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Gaps or Loss of Coverage for Children in the HUSKY Program: A 2016 Update

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KEY FINDINGS

Continuous health insurance coverage is an important aspect of *quality* in Connecticut's HUSKY Program, ensuring uninterrupted access to preventive care and treatment for acute and chronic conditions. For a variety of reasons, however, children often lose their HUSKY coverage for periods of time, with the result that eligible children may go without needed health care. This study investigated gaps or loss of HUSKY coverage in each of two years, 2014 and 2015, for children under 19 who were enrolled in HUSKY A (Medicaid) and B (CHIP). Results were compared to 2012 and 2013. Findings:

- **Coverage continuity:** In 2014, most children who were enrolled in January 2013 were enrolled for the entire year (92.5%), without gaps in coverage; however, in 2015, just far fewer were continuously enrolled (76.6% overall). In both years, the percentage of children who were continuously enrolled was greater for children who started the year in HUSKY A, compared with children in HUSKY B.

- **Gaps in coverage for eligible children:** Among children enrolled in January *and* December 2014, less than two percent had a gap in coverage; however, that rate increased to 10 percent for children enrolled in January *and* December 2015. It is likely that these children were *eligible* when they lost coverage.

- **Gaps associated with age-related eligibility redetermination:** As was the case in previous years, babies turning one and adolescents turning 18 were more likely than other children to have experienced gaps or loss of coverage in 2014 and 2015 when age triggered a review of eligibility.

In 2014 and 2015, many changes in the HUSKY Program may have aggravated common, long-standing problems with coverage continuity in Medicaid and CHIP seen nationwide and in Connecticut. To address risks of losing coverage at the time of renewal, the Department of Social Services has adopted **"**passive renewal," a procedure for using information from the state's databases or collected in the course of renewing other benefits such as food stamps. The percentage of renewals that can be processed this way has not been reported by the Department of Social Services.

Coverage continuity is fundamental to program quality, so it is important to know just how tax dollars are used to ensure that children and their families have ongoing access to preventive services and needed care. The Department of Social Services and Access Health CT should design and implement an approach to monitoring and reporting on coverage continuity within and across the public health insurance options for Connecticut's families.

INTRODUCTION

In HUSKY A (Medicaid) and HUSKY B (Connecticut's separate Children's Health Insurance Program), families must renew coverage for their children at least annually and more often if family circumstances (e.g., income, family size) change. These families are responsible for timely submission of complete HUSKY applications, including information and documentation that is required to establish ongoing eligibility. Some families with children in HUSKY B are responsible for making timely premium payments.[1] The Connecticut Department of Social Services is responsible for sending out timely reminder notices, sending out pre-filled HUSKY Program applications for signature, and processing renewal applications within 30 days (for HUSKY B--CHIP) or 45 days (for HUSKY A--Medicaid). Families can complete renewal online through Access Health CT, Connecticut's health insurance marketplace (www.accesshealthct.com) or call Access Health CT directly (1-855-805-4325). Families that need to renew coverage in other assistance programs, such as SNAP or cash assistance, must complete a separate renewal form that is mailed to the address on file.

Years of experience and research show that the risk of losing coverage increases at the time of renewal and whenever enrollees must provide additional information, even for eligible children and adults. Medicaid programs nationwide have long been plagued with "churning," that is, people going on and off coverage during the year. Undoubtedly, there are some people who elect to drop publicly-financed coverage when they obtain other coverage. Other families experience changes that directly affect ongoing eligibility (e.g., moving out of state, going over income, or changing household size), even temporarily. Some lose coverage, however, because they fail to complete the renewal application process, in part because they are unaware of the need to renew periodically or are simply confused by the notices, paperwork, or procedural complexity. Administrative barriers (e.g., delayed processing, lost paperwork, and outdated eligibility management systems) add to the risk of losing coverage. In programs with premiums and other cost-sharing, like HUSKY B, coverage may not be affordable at times. Thus, many eligible individuals lose coverage throughout the year.

