



## Keep it Simple: Eliminating Unnecessary Paperwork in HUSKY

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The Fiscal Year 2006 state budget eliminated simplified **electronic verification of income**, known as “self-declaration” of income, for the HUSKY health insurance program.<sup>1</sup> This change has made it more difficult for eligible families to enroll in HUSKY, has resulted in a major decline in enrollment, and has led to delayed access to needed health care for some families.

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Simplifying the application process has been a cornerstone of the reforms to Connecticut’s Medicaid program since HUSKY was enacted in 1997. The Department of Social Services (DSS) had made significant progress in reducing the number of uninsured families by expanding eligibility, simplifying enrollment, and improving the retention of families in HUSKY. *Before* enrollment was streamlined, tens of thousands of Connecticut children in low-income working families were eligible but not participating in HUSKY.

Last year, the Governor estimated that the elimination of self-declaration of income in HUSKY A would “save” \$2 million per year. The only way these savings are being achieved is by keeping eligible individuals from getting HUSKY A coverage.

### What is electronic verification or “self-declaration” of income?

With electronic verification, HUSKY applicants were not required to submit copies of written documents (e.g., multiple pay stubs) to prove their income. Instead, families wrote down their income on the application and renewal forms and signed a statement swearing that the information was true under penalty

of false statement. DSS staff and the HUSKY enrollment broker then verified income through Department of Labor and other electronic income records. Thus, income was verified, even though the family itself did not supply the paperwork. These procedures worked successfully from 2001 through 2005. Connecticut ensured program integrity by checking for possible fraud, while relieving families of the burden of gathering documents.

The Department of Social Services’ quality control audits and other information demonstrate that using electronic verification does not cause ineligible families to receive HUSKY coverage.<sup>2</sup> Rather, evidence strongly suggests that increased verification requirements prevent eligible children and families from receiving timely coverage and access to care.

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The federal government encourages states to increase efficiency and productivity by allowing families to self-declare their incomes.<sup>3</sup>

### Electronic verification saves the state money and helps the state comply with federal processing time limits

With the elimination of electronic verification, DSS workers, as well as families, have to cope with excessive and unnecessary paperwork. Requiring pay stubs and other documents is not only a barrier to enrollment, but a cost to the state in staff time. DSS workers now have to review pay stubs or other written paperwork, *in addition to* reviewing electronic

records, which they already do for each HUSKY application – thus adding a redundant step.

Today, reviews of about one-third of Connecticut applications for medical assistance, including HUSKY A, are overdue. Federal law requires states to complete the eligibility determination within 45 days.

- The number of pending HUSKY A applications per month (applications awaiting review by DSS) has increased by 35% from June 2005 to January 2006.<sup>4</sup>
- The percentage of all pending medical assistance applications that are overdue, i.e., beyond the 45 day limit, has risen from 24% in July 2002 (before the closing of some DSS local offices) to 32% in January 2006.<sup>5</sup>

To make matters worse, DSS has had a reduction in its workforce since FY 03, mainly due to retirements and layoffs.<sup>6</sup> While the legislature authorized DSS to hire 14 additional staff members in 2005, this number is not considered sufficient to meet the overall staffing needs of the agency.

Application delays will increase even further when the new proof of citizenship requirement mandated by the federal Deficit Reduction Act of 2005, which takes effect in July 2006. *DSS staff will have to verify citizenship for the more than 400,000 individuals on Medicaid, including HUSKY A families.*

Restoring electronic verification procedures would help ease the burden of DSS staff as they struggle to comply with this new federal mandate related to proof of citizenship.

### **Electronic verification of income reduces the wait for care**

Numerous anecdotal reports from Connecticut outreach organizations suggest that the elimination of other simplification measures, such as presumptive eligibility<sup>7</sup> resulted in:

- Children being kept out of school because they do not have HUSKY coverage to get school physicals; and
- Gaps in coverage for thousands of Connecticut children.

Last year, the legislature took an important step in addressing barriers to care by reinstating presumptive eligibility for children. It is widely

recognized that presumptive eligibility for children, as well as expedited eligibility for pregnant women<sup>8</sup> works best when combined with the use of electronic verification of income.

The more quickly applications are processed, the more quickly families can build relationships with providers. Diagnosing health problems early can prevent the need for more costly specialty care.

### **Conclusion**

Connecticut should restore electronic verification of income (self-declaration) for families in HUSKY. National surveys indicate that bureaucratic obstacles discourage families from applying for programs like HUSKY. Adding yet another hurdle to the eligibility process has already increased confusion among families, DSS workers, outreach workers, and providers. Eliminating simplified verification of income has already led to exclusion of eligible families from HUSKY coverage.

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<sup>1</sup> The state has eliminated electronic verification as the primary method of verifying income; now it uses both paperwork verification as well as electronic verification.

<sup>2</sup> *The HUSKY A Program: Impact of Policy Change on Enrollment*, Presentation of Kevin Loveland, Dir. of Assistance Programs, CT DSS, to the CT Medicaid Managed Care Council, (February, 10, 2006.)

<sup>3</sup> T. Westmoreland, Director, Center for Medicaid and State Operations and M. Mangano, Acting Inspector General, Office of the Inspector General, Letter to State Medicaid Director, Health Care Financing Administration, January 19, 2001.

<sup>4</sup> *The HUSKY A Program: Impact of Policy Change on Enrollment*, Presentation of Kevin Loveland, Dir. of Assistance Programs, CT DSS, to the CT Medicaid Managed Care Council, p.7 (Feb. 10, 2006).

<sup>5</sup> Connecticut Department of Social Services Monthly Intake Reports. (Note that data on pending and unprocessed applications are self-reported by DSS intake workers.)

<sup>6</sup> Conn. Gen. Assembly Legislative Program Review & Investigations (LPRI), *Staff Findings and Recommendations: Medicaid Eligibility Determination Process*, p. 4 (December 16, 2004). Note that the LPRI staff did **not** recommend the elimination of electronic verification of income.

<sup>7</sup> Presumptive eligibility is HUSKY's "same day registration," which allows eligible children to receive immediate, temporary coverage when they apply for HUSKY at certain community organization sites, such as community health centers, school based health centers, and Healthy Start sites.

<sup>8</sup> Expedited eligibility for pregnant women, like presumptive eligibility for children, provides for a fast track and temporary eligibility determination so that pregnant women get the care they need in a timely fashion.