

2009 HFP Waiting List Evaluation Report

Agenda Item 7.a.
6/30/10 Meeting

Background:

The 18 month State Budget enacted for January 2009 through June 2010, left a \$14 million shortfall in the Healthy Families Program (HFP) Budget. In addition, based on actions by the Budget Conference Committee of the Legislature, the 2009/10 fiscal year had a shortfall of \$270 million in total funding (\$90 million general fund and \$180 million Federal matching funds). The Managed Risk Medical Insurance Board (MRMIB) made a determination at the June 29, 2009 Board Meeting that sufficient funds were not available to cover the estimated costs of the Healthy Families Program expenditures. Therefore, the MRMIB, in accordance to state law and regulations, determined it was necessary to close new enrollment in HFP and implemented the waiting list effective July 17, 2009.

Under the wait list process, applications received at the Single Point of Entry continued to be income screened for potential eligibility for no-cost Medi-Cal and were provided Accelerated Enrollment, if eligible. The income screening process was based on either application information or income documentation that was submitted with the application. Applications screened to the HFP were denied enrollment due to insufficient funds and placed on a wait list in the date order they were received. The wait list notification informed families of their placement on the wait list, notified them to inform HFP if their address changed and notified them that HFP would contact them when there were sufficient funds to enroll their child if determined eligible. The notice also provided the HFP toll-free telephone number in case the families had any questions about the wait list process.

The waiting list was implemented for 2 full months and the HFP was re-opened to new enrollment on September 17, 2009. The re-opening of the program was made possible, as a result of the enactment of AB 1422 (Bass) which provided funding for the HFP from a gross premium tax paid by Medi-Cal managed care plans, funds from the First Five Commission, and the implementation of program changes which reduced HFP expenditures (i.e. increase in subscriber premiums and co-payments, as well as limited dental plan selections for certain families). The HFP finished processing all waiting list applications and made an eligibility determination by early December 2009.

Findings:

MRMIB conducted a data analysis to assess the impact the waiting list had on families when the program was closed to new enrollments. This report identifies application statistics, the length of time for the HFP to process applications once the waiting list was lifted, the children's eligibility disposition, and the children's demographic information. While the report does provide a good snapshot of the final determinations of the wait listed applications, it also raises other questions that can not simply be answered by the data analysis. MRMIB is also partnering with the University of Cincinnati and California Health Care Foundation to conduct a further evaluation of the waiting list and actually survey all families that were placed on the waiting list to answer the additional questions.

Findings:

- * **46,679 (43%) Of Waiting List Children enrolled in HFP**
- * **38,777 (35.8%) Of Waiting List Children were denied enrollment in HFP**
- * **35,646 (32.9%) Of Waiting List Children were denied due to Missing Information (MI) after 20 day MI follow-up period (up to five telephone calls and MI letter)**
- * **83 Calendar Days was the Average Length of Time on the Waiting List**
- * **20,808 (19.2%) Of Waiting List Children received Application Assistance**

Total Number of Applications and Children on the Waiting List:

The table below identifies the total number of applications and total number of children placed on the waiting list from July 17, 2009 through September 19, 2009, as well as the average number of children per application.

	Total
Number of Applications	57,326
Number of Children	108,433
*Average Number of Children Per Application	1.89

* Average number of children per application during the twelve (12) period prior to the waiting list being implemented was 1.73 .

Total Number of Complete and Incomplete Applications Placed on the Waiting List:

The table below identifies the volume and percentage of all complete and incomplete applications that were placed on the waiting list.

	Total	
Complete Applications	32,322	56.4%
Incomplete Applications	25,004	43.6%
Grand Total	57,326	100%

* HFP Eligibility Determination Results:

A total of 108,433 children placed on the waiting list received a HFP eligibility determination. This data reflects the eligibility outcome of the total number of children who were not income screened to the No-Cost Medi-Cal Percentage Programs at SPE. The data reflects the eligibility outcome of the wait listed children whose applications were processed for an HFP eligibility determination including **applications determined potentially eligible for No-Cost Medi-Cal based on submission of new information** during the missing information process.

