

How Much Churning in Ohio Medicaid and MMC? What does this say about Effective Renewal Strategies?

Gerry Fairbrother, Ph.D.
Cincinnati Children's Hospital Medical Center

Presented at
Managed Care Plan Meeting
April 25, 2007

This research was supported by The California Endowment, The Commonwealth Fund, the Jewish Healthcare Foundation and Blue Cross/Blue Shield of Michigan. I thank Medicaid officials in the participating states for their assistance.

change the outcome®



Why is churning important?

- If the same eligible beneficiaries are being processed and re-processed, then inefficiencies are introduced in the system
- Breaks in care may adversely affect quality
- Re-instating eligible children a short time after they fall off the rolls causes unnecessary costs

Why is length of time in a Medicaid *and in health plan* important?

- Health plans are charged with managing care for beneficiaries
- Thus, policy makers look to managed care as the delivery system to assure high-quality care for these children
- But...
- Beneficiaries need to be enrolled long enough for health plans to monitor care, spot problems, and intervene, if necessary

The purpose of this study is to

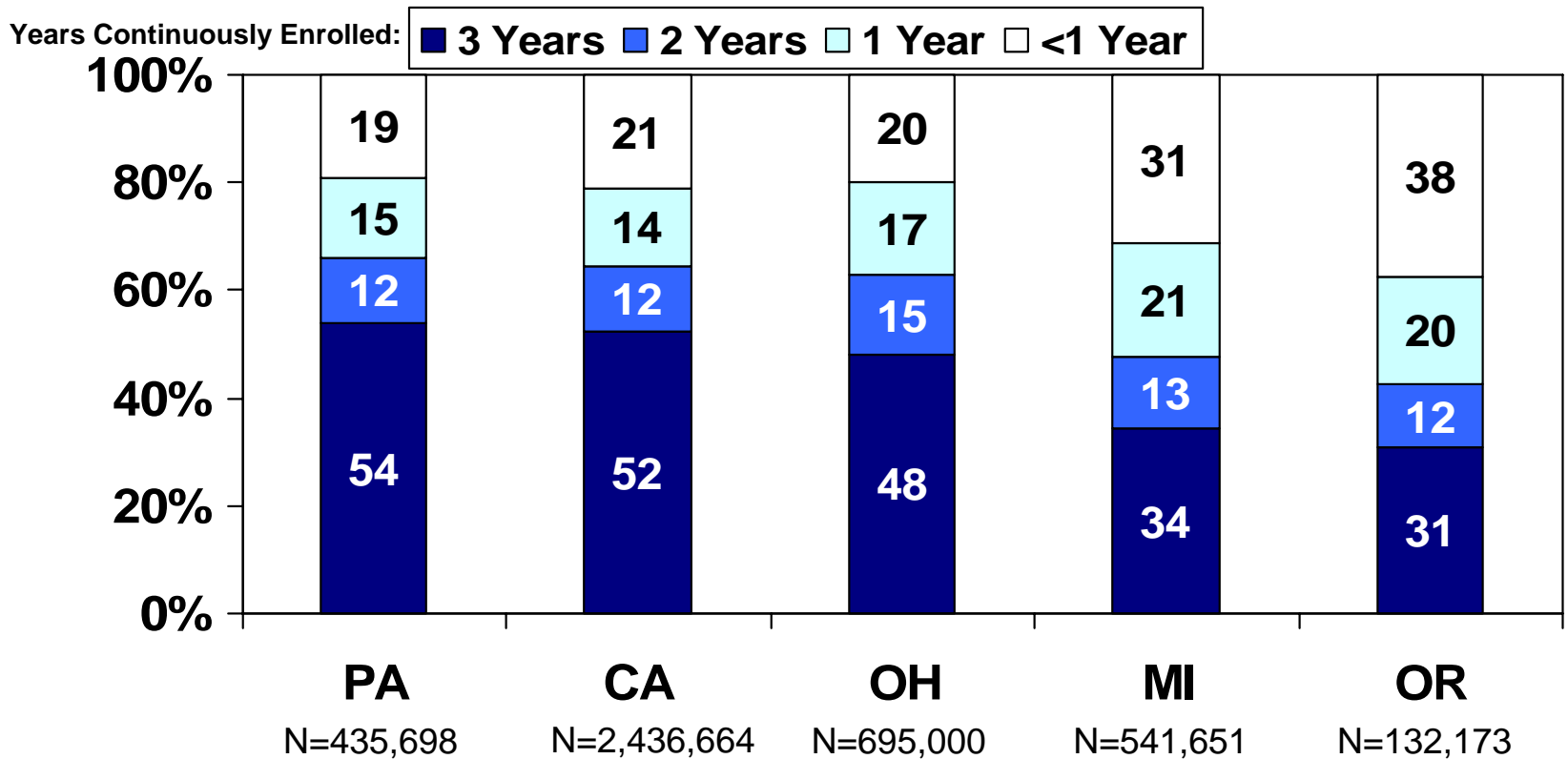
- Assess the level of stability of coverage for children enrolled in Medicaid and in MMC in 5 states
- Describe level of churning and the length of the breaks for children who leave and return
- Describe the cost to enroll a member in Medicaid and Medicaid managed care

