



The Louisiana Experience: Successful Steps to Improve Retention in Medicaid and SCHIP

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Over the past decade, the Louisiana Department of Health and Hospitals has taken a series of progressive and innovative steps to reduce the number of children who lose Medicaid or CHIP (known as LaCHIP) coverage at renewal for reasons not related to eligibility. In 2008, less than 1% of children enrolled in Louisiana's LaCHIP program lost coverage due to procedural or administrative reasons compared to other states where as many as half of enrolled children lose coverage at renewal.¹ Thus, Louisiana's experience serves as a model for retention policy and process improvements.

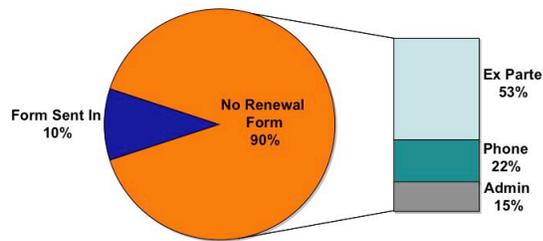
Improving retention is important from two perspectives. First, it is impossible to reach coverage goals unless retention problems are solved: as many as 40% of uninsured eligible children were enrolled in Medicaid and CHIP in the previous year.² Enrollment gains achieved through aggressive outreach and improved application procedures quickly disappear if eligible children lose coverage at renewal. Second, while many children who lose coverage at renewal eventually re-enroll, it is more administratively efficient and cost-effective to renew a child's eligibility than to terminate coverage and then process a new application. More importantly, continuous coverage ensures children an ongoing source of care, contributes to better quality care and avoids delayed and thus costlier care often delivered in hospital emergency rooms.³

The Louisiana experience demonstrates that it is possible to eliminate virtually all procedural closings at renewals. Here's what Louisiana has done to achieve these results.

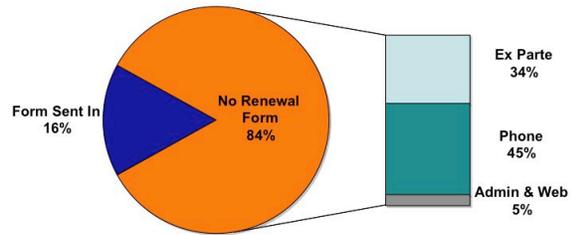
Large Majority of Children Renew without a Renewal Form

What is perhaps most notable about Louisiana's efforts is that only 10% of Medicaid cases and 16% of CHIP cases are renewed through the typical submission of a renewal form. This is possible because while federal rules require an annual review of eligibility, they do not require a renewal form or signature. In Louisiana, the vast majority of children – 90% of Medicaid children and 84% of CHIP children – are renewed without renewal forms, as described below. Note that each of these strategies have evolved over time, through testing and refinement, to make certain they are effective in promoting enrollment goals while assuring program integrity.

Medicaid Enrollment Procedures



SCHIP Enrollment Procedures



Administrative Renewals

Louisiana's process starts with administrative renewal of cases that are highly unlikely to have a change in circumstances affecting eligibility, including specific categories of eligibility such as long-term care. Other cases that are administratively renewed must meet defined criteria such as when the child's caretaker is someone whose income is not counted (e.g., a grandparent or guardian); there is a single parent with stable unearned income (usually child support); all household income is from social security; or the household monthly income is less than \$500 and there has been no change in eligibility in the past three years. On average, 15% of Medicaid cases are automatically renewed through system processes requiring no intervention by agency staff. These cases are sent a notice of renewal that requires a response only if there has been a change in circumstances.

Ex Parte Reviews

Cases that cannot be administratively renewed are assigned to eligibility caseworkers who first conduct an ex parte review as required in Medicaid by federal law and detailed in guidance issued in a State Medicaid Director's letter on April 7, 2000.⁴ Ex parte reviews (action by one party without involvement by the other) of ongoing eligibility rely on information already available to the state Medicaid or CHIP agency. Louisiana workers, like those in most states, have ready access to Food Stamp and TANF records, wage and unemployment information, and eligibility and payment data from the Social Security Administration for individuals receiving social security or supplemental security income. In addition, Louisiana accesses "The Work Number," a private automated service that verifies employment and income (a data source most useful for large employers). Ex parte reviews help states avoid unnecessary and repetitive requests for information from families that can add to state administrative burdens while making it difficult for individuals and families to retain coverage.

More than half of Louisiana Medicaid cases and one third of CHIP cases are renewed through ex parte review, meaning that the eligibility worker is able to verify ongoing eligibility by checking these databases and sources of information. In these cases, the worker simply sends out a notice to the household informing them that their coverage has been renewed.

Follow-up by Phone

When an eligibility worker can verify some but not all of the information needed to process a renewal through the ex parte process, they will follow up by phone to ask the individual to provide whatever additional information is needed. In early efforts, when workers did not have current phone numbers for many of the households they have aggressively sought out those numbers. This has become less of an issue since most families now rely on cell phones and tend to keep the same numbers even if they have moved.

Rolling or Off-Cycle Renewals

Another strategy that Louisiana employs to promote renewals that do not require mailing and returning forms is to allow rolling or off-cycle renewals online or when the family is otherwise in contact with the agency. This means that families do not have to wait until the renewal is due to provide updated information that confirms ongoing eligibility and starts a new renewal period. By providing this option, the state provides opportunities for families who have reason to visit the program website or talk with program staff to renew coverage at any time.

