

Policy Alternatives & Recommendations

The policy alternatives and recommendations presented here are summarized from material presented in previous articles. Many of these strategies have been implemented in other states or localities; where this is true, it is so noted. Some states and localities are experimenting with major changes in the health care system, taking one of two alternative approaches: (1) subsidizing private health insurance coverage or (2) expanding public coverage. A full discussion of premium assistance programs for private coverage and universal health coverage models can be found in *The Future of Children: Health Insurance for Children*.⁶⁵

Policy Recommendation #1: Restore Funding for Outreach and Enrollment

A. Restore Funding for SCHIP Outreach

To address state fiscal crises resulting from the recent economic slowdown, a number of states, including Michigan, have significantly cut back on expenditures for outreach activities. For example, Michigan has discontinued payments to community organizations for enrolling children for SCHIP. As a result, recent data show that many children eligible for both SCHIP and Medicaid still are not enrolled and that retention of children in SCHIP continues to be a problem. ***If Michigan is to make significant progress in increasing the rate of insurance coverage among poor and near-poor children, adequately funded outreach activities must be restored.***

B. Adequately Fund Outreach and Enrollment Activities for Small Business Programs

Programs that recruit enrollees among low-wage employees, such as Access Health, are reaching a portion of the target population that is not accessible to many social service agencies. In addition, such programs can screen children for eligibility for MIChild and Healthy Kids. ***Therefore, outreach and enrollment activities for small business programs such as Access Health must be continued and adequately funded.***

Policy Recommendation #2: Streamline Enrollment and Renewal Procedures

A. Simplify Enrollment and Renewal Procedures

The complexity of enrollment/eligibility determination is sufficient to prevent some families from ever enrolling in public programs. The Urban Institute's evaluation of the SCHIP program indicates that reasons for non-enrollment include confusion about eligibility and administrative barriers such as complex enrollment forms, processes, and documentation requirements. As a result, retention rates in many states are 50% or less.

Michigan should be commended for simplifying the enrollment processes for MIChild by expanding online enrollment and sending out preprinted re-determination forms to encourage parents to keep their children enrolled. ***These processes should be maintained and expanded to Medicaid to reach more of the uninsured.***

B. Use One Form to Apply for Multiple Programs

In addition to health programs, low-income children often participate in other programs for low-income families, such as food stamps or the National School Lunch Program. One strategy used by states to increase enrollment in public insurance programs is to connect Medicaid and SCHIP with other programs for low-income children and families. These strategies, sometimes referred to as ***express lane eligibility***, allow health insurance programs to use information

families already have provided to another program to be used, with permission, to evaluate the child's eligibility for Medicaid/SCHIP. Here are some examples of experiments with express lane eligibility:

- **Vermont** has coordinated SCHIP enrollment with the Supplemental Nutrition Program for Women, Infants, and Children (WIC) Program.
- **Los Angeles County** has initiated a similar program through the Food Stamp Program.
- **California** has gone a step further by instituting automatic enrollment, using a child's enrollment in an income-comparable program to qualify for Medicaid or SCHIP.

Although these strategies are promising, they face a number of challenges, such as differing eligibility rules and immigration requirements, and the technological and personnel resources needed to run the program effectively. In addition, these initiatives need to be evaluated to determine whether they are achieving their intended goals. A full discussion of state programs and the advantages and challenges of these strategies can be found in "The Future of Children: Health Insurance for Children."⁶⁶

C. Presume Eligibility for Medicaid and MICHild Among Certain Groups

Presumptive eligibility allows states to extend coverage to children in families with gross incomes at or below the eligibility level for Medicaid or SCHIP while waiting for a full eligibility determination to be completed. Under this option, states may receive federal Medicaid or SCHIP match for funds expended for services during the presumptive eligibility period. The state may train and qualify certain entities – such as FIA, Head Start or Medicaid providers – to determine presumptive eligibility so that they can tie outreach activities to actually enrolling children, at least on a temporary basis. This process has the advantage of allowing children to receive immediate care for existing conditions and perhaps reduce the need for more expensive care later.

Massachusetts, Mississippi, New Jersey, and New York are experimenting with presumptive eligibility for both Medicaid and SCHIP. For a more complete discussion of this option refer to "The Future of Children: Health Insurance for Children."⁶⁷

Currently, Michigan has presumptive eligibility for MICHild but not for Medicaid. Most students who are eligible for free/reduced lunch or who live in geographic areas characterized by high poverty rates are eligible for Medicaid or MICHild. ***Expanding presumptive eligibility to Medicaid, targeting enrollment to certain groups, and focusing on community-based outreach/enrollment in high poverty census tracts could be cost-efficient ways to enroll children eligible for public insurance.***

Policy Recommendation #3: Improve Customer Services

A. Provide Community-Based Support in Navigating Public Systems

Good models exist for improving customer service through streamlining enrollment and renewal procedures and assisting families to navigate the social services system. For example, Covering Michigan's Kids, an initiative funded by the Robert Wood Johnson Foundation, has demonstrated that community-based enrollment can be successful in increasing health coverage for low-income children (see **snapshot** of Covering Michigan's Kids after this article). Similarly, Neighborhood Services Organization and their partners educate families about the various health insurance options available to them and the benefits of having health insurance. The centerpiece of their community education effort is the **Learning Map**®, which is used to teach families about the multiple programs available at FIA and other community agencies and their eligibility criteria (see Lichtenstein & Johnson).