Study Methods

- We examined Medicaid eligibility files in five states
 - California, Michigan, Ohio, Oregon, Pennsylvania
- We took children 3-18 enrolled in Medicaid as of December 2003
- We described enrollment patterns for these children during the three prior years (January 2001 – December 2003), including
 - Proportion of children enrolled continuously for 1, 2, and 3 years
 - Proportion of children with breaks in enrollment
 - Length of the breaks in enrollment

Medicaid is a Stable Source of Coverage for Many Children: almost 2 out of 3 children were enrolled for >2 years in PA, CA, and OH

Percent of Children Enrolled for Specific Number of Years

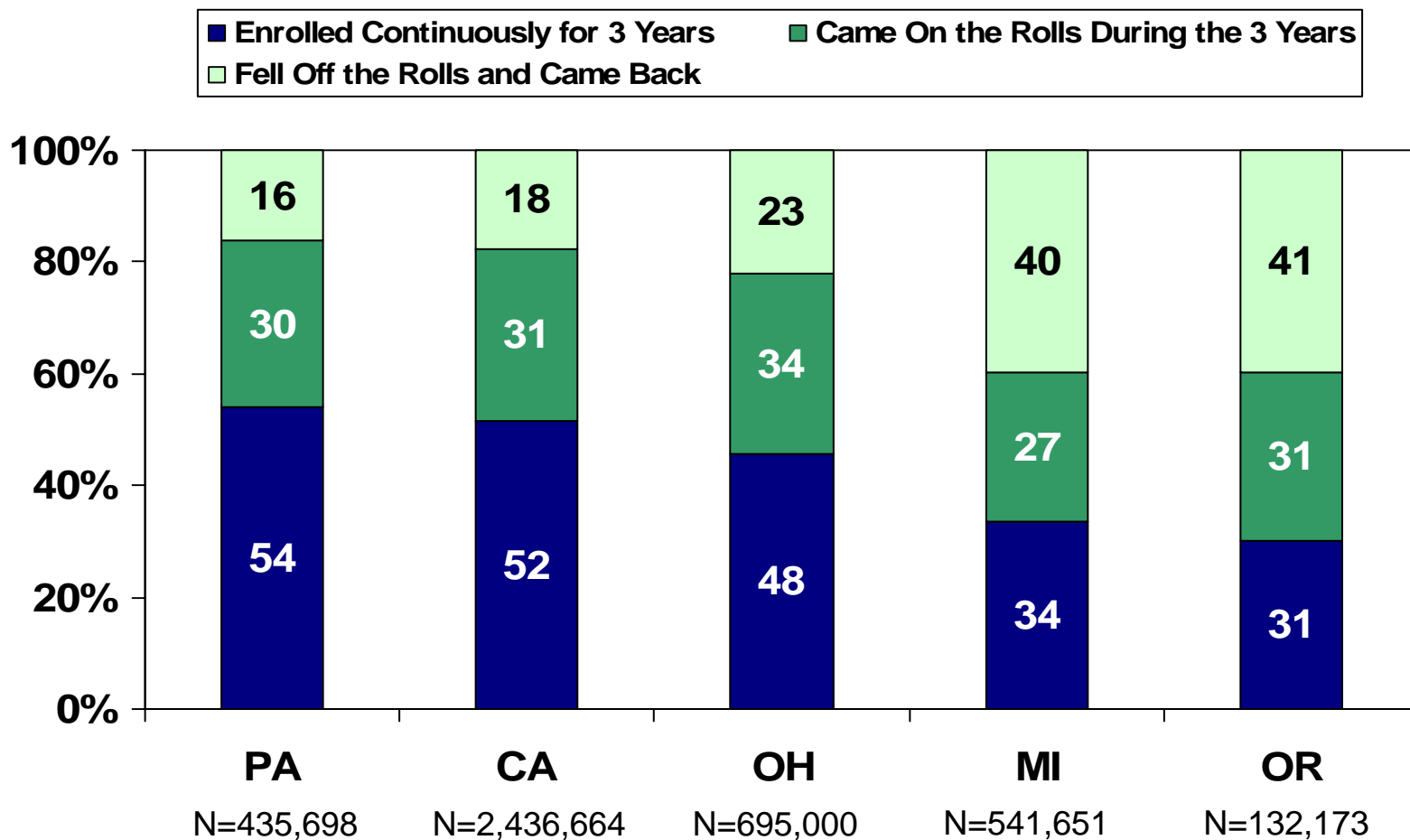


Data Source: State Medicaid Enrollment Files, CY 2001-2003.

Note: Continuous enrollment over the three prior years for children enrolled in Medicaid in December 2003.

Data includes children ages 3-17 (PA data includes children 5-17). Percentages may not add to 100% due to rounding.

And a Revolving Door for Others: From 18% to 44% of Children Have Gaps in Coverage



Data Source: State Medicaid Enrollment Files, CY 2001-2003.
Data includes children ages 3-17.

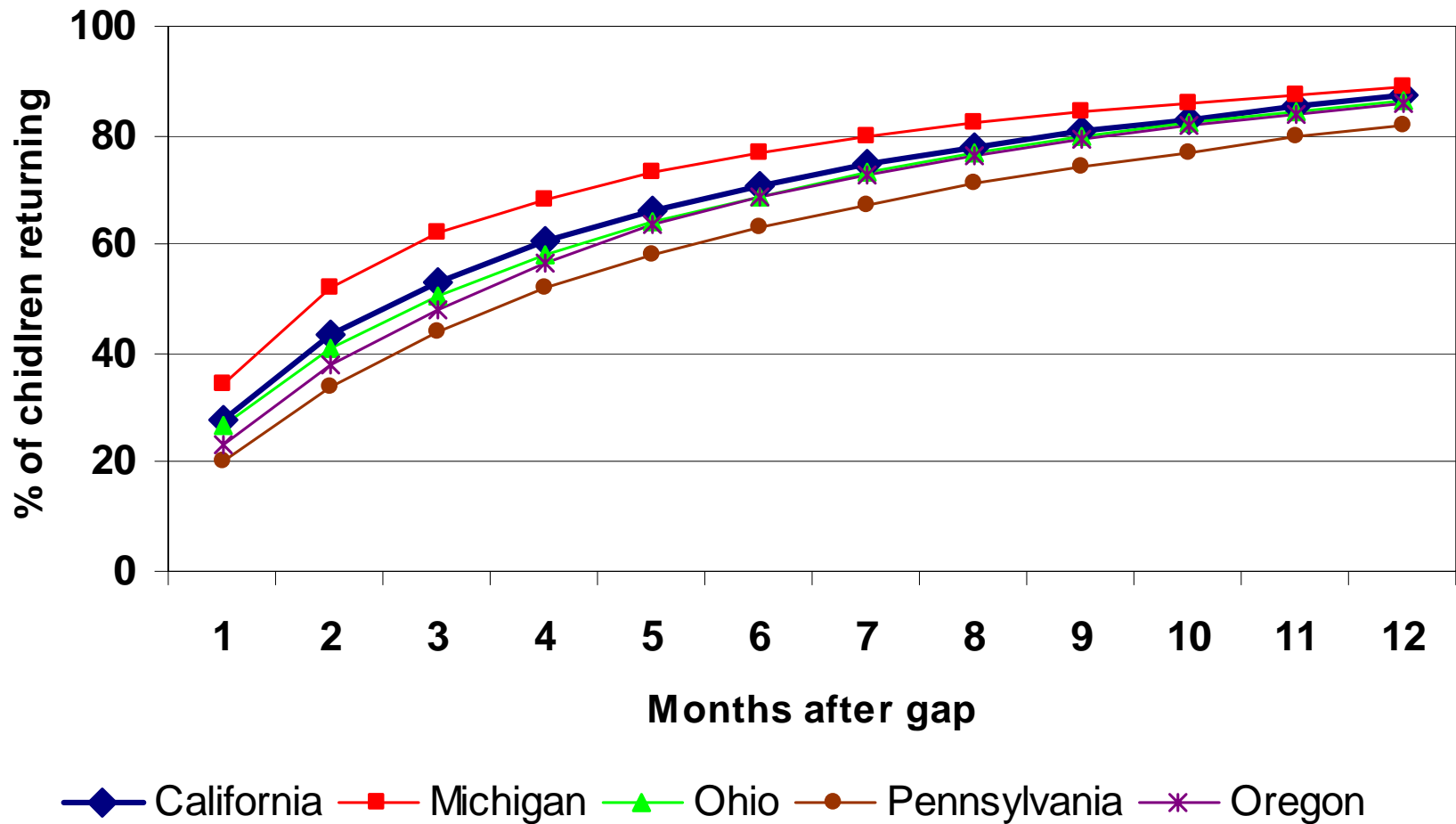
Most Gaps in Coverage Last Only a Few Months – from 2 to 4