Certain administrative requirements put some children at greater risk than others for losing coverage. Age alone triggers a review of Medicaid eligibility for babies turning one and adolescents turning 18.[2, 3] Several years ago, Connecticut Voices for Children reported significant risks for gaps and loss of coverage at age one and 18, due at least in part to administrative complexities associated with renewing coverage. Age-related renewals can be

HUSKY Health renewal notice

It is time for us to review your eligibility for HUSKY Health benefits. We must do this at least once a year. HUSKY Health includes the HUSKY A and HUSKY D Medicaid programs, as well as HUSKY B (Children's Health Insurance Program or "CHIP") …. Once we receive your renewal, we will tell you if your household is still eligible for HUSKY Health.

Source: DSS HUSKY Health Renewal Notice Medical Assistance--AU

Final notice sent to parents with *baby*

Your Medical assistance will be discontinued on [date]. We are taking this action for the following reason(s):

THERE ARE NO ELIGIBLE PEOPLE IN YOUR HOUSEHOLD.

Your child listed below is turning one year old. We did not receive the completed HUSKY review form for this child. If you do not send in the completed form, the child's HUSKY medical coverage will end at the end of the month that the child turns one. If you still want HUSKY for your child, please call toll free 1-877-CT-HUSKY….

Source: DSS notice of discontinuance HUSKY A F10 Newborn Children

unexpected when they do not coincide with renewal for other household members. Additionally, the Department's processes for renewing coverage at age one and age 18 are not fully automated, so successful renewal is heavily dependent on eligibility workers for processing applications in a timely and error-free manner, especially for babies in the newborn coverage group (F10) and adolescents in the family coverage group (F07/X07). To address the problem, the Department revised notices to families, alerted eligibility workers to the problem, and established accountability for successful renewals without gaps in coverage. A number of years ago, the Department supported an effort by the Connecticut Chapter of the American Academy of Pediatrics to alert pediatric providers to the risk of losing coverage when babies turn one. Through Covering Connecticut's Kids and Families, a state-wide coalition, Connecticut Voices for Children has alerted community-based providers to the problem and suggested ways to help families maintain coverage for their children.[4] In addition, the Department adopted "passive renewal," a process by which children may be assumed eligible based on information available to the Department; pre-filled renewal applications are sent to the family.

Purpose

As part of a larger project of independent performance monitoring, Connecticut Voices for Children monitors enrollment dynamics in the HUSKY Program.[5] The purpose of this investigation was to describe coverage continuity in 2014 and 2015 and to identify children that were at greatest risk for gaps in coverage. We compared results to earlier investigations using 2012 and 2013 data.

METHODS

We used HUSKY Program enrollment records to identify all children under 19 (age as of December 31) who were covered by the HUSKY A (Medicaid) and HUSKY B (Children's Health Insurance Program or CHIP) in 2014 and in 2015. We asked three questions and used three different approaches to describing coverage continuity and gaps in coverage:

- **Were children who were enrolled in January in HUSKY A or B covered for the entire year?** For those who were enrolled in HUSKY A or B in January 2014, we tracked coverage by month during the remaining eleven months of 2014. Children were considered continuously enrolled if they were in HUSKY A or HUSKY B or if they changed between HUSKY A and B without a gap in coverage. We determined the percentage of children who were enrolled in January and subsequently continuously enrolled, by age and by program (enrolled in HUSKY A or HUSKY B in January). We compared the findings for 2014 and 2015 to coverage in 2012, and 2013.

- **Did eligible children experience gaps in coverage?** We identified the subset of children who were enrolled in both January *and* December 2014 and children who were enrolled in both January *and* December 2015. We then determined which children were continuously enrolled for the 12 month period and which children had experienced gaps but returned to the program by December, suggesting that they may have been eligible for coverage when it lapsed.

- **Did age-related eligibility determinations increase the risk of gaps in coverage?** We identified children who were enrolled in January 2014 and in January 2015 and grouped them by age (as of December 31). In each one-year age group, we determined what percentage of children had a gap or lost coverage during the calendar year. We compared gap rates for one- and 18-year olds to all other children two to 17.