In the past, Michigan provided an application-assistance fee to community-based groups to supplement the resources they devote to education/enrollment. However, this fee was discontinued in the 2004 budget.

Michigan needs to replicate and adequately fund successful models for improving customer service through community-based support systems.

B. Enhance Customer Service at FIA Offices

Family Independence Agency (FIA) staff determine eligibility for Medicaid as well as for other assistance programs such as Temporary Assistance to Needy Families (TANF). However, community residents and parents who participated in focus groups in Detroit indicated that having to deal with FIA was a deterrent to enrollment in health insurance programs. Focus groups of both customers and FIA staff also indicated that agency caseworkers do not always provide high quality or friendly services to agency clients. By improving customer service, more families would be referred to all services for which they are eligible and the agency's image in the community could improve. Therefore, Michigan needs to:

- **Create "health insurance only" forms and expedited procedures to enroll more eligible children in health insurance programs.**
- **Institute maximum caseload standards for Family Independence Specialists and provide quality improvement training to FIA supervisory staff.**

Policy Recommendation #4: Increase Public Awareness

A. Increase Awareness and Understanding of Available Programs

A recent State of the State Survey in Michigan found that 48% of Michigan residents still do not know of MICHild, in spite of outreach efforts and media campaigns. In addition, low-income families remain confused about program eligibility rules and enrollment procedures.⁶⁸ **Michigan needs to fund a pilot program to test the effectiveness of different approaches for educating low-income families about programs, eligibility requirements, and enrollment procedures.**

B. Increase Awareness of the Benefits of Preventive Care for Healthy Children

Research indicates that some families who are aware of public health insurance programs choose not to sign up because they believe the coverage is not needed. This attitude is particularly prevalent among parents of healthy children. Parents who understand the benefits of preventive care for long-term good health are more likely to enroll their children in health insurance programs and to remain enrolled.

The *Eastside Access Partnership* (Lichtenstein & Johnson) has developed attractive and interesting materials for family learning in an interactive format. Copies of the materials can be obtained by contacting Penni Johnson, the Eastside Access Partnership (EAP) director (see **snapshot** of EAP for contact information). **Michigan needs to fund a pilot program to test the effectiveness of different approaches for educating families about the benefits of preventive care for all children.**

C. Administer MICHild as a Program Separate from "Welfare" Programs to Retain a Separate Identity for Health Coverage for Working Families

Working, low-income families who are eligible for children's health coverage sometimes do not enroll in programs for the poor, such as Medicaid, because, as taxpayers, they are reluctant to accept "welfare" (See previous articles, *Eastside Access Partnership & Access Health*). By retaining *MICHild* as a separate program, families receive a standard health care card (a "Blue Cross" card for the majority of children), which outreach workers report is more palatable to families. **Michigan should administer MICHild as a program separate from programs perceived as "welfare."**

Policy Recommendation #5: Support Local Management of Programs

A. Foster and Support Local Decision Making About Health Care Issues

Locally managed programs are more likely to garner the necessary community support for sustainability than are top-down strategies.⁶⁹ Each community has its own unique character, provider networks and problems, so some flexibility in state policy will enable communities to adapt programs to address their own health care issues. Although health care policies often are made on the state or national level, people actually receive their health care locally and this shapes their experience.⁷⁰ **Like politics, all health care is local. Michigan's health care policies should foster and support local decision making.**

B. Support Local Financing and Management of Services

Local funding is a benefit to the state, as each state dollar is matched by two local dollars. Locally-focused management can enter into contracts with providers and monitor services in ways that large management organizations cannot. For example, Access Health has saved administrative costs by managing its own contracts with providers. **Michigan should reward local management of health care services for low-income families.**

Policy Recommendation #6: Fund Research and Evaluation Efforts

A. Collect Systematic Data on Health Indicators

Organizations that contract to provide services should be required to collect and report data on service utilization that will enable state planners to gauge the reach and success of programs. Sometimes, however, the data collected are neither systematic nor comprehensive. **Michigan should require contractors to regularly collect and report comprehensive data that can be used in planning for future needs and more efficient use of state and local health care dollars.**

B. Investigate Issues of Access, Quality, and Health Outcomes to Ensure that Programs Achieve their Intended Goal: Healthier Children

Health insurance is an important component of improving health care. Research indicates that children with health insurance are more likely to have a regular source of health care, to get more preventive care, and are less likely to use emergency rooms.⁷¹

However, as noted in Chapter 2, health insurance is only one aspect of insuring better health for children. Access and quality in health care for children are perceived as continuing problems in some areas of the state. Research is needed to establish the role of health insurance in improving health outcomes for children. **As Michigan funds health insurance programs, a portion of each allocation should be designated for program evaluation.**