MEDICAID INSTITUTE
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Reducing Paperwork to Improve Enrollment and Retention in Medicaid and CHIP

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PREPARED FOR THE MEDICAID INSTITUTE
AT UNITED HOSPITAL FUND BY

Jennifer Edwards, DrPH
Jodi Bitterman, MPH
Caroline Davis, MPP
HEALTH MANAGEMENT ASSOCIATES

Rebecca Kellenberg, MPP
KELLENBERG CONSULTING LLC

Stan Dorn, JD
URBAN INSTITUTE

NYS HEALTH FOUNDATION

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Executive Summary

Third-party data matching has emerged as a promising strategy to simplify the enrollment and retention of eligible people in Medicaid and the Children's Health Insurance Program (CHIP).[1] Existing, verified data is substituted for applicant-provided documentation, reducing the paperwork burden on applicants and caseworkers. As leading states craft solutions to data sharing and systems barriers, their experiences will benefit other states also seeking to maximize enrollment and retention in coverage.

"Third-party data" refers to information that was provided for a purpose other than applying for health insurance. Third-party data matching is the process through which insurance program criteria are checked against data available from a different source, and the applicant is found to either meet or not meet that eligibility criteria based on the available information. In the absence of a qualifying data match, the applicant is asked to produce paper documentation for determining eligibility. A similar process can be followed at renewal.

Third-party data matching offers several benefits—it reduces or eliminates the need for applicants to supply documentation; reduces application processing time; and reduces human error due to data entry—changes that can contribute to higher enrollment and retention rates among eligible individuals, lower program administrative costs, and greater convenience for applicants.

All states have access to valuable third-party data, but the technical and legal barriers to obtaining and using it are significant. Personal identifiers vary across databases, income is counted differently, eligibility rules and available data do not match precisely, and some needed information, such as family size, may not be available. The agency that could supply the data may not have sufficient resources or be willing to participate in a match. Further, privacy considerations may hinder the use of data or be interpreted as a barrier to sharing data.

In order to identify opportunities for New York to expand its use of third-party data matching to enroll and retain more eligible people in coverage, the authors reviewed the literature, spoke with New York and national experts, and conducted interviews with selected states—

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[1] The State Children's Health Insurance Program (SCHIP) was renamed CHIP as part of the Children's Health Insurance Program Reauthorization Act of 2009. The CHIP program is called Child Health Plus B in New York. We refer to this program as CHIP throughout the report.

Georgia, Iowa, Louisiana, New Jersey, Pennsylvania, Virginia, and Washington—about their use of third-party data matching.[2] (Additional information from the interviews is available separately at www.uhfnyc.org/publications/880624.) This paper summarizes major findings from these sources and possible considerations for New York. The paper concludes with an analysis of the provisions in the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) that simplify and make more feasible third-party data matching for children.

Findings

States have applied third-party data matching in four ways to facilitate enrollment or retention of eligible adults and children in Medicaid and CHIP:

1. Outreach to people who appear to meet program criteria, and encouraging them to apply.

2. Administrative verification of *some* information needed for eligibility determination and renewal, rather than requiring applicants to supply it.

3. Ex parte renewal by looking up *all* information needed for redetermination of eligibility and administratively renewing enrollees rather than requiring them to reapply.

4. Proactive enrollment of people who, based on third-party data, meet program criteria.

Outreach

Many people never apply for public insurance because they do not recognize that they are eligible; outreach through third-party data matching largely removes this barrier. The match identifies people who broadly meet the eligibility criteria, usually income, who must then provide additional information so that eligibility can be determined.

Through the literature review and interviews, the authors identified several states, cities, and counties using state tax returns, food stamps[3] eligibility information, or enrollment in school lunch programs to identify individuals who appear to meet income criteria. Each of these

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[2] These states were chosen based on their use of databases of most interest to New York (tax, food stamps, and birth records) and were identified in part from a recent 50-state survey (Cohen Ross and Marks 2009).

[3] As of October 1, 2008, Supplemental Nutrition Assistance Program (SNAP) is the new name for the federal food stamp program. However, we continue to use the name "food stamp program" because it is still commonly used in the field.

entities has a unique process for contacting these individuals and facilitating application. Some encountered legal barriers to using confidential data for purposes different from the data's original use. Ensuring confidentiality of income information in the health care agency is a common challenge. Successful workaround strategies have been developed.

Administrative Verification

Medicaid and CHIP programs have required that applicants document income, citizenship, insurance status, and residence when applying, as well as income and insurance status when renewing. Administrative verification allows applicants to self-declare such information, which the state then verifies using comparable, current information in an existing data system. This strategy is time-saving for both applicants and program enrollment staff. The challenges are all at the front end: getting permission to access these data sources, in some cases paying for the data access or the staff time to create linkages, and addressing privacy concerns in the way data is stored. Staff retraining can be extensive.

Ex Parte Renewal

States that use ex parte renewal look up *all* information needed for redetermination of eligibility without any contact with the enrollees. If the information in the other database is current and meets insurance eligibility requirements, enrollees do not take any action to maintain their coverage. Eligibility workers record the new information in the enrollee's record, greatly reducing paperwork and renewal process time. Like administrative verification, the work is at the front end, establishing the system. CHIPRA also promotes greater use of ex parte renewal for children.

Proactive Enrollment of People Meeting Program Criteria

States can increase public program participation rates if they automatically enroll people based on information provided for another purpose when that information demonstrates eligibility for health insurance. The main advantage of this system is that people who are unaware of their eligibility or unable to complete the enrollment process can be enrolled with no effort on their part. However, few programs exist that have the exact information needed to determine Medicaid eligibility. The states that have auto-enrolled people were able to do so at transitional points in program redesign, such as Massachusetts's one-time auto-enrollment of its Uncompensated Care Pool enrollees into a new subsidized coverage option as part of its health reform.

Similarly, New Jersey made a one-time policy change to facilitate the use of existing data. When the State expanded income eligibility for parents in 2009, it automatically enrolled

parents based on income shown on previous successful applications submitted for children and unsuccessful (because of former eligibility standards) applications submitted for parents. The automatically enrolled parents' eligibility lasted until 12 months following the date of the earlier application, so that the data were never staler during the eligibility period than would have been the case if eligibility had been granted based on the prior application using normal methods.

CHIPRA facilitates greater use of automatic enrollment of children in the future, as described below.

Considerations for Using Third-Party Data Matching

States have pursued third-party data matching in different ways. The strategy a state will adopt can be shaped by the state's priorities, information system capacity, interagency relationships, and support from political leaders. Some of the considerations this analysis identified include:

1. States may want to focus on enrollment, retention, or both, depending on their greatest challenge. For example, a state where eligible people are not submitting applications may choose to invest in an outreach strategy. A state with high churning rates may want to streamline renewals by using third-party data for either administrative or ex parte renewal. Of course, most states experience both problems and may pursue multiple data-matching opportunities simultaneously.

2. Picking the source of the data match is a strategic decision based on several different factors: the proportion of targeted individuals who are in the database, the age of the data, interagency relationships, the availability of common identifiers for linking, and the availability of resources to work through the match process. More uninsured eligible people are likely to be found through the state income tax data than from any other database. States are also using food stamps data, which works better for finding eligible people with lower incomes than those with middle incomes.

3. Some states, including New York, require income documentation to be current within two months of application. States using income tax data have made adjustments to their processes to allow for older data. Options include:

   ▪ Supplementing the tax data with periodic data checks against wage data from other sources such as a new hires database, quarterly wage reports, TALX/The Work

Number, child support, unemployment wage databases, food stamps, and Temporary Assistance to Needy Families (TANF).

- Changing program rules to allow the use of older data.

- Empowering workers to use "reasonable certainty" in determining the reliability and accuracy of income information (e.g., renewing eligibility based on continuing employment at a job with earnings at a qualifying income level).

- Granting eligibility for a shorter term coinciding with the currency of the data.

4. In some states, interagency relationships had to be built or strengthened over months or years of meetings before systems and resources were shared. Improvements in data systems and data handling agreements were often incremental. Additionally, gubernatorial and legislative leadership often played a role in facilitating coordination.

5. Interfaces must be custom designed, relying on agency staff with systems expertise and perseverance. Some states submit match requests in batches while others can match for each applicant in real time.

6. All states reported that workers like using third-party data, citing it as a more efficient way to do their jobs. However, change is hard. States had to retrain workers and continue to work on the culture shift even after the data matching mechanics were in place.

Most states did not progress as quickly as they hoped through planning and implementation. Talks shut down, priorities shifted, resources went away, and momentum was often lost. With time, several states regained momentum and achieved the benefits of more efficient processes and better outcomes. However, the number of states that have succeeded is still relatively small. As of the fall of 2008, just 11 states were using third-party data matching to streamline enrollment and 12 states were doing so at renewal (Cohen Ross and Marks 2009).

New Opportunities with CHIPRA

CHIPRA dramatically expands states' ability to use third-party data in qualifying children for Medicaid and CHIP. It creates financial incentives for states to enroll and retain more children in coverage and to implement policies that promote enrollment and retention,

including automatic renewal through use of "pre-populated forms" (which can include data matching), presumptive eligibility, and "Express Lane Eligibility" (ELE).

ELE allows states to base eligibility for Medicaid and CHIP on the findings of other government agencies, even when they use different methodologies for determining income or other elements of eligibility. Any eligibility requirement can be met through ELE, except for citizenship. However, CHIPRA permits states, beginning on January 1, 2010, to verify citizenship based on data matches with the Social Security Administration (SSA).

To supplement any existing statutory authority for data sharing, CHIPRA authorizes every federal, state, and private agency with data relevant to eligibility for Medicaid or CHIP to provide that data to state Medicaid and CHIP programs, so long as the parent or guardian does not disallow it and an interagency data-sharing agreement meeting new federal standards is in place. States may initiate enrollment, but parental permission is required.

New Options for Using Income Tax Data

Several CHIPRA provisions increase the potential for using income tax data. States can find children income-eligible for either Medicaid or CHIP based on "gross income or adjusted gross income shown by state income tax records or returns,"[4] without any further analysis of income using standard methodologies. A state plan amendment is needed for states to take advantage of this provision.

States need to change the state tax form to give parents an opportunity to identify their uninsured children and to request disclosure of their income tax data to the Department of Health to see if their children qualify for free or reduced-cost health coverage. Such tax form changes have been shown to be feasible in Iowa, New Jersey, and Maryland.

These provisions may be of particular significance for New York. According to recent Urban Institute research, 89 percent of uninsured children who qualify for Medicaid or CHIP live in families who file federal income tax returns. A similar or greater proportion of families is likely to file state income tax forms in New York because the state offers an Earned Income Tax Credit that can only be claimed by tax filers and because of New York's high income-eligibility limits for Child Health Plus.

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[4] New Social Security Act Section 1902(e)(13)(H) [42 USC 1396a(e)(13)(H)].

