



Efficient and Equitable Medicaid Enrollment in Illinois: Addressing Systemic Failures in the Illinois Safety Net

Protect Our Care Illinois Policy Recommendations December 13, 2018

Our state has the opportunity to be a leader in promoting health and continuity of care for all Illinoisans. By using other states' best practices as examples, we can implement significant yet feasible reforms to improve how people get enrolled and stay enrolled in Medicaid, improving their health and well-being in the process. **These reforms will address long-standing problems within the Medicaid system that have caused millions of eligible Illinoisans to wait months to receive care or to lose care when they need it most due inefficient application and renewal (e.g. redetermination) policies.** Taking action to put our Medicaid program on firm footing will advance health care access, health equity, government efficiency and transparency, and fiscal sustainability in our health care safety net. **Reforming the Medicaid enrollment and renewal system presents a major opportunity for Medicaid recipients, health care providers, and Illinois taxpayers alike.**

Health advocates and researchers are ready to support the new administration in implementing commonsense reforms to support the following goals and recommendations for equitable, efficient and accountable governance of the Illinois Medicaid program.

Policy Goals

1. Reduce the churn rate in the Illinois Medicaid Program, both overall and for any specific populations such as children, people living with HIV/AIDS, or refugees.

The churn rate (the rate of eligible enrollees losing and regaining coverage) in Illinois has been excessive and remarkably consistent over the last five years that the state has reported data. Approximately 40-48% of all beneficiaries lose coverage at redetermination and about one third of those enrollees return to Medicaid within three months. This rate is far higher than most other states, and it is a safe assumption that the vast majority of those 40-48% who lose coverage *remained eligible throughout their period of termination*. Illinois's goal should be to minimize administrative terminations and achieve a retention rate of at least 90% of those who remain eligible – an achievable goal based on cancellation rates in other states.

2. Eliminate the Medicaid application backlog and ensure a smooth eligibility processing system by implementing real-time eligibility processing for the majority of Medicaid applications.

Many states use what is known as real-time eligibility for the majority of their applications. This system electronically verifies all needed information relevant to eligibility within a short period of time, as little as 24 hours, and provides an eligibility decision far faster than we do in Illinois. Illinois has made policy decisions that require additional manual processes for initial eligibility determination and these decisions have contributed to a significant backlog in application processing and a filing in federal court to enforce the federal requirement to process applications within 45 days. Many states routinely process applications in a matter of days while Illinois struggles to meet the bare minimum 45-day requirement. Illinois should implement the electronic systems needed to provide real-time decisions for at least 75% of all Medicaid applicants as other states have accomplished.

Specific Policy Recommendations

Recommendations within the first 100 days:

- Appoint a leadership team to coordinate public benefit enrollment across HFS and DHS and empower them to enact reforms in each agency.
- Suspend or delay auto-terminations of Medicaid cases until HFS and DHS are fully caught-up with Medicaid eligibility and redetermination applications and forms for at least three consecutive months.
- Expand access to Manage My Case through in-person verification at FCRCs, computer access at FCRCs, and by fully implementing and monitoring the new State Identity Proofing Request Process to ensure timely and effective responses from caseworkers.
- Ensure the ABE Application system complies with Illinois law ([305 ILCS 5/11-4](#)) by requiring applicants to opt-out of applying for all available benefits (SNAP, Medicaid, TANF) rather than opt-in. The current process requires opt-in.
- Implement HB2731 ([P.A. 99-0086](#)), a Medicaid data transparency and accountability law and convene stakeholders to identify reporting metrics and methods that are relevant and transparent.
- Implement the Hospital Presumptive Eligibility program outlined in the Illinois Administrative Code, [Title 89, Section 120.68](#). This program allows hospitals to provide temporary benefits to uninsured individuals likely to qualify for Medicaid at their initial hospital visit and is required under the Affordable Care Act ([42 U.S.C. § 1396a\(a\)\(47\)\(B\)](#) and [42 C.F.R. 435.1110](#)). Illinois has failed to implement this program despite promulgating a rule. We are a national outlier in this regard.
- Conduct a thorough analysis of the changes necessary to implement real-time eligibility determination and increase the number of automatic redeterminations (i.e. Form A, ex parte). Use this analysis to plan and implement those reforms.

