



Continuous Eligibility: A Proven Strategy for Stabilizing Children's Coverage in the HUSKY Program

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Key Findings

- Maintaining health insurance coverage is key to children accessing timely and appropriate health care.
- Losing coverage – even briefly – can hurt children's health.
- Preliminary analysis of HUSKY claims and enrollment data indicate that children enrolled for a full twelve months are more likely to have well-child visits.
- Gaps in coverage increase administrative costs for the HUSKY program.
- Restoring “continuous eligibility” by which children remain insured for 12 months, despite changes in income or family size, can reduce gaps in coverage.
- Connecticut should join the 32 states that have adopted “continuous eligibility” for children in Medicaid and/ or the Children's Health Insurance Program.

Background

HUSKY is a publicly funded health insurance program for children, low-income parents, pregnant women, individuals with disabilities, and seniors. Over the past 15 years, the HUSKY Program has expanded to provide needed health coverage to hundreds of thousands children and low-income adults. Despite this success, and despite the active partnership between the state, local communities and families, maintaining uninterrupted insurance coverage for eligible children and families remains an unresolved challenge.

Families with HUSKY health insurance for their children must renew coverage annually. They may need to renew more often if family circumstances, such as income or family size, change. Families, the Department of Social Services, and health and social service providers all play a role in the renewal process. Families enrolled in HUSKY are responsible for timely submission of complete applications, including information and documentation necessary to confirm ongoing eligibility. The Department of Social Services is responsible for sending out timely reminder notices, sending out HUSKY Program applications for signature, and processing renewal applications.¹ Community-based health and social services providers often provide in-person assistance to families upon request.

Currently, the program is undergoing major changes, including new eligibility rules under the Affordable Care Act for HUSKY A (which covers parents, pregnant women, and low-income children), HUSKY B (for children), (and HUSKY D (low-income adults). There is also a new electronic eligibility system administered by the state's health insurance marketplace, Access Health CT. Access Health CT is able to determine eligibility for HUSKY A, B and D, as well as eligibility for commercial health insurance for individuals who do not qualify for the HUSKY program.² On the national level, it is estimated that 50 percent of adults with income below 200% of the federal poverty level will move back and forth between Medicaid and the health insurance marketplaces during the course of a year.³ Given these changes, additional efforts will be needed to help children and families maintain HUSKY coverage. Such changes will not only help to improve access to health care, they will also help to reduce the administrative burden on the state.

Thirty-two states provide continuous eligibility for children. Twenty-three states have implemented 12 months of continuous eligibility in both their Medicaid and CHIP programs. Another 9 states implemented the strategy in their CHIP programs only.⁴ Connecticut itself has experienced the benefits of continuous eligibility, which was in effect for children in the HUSKY program between 1999 and 2003.⁵ When continuous eligibility was eliminated in 2003, 7,000 children lost coverage.⁶

The Renewal Process is Difficult for Families to Navigate

While Connecticut has made efforts to facilitate the renewal process, large numbers of people still experience “churning”, a situation in which individuals enroll and dis-enroll from Medicaid or CHIP (HUSKY A and B in Connecticut) during the course of a year and at renewal.⁷ An enrollee may lose coverage for a number of reasons, including:

- Experiencing changes that directly affect ongoing eligibility, e.g., increased income (often small and temporary changes), changing household size, or moving out of state;
- Inability to afford the required premiums;
- Failing to complete and return the necessary documents needed for their renewal.
- Voluntarily choosing private insurance over an option funded by the government.

Analyses on a national level indicate that enrollees of the Medicaid program are more likely to experience disrupted coverage of care than those who obtained health insurance via employment or commercial insurance. People with employment based insurance are typically enrolled until the next open enrollment period or when a job changes. In contrast, Medicaid beneficiaries are required to submit periodic updates regarding changes in income, residency, household size, and any other circumstances related to ongoing eligibility.⁸

Several years ago, Connecticut Voices for Children reported that babies turning one and adolescents turning 18 are particularly vulnerable when age alone triggers a review of HUSKY eligibility. Based on analyses of enrollment data and subsequent investigation of administrative procedures, Connecticut Voices found that gaps and loss of coverage at age one and 18 were significantly higher than for other age groups, due at least in part to administrative complexities associated with renewing coverage.⁹