Options for Using Food Stamp Data

While children receiving food stamps constitute a lower percentage of uninsured eligible children than do children identifiable via state income tax forms, the number is not insignificant. Nationally, 12 percent of uninsured children who qualify for Medicaid and CHIP live in families who receive food stamps (Dorn 2009). Nearly all children receiving food stamps qualify for Medicaid or CHIP, but because most food stamp recipients are already enrolled in these programs, uninsured food stamp recipients represent a small share of the children eligible for the health programs.

CHIPRA eliminates any need for "cross-walking" information from food stamp files into Medicaid and CHIP eligibility categories. Instead, states can provide children with Express Lane Eligibility, granting Medicaid eligibility based on a child's receipt of food stamps, without any need to compensate for minor technical differences in how the two programs calculate income. States do still need to verify citizenship—which, as mentioned above, will be easier to do electronically beginning in 2010; and any private insurance coverage. Further, the food stamp program must inform families that unless they object, information from their food stamp files will be shared with the department of health to see whether their children qualify for free health coverage.[5] Parents must consent before their children are enrolled in health coverage based on data matches with food stamps (or any other procedures that involve state-initiated enrollment).

Changes for Adults

CHIPRA addresses simplifications for children only, but nothing in the statute forbids a state from seeking a waiver, under Section 1115 of the Social Security Act, to extend ELE to adults. This would include parents, whose enrollment increases the likelihood that their children will also receive coverage. States could explore with the Centers for Medicare and Medicaid Services their potential receptivity to such a waiver.

Even without the benefits of Express Lane Eligibility, states could expect to find and enroll a large percentage of adults eligible for Medicaid/Family Health Plus through an outreach strategy using state tax returns. Models from Iowa, New Jersey, and Maryland can help with data sharing agreements, concerns about data timeliness, and modifications to the tax form. Further, New York's recent success with using income tax data to demonstrate eligibility for

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[5] This requirement does not forbid a state from matching eligibility files for Medicaid, CHIP, and food stamps to identify children receiving only the latter benefit. CHIPRA does not limit preexisting authority to share data, and the food stamp program has long been permitted to share its eligibility data with programs like Medicaid and CHIP. See new Social Security Act § 1942(d), added by CHIPRA § 203(d)(1), and 7 CFR § 272.1(c)(1)(i).

the Elderly Pharmaceutical Insurance Coverage (EPIC) drug program for seniors may help smooth the way for adult Medicaid applications. Finally, federal health reform may provide further opportunity to simplify data matching strategies and to extend to adults options that are available for children.

Managing Data Exchange

The data-matching approaches described here raise questions of how best to ensure privacy and data security requirements. Implementation of such changes will require training and management of eligibility workers. Therefore, consideration should be given to how a centralized entity, such as New York's Statewide Enrollment Center or another cooperative arrangement, could address these concerns.

Conclusion

Third-party data matching offers the promise of increasing enrollment and retention of eligible children and adults in Medicaid and CHIP, lower administrative program costs, and greater convenience for applicants. However, by no means is this strategy a "magic bullet." Experience in leading states demonstrates that data matching strategies require significant work, but that there is payoff for the investment. In addition, CHIPRA offers new opportunities for states to pursue data-driven enrollment and retention strategies by eliminating many of the barriers states previously faced. This law provides new options to use state tax data to prove income and "Express Lane Eligibility" options to use information from other public programs (such as food stamps) to satisfy most Medicaid and CHIP eligibility criteria. Federal health reform may also provide new support to states to obtain data in lieu of paper documentation for adults and children. With these new opportunities and the implementation of New York's Enrollment Center on the horizon, the time is right to consider such data matching strategies.

Why Study the Use of Third-Party Data in Medicaid and CHIP?

In New York, an estimated 44 percent of the uninsured, or one million people, are eligible for a public health insurance program but are not enrolled (Cook, Williams, and Holahan 2009), and one-third of Medicaid enrollees are involuntarily disenrolled at renewal.[6] Decades of research have demonstrated that lack of health insurance has negative consequences for individuals and the economy, and can sometimes cost taxpayers more than coverage (Commonwealth Commission 2006; Glied 1996; Bindman, Chattopadhyay, and Auerback 2008). Documentation requirements are known to be a leading contributor to the failure of eligible individuals to enroll in and retain insurance coverage. In most states, people must supply evidence of identity, citizenship, and income when they apply for benefits, and re-verify income when they renew coverage. For a variety of reasons, this information may be unavailable or hard to obtain, or it may trigger fear among eligible people. More fundamentally, a significant body of behavioral economics research documents the common-sense conclusion that requiring people to complete forms before they receive a benefit can greatly reduce the number of eligible people who enroll (Laibson 2005).

Because forty-four percent of New York's uninsured are currently eligible for a public health insurance program, but not enrolled.

Federal guidance has suggested that states may lighten the documentation burden, but has also penalized states that overreach, creating confusion about how far states may go to ease the documentation requirements. Federal mandates require that eligibility must be determined "in a manner consistent with the simplicity of administration and the best interests of the recipients,"[7] providing impetus for states to pursue a variety of simplification strategies. Conversely, the Deficit Reduction Act of 2005 (DRA) placed a considerable new burden on states, new applicants, and current enrollees when it specified that proof of citizenship and identity must be documented for all existing enrollees and new applicants. Further, other federal administrative rules reinstated penalties on states that erroneously enroll ineligible applicants.[8] Then, in February 2009, the Child Health Insurance Program

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[6] New York State Department of Health, Medicaid and CHIP administrative data for 2007.

[7] Social Security Act Section 1902(a)(19) [42 USC 1396a(a)(19)].

[8] The Improper Payments Information Act of 2002 (IPIA) requires heads of federal agencies to estimate and report to Congress annually estimates of improper payments for the programs they oversee, and submit a report on actions the agency is taking to reduce erroneous payments. To achieve compliance with IPIA, CMS promulgated rules, effective October 1, 2007, that required states to conduct eligibility reviews and estimate case and payment error rates resulting from errors in eligibility determinations. Errors in eligibility determination cannot exceed 2.5 percent of program payments and $10 million. See www.cms.hhs.gov/PERM/Downloads/PERM%20Final%20Reg.pdf.

Reauthorization Act (CHIPRA) was passed, promoting several strategies for streamlining and facilitating enrollment and retention and providing new financial incentives to enroll the maximum possible number of eligible children. As this paper goes to press, states are awaiting regulations or other administrative guidance that will elaborate on the simplification strategies outlined in the law.

Balancing the benefits and costs, numerous states, including New York, have made progress over the last several years in streamlining procedures for new applicants and existing enrollees and reducing administrative steps for eligibility workers (Edwards, Smith, and Moody 2008). One promising strategy has been substituting existing, verified data for applicant-provided documentation—a process known as third-party data matching (Morrow and Horner 2007; Hudson Center 2008; Cohen et al. 2008). Data matching has value in several ways. States can use it to identify and outreach to the eligible but uninsured, to determine the eligibility of applicants with minimal documentation, and to proactively enroll them in coverage with no documentation. For enrollees who are due to renew, third-party data matching can reduce or eliminate their need to document ongoing eligibility, sometimes resulting in no paperwork on their part. Benefits can accrue to both the enrollees and the eligibility workers, who spend considerably less time per applicant or renewing enrollee. This, in turn, lowers the state's administrative costs.[9,10] In some states, data matching is used to assure program integrity by screening out ineligible applicants and basing eligibility on reliable, third-party sources of information rather than the inherently limited memories and paper files of applicants. Of these various possible functions, administrative verification at enrollment and renewal is the most commonly used. As of the fall of 2008, 11 states were using third-party data matching to streamline enrollment and 12 states were doing so at renewal (Cohen Ross and Marks 2009).

Using third-party data matching for outreach purposes, either to identify and contact potentially eligible individuals or to automatically enroll or renew eligible people into Medicaid and CHIP, holds much promise. An analysis by the Urban Institute using 2005 census data found that 96 percent of children receiving free school lunches through the National School Lunch Program (NSLP) were income-eligible for Medicaid or CHIP (Dorn 2009). Another Urban Institute report found that, based on census and tax data for 2004, 89 percent of uninsured children who qualify for Medicaid or CHIP live in households that file

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[9]An analysis of New York Medicaid renewals found that in our current, paper-intensive system, over $70 was spent per renewal (Lipson et al. 2003).

[10] Shifting from paper-based renewals to data-driven renewals lowered administrative costs to 31 percent of prior levels, according to a case study of policy changes made by Louisiana's Medicaid program in its treatment of Medicare Savings Program beneficiaries (Summer 2005).

federal income tax returns (Dorn et al. 2009). Clearly there is untapped potential in these other data sources.

This paper examines states' experiences with third-party data matching and prospects for increased use of data matching in New York. Health Management Associates (HMA) and the Urban Institute reviewed published accounts of states' efforts, interviewed states with experience in particular data-matching strategies of interest to New York, interviewed New York Department of Health officials about their work in this area to date, and applied the lessons to New York's unique programs and policies to suggest opportunities for further work. Officials in seven states—Georgia, Iowa, Louisiana, New Jersey, Pennsylvania, Virginia, and Washington—were interviewed about their experiences with data matches, particularly using the sources of most interest to New York: income tax, food stamps, vital records, and commercial databases. These interviews sought to draw out the details of the operational and administrative challenges associated with each data source, how they were overcome, and the impact of their use on the eligibility and enrollment process. HMA also interviewed city, state, and national organizations with data that might be relevant to Medicaid, Family Health Plus, and Child Health Plus eligibility, such as the New York Office of Temporary and Disability Assistance (OTDA), the New York City Housing Authority, the National Association for Public Health Statistics and Information Systems (NAPHSIS), and others. Finally, the Urban Institute analyzed the impact of recent federal legislation, concluding that CHIPRA would permit New York to implement substantially more effective and efficient methods to reach large numbers of eligible, uninsured children by using third-party data for streamlining eligibility and renewal functions.

How Third-Party Data Matching Works

Third-party data matching is a process to identify people who meet eligibility criteria for public programs based on information they provided for a purpose other than applying for health insurance. Some of the most commonly used data sources are food stamps, birth, and payroll records. Third-party data matching offers several advantages: fewer burdens for applicants and enrollees to supply needed documentation; shorter enrollment processes for enrollment workers; and less human error due to data entry, which collectively can result in higher enrollment and retention rates among eligible individuals; and lower program administrative costs. All states have access to data that could be used to improve the application and renewal processes via third-party data matching, but the technical and legal barriers have been significant, particularly before the enactment of CHIPRA. Personal identifiers are not consistent across the various systems and programs, income is counted differently, eligibility rules and available data do not match precisely, and some needed

information, such as family size, may not be available. Sometimes, the other agency that could supply the data may not have sufficient resources or be willing to participate in a match. Further, privacy considerations may hinder the use of data or be interpreted as a barrier to sharing data. Given all these barriers, it is not surprising that most states have not implemented third-party data matching at all, let alone leveraged the full potential of the strategy.