The findings are subject to several limitations. First, the data were not independently validated. Second, the reasons that a child was not enrolled could not be determined and characterized. Third, the enrollment data include months of retroactive coverage when access to needed care may have been temporarily interrupted but appears to have been continuous in the database; thus the findings are likely to be an underestimate of the scope of the problem.[6] Fourth, we do not have enrollment data for HUSKY D (Medicaid for low income adults), so we could not

determine whether children who turned 18 were subsequently covered in HUSKY D if they were no longer eligible for family coverage in HUSKY A. Finally, these summary measures help with understanding general enrollment trends but do not allow for determining whether any one policy or procedure, alone or in combination, has improved coverage continuity. Nevertheless, the results shed light on enrollment dynamics and lingering challenges to quality for coverage in the HUSKY Program.

RESULTS

In 2014 and 2015, as in all previous years, there were far more children enrolled in HUSKY A (Medicaid) than in HUSKY B (CHIP) (Table 1). Children in HUSKY A were more likely than children in HUSKY B to be continuously enrolled for the calendar year. In both HUSKY A and HUSKY B, the percentages of children who were continuously enrolled were considerably less in 2015 than the previous year.

Table 1. HUSKY Program Enrollment, 2014 and 2015

	Calendar Year 2014		Calendar Year 2015	
	Ever Enrolled	Continuously Enrolled in HUSKY A or B	Ever Enrolled	Continuously Enrolled in HUSKY A or B
HUSKY A (Medicaid)	285,507	265,326 (92.9%)	303,596	232,504 (76.6%)
HUSKY B (CHIP)	13,586	11,299 (83.2%)	13,409	9,430 (70.3%)

Source: Connecticut Voices for Children analyses of enrollment data from the Connecticut Department of Social Services, 2016.

Q: Were children who were enrolled in January in HUSKY A or B covered for the entire year?

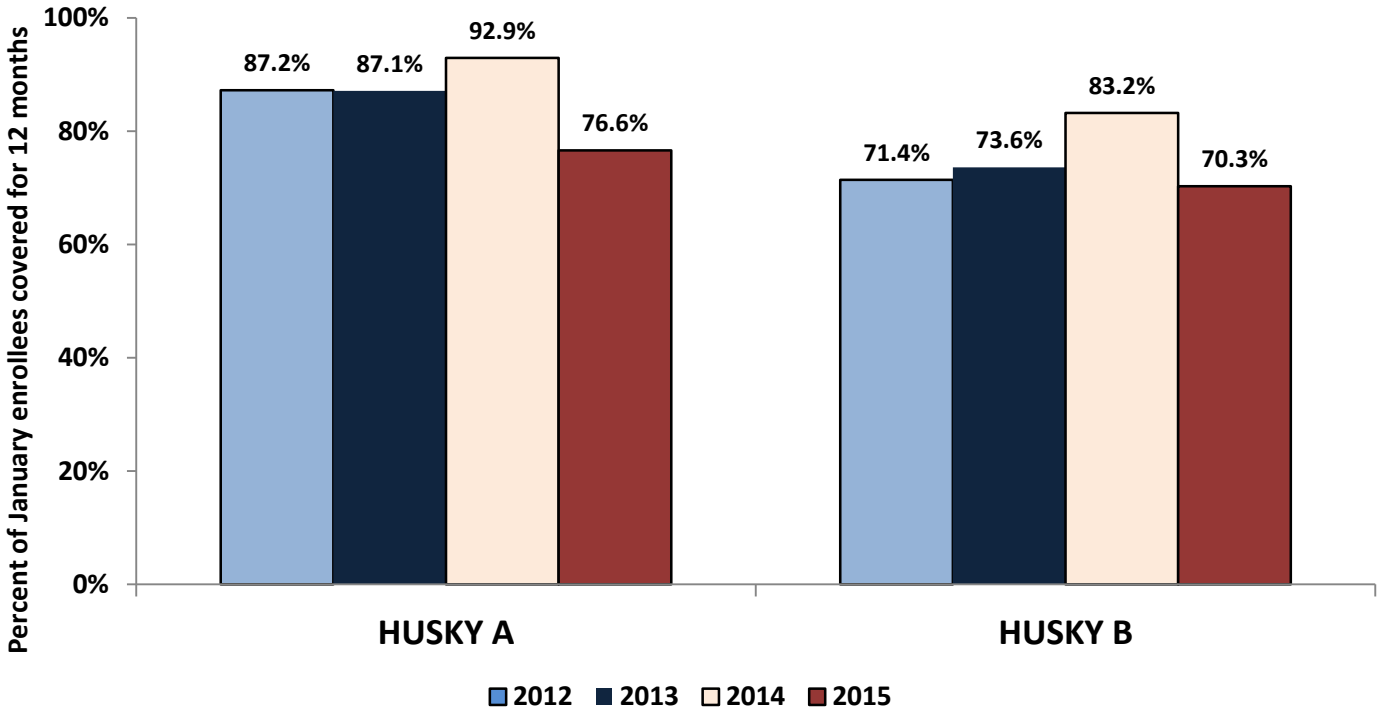
In 2014, most children were continuously enrolled throughout the year (92.5% overall); however, the percentage who were continuously enrolled in 2015 dropped sharply (76.3% overall) in both HUSKY A and HUSKY B (Figure 1).[7] In each year, significantly more children (number and percent) were continuously enrolled in HUSKY A than in the much smaller HUSKY B program. Among children who were continuously enrolled in 2014 or 2015, just over two percent changed from HUSKY A to HUSKY B or vice versa during the year. Thus, based on data for the most recent year available, about one in four children in HUSKY A and more in HUSKY B had gaps or lost coverage during calendar year 2015.