Renewal Mailings Encourage Families to Renew by Phone or Online

Returned mail for families due for renewal has been a longstanding bottleneck in state renewal processes. In Louisiana, this problem is significantly diminished considering that renewal reminders are mailed only to Medicaid and SCHIP families who have not been renewed administratively, through ex parte review, or off-cycle before the renewal date. By testing and tracking different strategies, Louisiana discovered that it was more effective to send a friendly letter (rather than a renewal form) requesting the family to renew by phone or online. By phone, families can talk directly with an eligibility worker during business hours or access a 24/7 automated voice response (AVR) system to provide needed information. Information taken over the phone or submitted online is verified using administrative means. Louisiana has adopted a policy that income only needs to be verified through documentation if the reported income cannot be verified through databases and the reported income is below 25 percent of the upper income eligibility limit.

Almost half of CHIP families (45%) and nearly a quarter of Medicaid families (22%) complete the renewal process over the phone. Louisiana reports that families are extremely enthusiastic about the ability to renew by phone. Eligibility caseworkers also believe that the eligibility decision is more accurate based on a telephone interview with no renewal form versus a signed form where there is no direct contact with the parent or caretaker.

Aggressive Follow-up on Outstanding Renewals

Louisiana conducts aggressive follow-up when cases have not been renewed through the efforts noted above. In particular, the state takes considerable steps to find families who could not be located at the address or phone number on file. Efforts to contact these families include using information from other computer systems, schools, and medical providers. Online searches and phone calls are required and must be documented by eligibility workers and front-line supervisors. While this requires an investment of staff time, the agency has found that overall the time spent is less than that required to close and then reopen a case.

Closures Require Supervisory Review

Before a case can be closed at renewal, a supervisor works with the eligibility worker to review the actions that have been taken to conduct an ex parte review and connect with the family. Together they brainstorm and attempt other ways to locate and reach the family. A minimum of three documented calls to connect with the family is required before closure and often many more are made. Documented notes on attempts to reach the family must support the closure decision. Significantly, each eligibility office and parish (similar to counties in other states) reports its renewal data monthly. Statewide goals are developed and each office and parish is accountable for achieving those goals.

Policy Changes

Louisiana implemented these policy changes along the way to ensure retention of eligible children at renewal:

- Signed form not required to review eligibility
- Eligibility can be renewed anytime (rolling or off-cycle renewal)
- Not necessary to send a renewal form prior to closure (friendly reminders have proven more effective)
- Reasonable certainty verification standard, meaning that eligibility workers renew cases if, based on all of the information gathered, there is a “reasonable certainty” that the individual/family is eligible
- Income verification not required unless declared income is within 25% of income limit and cannot be verified through databases available to the department

Elements of Success

State officials attribute their success to creating a greater sense of purpose among eligibility caseworkers. Staff members are educated about the barriers families face in getting and staying enrolled and about the importance of health coverage not only to the child but also to the state and society at large. Over time the state has shifted expectations of eligibility caseworkers from passive to pro-active with a focus on the outcome as it affects children. Eligibility staff are encouraged and recognized for suggesting ways to streamline the work, eliminate waste, expedite the process, and improve customer service, all with the end goal of ensuring that no eligible child slips through the cracks. New ideas are tested on a small scale to see if they are effective and should be adopted on a larger scale.

Louisiana’s retention improvement efforts have contributed to “green government.” By going largely paperless, there is a huge efficiency gained in no longer opening and sorting mail, distributing it to workers and ultimately filing it. Administrative costs are lowered through reduced printing, postage, and staff time. Even states with electronic eligibility case records, which are a great foundation for building a paperless system, gain efficiency by eliminating the need to open and scan mail and documents into the electronic file.

Louisiana’s experience demonstrates that focused, continuous, yet incremental change is important and that tracking, reporting, and sharing retention data is critical to measuring the impact of each change.⁵ State officials contend that theirs is not a static process; that it continues to evolve as they find better ways of achieving results. Lessons learned highlight that retention improvement is a continual process with significant potential for enhanced outcomes and greater efficiencies.

Endnotes

- ¹ J. Costich and S. Slavova, "[Churning: SCHIP Coverage Discontinuity and Its Consequences](#)," University of Kentucky (presentation, AcademyHealth, San Diego, CA, June 8, 2004).
- ² B. Sommers, "[Why Millions of Children Eligible for Medicaid and SCHIP are Uninsured: Poor Retention Versus Poor Take-Up](#)," *Health Affairs* 26(5): w560-w567 (July 26, 2007).
- ³ L. Summer and C. Mann, "[Instability of Public Health Insurance Coverage for Children and Their Families: Causes, Consequences, and Remedies](#)," Commonwealth Fund (June 2006).
- ⁴ [Letter from Centers for Medicare and Medicaid Services to State Medicaid Directors](#), (April 7, 2000).
- ⁵ T. Brooks, "[Data Reporting to Assess Enrollment and Retention in Medicaid and SCHIP](#)," Center for Children and Families (January 2009).

Acknowledgements

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