New York has all of these barriers and more. As of October 2008, New York had 4.3 million Medicaid enrollees and 350,000 CHIP enrollees.[11] The sheer volume of New Yorkers enrolled in Medicaid and CHIP means that any new data matching strategy would need to be electronic, not manual, as it is in some states. New York's decentralized enrollment system means that implementing process changes at the county level would require extensive retraining of a large cadre of enrollment workers who may be invested in their current system; and county and state staffs would have to work in synchronization more than they do now. Further, current information systems are siloed and old, thus hard to update and link with other information systems. Finally, the application system is still largely paper-based, so data lookup would rarely be concurrent with the timing of an application being submitted.

> *The sheer volume of New Yorkers enrolled in Medicaid, Family Health Plus, and Child Health Plus means that third-party data matching must be electronic, not manual.*

Despite these challenges, the prospect of increasing coverage and access to needed health care services for eligible New Yorkers has provided the impetus to explore third-party data matching opportunities. New information is particularly timely as the Department of Health prepares to establish a Statewide Enrollment Center, which endeavors to leverage technology for enrollment and renewal, and which centralizes operations for certain populations.

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[11] Medicaid Institute at United Hospital Fund analysis of New York State Department of Health enrollment data. Medicaid enrollment includes Family Health Plus (FHP) enrollment of about 500,000.

Applications of Third-Party Data Matching to Health Insurance

States have used third-party data matching in four ways to enroll or retain more eligible adults and children in public programs:

1. Outreach to people who appear to meet program criteria, and encouraging them to apply.

2. Administrative verification of *some* information needed for eligibility determination and renewal, rather than requiring applicants to supply it.

3. Ex parte renewal by looking up *all* information needed for redetermination of eligibility and administratively renewing enrollees rather than requiring them to reapply.

4. Proactive enrollment of people who, based on third-party data, meet program criteria.

The four differ in the extent to which they simplify processes for families and workers and the degree of difficulty of implementation. Strengths and weaknesses of each approach are discussed below. Examples from states using each approach illustrate the challenges and some of the work-arounds states were able to accomplish, which remain relevant to programs serving adults, even though many are being addressed for children through enactment of CHIPRA.

Table 1.
Barriers to Enrollment Addressed by Third-Party Data Matching

Barriers to Enrollment	Use of Third-Party Data			
	Outreach	Establishing Full Eligibility	Administrative Verification	Ex Parte Renewal
1. Awareness of likely eligibility	Yes	Yes	No	--
2. Awareness of how to apply	Yes	Yes	No	--
3. Ability to complete application	Helps	Yes	No	--
4. Ability to provide documentation	Helps	Yes	Helps	Yes
Examples described in this report	Iowa, Maryland	Massachusetts	Washington, Georgia	Louisiana, Virginia

Strategy 1: Outreach

States can use existing data sources to identify and contact individuals potentially eligible for coverage. Many people fail to apply for public insurance because they do not recognize that they are eligible; outreach through third-party data matching largely removes this barrier. A threshold eligibility issue is income, so using data to identify people already receiving services from need-based programs, such as food stamps, cash assistance, housing assistance, and the National School Lunch Program, is a good starting point. Information available on a tax return can also be used to identify potentially eligible people, and has the advantage of reaching higher income levels more relevant to New York's eligibility thresholds.[12] A state can also provide children and pregnant women with temporary presumptive eligibility based on income information alone. However, for ongoing coverage, qualifying characteristics that go beyond income and that are not available through other programs must be sought from the individuals themselves.

State and Local Experiences with Outreach

A few states are conducting outreach by finding people who appear to be eligible based on their state tax returns. Using state income tax data for outreach is an apt choice because tax data capture wage earnings and other forms of income for not only the very large segment of the population who file W-2s but also for self-employed individuals

> *Aligning Medicaid/CHIP enrollment with other financial incentives helped Illinois overcome data-matching barriers.*

and households with unearned income. Because it is harder to measure income for the self-employed, many Medicaid and CHIP programs already require the submission of a 1099 tax form or full state income tax return from the prior year for eligibility determination. Even households that do not file income tax forms have their income reported to state and federal authorities through W-2 forms, 1099 forms, and their state-level equivalents. In states that offer Earned Income Tax Credits (EITCs) that supplement the federal credit, even low-income families that do not owe taxes may still file state income tax returns (Zedlewski et al. 2006; Burman and Kobes 2003). As noted above, a recent Urban Institute study (Dorn et al. 2009) found that 9 in 10 eligible uninsured children live in households that file federal income tax returns; the proportion is surely higher in a state like New York, where income-eligibility extends well above the national average. Other information needed to fully determine eligibility is lacking from tax data, but could be requested during the outreach

[12] In New York, public programs extend eligibility to children up to 400 percent of the federal poverty level (FPL), to 150 percent of FPL for parents, and to 100 percent of FPL for childless adults. Many people in this income bracket are not typically entitled to public benefits and so may ignore other marketing efforts.

communication. The examples below describe how states have handled the need for more information.

Some states have used food stamp eligibility files to look for the uninsured because food stamp eligibility closely approximates Medicaid eligibility. The Urban Institute found that, among uninsured children receiving food stamps in 2005, 96 percent qualified for federally-funded Medicaid or CHIP (Dorn 2009). Almost all of the ineligible children were legal immigrants who had lived in the U.S. for less than five years or whose immigration sponsors did not meet federal income standards—factors that do not affect eligibility in New York. Only one-tenth of one percent were ineligible because, without regard to immigration sponsors, their income was too high to qualify for Medicaid or CHIP.

Our review found that Iowa, New Jersey, and one county in Maryland have programs in place, and a statewide program in Maryland is under development, relying on tax data to conduct outreach. Los Angeles County had some success using food stamp data to identify children for application assistance, while the city of Lincoln, Nebraska has used food stamp data to complete applications for children's Medicaid (Horner 2001). Public schools in Chicago have aggressively cross-matched National School Lunch Program (NSLP) eligibility records with Medicaid/CHIP records to target schools for outreach based on the number of students attending each school who receive NSLP but not Medicaid or CHIP (Dorn 2008). A critical motivator for such efforts is an Illinois law that uses Medicaid/CHIP enrollment as an important factor in allotting poverty-related school aid, a strategy that New York lawmakers could consider replicating. New York's efforts to use food stamp data are described in the New York section, below.

> *Iowa's direct mailing to uninsured families filing taxes is expected to result in 3,000 new applications a year. New Jersey reached and enrolled 17,000 children.*

Iowa

In 2007, the Iowa Department of Human Services (DHS) and the Iowa Department of Revenue (DOR) signed a Memorandum of Understanding to use income tax data to identify potentially eligible children and conduct outreach for HAWK-I, the State's CHIP program.[13] Families with an uninsured but seemingly eligible child receive a letter from DOR and an application/brochure for HAWK-I

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[13] Interview with Brenda Freshour-Johnson, Outreach Coordinator, Iowa Department of Human Services.

from DHS. DHS estimates approximately 30,000 applications will be sent to families in 2009, with as many as 10 percent resulting in applications for health coverage.

Pennsylvania

Other states are interested in using tax data for outreach as well, but legal concerns about utilizing private tax data are an impediment. Pennsylvania has explored an approach to disclosure with their taxpayers who file electronically. Under discussion was the possibility of the taxpayer receiving a prompt at the end of the tax form with the option of pre-populating the State's online Medicaid/CHIP form with information contained in the income tax form if the taxpayer has uninsured minor children. This effort was put on hold in 2008 due to competing priorities, but the idea will be revisited in 2009 (Dorn 2008).

New Jersey

New Jersey is using both food stamp data and income tax data to identify and outreach to potential enrollees. New Jersey originally matched food stamps recipients and Medicaid files, finding and enrolling approximately 17,000 previously uninsured children. Subsequently, the State has used food stamps applications to discuss health insurance coverage with applicants and can automatically determine Medicaid eligibility based on these applications. The State is in the process of modifying the food stamp application to include a choice to request health coverage in written form (Dorn 2008).

More recently, New Jersey has used the income tax form to ask parents to identify each uninsured child, and the income tax instructions notify taxpayers that the information is conveyed to the State's health agencies for purposes of potential outreach and enrollment. Response from families in the first year has been low, but the process has been informative and can be improved next year. This initiative is part of a broader effort to enroll uninsured children, which includes a legal requirement that each child must have health coverage. The Governor has played a strong role in encouraging vigorous enrollment efforts. One of New Jersey's innovations has been developing an independent data repository where tax and health programs can exchange data without the other agency seeing it directly, thus addressing concerns about privacy and data safety (Dorn 2008).

Maryland

Maryland piloted a program in a single county to conduct outreach to residents potentially eligible for health insurance coverage. Based on tax records indicating household incomes low enough that their children appeared eligible for Medicaid or CHIP, residents were sent a letter explaining the potential eligibility of their children for free or low-cost health insurance

coverage and encouraging them to call a toll-free number if they were uninsured and wanted coverage. Maryland is interested in replicating this approach statewide, and the Maryland Legislature enacted the Kids First Act in 2008, which will establish statewide connections between Maryland's income tax and health coverage systems, including asking taxpayers to describe the health insurance status of each dependent child on their income tax forms (Dorn 2008). To explain how to apply for coverage, Maryland's Comptroller has sent mailings to parents who identified their children as uninsured. Unfortunately, preliminary indications are that only a small percentage of parents are responding to these mailings by applying for coverage.

Strategy 2: Administrative Verification

Traditionally, Medicaid and CHIP programs have required that applicants document income, citizenship, insurance status, and residence when applying, as well as income and insurance status when renewing. Administrative verification allows people to self-declare such information, which the state then verifies using comparable, current information in an existing data system. The most frequently used sources of comparable information are vital records (for citizenship), the Income Eligibility Verification System (IEVS), and commercial databases (also for income). Dozens of other data sources have been identified as having some of the needed information but are rarely used because they lack a common identifier, cover only a small portion of eligible people, or are out of date, as described in more detail below.

Administrative verification is time-saving for both applicants and program enrollment staff. The challenges are all at the front end: getting permission to access these data sources, in some cases paying for the data access or the staff time to create linkages, and addressing privacy issues by modifying forms to allow applicants to give permission to access their other records. Staff retraining is extensive in some states.

Citizenship Documentation

California, Georgia, Iowa, Louisiana, Massachusetts, and Washington are among the states that have accessed vital records information to simplify citizenship documentation (Morrow 2008). However, state vital records databases do not capture out-of-state births. Some states, therefore, have turned to the National Association for Public Health Statistics and Information Systems' (NAPHSIS) Electronic Verification of Vital Events (EVVE), which allows users to interface with a system that queries all participating vital records jurisdictions

irrespective of the place and date of issuance and provides a multistate system for birth certificate information.

