

## Grant Outcomes Report

# Toward A Seamless System of Health Insurance Coverage for New York's Families: Simplifying The State's Insurance Program Eligibility Rules

### I. Executive Summary

Georgetown University Health Policy Institute's Center for Children and Families led a study of the New York State Medicaid program's multiple and overlapping eligibility categories and recommended options for the New York State Department of Health (NYSDOH)'s Office of Health Insurance Programs (OHIP) to collapse and simplify those categories. Cindy Mann, now the Director of the Center for Medicaid and State Operations at the Centers for Medicare and Medicaid Services, led this project, in her capacity at that time as Executive Director for the Center for Children and Families.

The project resulted in two reports. The first and more extensive report focused on the populations that account for the majority of New York State coverage groups: families, children, parents, pregnant women, and childless adults who were neither elderly nor disabled. This report included a range of recommendations that New York State could consider in light of its policy goals and available resources. The second report focused on the elderly and disability-related eligibility categories. Together, the reports enabled OHIP to develop a blueprint for moving toward implementing many of the recommendations; several of the changes were included in the Governor's 2009-10 budget proposal and subsequently adopted. This project resonates with other states similarly interested in simplifying their eligibility rules to expand coverage. The results of this project also have importance at the Federal level as part of broader health reform efforts.

This project was part of a larger New York State Health Foundation (NYSHealth) authorization that funded a series of quick-strike analyses to help OHIP find ways to streamline and expand its public health insurance programs. A summary of findings from this authorization is available on NYSHealth's website.

### KEY INFORMATION:

**GRANTEE**

Center for Children and Families, Georgetown University Health Policy Institute

**GRANT TITLE**

Eligibility Simplification Project for New York State Department of Health

**DATES**

November 2007 to October 2008

**GRANT AMOUNT**

\$50,000

## II. The Problem

In 2007, as part of the Governor's mandate to ensure that eligible New Yorkers obtain and maintain health insurance coverage, OHIP began taking a closer look at its public health insurance programs. Streamlining administration of these programs for counties and the State was an additional goal. The State has a relatively broad set of health insurance coverage options available to its residents below certain income levels. Although the options are relatively broad, the public has trouble understanding their eligibility for these programs and health care providers, State and county staff, and other stakeholders often have difficulty navigating who is eligible for what.

While the majority of eligible children are enrolled in Medicaid or Child Health Plus (CHP), in 2007, an estimated 75% of uninsured children were eligible for coverage but were not enrolled. In addition, 38% of all uninsured adults in New York were eligible for coverage but not enrolled; complicated eligibility rules are thought to be one of the potential reasons for these sub-optimal participation levels.<sup>1</sup>

Within one family, some family members may be eligible for one program, other family members may be eligible for another program, and still other family members may not be eligible at all. While the majority of eligible children are enrolled in Medicaid or Child Health Plus (CHP), in 2007, an estimated 75% of uninsured children were eligible for coverage but were not enrolled. In addition, 38% of all uninsured adults in New York were eligible for coverage but not enrolled; complicated eligibility rules are thought to be one of the potential reasons for these sub-optimal participation levels.<sup>1</sup> To address this issue, OHIP asked NYSHealth to engage the Center for Children and Families at Georgetown University Health Policy Institute to determine which changes to State law would be possible under Federal law to simplify coverage options and improve program participation rates.

## III. Grant Strategy

NYSHealth provided a grant to the Center for Children and Families to recommend strategies for simplifying the State's public health insurance coverage options and improve program participation rates. These strategies were to have two goals:

- To cover children and parents in the same family under the same coverage program; and
- To simplify and align the eligibility rules across programs and eligibility groups and eliminate unnecessary eligibility groups, to the extent possible given Federal constraints and cost considerations.

<sup>1</sup> United Hospital Fund. *Health Insurance Coverage in New York, 2006-2007*. New York, 2009.