	PA	CA	OH	MI	OR
Proportion of Children with at Least One Gap in Enrollment in the Last 3 Years	16%	18%	23%	40%	41%
Mean Number of Gaps in Coverage*	1.09	1.14	1.14	1.30	1.32
Median Length of Gap (Months)	3	3	3	2	4

*Includes only those who were in Medicaid in Dec 03 and had at least 1 break during the 3 years.

Data Source: State Medicaid Enrollment Files.
Data includes children ages 3-17 (PA data includes children 5-17).

Most children get back on coverage, but not soon enough



Features of the Medicaid Program that may Affect Enrollment/Renewal

	CA	OH	PA	MI	OR
Income eligibility threshold, % FPL (children 6-19)	100%	200%	100%	150%	100%
Separate SCHIP program	Yes	No	Yes	Yes	Yes
income eligibility threshold, %FPL	250%		200%	200%	185%
Renewal period	12 m	12 m	12 m	12 m	6 m
12 mo Continuous eligibility	yes	no	no	yes	no
Self-declaration of income	no	no	no	yes	no
No face-to-face/No asset test	yes	yes	yes	yes	yes

Donna Cohen Ross and Laura Cox. Beneath the Surface: Barriers threaten to slow progress on expanding health coverage of children and families. Kaiser Family Foundation. October 2004.
(Based on data as of July 2004)

How do Gaps in Medicaid Affect Managed Care Plans?