State Examples

Louisiana

Vital records have been part of Louisiana's eligibility process since 1998, as one component of a larger strategy to decrease the number of new LaCHIP/Medicaid applicants denied coverage for lack of citizenship documentation.[14] Before the DRA, access to vital records data was limited and the match was viewed as a "last resort" because the Vital Records and Statistics office charged Medicaid $1 per inquiry. With DRA implementation, however, Louisiana viewed the match as critical to avoid an increase in denials for an inability to document citizenship and to reduce the administrative burden of the new requirement on eligibility workers. Using vital records matching also fits with the State's other goals of generating administrative savings, improving administrative processes, and modernizing the eligibility process through the use of technology.

> *Though direct access to vital records may be more efficient, some states are relying on a different agency to look up applicants.*

Workers use the vital records match to verify citizenship for anyone born in the State who cannot produce valid documentation. The Medicaid program pays $1 per inquiry but is able to draw on federal matching funds to offset a portion of the costs. Louisiana is using the federal funds to pay for the automation of the State's birth records, which will simplify access further going forward.

Washington

Like Louisiana, Washington has used vital records for more than 15 years to verify applicants' citizenship information for both Medicaid and CHIP. For Medicaid and CHIP, the vital records match is one component of the State's larger goal of verifying as much information as possible via third-party sources before reaching out to the applicant or enrollee for documentation and placing the case in "pending" status. When the DRA passed, the State ran

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[14] Interview with Ruth Kennedy, LaCHIP Director and Medicaid Deputy Director, Louisiana Department of Health and Hospitals.

the entire Medicaid enrollment database against vital records data as a quality check.[15] About one-third of Medicaid enrollees matched, substantially reducing the number of enrollees who had to fulfill this requirement.

Eligibility workers in Washington have real-time access to vital records data, which they check before asking an applicant for documentation. State officials believe the vital records match reduces the length of the eligibility determination process and the burden on applicants and enrollees. The impact of this simplification cannot be measured, however, because it coincided with a number of other improvements.

Iowa

Unlike Louisiana and Washington, Iowa does not have a long history of using a vital records match as part of its Medicaid eligibility process.[16] The Iowa Department of Human Services implemented the match recently in response to the DRA requirement.

The eligibility worker sends the applicant's name (including maiden name, if there is one) and birth date to the Department of Public Health (DPH) to search the vital records database. This process takes three to five days, and DPH sends back confirmation if a successful match occurs. A successful match alleviates the need for the applicant or enrollee to provide documentation of citizenship. Since the eligibility worker does not have direct access to birth certificates, and simply receives a "yes/no" response from vital records, no legal or privacy issues are raised.

Before the implementation of the DRA requirement, the State did not require applicants to provide citizenship documentation. As a result, the State has not been able to track the impact of the vital records match on eligibility. However, the majority of Iowa's Medicaid enrollees were born in-state, and to date approximately 90 percent of clients have successfully matched. Given this high match rate, the State is very satisfied with the arrangement.

Commercial and State-Designed Multisource Databases

Georgia, Texas, Virginia, Washington, and Utah are among the states that have either developed or contracted with private vendors for multisource data verification and validation

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[15] Interview with Manning Pellanda, Division of Eligibility and Service Delivery, and Mary Wood, Eligibility and Policy Office Chief, Washington Health and Recovery Services Division.

[16] Interview with Brenda Freshour-Johnson, Outreach Coordinator, Iowa Department of Human Services.

services. They combine data contained in a number of public systems, and create a search function that fits the state's eligibility process.

Utah

Utah's system, E-Find, queries 18 different data sources from the federal, state and local levels to assist eligibility workers in processing applications. With an initial investment of $2 million to build the system, which was shared across agencies, an estimated $2.1 million in staff time was saved in the first year of use (Morrow and Horner 2007).

Georgia

In 2007, the Georgia Department of Community Health, the state Medicaid agency, contracted with EDS and its subcontractor, Choicepoint, to improve the accuracy of eligibility determinations (i.e., protect against fraud) and simplify the income and resource verification process for Medicaid eligibility workers.[17] The data broker provided new sources of income and asset information previously unavailable to Medicaid eligibility staff, and consolidated existing information in a single web-based, user-friendly location.

Washington and Virginia

Washington and Virginia Medicaid programs use TALX, another income data vendor, to verify income and reduce the backlog of applications being held in pending status waiting for applicants to produce appropriate documentation.[18] TALX compiles wage and salary information from a national dataset of employers (primarily large employers) and makes it available through a service called "The Work Number." Matches are done in real time. Washington eligibility workers estimate that less than half of the applications successfully match against the TALX database. Nonetheless, the time savings for workers were significant.

Texas

Dallas Computer Services has been the data broker for Texas since 1998.[19] The Texas data broker system combines data from many sources, such as credit history, vehicle registration, TALX employment records, and the state's Medicaid eligibility system, [20] and

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[17] Interview with Brian Dowd, Director Member Services and Policy, Georgia Department of Community Health.

[18] Interview with Steve Ford, Director of Policy and Research, and Cindy Olson, Eligibility Policy Manager, Virginia Department of Medical Assistance Services.

[19] Phone conversations with Patricia Jackson, Databroker Implementation Manager, Texas Health and Human Services Commission.

[20] Texas Health and Human Services Commission, Request for Proposals For Data Broker Services, RFP No. 529-07-0087. Date of release: June 11, 2007.

provides customized reports on each individual to Medicaid and CHIP eligibility staff. The data broker is used statewide at application and renewal.

Strategy 3: Ex Parte Renewal

Ex parte renewal is a simplification of the renewal process whereby states look up *all* information needed for redetermination of eligibility without any contact with the enrollees. Some states have implemented ex parte renewal based on data provided to the food stamps program, for example. If the information in the food stamps database is current and meets insurance eligibility requirements, enrollees do not take any action to maintain their coverage. Eligibility workers at the insurance program update the file electronically. This greatly reduces the paperwork and time required of both enrollees and staff. As with administrative renewal, the work in establishing the system is significant.

CMS promoted this approach in a 2000 ruling that advised states that another program's eligibility determinations can be used if they are equal to or more restrictive than Medicaid's own requirements.[21] As is explained below, this limitation no longer applies if a state takes advantage of eligibility simplification options created by CHIPRA.

Analysis of program eligibility criteria by the Urban Institute suggests this strategy can reach many who are eligible for more than one public program. For example, more than 70 percent of low-income, uninsured children in the U.S. belong to families that receive food stamps, the NSLP, or WIC (Dorn and Kenney 2006). For qualification elements such as income, citizenship, and identity verification, Medicaid eligibility workers could check enrollment lists from these programs to identify children who are likely eligible for Medicaid coverage.[22] To ensure that the other program requirements are either more restrictive or comparable to Medicaid requirements, Medicaid would need to consider multiple elements. For instance, the use of data from another program would require not only a comparable income eligibility level, but also similar disregards, asset tests and age of data requirements. This process has been greatly simplified for CHIP, as discussed below in the CHIPRA section.

Louisiana

Louisiana's LaCHIP program has been using food stamps and TANF program data, as well as other State income data, to establish eligibility at renewal since 2001. The same case workers

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[21] State Medicaid Director letter, April 7, 2000, cited in Dorn 2008.

[22] Food stamps coverage does not satisfy the DRA citizenship requirement. However, it can identify families that appear to meet eligibility criteria.

who determine Medicaid eligibility also determine eligibility for food stamps and TANF, and every LaCHIP/Medicaid Eligibility Division employee has real-time, look-up access to the data. For new applications, workers check the food stamps file to verify income. On a monthly basis, Medicaid and LaCHIP renewals are matched with the food stamps eligibility file to identify children also included in an active food stamps case. If the match is successful, the family does not have to document income, although it may be necessary to contact the family for other reasons (e.g., if the information about family members identified in the food stamps file does not match the information in the Medicaid file). While food stamps income data is provided at the individual level in Louisiana's system, the case workers may still need to manipulate the data to calculate family size and household income for LaCHIP/Medicaid purposes.

> *The use of ex parte renewals in Louisiana is credited with a drop in the children's uninsured rate from 20 percent to 5 percent, and a drop in inappropriate loss of coverage at renewal from 20 percent to 1 percent.*

Since the policy's implementation in 2001, children's uninsured rates have dropped from 20 percent to 5 percent. Between 2001 and 2005, the percentage of children lost at reenrollment dropped from 28 percent to 8 percent. By 2007, the percentage of renewing children losing coverage for procedural reasons fell from 20 percent to just over 1 percent (Cohen et al. 2008). In 2005, the last year in which this measure was counted, 53 percent of renewals were done without any information from parents (Summer and Mann 2006; Dorn 2007). Finally, the State has documented that the ex parte process has generated major savings[23] in administrative costs, and reduced erroneous eligibility determinations. The error rate has been tested and is within the State's 3 percent tolerance range.

Virginia

Virginia uses food stamps data, along with TANF data, wage information from Work Number, and child support data, to verify Medicaid enrollees' income at the time of renewal.[24] Food stamps data is one of the first sources that case workers check to verify income at renewal. If the information in the food stamps file matches other information provided by the client, the State sends a letter informing the client that eligibility has been

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[23] Regional savings reports. Department of Health and Hospital Services, November 2007.

[24] Interview with Steve Ford, Director of Policy and Research, and Cindy Olson, Eligibility Policy Manager, Virginia Department of Medical Assistance Services.

renewed (i.e., the client does not even receive a renewal form). If the food stamps match is not successful, the case worker then checks the child support data, TANF data, and Work Number wage data. The client is contacted only if the data matches are unsuccessful or to resolve any discrepancies among the different data sources, as is done in Louisiana.

Workers have real-time access to the food stamps data. To access the data, case workers log into a central system that includes data from a number of sources (including the Social Security Administration, State Department of Motor Vehicles, child support) and input the client's name and Social Security Number. The worker requests the necessary information, which is then pulled by the system. Because the income requirements are different for different programs, case workers manually convert income data into Medicaid formats after they receive it.

While the State has not quantified the impact of this process on renewal rates, ex parte renewals have reduced staff workloads and made the process more efficient. Overall, Virginia has found income matching to be less successful for TANF enrollees (i.e., families and children) than Aged, Blind and Disabled (ABD)/Supplemental Security Income (SSI) enrollees. The State successfully uses third-party data matching for approximately 30 percent of TANF-Medicaid enrollees and approximately 50-60 percent of ABD/SSI Medicaid enrollees. Because TANF enrollees tend to be more mobile and to change jobs more frequently, it is harder for the State to obtain accurate income data without contacting the client. The differing success rates also have led to a difference in the acceptance of the new process among case workers. Not surprisingly, the TANF staff has been slower to warm up to the process, but the ABD/SSI workers are very supportive of it.