## IV. Grant Activities

Under this grant, the Center for Children and Families undertook the following activities:

- Researched all of New York State's eligibility categories in Medicaid, CHP, and Family Health Plus (FHP), reviewing State law, State regulations, State eligibility manuals, and eligibility computer system coding;
- Contacted OHIP staff to seek further information on questions that arose during the research phase;
- Met with OHIP staff in Albany to review the project's objectives and early findings to solicit feedback and input on possible options;
- Met with OHIP staff to review possible options and, given the Department's permission, with non-agency New York State experts to solicit their input on these options;
- Prepared a draft report on the family, children, and childless adult categories; and
- Conducted further research on the elderly and disabled categories and prepared a draft report focused on those categories.



## V. Challenges

Two external factors affected the project outcomes. First, New York State does not have the data necessary to evaluate how the potential options the Center for Children and Families identified might specifically affect eligibility, enrollment, and costs for the elderly and disabled groups. The second limiting factor was that the economic downturn and resulting State budget crisis slowed down proposals for the elderly and disabled groups. New York State was unable to move these proposals forward because of fiscal constraints.

## VI. Key Findings

Georgetown produced two reports that provided guidance to State officials in crafting changes to New York State laws and rules to facilitate enrollment into Medicaid, CHP, and FHP. The first and more extensive report focused on the populations that account for the majority of the State's coverage groups: families, children, parents, pregnant women, and childless adults who are neither elderly nor disabled. This first report included a range of recommendations that New York State could adopt consistent with Federal requirements. Some recommendations required statutory changes or extensive revisions in program rules and greater investment in resources, while other revisions were more modest and required less investment. The report was specifically structured to provide New

York State and OHIP with a potential roadmap for adopting changes incrementally as opportunities and resources allowed. The report was submitted to NYSDOH in August 2008, in time for the State to consider in crafting the FY 2009/10 Executive Budget. Several of the report's recommendations were included in the Governor's Executive Budget and passed by the Legislature.

“The report was submitted to NYSDOH in August 2008, in time for the State to consider in crafting the FY 2009/10 Executive Budget. Several of the report's recommendations were included in the Governor's Executive Budget and passed by the Legislature.”

The report covers two types of simplification strategies:

- 1. CONVERTING TO A GROSS INCOME STANDARD ACROSS ALL PROGRAMS.** (Currently, FHP and CHP use a gross income standard and regular Medicaid uses a countable income standard.) Such a conversion would create greater public understanding of their eligibility and allow for simpler application and eligibility determination processes.
- 2. ALIGNING ELIGIBILITY FOR CHILDREN AND PARENTS.** At a minimum, this simplification would involve converting parents who now qualify for Medicaid through the FHP waiver to regular Medicaid eligibility (under the State plan) and eliminate age-based differences in eligibility for children under Medicaid. Other modest expansions could include aligning eligibility for 19 and 20 year olds with their parents' and siblings', aligning eligibility for all non-disabled adults under age 65 at a gross income level of 160% FPL, and aligning Medicaid eligibility for all families with children at the current level for infants and pregnant women.

For each potential option, the report identifies **(1)** advantages of the strategy, **(2)** program implications, and **(3)** any Federal issues which are implicated, along with approaches to resolve those issues.

Officials from OHIP knew there was a great deal of complexity in the program, but they did not know all the nuances of each eligibility category. “What surprised me were the implementation challenges in moving to a gross income test for parents and children. It was much more difficult than we realized,” says Judith Arnold, Director, Division of Coverage and Enrollment at OHIP. “Federal rules require that no one be worse off than they would have been under eligibility rules based on net income. That requires the system to perform two eligibility calculations.” Anne Marie Costello, Bureau Director, also at OHIP, adds that, “when you try to push the boundaries of the program, you still have to respect the general program infrastructure and figure out a way to work within it.”

“Officials from OHIP knew there was a great deal of complexity in the program, but they did not know all the nuances of each eligibility category.”

A second report focusing on the elderly and disability-related eligibility categories followed publication of the first report. The options for simplification among this group of eligibility categories are more limited, both because of Federal law limitations and because New York offers fewer optional coverage

groups. New York also needs to gather additional data to evaluate options in this area more fully. A draft report was submitted to the NYSDOH in November 2008.