As in previous years, the risk of losing coverage was greater overall for children in HUSKY B (Figure 2). In all premium bands, children who began the year in HUSKY B were much more likely than children in HUSKY A to have lost coverage for a month or more. The risk of losing coverage increased for children in B3, the premium band with the greatest cost sharing for the higher income families. This increased risk was probably due to the fact that effective August 1, 2015, premium B3 was eliminated and children in families with income over HUSKY B 2 levels were referred to Access Health CT for coverage in qualified health plans.

Q: Did eligible children experience gaps in coverage?

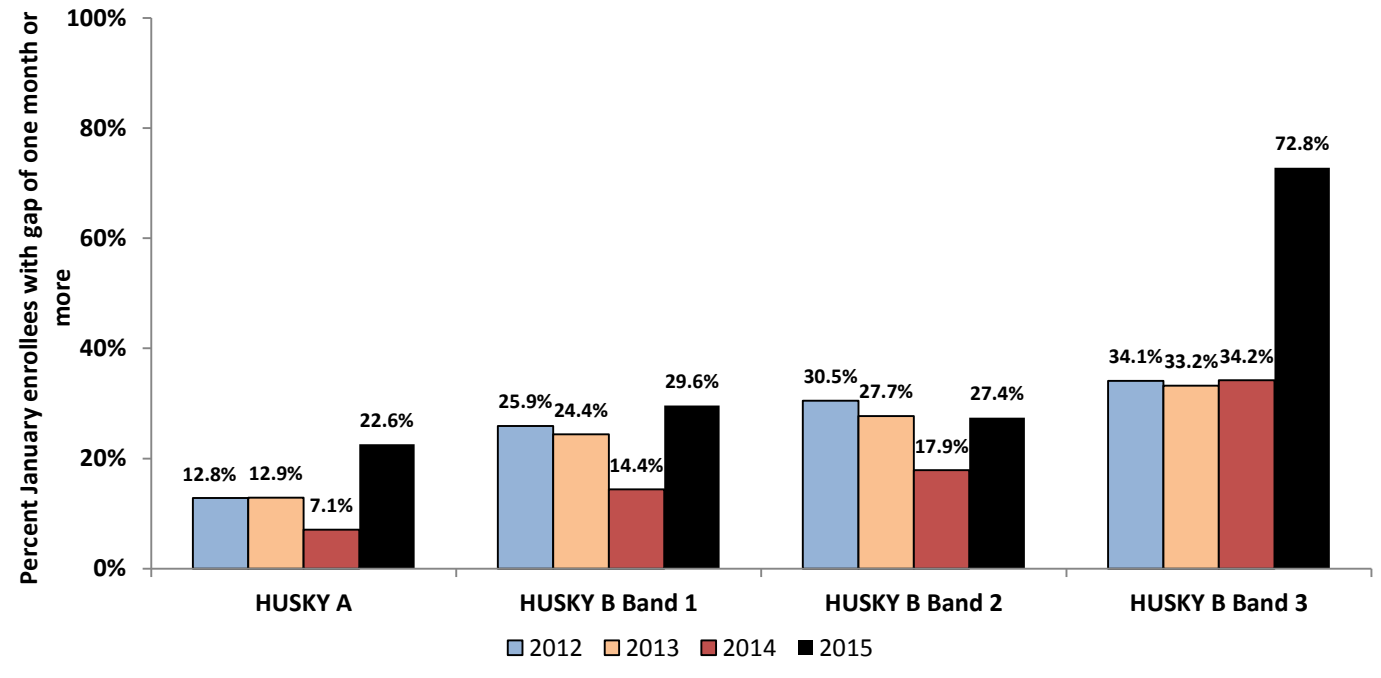
Children who were enrolled in both January *and* December were likely to have been eligible all year long. In 2014, about 94 percent of children who were enrolled in HUSKY A or B in January 2014 were also enrolled in December that year. The vast majority of them (98.5%) were continuously enrolled for the balance of the year. Only 1.5 percent of children who were likely-eligible had gaps in coverage. However, children who were subject to age-related redeterminations of eligibility were most likely to have had gaps in coverage: four percent of 1 year olds and four percent of 18 year olds had gaps or lost coverage, compared with just over one percent of all other children).