Strategy 4: Proactively Enrolling People who Meet Program Criteria

States can increase public program participation rates if they enroll people based on information originally provided for another purpose when that information demonstrates eligibility for health insurance. The main advantage is that people who are unaware of their eligibility or unable to complete the enrollment process can be enrolled by the insurance program without any effort on their part. In the case where a program exists with very comparable eligibility criteria, such data-based eligibility determination can be an effective tool for reaching a large number of people. However, states have rarely pursued this option. Few programs exist that have the exact information to determine Medicaid eligibility. Further, the income data that qualified the person for the original program must be reasonably current to meet Medicaid or other insurance program criteria. As explained below,

CHIPRA gives states the authority to take innovative steps to overcome these longstanding barriers.

One pre-CHIPRA success story is Massachusetts, which began linking enrollment in Commonwealth Care, the new program for previously uninsured adults, to prior income eligibility data from a different needs-based program (the Uncompensated Care Pool). The Centers for Medicare and Medicaid Services (CMS) accepted the use of this income eligibility information even though the data is older than that which is customarily used, noting that subsequent changes in household income would be incorporated into the first set of eligibility redeterminations.[25] This decision went beyond prior CMS policy that income data from another program can be used to determine Medicaid eligibility as long as it is "obtained within the time period established by the State for conducting Medicaid determinations" and that the State may schedule redetermination based on the date the Medicaid determination was made using the other data, or "the date when the last review of eligibility was conducted in the other program."[26]

> *Proactive enrollment has been used infrequently until now, but with new authority from CHIPRA, states may find this approach more feasible.*

Massachusetts used this third-party data source to qualify poor adults for premium-free coverage and enroll them into the State's new Commonwealth Care program. As a result, only eight months after initial program implementation, the State enrolled more people in the applicable eligibility group than were previously believed to be eligible (Dorn 2007). Automatic enrollment was a major contributor to an estimated 50 percent reduction in the statewide number of uninsured after one year (Long 2008).

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[25] Melissa Boudreau, Director of Commonwealth Care for the Massachusetts Connector, personal communication, 2007.

[26] State Medicaid Director letter, April 7, 2000, cited in Dorn 2008.

Table 2.
Pre-CHIPRA State Activities

Data Source	Use	Barriers	States Using or Exploring This Source
Public Program Data •Food Stamps •National School Lunch Program (NSLP) •Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) •Low Income Home Energy Assistance Program (LIHEAP) •Childcare Subsidies •Earned Income Tax Credits (EITC) •Unemployment Insurance •Uncompensated Care Pool	To verify income, identification, and citizenship status (varies depending on program)	Still have to match on other items, such as health insurance status Data may need manipulation to fit Medicaid/CHIP eligibility methodologies NSLP: No citizenship requirements, school districts may not be equipped for data matching	Arkansas (food stamps) Florida (food stamps) Illinois (food stamps, NSLP) Louisiana (food stamps, TANF) Massachusetts (Uncompensated Care Pool) New Jersey (food stamps) Utah (18 federal, state, and local data sources) Washington (food stamps, cash assistance, unemployment insurance, NSLP, child care subsidies)
Income Tax Data	To verify wage and other forms of income	Age of data Privacy considerations (may require consent to disclosure) Data may need manipulation to fit Medicaid/CHIP eligibility methodologies	Iowa Louisiana Maryland New Jersey Pennsylvania
Vital Records	To verify citizenship	State records cannot confirm for clients born out of the state Cannot confirm eligibility for non-citizens	California Georgia Iowa Louisiana Massachusetts Washington
Commercial Databases	To verify income, employment status, residency, other health insurance	Cost System changes required for interface	Georgia Texas Washington

Lessons Learned

The literature review and state interviews provide a number of lessons that can inform New York's efforts to implement third-party data matching.

Lag-Time / Data Staleness an Issue for Some

Several states struggle with third-party income data not always being current. Some access a variety of supplemental data sources to verify income on a single application, such as TALX/The Work Number, child support, unemployment wage databases, food stamps and TANF. Other states have made policy adjustments to ensure workers are appropriately using these data sources to make eligibility determinations. For instance, Virginia adjusted the definition of acceptable staleness for wage data to accommodate available data. Louisiana defined a policy of "reasonable certainty" in statute that empowers eligibility workers to use their judgment in determining the reliability and accuracy of income information. (See accompanying "Case Studies" document at www.uhfnyc.org/publications/880624 for details of each state's policies and processes.)

> *States have addressed data staleness concerns in a variety of ways, including accepting somewhat older data at application based on their ability to verify it in the future.*

In the context of eligibility expansion, New Jersey made a one-time policy change to facilitate the use of existing data. Ordinarily, the State grants eligibility for 12-month periods. However, when the State expanded income-eligibility for parents during the current fiscal year, it automatically enrolled parents based on income shown on previous successful applications submitted for children and unsuccessful applications submitted for parents. The automatically enrolled parents' eligibility lasted until 12 months following the date of the earlier application, so that the data was never staler during the eligibility period than it would have been if eligibility had been granted based on the prior application using normal methods.

Data Accessed in Variety of Ways

States have developed creative approaches to accessing third-party information based on the type and source of the data. Approaches range from direct worker access to batching applications for bulk look up by the data-owning agency, to use of a third party to combine data and report matches.

Data can be accessed at different points in the eligibility process. In Iowa, income tax information is being used for outreach to the eligible but uninsured. In Louisiana and Virginia, food stamps data is used in an ex parte review to simplify and retain enrolled families at renewal.

In some instances, state eligibility workers have to manipulate the third-party data for Medicaid purposes. The food stamps income data, for instance, often requires Medicaid eligibility workers to make manual calculations. Alternatively, the data broker systems use pre-determined algorithms to display income and resource information in a Medicaid-appropriate format within the eligibility system.

Improvements in data systems and data handling agreements were often incremental.

Human Factors

Building on existing relationships and processes helped states speed through complexities and trust issues. In the absence of such relationships, contracts and MOUs with sister agencies were created but these developed much more slowly, some taking several years. Gubernatorial leadership or legislative mandate was often necessary.

Most states did not progress as quickly as they hoped through planning and implementation. Talks shut down, priorities shifted, resources went away, and momentum was lost. With time, states we spoke with regained momentum.

All states reported that workers like their process of using third-party data, citing it as a more efficient way to do their jobs. However, change is hard to get used to. Virginia's change in definition of acceptable wage data was a significant hurdle for workers. Georgia encountered initial push-back from the local eligibility agencies because of uncertainty about what the data broker would mean for their day-to-day functions. These hurdles were overcome through persistent effort and deliberative communication on the part of the Medicaid agencies. As noted above, Louisiana invested considerable time and effort changing the culture of welfare offices. Additionally, gubernatorial and legislative leadership often played a role in facilitating coordination.

Resources and Contractual Arrangements

Some states used previously unavailable financing to build data systems; for example, Louisiana used federal matching funds to help update its vital records systems. Others required new state funds to be designated through formal budget processes.

Unless states already had access to the data, most implemented some sort of data-sharing agreement to obtain access to third-party data. In some cases, this was true even for states that shared data between programs within the same agency. Iowa's relationship with vital records, where the Medicaid program only received a "yes/no" response indicating the results of their match, was the only exception in the states HMA interviewed.

Because of the sensitivity of data related to income and birth records, all states placed a high priority on ensuring appropriate access and use of third-party data. This was achieved through new user and refresher trainings, confidentiality agreements, and specific policies and procedures related to compliance monitoring and disciplinary action.

New York's Experience

New York's Department of Health (DOH) has taken steps over the years to simplify the eligibility determination and recertification processes for health insurance in order to enroll and retain more eligible people in coverage. This study was undertaken to identify new opportunities to use third-party data sources in New York to increase enrollment and retention. In this section, we discuss third-party data matching in New York, including the major efforts already begun by the State, and opportunities that could, at least incrementally, help simplify enrollment and retention.

As in most states, New York's older information systems, long-standing rules, and siloed agencies have slowed progress towards using third-party data matching. In addition, eligibility determinations occur in 58 local departments of social services, making it more difficult to train and monitor correct application of new policies and procedures. Further, data matching may need three different structures in New York because Medicaid/Family Health Plus data are stored in separate upstate and downstate systems, as well as a third database for CHIP.

The next section highlights some of New York's best opportunities.

Efforts to Use Third-Party Data Matching in New York

Tax Data

Applicants often find it difficult to document income accurately, which makes previously collected tax data a promising alternative source of information or a means of verifying

applicant-reported income. Tax data is audited and includes most, though not all, income and expense data needed for determining income eligibility.

DOH has begun pursuing data-sharing arrangements with the Department of Taxation and Finance (T&F). Authorizing legislation was introduced in 2008 to permit the transfer of such data, but last-minute changes in the legislation significantly limited DOH's access to the data, making the process untenable. DOH intends to continue working with the legislature to explore legislativeauthority that would allow T&F to share income information with DOH when applicants have consented to having their tax information used in lieu of providing documents.

If DOH does get approval to use tax data, other process issues will need to be addressed, especially the staleness of the income information for adults. Children have 12-month continuous eligibility, so the income data can be easily used. However, adult eligibility is not continuous, and changes in income can affect eligibility. Tax data is current enough to meet standards for two months after filing, but thereafter it may be deemed too old. New York could consider expanding the window or possibly setting guidelines that allow verification with tax data to reduce the documentation burden on families in part. The issue of timeliness of tax data is explored in more detail in the discussion below of post-CHIPRA policy options for New York.

> *Three years after receiving legislative authorization, New York's EPIC program successfully completed its first data match with tax records, possibly smoothing the way for other health insurance matches in the future.*

Following in EPIC's Footsteps

In 2005, New York's Elderly Pharmaceutical Insurance Coverage program (EPIC) gained legislative authorization to enter into an agreement with T&F to receive tax data. The agencies proceeded to establish an MOU that specified the components of and process for data exchange. The process was refined and tested, and the first official file match was performed in late 2008. EPIC sends T&F a daily electronic file with the name and identification number of new applicants. T&F returns a file linking those applicants' income data, which EPIC then combines with Social Security data to calculate eligibility. (This is necessary because the 1040 form most often used by this population does not capture Social Security income.) In some cases, EPIC will have the applicant-reported income to verify. Or the applicant may simply give EPIC authorization to

look up tax data. EPIC also has the option to call T&F for an immediate check on an applicant.

Accuracy was good in the first match, according to program staff. Twenty percent matched exactly, and many more were within $1,000. However, some applicants reported income that differed greatly from T&F reports, which then required manual reconciliation and further communication with the applicant.

Though there was a concern that not enough low-income seniors would have filed tax returns for this method to be highly effective, nearly 75 percent of applicants had T&F data in the first match. The main benefits of this match are saving seniors' time and improving the accuracy of eligibility determination. It is not yet clear to what extent staff processing time will be reduced. EPIC does not provide application assistance, so there is no reduction in staff involvement at the front end.

Food Stamps

Recognizing the similarity in eligibility between food stamps and health insurance, in 2008 New York's DOH began testing its ability to identify and outreach to people eligible for insurance through the food stamps database. Coordination between food stamps, Medicaid, and Family Health Plus looks especially promising because the programs have very similar eligibility requirements, they all require family income data to be updated annually, and demographic data from all three programs reside in the same data system at the Office of Temporary and Disability Assistance (OTDA). OTDA performed a match between food stamps, Medicaid, and Family Health Plus, and found that about 400,000 families that receive food stamps appear to be eligible for Medicaid or Family Health Plus but are not enrolled.[27]   However, some are likely to be enrolled in private insurance or CHP.