This second report discusses options for simplifying eligibility pathways both for groups the State is required to cover and for some of their optional eligibility groups:

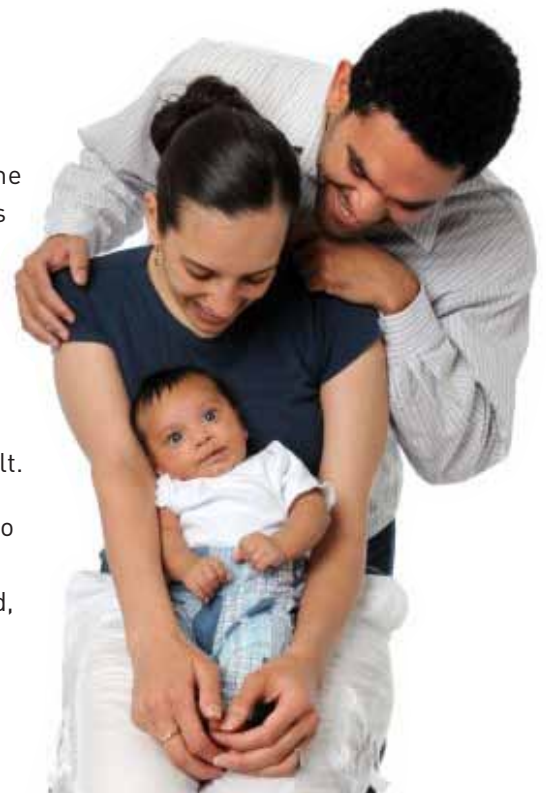
- Supplemental Security Income/State Supplementary Payment (SSI/SSP) recipients;
- Former SSI/SSP recipients;
- Medicare Savings Plan groups;
- Working people with disabilities under the Ticket to Work and Work Incentives Improvement Act;
- Individuals infected with tuberculosis;
- Individuals eligible to elect COBRA coverage through a former employer, whose income does not exceed 100% FPL;
- Aged, blind, and disabled individuals who are not receiving SSI but who meet income and resource standards for SSI or New York's medically-needy program; and
- Medically-needy aged, blind, or disabled individuals whose income exceeds the medically-needy income level, but who incur sufficient expense to "spend down."

## VII. The Future

Supported by the findings and recommendations in this report, the Executive Budget included proposals to align Medicaid eligibility for children and parents and to convert to a gross income standard across all programs in New York State. These proposals were included in the final FY 09/10 Budget and are currently being implemented.

The State continues to evaluate how best to facilitate enrollment of the aged, blind, and disabled populations, but many of the necessary changes require Federal action. In addition, severe budgetary pressures make eligibility-related changes more difficult.

The State's relationship with the Center for Children and Families also was strengthened through this project. Subsequent to this grant, the Center for Children and Families, along with the United Hospital Fund, worked with OHIP to develop recommendations on how to improve enrollment and retention in Medicaid and SCHIP.



## BACKGROUND INFORMATION:

### ABOUT THE GRANTEE

The Center for Children and Families (CCF), which is part of Georgetown University's Health Policy Institute, is focused on uninsured children and families. The Center develops and disseminates research and recommendations for improving the health of America's most vulnerable children and families. Key policy areas include Medicaid and the Children's Health Insurance Program (CHIP), employer-based coverage, and public-private coverage initiatives. The Center's work cuts across the Federal and State levels—it has helped states find policies for increasing coverage to children and families, in addition to analyzing and monitoring how Federal policy developments and State-based initiatives affect the health care coverage of America's families.

### GRANTEE CONTACT

Dawn Horner  
Senior Program Director  
Center for Children and Families  
Health Policy Institute, Georgetown University  
Box 571444  
3300 Whitehaven Street, N.W., Suite 5000  
Washington, DC 20057-1485

Phone: (202) 687-0880  
E-mail: [dch28@georgetown.edu](mailto:dch28@georgetown.edu)  
Web address: <http://ccf.georgetown.edu/>

### NYSHEALTH CONTACT

David Sandman

### GRANT ID #

2100543