	* Total	
* Children Enrolled in the HFP	46,679	43%
* Children Denied from the HFP	38,777	35.8%
* Children Fwd to NC Medi-Cal	18,538	17.1%
* Children Already in NC Medi-Cal	4,439	4.1%
* Grand Total	108,433	100%

Reasons for Being Denied HFP Coverage:

The table below shows the reasons children were denied HFP coverage and compares the denial reasons with application statistics that occurred twelve (12) months prior to the waiting list being implemented. The majority of the 38,777 children on the waiting list that were ineligible for Healthy Families coverage were denied as a result of missing information requested not being received by the HFP. This represents over 91% of children being denied HFP coverage for this particular reason **which indicates the quality of applications was worse during the waiting list time period**. Over 45% of children being denied HFP coverage did not provide income documentation or additional information regarding their family size, in order for the HFP to determine if the children qualified for the program.

Denial Reason	Number of Children Denied	%	Data During the Last 12 Months Prior to Waiting List Being Implemented
Missing Information - Application	35,646	91.9%	79.1%
Income Too High*	2,020	5.2%	6.1%
Over Age 19	835	2.2%	0.5%
Enrolled in Employer-Sponsored	149	0.4%	0.6%
Other Denial Reasons	127	0.3%	0.1%
Grand Total	38,777	100%	

* denied children were referred to other health coverage options

Missing Information (MI) Reasons:

As noted above, there were 35,646 (32.9%) children, out of 108,433 on the waiting list, whose applications were denied for an incomplete application because it contained missing information (MI). The missing information (i.e. proof of income, information related to employer-sponsored insurance, etc.) were critical information, in order for the HFP to determine if a child qualified for the program or to enroll them into the program. The high volume of missing information played a significant role in the reasons why children were denied HFP coverage. The table below shows the three (3) top reasons for missing information and the disposition of the children whose applications had missing information. **The MI process includes up to five (5) telephone at varying times and days as well as an MI letter.**

Missing Information or Incompleteness Reasons	Number of Children Placed on the Waiting List							
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total	
Income & Family Size	21,209	59.5%	274	77.4%	4,542	77.5%	26,025	62.2%
Incomplete ESI Info	9,981	28%	1	0.3%	621	10.6%	10,603	25.3%
Past Due Premiums (w/in 12 months)	3,315	9.3%	77	21.8%	458	7.8%	3,850	9.2%
Other MI Reasons	1,141	3.2%	2	0.5%	239	4.1%	1,382	3.3%
Grand Total	35,646	86.1%	354	0.8%	5,860	13.1%	41,860	100%

Length of Time the HFP Processed Applications Once the Waiting List was Lifted:

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The HFP waiting list was instituted on July 17, 2009 and HFP was re-opened on September 17, 2009. The HFP completed processing all waiting list applications in December 2009. The average length of time a child was placed on the waiting list was 83 calendar days. Of the 108,433 children on the waiting list, 39,806 (36.7%) children's applications were processed within the first 30 days from when the wait list was lifted. There were 34,489 (31.8%) that were processed between 31 and 60 days. Over 68% of the applications were processed within 60 days from the date in which the program was re-opened to enrollment. There were 29,391 (27.1%) applications that were processed between 61 and 90 days. The remaining 4,747 (4.4%) were processed 91 or more days following the lifting of the waiting list. The table below shows the disposition of the children based on the timeframe in which their application was processed.

Application Processing Time	Number of Children Placed on the Waiting List							
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total	
0-30 days	11,013	28.4%	16,431	35%	12,362	53.8%	39,806	36.7%
31-60 days	12,563	32.4%	16,664	36%	5,262	22.9%	34,489	31.8%
61-90 days	12,567	32.4%	12,137	26%	4,687	20.4%	29,391	27.1%
91 or Greater days	2,634	6.8%	1,447	3%	666	2.9%	4,747	4.4%
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%

Total Certified Application Assisted (CAA) Applications and Unassisted Applications for ALL Children Placed on the Waiting List:

Of the 108,433 children placed on the waiting list, 20,808 (19.2%) were assisted by CAAs. The remaining 87,625 (80.8%) did not utilize CAA services. The table below shows the disposition of the children assisted and unassisted during the application process.