Carrying this strategy one step further, New York's Department of Health (DOH) staff ran a match between food stamps, Medicaid, Family Health Plus, and CHP B enrollment in Onondaga County, and found that nearly 900 out of 4,400 food stamp enrollees were not already enrolled in Medicaid or CHIP. DOH continues to examine the potential for a useful linkage to outreach and possibly enroll any eligible people.

[27] Anne Marie Costello, DOH, personal communication, September 12, 2008.

Vital Records

To date, DOH has not been able to perform a vital records match because there is insufficient information on which to match people. Systems are being updated this year to collect and track mother's maiden name and place of birth.

Further complicating a vital records data match, New York's birth records are housed in separate agencies, depending on the child's place of birth. To fully implement a vital records match, DOH needs to be able to access the two different systems managed by the New York City Department of Health and Mental Hygiene (NYC DOHMH) for births in the city and by DOH/Office of Vital Records for births elsewhere in the State. At this time, DOH is not pursuing the vital records match statewide, but NYC DOHMH is scheduled to begin matching New York City applications with New York City birth records in November 2009. Implementation of the match for CHIP also could be implemented quickly since the application and eligibility system changes have already occurred. The SSA match in 2010 will eliminate the need for this match for children and young adults (people born after 1981).

CHIPRA: Significant New Opportunities to Use Third-Party Data Effectively and Efficiently

The Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA) dramatically expands states' ability to use third-party data in qualifying children for Medicaid and the Children's Health Insurance Program, or CHIP (which before CHIPRA was called "SCHIP"). CHIPRA's new options may help New York overcome some of challenges that state officials, both in New York and elsewhere, have experienced using such data to expedite eligibility determination, enrollment and retention.

CHIPRA Highlights

New Incentives to Maximize Enrollment

CHIPRA creates two new financial incentives for states to enroll the largest possible number of eligible, uninsured children. First, CHIPRA changes the formula for determining each state's CHIP allotment so that states with higher enrollment levels for a given year receive increased allotments in subsequent years. Second, performance bonuses are available to states that (a) increase the enrollment of children who would have qualified for Medicaid under state law as of July 1, 2008, and (b) implement at least five of eight specified policies, which include automatic renewal through use of "pre-populated forms" or data matching, presumptive eligibility, and Express Lane Eligibility, described below.

Express Lane Eligibility

CHIPRA creates a new option for Express Lane Eligibility (ELE), through which Medicaid and CHIP can determine that a child meets almost any eligibility requirement based on the findings of other government programs. ELE allows states to disregard any differences between program methodologies for eligibility determination. Income, immigration status, state residence, and other requirements can all be conclusively satisfied if another agency has already found that a child's family meets the applicable requirements. The only eligibility element that cannot be established through ELE is citizenship, but other provisions of CHIPRA permit states, beginning on January 1, 2010, to establish citizenship based on data matches with the Social Security Administration (SSA).

Several requirements apply to states implementing ELE:

- Findings of another agency (called an "Express Lane Agency," or ELA) can establish eligibility for health coverage only within a "reasonable period of time" after such findings are made, but states can define what constitutes such a period.

- A state may not use ELE to *deny* eligibility for health coverage. Rather, a state must see whether standard methods could qualify a child for Medicaid or CHIP in cases where findings from other agencies did not establish eligibility via ELE. In addition, if ELE leads to a child's enrollment in a form of coverage for which premiums are charged, the state must notify the family that the child might qualify for less costly coverage if standard methods are used to evaluate the child's eligibility.

- If a state uses anything but state income tax data to establish ELE:[28]

    - The ELA must notify the family of the information to be disclosed to the Medicaid or CHIP agency, explaining that (a) the information will be used solely to determine eligibility for health coverage and (b) the family has the option to prevent disclosure.

    - The ELA must be subject to an interagency agreement limiting the disclosure and use of information it provides to the child health agency.

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[28] For an analysis of whether these requirements apply to state income tax data, see Appendix 2, which discusses ELE issues requiring CMS resolution.

- Before children receive CHIP based on ELE, the state must meet "screen and enroll" requirements. Ordinarily, this means that each child must be evaluated for possible Medicaid eligibility and enrolled in Medicaid, if eligible. Applied without adjustment, such procedures would force the family to complete the standard Medicaid application process, thus preventing ELE from accomplishing its goals. To avoid that result, the legislation gives states that implement ELE two new options for meeting "screen and enroll" requirements:

  - A state may set an income threshold that is at least 30 percentage points above the normal Medicaid income eligibility threshold, stated in terms of the federal poverty level (FPL). Eligible children with incomes that, according to the ELA, are at or below that elevated threshold receive Medicaid. Those above it can receive CHIP, with no need for further screening.

  - A state may temporarily enroll children in CHIP when, based on an income finding from an ELA, children seem likely to ultimately qualify for CHIP. During that temporary enrollment period, for which enhanced CHIP federal matching funds are available, the state determines whether the children qualify for Medicaid, using simplified procedures that minimize the burden on parents.[29] CHIPRA does not limit the duration of temporary eligibility, although it requires states to act promptly.

In each state implementing ELE, a statistically valid sample of ELE-recipient children will be evaluated to identify the proportion that was erroneously granted health coverage. If the proportion exceeds 3 percent, the state must submit a corrective action plan to the Secretary, and the state may not claim federal matching funds for children *in the sample* who exceeded the 3 percent threshold. However, errors determined through this process do not reduce federal matching funds available for children outside the sample. Accordingly, they do not count against a state for purposes of Medicaid Eligibility Quality Control (MEQC) review or Payment Error Rate Measurement (PERM).

Like the CHIP program as a whole, the option to use ELE must be reauthorized to continue in federal fiscal year 2014 and later.

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[29] In this specific situation, states may not require parents to furnish information that has already been presented to the state (unless the state has reason to believe that the information was erroneous).

Other Data-Related Options

Universal data access. To supplement existing statutory authority for data sharing, CHIPRA authorizes every federal, state, and private agency with data relevant to eligibility for Medicaid or CHIP to provide that data to state Medicaid and CHIP programs, so long as the following conditions are met:[30]

- The person described in the data (or that person's parent, guardian, or authorized representative) either (a) has affirmatively consented to disclosure or (b) has not objected after receiving advance notice and a reasonable opportunity to object.

- The data is used exclusively to identify individuals who are eligible or potentially eligible for Medicaid or CHIP, to enroll or attempt to enroll them into health coverage, or to verify eligibility for coverage.

- An interagency agreement, consistent with standards promulgated by the Department of Health and Human Services (HHS), prevents the unauthorized use, disclosure, or modification of data and otherwise complies with federal requirements for privacy and data security. The agreement must also commit the Medicaid or CHIP program to use the data to attempt to enroll eligible individuals.

- Unauthorized disclosure of such information is punishable with civil and criminal penalties.

Federal statutory changes that make it easier to provide coverage include the following:

- *Electronic signatures* may be used to meet any applicable signature requirements, including the federal requirements that Medicaid applications and declarations of citizenship must be signed under penalty of perjury.

- *State-initiated enrollment.* A state may initiate and determine children's eligibility based on data rather than a formal application from the family. However, children may not be enrolled until their parents have consented in writing, by phone, orally, through electronic signature, or through other methods approved by HHS. In such cases, the state must provide notice of certain key facts (covered services, cost-sharing amounts, medical support obligations, etc.).

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[30] These conditions do not apply to existing data-sharing authority.

- *Requirements for signatures under penalty of perjury* do not apply to elements of eligibility that are determined based on data from public agencies rather than information from an applicant.

- *Immigrant applicants* are no longer required to present paper documentation of satisfactory immigration status. Instead, a state can rely on evidence provided in digital or electronic form.

Income Tax Data

The new federal statute provides that ELE can be based on "gross income or adjusted gross income shown by State income tax records or returns."[31] Given recent findings about the very high percentage of families with an uninsured child who do file tax returns, this strategy could be very effective in identifying and enrolling the majority of eligible children.[32] Further, states can benefit from the experiences of Iowa, Maryland, and New Jersey, which have begun using tax returns for outreach (as described above). Insights about how to identify children without health insurance in a single question and how to maximize the likelihood of collecting sufficient information to conduct the match can speed implementation.

To use tax data as the basis for ELE, two state law changes would be needed:

- Authorization for the state health agency to implement Express Lane Eligibility, based on state income tax data; and

- Requirements for the state revenue agency to (a) change the state's income tax form to permit parents to identify their uninsured children and request the disclosure of their tax data to the health agency for the purpose of qualifying those children for free or reduced-cost health coverage; and (b) if taxpayers request disclosure, convey to the health agency the data needed to maximize the enrollment of eligible, uninsured children into health coverage.

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[31] New Social Security Act Section 1902(e)(13)(H) [42 USC 1396a(e)(13)(H)].

[32] Recent Urban Institute research found that families filing federal income tax forms in 2004 included 90.7 percent of all uninsured children, and 89.4 percent of uninsured children who qualified for Medicaid or CHIP. Legally required to file were the families of 84.6 percent of all uninsured children, including 79.4 percent of those who were eligible for health coverage. Most of the remaining filers with uninsured children qualified for the federal Earned Income Tax Credit (EITC) and so had an incentive to file tax returns (Dorn et al. 2009.). If anything, the proportion of tax filers among the families of uninsured eligible children may be higher in states where income eligibility extends above average national levels. Further, some states' income tax systems provide an EITC that gives low-income families an incentive to file state tax returns, even if they are not legally required to do so.

A state would also file a state plan amendment with CMS to provide children with Express Lane Eligibility based on gross income or adjusted gross income reported on state income tax forms.[33] To meet federal "screen and enroll" requirements while minimizing administrative burdens on families and state administrative costs, a state could implement the CHIPRA option to find income-eligible Medicaid children whose income reported on tax forms is no more than 30 FPL percentage points above the state's standard income-eligibility thresholds for Medicaid (a federally-approved adjustment).

The state income tax forms could be modified so taxpayers could check a single box near the top of both the short and long form that would indicate that at least one dependent age 18 or younger is uninsured; see, for example, Iowa's tax form in Appendix 1. If the form permits taxpayers, by checking a box, to request disclosure of tax return data to the state health agency to see whether their uninsured children qualify for free or reduced-price health coverage, many children could be found eligible and enrolled into Medicaid or CHIP without any additional forms.

Since parents sometimes are confused about their children's insurance status, DOH would need to match the names and SSNs of the apparently uninsured children against the state's records of children already receiving Medicaid and CHIP as well as data from third-party liability (TPL) vendors. If such data matches do not show insurance coverage, the state would determine the uninsured children's income eligibility for health coverage based on income reported on the return and the number of people in the household.