Figure 1. Trends in Coverage Continuity, 2012 to 2015



Note: Includes about 2 percent of continuously enrolled children who changed between A and B without a gap in coverage.
Source: Connecticut Voices for Children analyses of enrollment data from the Connecticut Department of Social Services, 2016.

Figure 2. Gaps in Coverage by Program, 2012 to 2015



Note: Children were enrolled in HUSKY A or B in January and had gaps in coverage or lost coverage in the following 11 months of the calendar year. Just 265 children were enrolled in HUSKY B Band 3 in January 2015. Enrollment in HUSKY B Band 3 was discontinued August 1, 2015. Children in families with income over HUSKY B Band 2 limits were referred to Access Health CT for coverage in qualified health plans.
Source: Connecticut Voices for Children analyses of enrollment data from the Connecticut Department of Social Services, 2016.

Gaps in coverage for children who were likely-eligible were more common in 2015. Among children who were enrolled in HUSKY A or B in January 2015, about 86 percent were also enrolled in December 2015. About 10 percent of them had gaps in coverage, despite likely eligibility.

Q: Did age-related eligibility determinations increase the risk of gaps in coverage?

Gaps and loss of coverage associated with age-related redeterminations of eligibility continued to plague the program and affect families with babies or adolescents:

- **Babies turning one:** In 2014, about one in six babies in HUSKY A that had gaps or lost coverage, a rate that was similar to loss of coverage in the subsidized portion of HUSKY B (16.1% in HUSKY A; 15.6% in HUSKY B Band 1 and 17.7% in Band 2). In 2015, one in three babies lost coverage: 29 percent of babies in HUSKY A, 34 percent of babies in HUSKY B Band 1 and 37 percent of babies in HUSKY B Band 2.

- **Adolescents turning 18:** In 2014, the percentage of adolescents in HUSKY A that had gaps or lost coverage (13.9%) was less than the percentages in the subsidized portion of HUSKY B (17.5% in Band 1 and 18.9% in Band 2). In 2015, the percentages of 18 year olds that lost coverage were much higher: about 25 percent in HUSKY A, 32 percent in HUSKY B Band 1 and 30 percent of adolescents in HUSKY B Band 2.

One-year-olds and 18-year-olds experience gaps or lost coverage at rates that exceed rates for other age groups (Figure 3). After retention improved in 2013 and 2014 for all age groups, including the youngest and oldest, loss of coverage increased for children of all ages in 2015.