	Number of Children Placed on the Waiting List							
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total	
Assisted	5,545	14.3%	12,230	26.2%	3,033	13.2%	20,808	19.2%
Unassisted	33,232	85.7%	34,449	73.8%	19,944	86.8%	87,625	80.8%
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%

Waiting List Demographic Information

Top Five (5) Counties Where Children Resided:

The counties in which the children on the waiting list resided is consistent with what is reported each month to the Board, where the five (5) top counties are Los Angeles, Riverside, San Bernardino, San Diego and Orange. This represents 59% of the children on the waiting list, which is consistent with standard monthly reports. The table below shows the disposition of the children in the top 5 counties.

	Number of Children Placed on the Waiting List								
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total		
Los Angeles	10,547	9.7%	11,436	10.5%	5,698	5.3%	27,681	25.53%	Top 5 Southern California Counties 59%
Riverside	3,606	3.3%	4,574	4.2%	2,088	1.9%	10,268	9.47%	
San Bernardino	3,141	2.9%	3,874	3.6%	1,861	1.7%	8,876	8.19%	
San Diego	2,637	2.4%	4,108	3.8%	2,065	1.9%	8,810	8.12%	
Orange	2,831	2.6%	3,829	3.5%	1,746	1.6%	8,406	7.75%	
Other Counties	16,015	15%	18,858	17.4%	9,519	8.8%	44,392	40.94%	
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%	

Children's Ethnicity:

The table below demonstrates the disposition of children on the waiting list broken down by ethnicity. There is a significant difference (over 7% increase) in the percentage of children whose ethnicity was not provided on the applications that were placed on the waiting list, compared to demographic data of children who were enrolled in the program twelve (12) months prior to the waiting list being implemented. In addition, there was a slight decrease (4.5% decrease) in the percentage of wait listed children who were reported as being Hispanic, compared to previous enrollment data.

	Number of Children Placed on the Waiting List								Data During the Last 12 Months Prior to Waiting List Being Implemented
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total		
Hispanic	14,347	37%	21,332	45.7%	10,225	44.5%	45,904	42.33%	46.8%
White	2,870	7.4%	4,081	8.7%	1,769	7.7%	8,720	8.04%	8.7%
Asian/Pacific Islander	1,978	5.1%	3,318	7.1%	1,218	5.3%	6,514	6.01%	6.5%
Black/African American	1,008	2.6%	1,307	2.8%	506	2.2%	2,821	2.60%	2.5%
AI/AN	116	0.3%	97	0.2%	68	0.3%	281	0.26%	0.3%
Other	12,796	33%	10,876	23.3%	6,847	29.8%	30,519	28.15%	30%
Not Given	5,662	14.6%	5,668	12.1%	2,344	10.2%	13,674	12.61%	5.2%
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%	

Children's Gender:

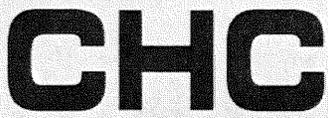
The table below shows the disposition of children on the waiting list by gender. The percentage of children in each gender group is consistent with standard monthly enrollment reports.

	Number of Children Placed on the Waiting List							
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total	
Female	18,807	48.5%	22,593	48.4%	11,557	50.3%	52,957	48.84%
Male	19,544	50.4%	24,086	51.6%	11,121	48.4%	54,751	50.49%
Unknown	426	1.1%	0	0%	299	1.3%	725	0.67%
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%

Children's Age Groups:

The table below shows the disposition of children on the waiting list by age group. When comparing enrollment statistics of children who had HFP coverage twelve (12) months prior to the waiting list being implemented, the percentage of children ages 0 - 5 who were placed on the waiting list were higher than those enrolled in the HFP in this particular age group. The children in this age group represented almost 36% of all children on the waiting list. Historical enrollment reports shows that 24.53% of children enrolled in the HFP were 0 - 5 years old. In addition, the majority of wait listed children enrolled in the HFP were 6 - 18 year olds (this represents nearly 30% of all children placed on the waiting list).