When tax form information does not establish income eligibility, the state would seek additional information from the family. Along similar lines, when tax data establishes eligibility for CHIP coverage with a premium, the family would be notified that the child may qualify for lower-cost coverage if standard procedures are used. In both cases, the notice could be accompanied by a simplified application form that the family could use to provide

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[33] While the data-sharing arrangements described below are being developed, such an SPA would permit New York to find children income-eligible for health coverage when parents simply report the dollar figure written on the pertinent line on their tax form (line 21 on the 2008 short form or line 33 on the long form) as well as the number of individuals in the household, perhaps based on the tax filer, the spouse (if any), and the number of dependent exemptions claimed. Until the state's tax form is changed to permit parents to identify their uninsured children and ask for their tax return to be shared with DOH, New York could promulgate an "Express Lane" application form, along the lines of the New Jersey form, allowing parents who have filed tax returns to seek coverage based on little more than the names and social security numbers of household members, an indication of whether the uninsured children are citizens or immigrants who reside legally in the U.S., choice of managed care plan, a signature under penalty of perjury, and consent for DOH to access the applicant's income tax information.

whatever additional information is needed to determine the children's eligibility by using standard methodologies.[34]

In some cases, tax information and subsequent data matching may not meet all federal requirements. For example, if SSA data matches do not confirm a child's citizenship, CHIPRA requires the state to give the family a reasonable chance to compile other documentation. Although the child receives coverage (with federal matching funds) during this period, establishing ongoing eligibility requires the family to present proof of citizenship. Similarly, satisfactory immigration status will need to be established for non-citizen children. To fulfill these as well as other requirements that may not be met through data matching, community-based application assisters or agency workers could contact the families, alert them of the steps that need to be taken to complete their children's enrollment into coverage, and help them take such steps (if necessary).

The use of prior-year tax information does not run afoul of federal law. CHIPRA expressly authorizes the use of state income tax returns to establish income eligibility through ELE. So long as this income tax data is used within a "reasonable period"—as defined by the state—it does not matter that family circumstances may have improved since the year covered by the tax data. For example, a state could use prior-year tax data to establish 12 months of continuous eligibility only if families request health coverage on or before April 15, the standard due date for filing state income tax forms.[35]

Food Stamp Data

While children receiving food stamps constitute a lower percentage of uninsured eligible children than do children identifiable via state income tax forms, the number is not insignificant. Nationally, 12 percent of uninsured children who qualify for Medicaid and CHIP live in families that receive food stamps (Dorn 2009). (Nearly all children receiving food stamps qualify for Medicaid or CHIP, but because most food stamp recipients are already enrolled in these programs, the uninsured food stamp recipients represent a small share of the children eligible for the health programs.)

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[34] If data matches show that a child appears to have health coverage, the state would need to provide notice and an opportunity to contest that finding. It is not yet clear how these ELE procedures interact with standard Notice of Action and hearing procedures.

[35] Other possible approaches to this time lag are described in Appendix D of Dorn 2009.

CHIPRA eliminates any need for the tortuous, costly process state officials have had to employ in "cross-walking" information from food stamp files into Medicaid and Child Health Plus eligibility categories. Instead, a state can provide children with ELE, granting Medicaid eligibility based on a child's receipt of food stamps, without any need to compensate for minor technical differences in how the two programs calculate income.

This strategy has important limitations, however. First, food stamp eligibility findings can be used to meet all criteria for Medicaid and CHIP eligibility with one exception—namely, citizenship. Accordingly, children who receive food stamps cannot be found fully eligible for health coverage until the state validates their citizenship. Beginning in 2010, this can be done through data matches with SSA, as noted above. After citizenship is established, the children can be converted automatically into ongoing health coverage without requiring their parents to complete additional forms.

Second, national data indicate that many children who receive food stamps have private health coverage. Among such children who are not enrolled in Medicaid or CHIP, 35 percent are covered by a parent's employer-sponsored plan, and 6 percent are enrolled in a private, non-group plan (Dorn 2009). Private coverage does not prevent Medicaid eligibility, but it does limit Medicaid to services and costs not covered by private insurance. To identify the children who receive only such "wrap-around" benefits, a state could conduct data-matching against records of children with private health insurance available through the state's TPL vendor.

Third, the state needs to satisfy the federal statutory requirements for ELE. Among other things, this means that the food stamp program must inform families that, unless they object, information from their food stamp files will be shared with the state health agency to see whether their children qualify for free health coverage.[36] Presumably, this could be done by the health agency giving the family a special food stamp form providing such notice.

Finally, CHIPRA requires parents to consent (either in writing, verbally, online, or through other methods) before their children are enrolled in health coverage based on data matches with food stamps (or any other procedures that involve state-initiated enrollment).

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[36] This requirement does not forbid a state from matching eligibility files for Medicaid, CHIP, and food stamps to identify children receiving only the latter benefit. CHIPRA does not limit preexisting authority to share data, and the food stamp program has long been allowed to share its eligibility data with programs like Medicaid and CHIP. See new Social Security Act § 1942(d), added by CHIPRA § 203(d)(1), and 7 CFR § 272.1(c)(1)(i).

Issues Affecting Both ELE Strategies

The data-matching approaches described here raise questions of how best to ensure privacy and data security requirements. Implementation of such changes will require training and management of eligibility workers. Therefore, consideration should be given to how a centralized entity, such as New York's Statewide Enrollment Center or another cooperative arrangement, could address these concerns.

Another question involves issues that require federal resolution. Any federal statute raises important questions that hinge on the administrative agency's interpretation, and CHIPRA is no exception. Fortunately, state policymakers can move ahead vigorously on their own, for several reasons. First, state legislation could broadly authorize a state health agency to implement CHIPRA's new options for identifying, qualifying, enrolling, and retaining the maximum possible number of uninsured, eligible children, including ELE. This would avoid legislative specifications that might turn out to be inconsistent with CMS's later interpretation of CHIPRA. Second, CHIPRA specifically empowers states to move forward while awaiting the development of CMS policy. Most of the federal law's provisions were effective on April 1, 2009, whether or not CMS promulgated regulations. If, after that date, a state changes its program based on a good-faith understanding of the federal statute, it cannot be denied federal financial participation for the resulting costs because of subsequently promulgated final regulations or administrative guidance inconsistent with the state's earlier approach. Third, implementing the policy approaches discussed in this section of the report will take time. The state could get started now, and before policies become operational, officials could modify them to take into account any CMS actions. (See Appendix 2 for a discussion of key issues requiring CMS guidance.)

Changes for Adults

CHIPRA simplifies documentation and permits a state to implement Express Lane Eligibility for children through state plan amendment. However, nothing in the statute forbids a state from seeking a waiver, under Section 1115 of the Social Security Act, to extend ELE to adults. This waiver could include parents, whose enrollment would increase the likelihood that their children would also receive coverage. State officials could explore with CMS the agency's potential receptivity to such a waiver.

Even without the benefits of ELE, a state like New York with higher income eligibility thresholds could expect to find and enroll a large percentage of adults eligible for health coverage through an outreach strategy using state tax returns. Models from Iowa, Maryland,

and New Jersey can help with data sharing agreements, concerns about data timeliness, and modifications to the tax form. Further, New York's recent success with using income tax data to demonstrate eligibility for the EPIC drug program for seniors may help smooth the way for adult Medicaid applications. Finally, federal health reform may provide further opportunity to simplify data matching strategies and to extend to adults options that are available for children.

Additional Data Sources for Consideration

In addition to tax and food stamps data, which have some clear advantages, states may have access to information from other federal, state, and local sources that might be helpful for identifying and enrolling eligible people in coverage. In New York, there are a number of other potential data sources, including child support, housing programs, and the Department of Motor Vehicles database. The authors explored several of the sources that appeared the most relevant, when possible conducting interviews with staff members of these programs in order to better determine the feasibility of their use for third-party data matching.

Many other databases contain information relevant to third-party data matching, but most have too many limitations to be worth pursuing.

Overall, we determined that most were fraught with limitations that restricted their value to the Medicaid program. We considered several factors in order to determine the feasibility of pursuing the various data sources. These considerations are most relevant for verification or eligibility determination, and may be less limiting if the goal is simply outreach. These factors included:

- *Overlap*. How much of the Medicaid program's eligible population overlaps with that of the other program or database. Tax databases, where, according to recent national statistics, 90 percent of uninsured children are represented, would be able to capture a large segment of the Medicaid-eligible population. Programs with less overlap, such as child support, have more limited data matching potential.

- *Extent of documentation burden that can be reduced*. Of the various documentation requirements for Medicaid application and renewal, some are more likely than others to present a burden to both eligibility workers and families. Income data has proven to be one of the most burdensome documentation requirements, and third-party data matching for

this element would therefore yield more results than an element that is less difficult for families to document, such as residency.

- *Comparability of requirements.* Under pre-CHIPRA federal law, data matching could not, without additional analysis, result in eligibility unless the other program was at least as stringent as Medicaid. As is explained below, CHIPRA gives states new options to disregard such methodological differences for children.

- *Verification standards.* Even for programs with comparable requirements, it was necessary, before CHIPRA, for the other data source to have verified that data in a way acceptable to Medicaid. New CHIPRA legislation may simplify this barrier for children.

- *Identifiers.* Programs that do not require a Social Security Number, such as the Women, Infants, and Children (WIC) program, the National School Lunch Program (NSLP), and Head Start, can present a problem for accurate data matching.

- *Lead agency.* Policies of the agency in charge of the other data source can also help or hinder the likelihood of obtaining a data matching arrangement.

- *Age of data.* Under pre-CHIPRA principles, data from other programs needed to be verified at least as often as the Medicaid program requires. Since the enactment of CHIPRA, this issue can be reopened, which could lead to positive results if the eligibility requirement involved is something like U.S. citizenship, which is not likely to change over time.

When judged against these criteria, few data sources held promise. The Electronic Verification of Vital Events (EVVE) system offers the most additional value, and then, only for people born before 1981.[37]

The National Association for Public Health Statistics and Information Systems (NAPHSIS) developed and implemented the EVVE system, which can provide immediate confirmation of birth certificate information to authorized government users. EVVE will also simultaneously certify if there is an accompanying death record.

This online system works via a single interface irrespective of place or date of issuance for all participating vital records jurisdictions. Currently, 14 vital records offices[38] are participating

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[37] The Social Security Administration will be making data on citizenship available to states starting in January 2010, but only for people born since 1981.

in the EVVE system, and NAPHSIS is requesting federal funding in order to implement the system nationwide.[39] The availability of older data varies by participating state. While NAPHSIS strives for vital records dating back to at least 1935, some states have not been able to provide data going that far back. Currently, four Medicaid offices are using EVVE in lieu of requiring paper birth certificates—South Dakota, Minnesota, Washington and Mississippi.

