouse. The paper application is manually completed and then may be faxed to the Clearinghouse. KHPA has discovered that pilot sites are only using the paper application tool; as a result, there have been some problems with accuracy in determining presumptive eligibility. In order to make the electronic tool widely available, we have determined that the tool should be converted into a web-based application. As a web-based tool, information on the application could be sent directly to the eligibility system at the Kansas Family Medical Clearinghouse, improving accuracy rates. A policy option to expand eligibility and health and wellness outreach efforts for Medicaid was approved by the KHPA Board and forwarded to the Governor for review for FY 2008. The option includes \$350,000 to design an on-line application and screening tool for potential beneficiaries. In the meantime, KHPA will continue to work with pilot sites to increase accuracy using existing tools.

Number and costs of children served. Staff at the designated pilot sites were trained in June and July of 2006. The first child was presumptively enrolled in Kansas on July 3, 2006. The following data were collected from July through November 2006:

- 651 children have successfully applied for health insurance coverage through PE
- 531 (82%) were determined presumptively eligible for Medicaid - Title XIX coverage
- 120 (18%) were determined presumptively eligible for State Children's Health Insurance Program (SCHIP) - Title XXI coverage

For FY 2007, it is estimated that 950 children will be enrolled as a result of presumptive eligibility. The estimated cost for these children in FY 2007 is expected to be between \$650,000 and \$1,300,000 All Funds. For FY 2008, as additional counties are added to presumptive eligibility, it is estimated that 1,200 children will be enrolled as a result of presumptive eligibility. The estimated cost for these children in FY 2008 is expected to be between \$1,000,000 and \$2,000,000 All Funds.

Implementing an ongoing presumptive eligibility program

Provider enrollment. Although this process is not yet completed for the pilot sites, a Memorandum of Understanding (MOU) with KHPA will, as a normal course of business, be signed by each designated entity prior to participation in the program. The MOU will outline KHPA's expectations of the participating designated entity, and what the designated entity can expect from KHPA. KHPA staff provide training to the staff at the facilities chosen as designated entities. KHPA staff at the Clearinghouse monitor enrollment outcomes of each entity. On-going technical support and training are also provided to designated entities based on observed outcomes. KHPA has developed training materials that were tested on the designated entities participating in the pilot program. The program's policies, procedures, and communications processes may also be revised on the basis of information gleaned from the pilot.

The presumptive process. Trained staff members at each designated entity complete a brief eligibility determination to ascertain if a child is likely to qualify for medical services in the Title XIX or XXI programs. When approved, the determination is forwarded to the Kansas Family Medical Clearinghouse, and the child is eligible for services until the regular HealthWave application is processed. Staff at the pilot sites simultaneously assist the family in completing the HealthWave medical services application. The HealthWave application must be received no later than the last day of the month following the PE determination. When the child is determined eligible for HealthWave through Title XIX Medicaid or Title XXI SCHIP, presumptive eligibility ends. The child is then enrolled in the appropriate HealthWave program, and remains insured for the next twelve months. If the child fails to meet eligibility requirements for Title XIX or Title XXI, their presumptive eligibility ends. Providers are reimbursed for services rendered during the child's period of presumptive eligibility whether or not the child is ultimately enrolled in Medicaid or SCHIP. Children may only be designated presumptively eligible once each twelve month period. However, families may apply for HealthWave coverage at any time. Because family circumstances frequently change, the child that was not eligible one month could qualify for eligibility in a following month.

Evaluation of the pilot program. After additional training is provided to the designated entities in December, KHPA staff will conduct a survey of each designated entity. The survey is designed to determine:

- Why designated entities use the paper determination tool rather than the electronic determination tool
- The amount of time required to complete the PE process by staff at each designated entity
- Steps to improve the PE process prior to statewide implementation
- Additional training needs identified by designated entity staff
- Further identification of the barriers that prevent families from completing the formal determination process
- The benefits that designated entities have identified due to the PE program.

In addition to the survey, KHPA will continue to analyze administrative data to monitor the number of children

who are determined presumptively eligible and the number of families who successfully complete the enrollment process. This will help KHPA better predict future utilization and inform the caseload estimating process. KHPA will monitor which program, either Medicaid - Title XIX or SCHIP – Title XXI, children are assigned to. Claims data will be analyzed to monitor the costs of medical services incurred by children during their period of presumptive eligibility. Analysis of this data will help target gaps in the process and identify any barriers families may experience in accessing services for which their children are eligible.

Possible expansion to new sites. The earliest results from the presumptive eligibility pilot sites indicate the need for additional training, monitoring, and program improvement before the program is expanded. Expanded implementation will occur if program outcomes increase, and if the capacity for KHPA staff to support this outreach tool is sufficient. The KHPA will work in cooperation with the Kansas Association for the Medically Underserved (KAMU) and the Kansas Hospital Association (KHA) to determine a timeline for training and implementation. As KHPA determines the need for additional outreach, and as program performance and staff levels allow, new sites will be recruited and prepared for implementation of presumptive eligibility. KHPA has identified an initial list of up to 33 Medicaid providers, consisting of major acute care centers and health care clinics that could serve as designated entities (see attached chart).

Conclusion

The presumptive eligibility pilot provided increased access to health services for several hundred children during its first few months in operation, enabling participating providers to recoup tens of thousands of dollars in otherwise un-reimbursable costs. This level of participation is suggestive of the potential for the program to have a significant impact as an outreach and enrollment tool for the HealthWave program. However, the earliest experiences from the three pilot sites indicate the need for program improvement, ongoing monitoring and training at the pilot sites, and a measured approach to expansion. KHPA will continue to look for ways to increase the percentage of presumptively eligible children who successfully enroll for full-fledged eligibility. KHPA will plan to expand to additional sites only as these outcomes improve, capacity for KHPA staff support allows, and specific outreach needs are identified.

Presumptive Eligibility for Children



Participating Pilot Entity



Medicaid Enrolled Hospital



Safety Net Health Clinic