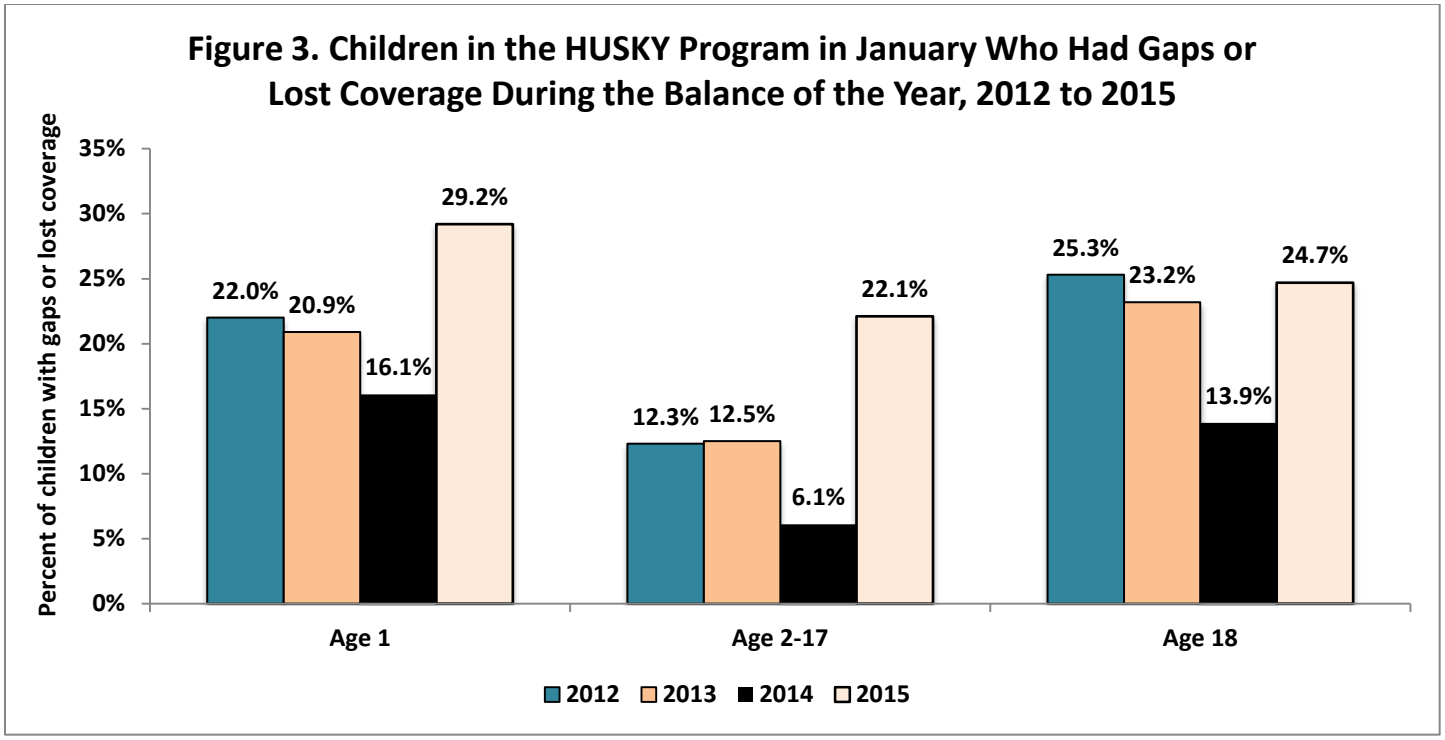
DISCUSSION

Maintaining health insurance coverage is absolutely essential to obtaining timely and appropriate health care. Gaps in coverage interrupt access to preventive services and ongoing care. The quality of a public health insurance program is only as good as its coverage for eligible children and others. Even with the very best clinicians enrolled to provide care, access to that care is entirely dependent on uninterrupted coverage that allows for establishing and maintaining therapeutic relationships with providers.

Disruptions in coverage are undoubtedly costly, though never quantified by the Department of Social Services or its administrative services providers. The costs to families are more difficult to quantify and also include threats to health status, disruptions to work or school or family life, and mounting anxiety about access to needed care.

These findings show a decline in the percentage of children who were continuously enrolled, especially for children subject to age-related eligibility redeterminations. In 2014 and 2015, the HUSKY Program experienced many changes that may have aggravated what has been a long-standing problem in Medicaid in Connecticut and nationwide:

- In August 2013, the Department of Social Services rolled out ConneCT for online management of applications. Unfortunately, the system generated multiple copies of applications, the wait times for centralized telephone assistance were inordinately long, and the call abandonment rates were high until May 2015.