The most recent analysis of enrollment data by Connecticut Voices for Children indicates that more than one in seven children, or 13.5%, experienced gaps in or loss of HUSKY coverage in 2012.¹⁰ This means that about 38,000 of the 285,000 children enrolled in HUSKY in January that year lost coverage later in the year. It is likely that, given the challenges facing the new eligibility systems under ConneCT and Access Health, this number may have increased in 2013 and will increase in 2014. The percentage of adults that experience gaps or loss of coverage is even greater than for children. During 2011, 38% of adults experienced gaps in or loss of coverage.¹¹

Gaps in Coverage Can Negatively Impact Children’s Health

The process of renewal not only involves complicated administrative procedures, but may also jeopardize health outcomes for enrollees. Foremost, loss of continuous coverage can result in delays in receiving care or foregoing care altogether, increasing the risk of getting illnesses that can be prevented by vaccinations and early screening. Similarly, medical research has shown that gaps in health care coverage also adversely affect the management of chronic diseases such as diabetes, asthma, and mental/behavioral disorders.¹²

In fact, according to analyses of the impact of the continuity of health coverage, in Massachusetts, the quality of care diminishes even from the mere transferring of enrollees from one program to another.¹³ This finding is particularly relevant to the HUSKY Program, where children can move back and forth between HUSKY A

(Medicaid) and HUSKY B (Children’s Health Insurance Program or CHIP) as a result of changes in eligibility. Starting in January 2014, children in low income families will also likely move back and forth between very different insurance programs - between HUSKY and the commercial plans offered through Access Health CT, the state’s insurance marketplace.

Research suggests that discontinued coverage is akin to being consistently uninsured.¹⁴ For instance, children who lack on-going health insurance are more likely to experience a delay in care or a missed appointment, to have an unmet medical care need, or an unfilled prescription, compared with those who had continuous health care coverage.¹⁵ Adults face similar consequences of interrupted coverage. According to one study, adults without continuous health insurance are twice as likely to visit an emergency room, to become hospitalized, and to report not understanding a diagnosis or treatment following a medical appointment.¹⁶

In addition to suffering from adverse medical consequences, individuals who experience gaps in coverage also face financial woes associated with their disenrollment. Typically, there is a spike in the costs of medical bills. These financial burdens are estimated to multiply every time an enrollee falls off coverage and has to be re-enrolled.¹⁷

“Continuous Eligibility” Can Contribute to Improving Health Care Quality

Insurance coverage is only one component of ensuring access to care. Maintaining coverage is crucial for ensuring better quality of care, especially for those in need of preventive care and treatment for acute and chronic illnesses.¹⁸ Therefore, establishing a policy of providing 12 months of uninterrupted coverage in the HUSKY Program – known as “continuous eligibility”-- is an effective step towards stabilizing enrollment, as well as improving the quality of care each HUSKY enrollee receives. As of January 2013, 23 states have adopted 12 months of continuous eligibility for children in both of their Medicaid and CHIP programs; another 9 states have implemented the option in only CHIP.¹⁹ The Human Services Committee of the Connecticut General Assembly is considering a bill this legislative session to implement “continuous eligibility” for children.²⁰

Preliminary analysis of HUSKY claims and enrollment data by Connecticut Voices indicates that children enrolled for a full twelve months are more likely to have well-child visits.²¹ Children who are continuously enrolled are more likely to have preventive care. In 2011, 64 percent of continuously enrolled children had well-child care, compared with just 34 percent of children enrolled less than 12 months.²² This difference was evident in every age group.

In addition to increasing the quality of care, continuous eligibility also helps reduce both medical and administrative burdens and costs associated with the cycle of enrollment, disenrollment, and re-enrollment. Several studies have reported the clinical benefit and economic efficiency of ongoing coverage. One analysis found that on average an adult has a monthly medical expenditure of \$469 for a six-month enrollment period versus \$333 per month when twelve months of eligibility was in effect.²³ These data suggest that patients with uninterrupted health coverage for twelve months cost less on average per month than those with fewer months of continuous coverage. There are two explanations for these monthly savings. Under continuous eligibility, beneficiaries are more likely to go to a primary doctor for preventative care, thus staying healthy and reducing costs for higher levels of care or more expensive tests that would otherwise be needed. Second, after a disruption in coverage, individuals tend to utilize more care at the beginning of their re-enrollment period.