Age	Number of Children Placed on the Waiting List								Data During the Last 12 Months Prior to Waiting List Being Implemented
	Denied		Enrolled		Forwarded or Enrolled No-Cost Medi-Cal		Total		
0 up to 1	2,800	7.2%	1,351	2.9%	2,754	12.0%	6,905	6.37%	1.82%
1 - 5	11,377	29.3%	12,884	27.6%	7,789	33.9%	32,050	29.56%	22.71%
6 - 18	23,700	61.1%	32,444	69.5%	11,512	50.1%	67,656	62.39%	75.44%
19 or older	900	2.3%	0	0%	922	4%	1,822	1.68%	0.03%
Grand Total	38,777	35.8%	46,679	43%	22,977	21.2%	108,433	100%	



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June 29, 2010

Cliff Allenby, Chair
Managed Risk Medical Insurance Board
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Sacramento, CA 95812-2769

Via Fax: 916.324.4878

Re: Board Agenda Item 7a Evaluation of Children on the Wait List

Dear Chairman Allenby:

Community Health Councils (CHC) writes today to share our comments on the impact of the Healthy Families Program enrollment freeze and wait list implemented last year. While the enrollment freeze lasted only two months, it significantly impacted and setback children's healthcare coverage in California.

The freeze came at a time of escalating demand. The unemployment rate in California rose from 9.7% in January 2009 to 11.6% by June 2009, and an increasing number of families turned to the Healthy Families Program for support. Healthy Families experienced a 3.2% increase in enrollment during this six-month period, with more than 28,800 children enrolling in the program. In contrast, implementation of the two-month freeze and wait list resulted in:

- A decline in enrollment in the Healthy Families Program from 922,429 children at the beginning of July 2009 to 865,440 children by October 2009, a 6% decrease or loss of coverage for 56,989 children. This compares to a 1.2% increase in July to October 2008.
- More than twice the number of children fell out of the program during this two-month period as enrolled in the preceding six months.
- Approximately 93,000 children were also placed on the wait list in two months compared to the 10,749 who enrolled in the same two-month period the previous year.

Our research shows multiple states have also faced budget crises like California and implemented similar enrollment caps or freezes to their CHIP programs. Not only have these policies severely impacted families, but they are often difficult to reverse.

- Florida implemented a wait list from 2003 to 2005 for its KidCare Program. When the program re-opened, enrollment continued to decline as many families with eligible children were either unaware of its reopening or were reluctant to embrace the program.
- North Carolina, the first state ever to impose an enrollment cap on its CHIP program, saw a 29% drop in enrollment as well as significant financial hardship and delayed care for families.

CHC Letter to MRMIB

June 29, 2010

Re: Impact of HF Enrollment Freeze and Wait List

CHC in collaboration with the Covering Kids and Families Statewide Coalition conducted a survey of families wait listed last year to assess the impact of the policy. Thirteen agencies across eight counties (Fresno, Kern, Los Angeles, Sacramento, San Francisco, Santa Cruz, San Diego and Stanislaus) interviewed more than 112 families representing 192 children who were placed on the Healthy Families Program wait list.

1. Twenty-eight percent of families reported delayed care for their children's medical or dental needs during the time their children were on the wait list
2. Families placed on the wait list experienced an increase in the average time required to attain enrollment, as much as an additional 3 months following the lifting of the freeze.

We would anticipate that while the enrollment freeze resulted in cost savings, the cost of care was simply shifted to the counties. The state's savings were quickly negated by the administrative cost of enrolling the backlog of more than 93,000 children. The administration of the wait list and subsequent processing of applications went far beyond original expectations and inconsistencies emerged with communication and messaging to families.

Based upon this data and our research, we strongly discourage California from instituting an enrollment freeze and wait list in the future. An issue brief delineating the findings of the survey interviews will be released within the next 30 days.

We thank MRMIB for all of their hard work last year to ensure that 900,000 children remained covered through the Healthy Families Program. We understand this was a difficult time for MRMIB, and we appreciated the open communication between the Department and community organizations on the status of the enrollment freeze, wait list numbers, and funding updates.

We welcome the opportunity to discuss our findings and comments in more detail at your earliest convenience and hope to present the more in-depth presentation to MRMIB at a future meeting. Please feel free to contact Michelle Wood, Policy Analyst, at 323.295.9372 extension 225 if you have any questions.

Sincerely,

Lark Galloway-Gilliam
Executive Director

cc: Kim Belshe, California Health and Human Services Agency
Lesley Cummings, Managed Risk Medical Insurance Board
Janette Casillas, Managed Risk Medical Insurance Board
Ernesto Sanchez, Managed Risk Medical Insurance Board