Note: Children were enrolled in HUSKY A or B in January and had gaps in coverage or lost coverage in the following 11 months of the calendar year.
Source: Connecticut Voices for Children analysis of enrollment data from the Connecticut Department of Social Services, 2016.

- Since January 2014, eligibility decisions for HUSKY A and B have been managed by Access Health CT, Connecticut's health insurance marketplace, with final decisions on eligibility and continued coverage made by the Department of Social Services. The Department had to rely on its contractor for sorting through multiple applications and manual entry of applicant information into the Department's eligibility management system. This arrangement requires coordination of procedures, messages and electronic systems that were challenging at first and are still evolving.

- To minimize disruptions in coverage during 2014 and into 2015, the Department suspended redeterminations for a period of time; however, the Department began processing redeterminations in late 2015, leading to risks for gaps or loss of coverage.

- In 2015, the Connecticut General Assembly reduced income eligibility for parents in HUSKY A from 201% of the federal poverty level to 155% FPL. While relatively few parents lost coverage in August that year, there was some confusion about ongoing eligibility, even among those who had one more year of transitional medical assistance. The income eligibility limit for children's coverage was not changed.

To its credit, the Department has adopted **"**passive renewal," a proven strategy for keeping children enrolled. For some portion of the Medicaid population, the agency renews coverage based on information available in the state's databases or collected in the course of renewing other benefits such as food stamps. Children are determined eligible based on these administrative data and their families are asked to verify that the information is correct. Some information need never be updated, such as birth date or US citizenship status, and can be pre-filled in renewal applications that are sent out for verification and signature. The percentage of renewals that can be processed this way has not been reported by the Department.

"Continuous eligibility" is another proven strategy for stabilizing Medicaid enrollment. Changes in federal law now make it possible for states to adopt one-year of coverage for adults as well as children in Medicaid.[8] Continuous eligibility extends coverage to a child or adult for the balance of the one-year period even if the reported changes

would have affected eligibility in the absence of such a policy. Connecticut had this policy for children until 2003. Today, many states offer continuous eligibility for children (24 states in Medicaid and 26 states in CHIP).[9] Unfortunately, "continuous eligibility" comes at a cost to the state for covering a child or adult who might otherwise have lost coverage, so "continuous eligibility" has been a non-starter in recent negotiations to reduce large state budget deficits in Connecticut.

Coverage continuity is fundamental to program quality, so it is important to know just how tax dollars are used to ensure that children and their families have ongoing access to preventive services and needed care. Monitoring coverage continuity across publicly-funded and –sponsored coverage options is essential for identifying and addressing coordination problems in the outdated and complex, less-than-fully integrated eligibility management systems. The Department of Social Services and Access Health CT should design and implement an approach to monitoring and reporting on coverage continuity within and across the public health insurance options for Connecticut's families.

ACKNOWLEDGMENTS AND ANNOUNCEMENT

HUSKY Program performance monitoring is conducted by Connecticut Voices for Children under a state-funded contract between the Connecticut Department of Social Services and the Connecticut Health Foundation. This report was prepared by Mary Alice Lee, Ph.D., Senior Policy Fellow. Data analyses were performed by Amanda Learned, MAXIMUS, Inc. Sharon Langer, M.Ed., J.D., CT Voices Advocacy Director, reviewed the brief. This publication does not express the views of the Department of Social Services or the State of Connecticut. The views and opinions expressed are those of the author.

We regret to announce that Connecticut Voices' project for independent HUSKY Program performance monitoring ended July 29, 2016. Recent cuts in state funding have made it impossible to continue this work.

Since 1995, state-funded independent performance monitoring in Connecticut's HUSKY Program has produced *policy-relevant, actionable data* about coverage and access to care for over 475,000 children, parents and pregnant women in low income families. Independent HUSKY Program performance monitoring has been instrumental in maintaining coverage for low income families, calling for accountability, and enhancing the Department of Social Service's capacity for HUSKY Program administration and oversight. Legislators, state agency staff and other policy makers have relied on independent analyses of program data and policies for assessing the impact of policy changes and identifying areas for improvement. We have monitored and reported on the following areas of HUSKY Program performance:

- Health insurance enrollment trends, coverage continuity, and gaps in coverage;
- Maternal health and birth outcomes for new families with publicly-funded coverage for maternity and infant care;
- Health services access and utilization trends, with special focus on the impact of major program and policy changes and on health disparities; and
- Impact of a federally-funded project on maternal and infant oral health services.