Continuous Eligibility Can Reduce Administrative Costs Associated with “Churning”

Continuous eligibility can also produce administrative savings.²⁴ Data from other states show that the administrative costs for re-enrolling an eligible person are significant (over \$200 in inflation-adjusted dollars in Massachusetts).²⁵ Continuous eligibility can also help offset some of the costs due to increased care after a gap in coverage.²⁶

The State Should Explore Adopting Continuous Eligibility for Adults in HUSKY

Although the focus of this report is restoring continuous eligibility for children in the HUSKY program, studies have shown that expanding on-going coverage and care to parents and other adults contributes positively to the health outcomes of children.²⁷ Moreover, whether children get health care is related to parental use of health care. Not surprisingly but significantly, the Institute of Medicine concluded that “the health of parents can play an important role in the well-being of their children”.²⁸

States have the option to adopt twelve months of continuous eligibility for parents and other adults.²⁹ A state interested in taking such action will have to apply for a Section 1115 Medicaid Waiver from the federal government. New York and New Mexico have already received permission from the federal government to implement continuous eligibility for adults, although neither state has implemented it thus far. The implementation of this strategy is premised in part on research that shows that covering the entire family for the same period of time will stabilize health care for everyone, especially children.³⁰ Unlike many other states, Connecticut already covers parents and children in HUSKY A (Medicaid) at the same income level. Therefore, the adoption of continuous eligibility would be a logical next step in improving health care quality for the entire family.

Importantly, the Connecticut legislature’s Program Review and Investigations Committee staff issued a report at the end of January recommending to the Committee that they propose restoration of continuous eligibility for children and require that the state Department of Social Services apply for a waiver to implement the strategy for adults in Medicaid as well.³¹

Recommendations

In sum, to ensure continuity of care for children and families in HUSKY, the Connecticut General Assembly should:

- Adopt 12-months of continuous eligibility for children in HUSKY A and HUSKY B;
- Authorize the Department of Social Services to apply for a Medicaid waiver to institute continuous eligibility for adults in HUSKY;
- Develop a plan for monitoring coverage continuity across all types of health insurance for individuals who obtain coverage in the HUSKY Program and in Connecticut’s health insurance marketplace, Access Health CT.

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¹ Renewal applications must be processed within 30 days (for HUSKY B—CHIP) or 45 days (for HUSKY A—Medicaid).

² In addition, the Department of Social Services is facing challenges in implementing changes to streamline its front and back office operations, known as ConneCT. See, An open letter to DSS beneficiaries, providers and advocates from Department of Social Services Commissioner Roderick Bremby, December 11, 2013, explaining the challenges in implementing the new ConneCT system. Available at http://www.ct.gov/dss/lib/dss/pdfs/modernization/an_open_letter_to_dss_beneficiaries121113_%282%29.pdf; See also, Levin Becker, A., DSS Would Get More Workers Under Malloy Plan, The CT Mirror, February 7, 2014. Available at <http://ctmirror.org/dss-would-get-more-workers-under-malloy-plan/>

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- ⁵ Continuous eligibility was repealed by P.A. 03-02(Sec. 7). Available at <http://www.cga.ct.gov/2003/act/Pa/2003PA-00002-R00HB-06495-PA.htm> ;
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- ¹⁹ C. Mann, Director of Centers for Medicaid and CHIP Services letter to State Health Officials and State Medicaid Directors, SHO #13003 (May 17, 2013).
- ²⁰ See, H.B. 5137, An Act Concerning the Eligibility of Children Enrolled in the HUSKY Plan. Available at <http://www.cga.ct.gov/2014/TOB/H/2014HB-05137-R00-HB.htm>
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- ³⁰ *Id*.
- ³¹ Conklin, C, Duffy, M. Hospital Department Use and Its Impact on the State Medicaid Budget, January 31, 2014. The specific recommendation set forth at page 9 in the report states, “Statutorily adopt a 12-month continuous eligibility provision for children during the 2014 legislative session. Further, DSS shall immediately seek an amendment to its 1115 waiver from the Centers for Medicare and Medicaid Services to implement 12-month continuous eligibility for all adult Medicaid recipients.”