New York City and New York State are well suited for the EVVE system, as both have electronic historical vital record data (dating back to 1920 and 1924, respectively). However, neither jurisdiction has implemented the EVVE system. Implementing EVVE in New York's vital records offices would require installation of the EVVE systems. Installation costs vary, depending on the need to purchase additional hardware. Funding options include state funds and collaboration with other departments that could benefit from the system (e.g., the Department of Motor Vehicles). Additionally, in order to assist with the costs of installation, NAPHSIS could include New York on its priority list for federal funding. In the meantime, the Medicaid office could utilize the system for out-of-state records from participating jurisdictions.

The issue of citizenship documentation may become less of an obstacle to enrollment after CHIPRA. Starting in 2010, New York will be able to qualify children and some adults as U.S. citizens based on data matches with the Social Security Administration. This is only one of many important changes made by CHIPRA, as described in the previous section.

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[38] Alabama, Arkansas, Connecticut, Hawaii, Iowa, Kentucky, Minnesota, Mississippi, Missouri, Montana, Oklahoma, North Dakota, South Dakota, and Utah.

[39] Current funding has come from state offices, as well as from the American Association of Motor Vehicle Administrators (AAMVA).

Conclusion

Third-party data matching offers the promise of increasing enrollment and retention of eligible children and adults in Medicaid and CHIP, lower administrative program costs, and greater convenience for applicants. However, by no means is this strategy a "magic bullet." Experience in leading states demonstrates that data matching strategies require significant work, but that there is payoff for the investment. In addition, CHIPRA offers new opportunities for states to pursue data-driven enrollment and retention strategies by eliminating many of the barriers states previously faced. This law provides new options to use state tax data to prove income and "Express Lane Eligibility" options to use information from other public programs (such as food stamps) to satisfy most Medicaid and CHIP eligibility criteria. Federal health reform may also provide new support to states to obtain data in lieu of paper documentation for adults and children. With these new opportunities and the implementation of New York's Enrollment Center on the horizon, the time is right to consider such data matching strategies.

Acknowledgments

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Appendix 1: Iowa Tax Return

Iowa Individual Income Tax Short Form   **IA 1040A 2008**

For full-year Iowa residents only.

Reset Form
Print Form

STEP 1: Fill in all spaces. You MUST fill in your Social Security Number.

Your last name

Your first name/middle initial

Spouse's last name

Spouse's first name/middle initial

Current mailing address (number and street, apartment, lot or suite number) or PO Box

City, State, ZIP

☐ Check this box if you or your spouse were 65 or older as of 12/31/08.

Your Social Security Number ●   Spouse Social Security Number ●

Are your name, your spouse's name, if applicable, and your address the same as on last year's return? ☐ YES ☐ NO

Residence on 12/31/08
County No. ●   SchoolDistrict No.

Dependent children for whom an exemption is claimed in Step 3
How many have health care coverage? _____ ●
How many do not have health care coverage? _____ ●

STEP 2: Filing Status: Mark one box only.

1	✗	Single: Were you claimed as a dependent on another person's Iowa return? ☐ YES ☐ NO ▲
2		Married filing a joint return.
5		Head of household with qualifying person. If qualifying person is not claimed as a dependent on this return, enter the person's name and
6		Qualifying widow(er) with dependent child.	SSN here. Name:	SSN:

STEP 3

Exemption Credits

YOU (and spouse if filing jointly)

a. **Personal Credit:** Enter 1 (Enter 2 if filing joint or head of household) ....▲   X $ 40 = $ _____

b. Enter 1 for each person who is **65 or older** and/or 1 for each person who is **blind** ...▲   X $ 20 = $ _____

c. **Dependents:** Enter 1 for each dependent ....▲   X $ 40 = $ _____

d. Enter first names of dependents here: _____

e. **TOTAL $** _____

STEP 4
Figure your income

1. Total wages, salaries, tips and unemployment compensation. .... 1. _____ .00
2. Taxable interest. If more than $1,500, complete Schedule B. .... 2. _____ .00
3. Taxable dividends. If more than $1,500, complete Schedule B. .... 3. _____ .00
4. Net income. Add lines 1, 2, and 3. .... 4. ▲ _____ .00
5. Federal income tax refund received in 2008. .... 5. ▲ _____ .00
6. TOTAL. Add lines 4 and 5. .... 6. _____ .00
7. Federal tax payment information. (a) Federal tax withheld .... a. ▲ _____ .00
   (b) Additional paid in 2008 for 2007 and any prior year . b. ▲ _____ .00 7. _____ .00
8. Income subject to tax. Subtract line 7 from line 6. If greater than $100,000 you must use IA 1040 long form.. 8. _____ .00

STEP 5
Figure your tax, credits and checkoff contri-butions

9. Tax from tables. See IA 1040A tax tables at www.state.ia.us/tax. .... 9. ▲ _____ .00
10. Total exemption credits from Step 3. .... 10. _____ .00
11. BALANCE. Subtract line 10 from line 9. If less than zero, enter zero. .... 11. ▲ _____ .00
12. Multiply line 11 by your School District Surtax Rate. See 2008 School District Surtax List. .... 12. ▲ _____ .00
13. Fish and Wildlife Fund Contribution. $1 or more supports the Wildlife Diversity Program. .... 13. ▲ _____ .00
14. State Fairgrounds Renovation Contribution. $1 or more helps renovate the fairgrounds. .... 14. ▲ _____ .00
15. Volunteer Firefighters/Veterans Trust Fund. $1 or more shared by two organizations. .... 15. ▲ _____ .00
16. Child Abuse Prevention. $1 or more. .... 16. ▲ _____ .00
17. Total Tax and Contributions. Add lines 11 through 16 . ... 17. _____ .00
18. Iowa income tax withheld from Box 17 of your W-2 form(s). .... 18. ▲ _____ .00
19. Iowa Earned Income Credit. (Federal EIC credit $_____ X .07) .... 19. ▲ _____ .00
20. Total credits. Add lines 18 and 19. .... 20. _____ .00

STEP 6
Figure your refund or amount due

21. If line 20 is more than line 17, subtract line 17 from line 20. This is your REFUND. .... 21. ▲ _____ .00
   Mail to Iowa Income Tax Refund Processing, Hoover State Office Bldg, Des Moines IA 50319-0120
22. If line 20 is less than line 17, subtract line 20 from line 17. This is the AMOUNT OF TAX YOU OWE. ...... 22. ▲ _____ .00
23. Penalty. See back of the IA 1040V payment voucher. .... 23. ▲ _____ .00
24. Interest. See back of the IA 1040V payment voucher. .... 24. ▲ _____ .00
25. TOTAL AMOUNT DUE. Add lines 22, 23, and 24 and enter here. .... 25. ▲ _____ .00
   ePay at www.state.ia.us/tax or write check to Treasurer, State of Iowa / Mail to Iowa Income Tax Processing, PO Box 9187, Des Moines IA 50306-9187

POLITICAL CHECKOFF. This checkoff does not increase the amount of tax you owe or decrease your refund.

SPOUSE ▲ YOU

$1.50 to Republican Party $1.50 to Republican Party
$1.50 to Democratic Party $1.50 to Democratic Party
$1.50 to Campaign Fund $1.50 to Campaign Fund

Next year, (check one): Would you like to receive an IA 1040 booklet?
This option is not available to electronic filers.   0. ☐ Yes ▲   1. ☐ No

PLEASE

I (We), the undersigned, declare under penalty of perjury that I (we) have examined this return, including all accompanying schedules and statements, and, to the best of my (our) knowledge and belief, it is a true, correct, and complete return. Declaration of preparer (other than taxpayer) is based on all information of which the preparer has any knowledge.

SIGN HERE ▶
Your Signature   Date   Preparer's Signature   Date

SIGN HERE ▶
Spouse's Signature   Date   Address

• Verify your Social Security Number(s)
• Recheck your math
• Attach all W-2s.

Daytime Telephone Number   Daytime Telephone Number   Identification Number

This return is due April 30, 2009.   Mailing Addresses: See lines 21 and 25 above.   41-080 (9/2/08) S08

Appendix 2: Express Lane Eligibility Issues for Which States Could Pursue Federal Clarification

This appendix seeks to flag issues that states may wish to clarify with CMS in order to maximize the enrollment of eligible, uninsured children through Express Lane Eligibility (ELE) strategies.

Definition of "errors." Under the "coding" subparagraph of the ELE statute,[40] statistically valid samples of children receiving ELE are reviewed to determine the percentage who received coverage in error.

- States could seek clarification from CMS regarding acceptable levels of error through ELE and reassurance that states are encouraged to pursue ELE strategies.

- Additionally, states could seek clarification that if the CHIP or Medicaid agency uses the determination of another public program correctly, the CHIP or Medicaid agency will not be held accountable for a mistake made by another program.

Establishing satisfactory immigration status based on SSA data. The Social Security Administration (SSA) does not issue SSNs to noncitizens without first verifying that they are Lawful Permanent Residents or otherwise authorized to work in the U.S. A noncitizen must thus present SSA with documents[41] showing that he or she "has been lawfully admitted to the United States, either for permanent residence or under authority of law permitting him or her to work in the United States."[42]

- States could encourage CMS to engage SSA to work out whether and how they could use SSA data to establish that a child is a Lawful Permanent Resident or the child of an immigrant who is authorized to work in the U.S. for the purposes of satisfying immigration status requirements of Medicaid or CHIP. Further, states could encourage CMS to incorporate this into discussions with SSA about the data match that states will use to establish citizenship.

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[40] New Social Security Act § 1902(e)(13)(E) [42 USC 1396a(e)(13)(E)].

[41] Such documents overlap considerably with those used to demonstrate satisfactory immigration status for purposes of Medicaid and CHIP eligibility. Compare, e.g., SSA POMS Manual Sections RM 00203.410, "Evidence of Alien Status for an SSN Card for an Alien Lawfully Admitted for Permanent Residence," RM 00202.230, "Form SS-5 - Evidence Blocks (PBC, EVI, EVA, EVC, and PRA)," and RM 00203.600, "List of Documents Establishing Lawful Alien Status for an SSN Card," with State Medicaid Manual Section 3212.4 A.

[42] 20 CFR 422.107(e)(1).

Notices to parents explaining information disclosure and opt-out methods. Before a state grants ELE, the parents must be informed that, unless they object, the Express Lane Agency's (ELA's) information will be shared with the state health agency to see whether the child qualifies for health coverage.

- States could seek clarification from CMS that CHIPRA permits the requisite notice to be provided in a manner other than through the ELA's original application form, including a notice sent by a Medicaid or CHIP program.

Reasonable period of time during which ELA findings may be used. CHIPRA limits ELE to ELA findings "made within a reasonable period (as determined by the State)."[43] The statute assigns states the responsibility for determining what constitutes a reasonable period.

- States could seek confirmation that CMS will be flexible about the limits placed on states with regard to defining "reasonable period."

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[43] New Social Security Act § 1902(e)(13)(A)(i) [42 USC 1396a(e)(13)(A)(i)].

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