We are grateful to the Hartford Foundation for Public Giving and to the Connecticut Health Foundation for support of this long-standing public-private partnership with Connecticut's Department of Social Services.

[1] In HUSKY B (Connecticut's CHIP program) there is no premium for family of three with annual household income between $40,521 and $51,206 (Band 1). Families with income between $51,207 and $65,116 pay $30 per month per child ($50 per month per family) (and 2). Until August 1, 2015, when the unsubsidized portion of HUSKY B (Band 3) was discontinued, families with income over $65,116 pay an unsubsidized premium rate of $314 per month per child (no family maximum). There are nominal co-payments required for some services.

[2] **Babies turning one**: Under federal regulations, babies born to Medicaid-eligible mothers are eligible for uninterrupted coverage during the first year of life. Families must reapply for coverage on or before the first birthday to prevent gaps. Results of a study using enrollment data from 2008-09 showed that over 40 percent of babies in the newborn coverage group were not enrolled in the month following the first birthday. Since these findings were reported in 2011, the Department of Social Services has improved its administrative procedures for discontinuing newborn coverage, revised notices to families, and increased worker accountability for coverage continuity. See: Connecticut Voices for Children. HUSKY Program Coverage for Infants: Maintaining Coverage When Babies Turn One (May 2011). Presented to Medicaid Managed Care Council May 13, 2011. **Adolescents turning 18:** Children who qualify for coverage in HUSKY A or HUSKY B are eligible until the age of 19. After national welfare reform in 1996, eligibility determinations for Medicaid and cash assistance were de-linked; however, outdated administrative procedures may jeopardize coverage for 18 year olds who are not in school. Results of a study using enrollment data from 2006-07 showed that 16 percent of adolescents were not enrolled in the month following their 18th birthdays. See: Connecticut Voices for Children. HUSKY Program Coverage for 18 Year Olds: Recommendations for Avoiding Gaps or Loss of Coverage (October 2010) Presented to Medicaid Managed Care Council October 8, 2010. The most recent update: Connecticut Voices for Children: Gaps or Loss of Coverage for children in the HUSKY Program: an update. March 2015. All the reports are available at: www.ctvoices.org.

[3] For further information about eligibility redetermination at age one or age 18, see: Connecticut Voices for Children. HUSKY Program Coverage for Infants: Maintaining Coverage When Babies Turn One. May 2011. Available at: www.ctvoices.org. Connecticut Voices for Children. HUSKY Program Coverage for 18 Year Olds: Recommendations for Avoiding Gaps or Loss of Coverage. October 2010. Available at: www.ctvoices.org.

[4] Covering Connecticut's Kids and Families (CCKF) is a statewide coalition of community-based organizations that convenes periodically to share information about policy and program changes that affect coverage in the HUSKY Program. CCKF is convened by Connecticut Voices for Children and funded in part by the Connecticut Health Foundation. Department of Social Services' central office and regional office staff are active participants in the coalition.

[5] Contract between the Connecticut Department of Social Services and the Connecticut Health Foundation (contract # 15DSS1202ZP / 089-2ZP-MED-1, 7/1/15-6/30/17), with a grant from the Connecticut Health Foundation to Connecticut Voices for Children for the contracted reporting.

[6] In HUSKY A (Medicaid), retroactive coverage can be granted for up to 90 days when children who were eligible incurred costs for health care services. In HUSKY B (CHIP), the Department and its contractor grant retroactive coverage for 30 days when a late renewal application and premium payment, if any, for an otherwise eligible child jeopardized continuous coverage.

[7] The counts behind the graphic representations of findings are available upon request.

[8] Centers for Medicare and Medicaid Services. Continuous Eligibility for Medicaid and CHIP Coverage. htt;://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Outreach-and-Enrollment/Continous.html.

[9] As of January 1, 2016. http://kff.org/health-reform/state-indicator/state-adoption-of-12-month-continuous-eligibility-for-childrens-medicaid-and-chip/