Recommendations within the first 12 months:

- **Develop an eligibility system that relies predominantly on real-time eligibility determination:** This will require changes to the existing system and different policy choices regarding what electronically verified information is sufficient to determine eligibility. Our goal should be that at least 75% of Medicaid applications receive a real-time decision.
 - At least 40 states have implemented real-time processing as of January 2018.
 - According to a recent [CMS Application Processing Time Report](#), seven states make 80-100% of their MAGI eligibility determinations in less than 7 days, largely within just 24 hours: Rhode Island, Connecticut, Maryland, Washington D.C., Alabama, Oklahoma, and Washington. Another 10 states make 60-80% of their determinations within 7 days.
- **Expand the number of electronic data sources to increase automatic redeterminations:** Illinois currently processes about 20%-23% of Medicaid redeterminations through Form A/auto-renewal. We should increase this rate by taking advantage of all available sources of electronic verification of eligibility information, including income. HFS and DHS should also add new electronic verifications such as income verification through credit rating agencies (the state previously had a contract to use this data but allowed it to lapse).
 - 21 states are able to do more than 50% of their Medicaid redeterminations automatically (e.g. Michigan, Iowa, Indiana, and Washington). This number includes seven states that

complete more than 75% of redeterminations automatically (Alabama, Arkansas, Colorado, District of Columbia, Idaho, Ohio, and Rhode Island).

- **Establish a new policy that automatically renews eligibility if the system finds no verifiable income:** Currently, the system requires enrollees to return an attestation for no income if it finds no electronically verifiable income at eligibility redetermination. The system currently also requires a Medicaid recipient to take proactive action if electronic income verification varies by more than 5% than what the case had on record as income; even when both income amounts (electronically verified and what's in the case) are below the Medicaid eligibility threshold. The reality is that the vast majority of enrollees in either of these positions are eligible, and yet, the need to return documentation leads many to lose coverage. Illinois should change the policy so that enrollees without verifiable income and enrollees whose income varies by more than 5% but is still below the eligibility threshold are considered eligible similar to what many other states have decided to do in these two scenarios.
- **Use SNAP Express Lane Eligibility for automatic Medicaid eligibility and redeterminations:** The CHIP Reauthorization Act of 2009 (CHIPRA) included many provisions designed to give states the tools they need to effectively enroll eligible children in Medicaid and CHIP. One of the key tools that CHIPRA created is the "Express Lane Eligibility" (ELE) option. ELE permits states to rely on findings, for things like income, household size, or other factors of eligibility and redetermination from another program designated as an "Express Lane Agency" to facilitate enrollment in health coverage. Express Lane Agencies (ELAs) may include: SNAP, School Lunch, TANF, Head Start, National School Lunch Program, and WIC among others. Illinois should use ELE data in its Medicaid eligibility determination and redetermination processes whenever possible.
 - **Alabama, Iowa, Louisiana, Massachusetts, Oregon and South Carolina** are a few states using SNAP for ELE for Medicaid and/or CHIP (the states in **bold** use "automatic ELE processing")
- **Ensure Medicaid eligibility is renewed for 12 months whenever SNAP eligibility is redetermined:** SNAP eligibility renewal generally requires enrollees to certify their eligibility every six months. The information needed for this process often includes all information needed to redetermine Medicaid eligibility as well. The state should implement and monitor FCRC policies to ensure these programs can be redetermined in tandem whenever possible.
- **Pilot text messaging reminder service for Medicaid recipients whose benefits are close to being terminated.**
 - San Francisco County did this for SNAP recipients to reduce their paper communications and they found that 40% of those who received texts responded immediately by calling a call center.
- **Offer 12-month continuous eligibility to pregnant-women, parents and other adults.**
 - Montana and New York have already done this through the 1115 Waiver authority

Next Steps

Protect Our Care Illinois would like to schedule a meeting with the Governor-elect's transition team and members of his administration to discuss these recommendations. Please contact Protect Our Care Illinois's Coalition Manager Graciela Guzman at ggguzman@heartlandalliance.org, (773) 270-2611 or AIDS Foundation of Chicago's Policy Director Nadeen Israel at nisrael@aidschicago.org, (847) 620-9758 to schedule a meeting or request more information.

We stand at the ready to work with the new administration and champions in the legislature to implement these reforms. Illinois Medicaid recipients have struggled under the existing system for long enough. Illinois' leaders must champion the cause of an efficient Medicaid system if we are to advance equity in our health care system. We look forward to contributing to any administrative or legislative initiatives needed to move these reforms ahead so that all Illinoisans have access to the affordable care they are eligible for and have a human right to receive.

Protect Our Care Illinois is a coalition of [145 organizations](#) representing health care advocates, providers, consumers, and workers committed to protecting and building upon the benefits of the ACA and Medicaid.