GAP BETWEEN THE TIME MEDICAID COVERAGE BEGINS AND WHEN ENROLLMENT IN A PLAN BEGINS

Enrollment in Medicaid



Enrollment in Health Plan

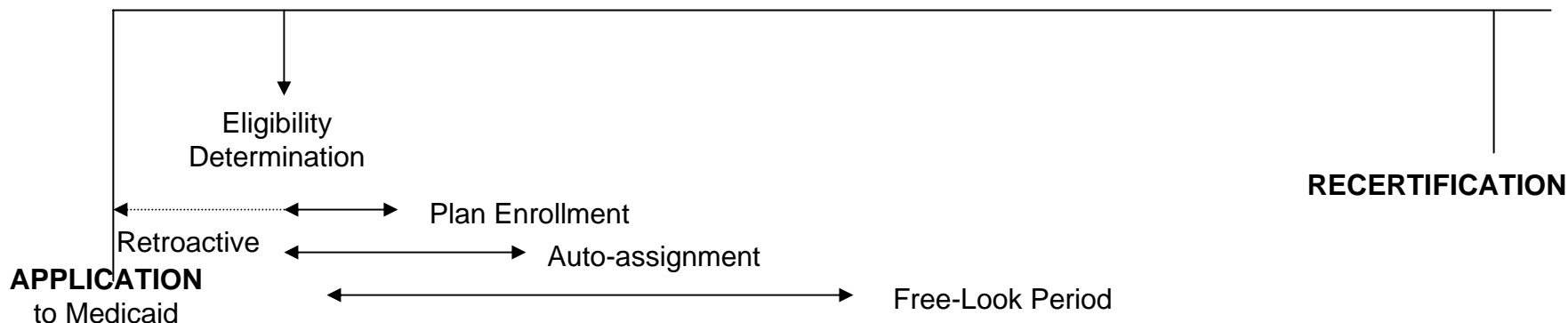
BEST



WORST

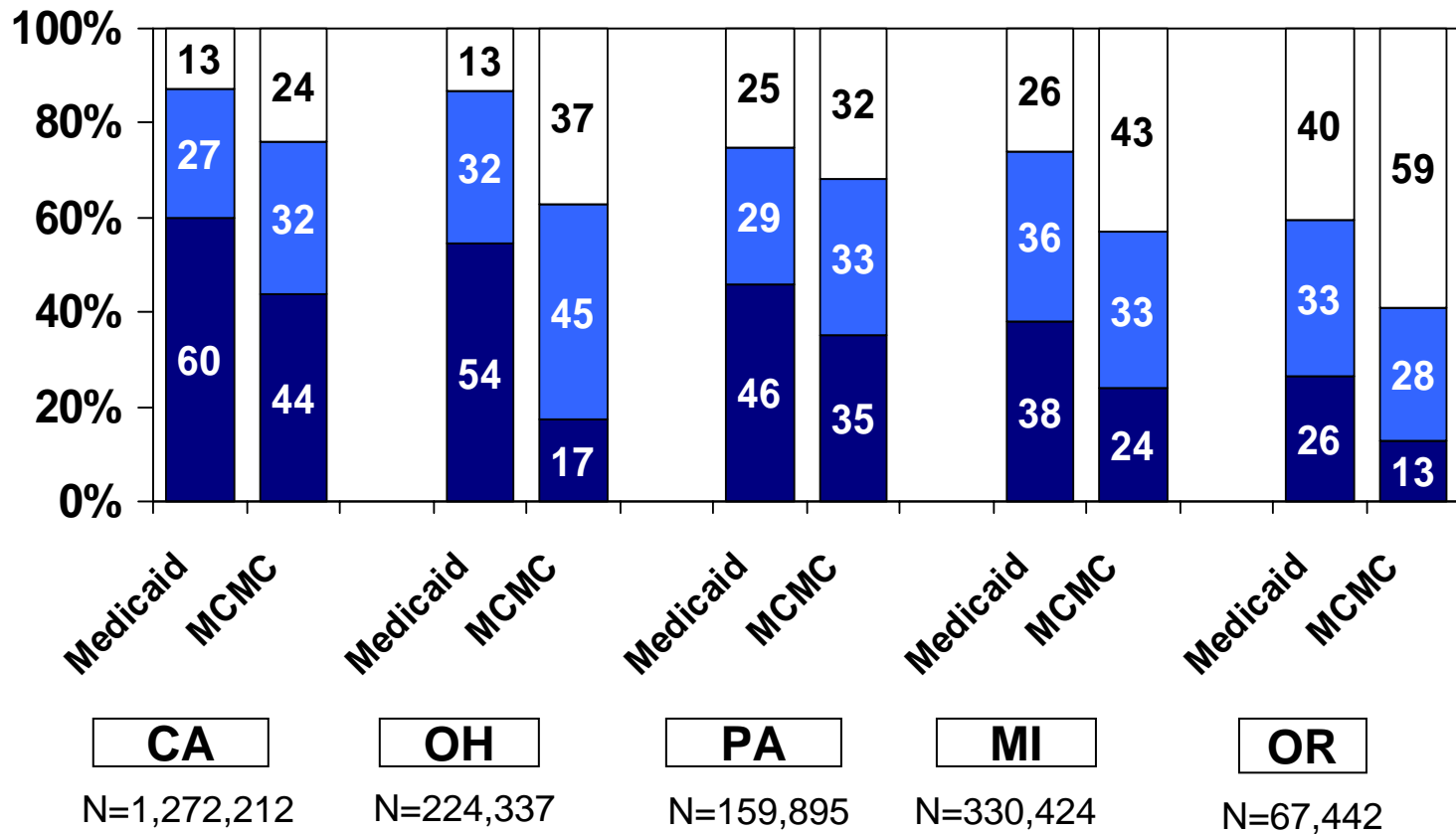


MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----



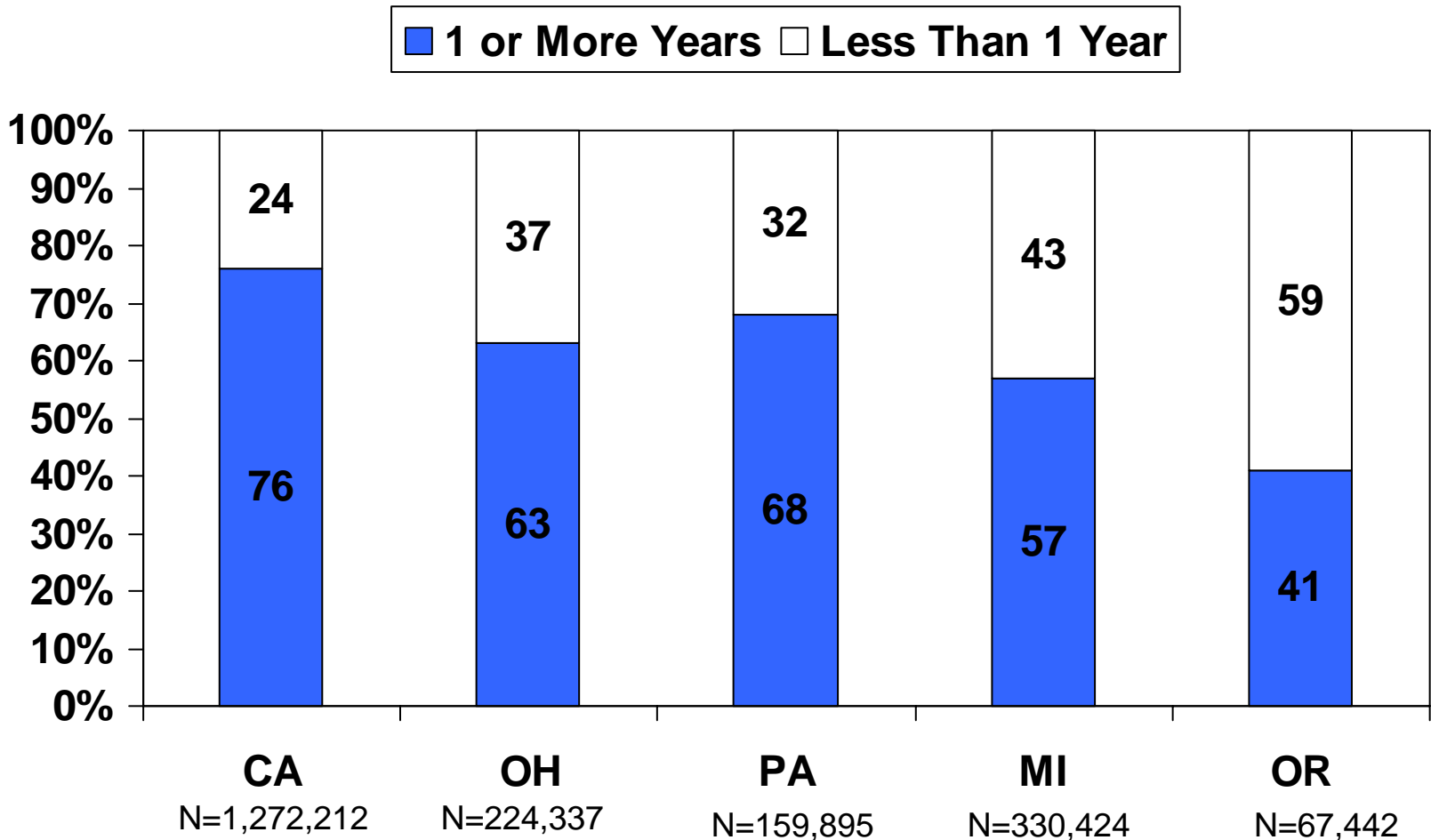
Children are Enrolled in Medicaid Longer than in MMC

■ Covered 3 Years ■ Covered Between 1 and 3 Years □ Covered Less Than 1 Year



Data Source: State Medicaid Enrollment Files, CY 2001-2003
 Data includes children ages 3-18.

Still, Many Children are Enrolled in a Medicaid Managed Care Plan for 1 or More Years



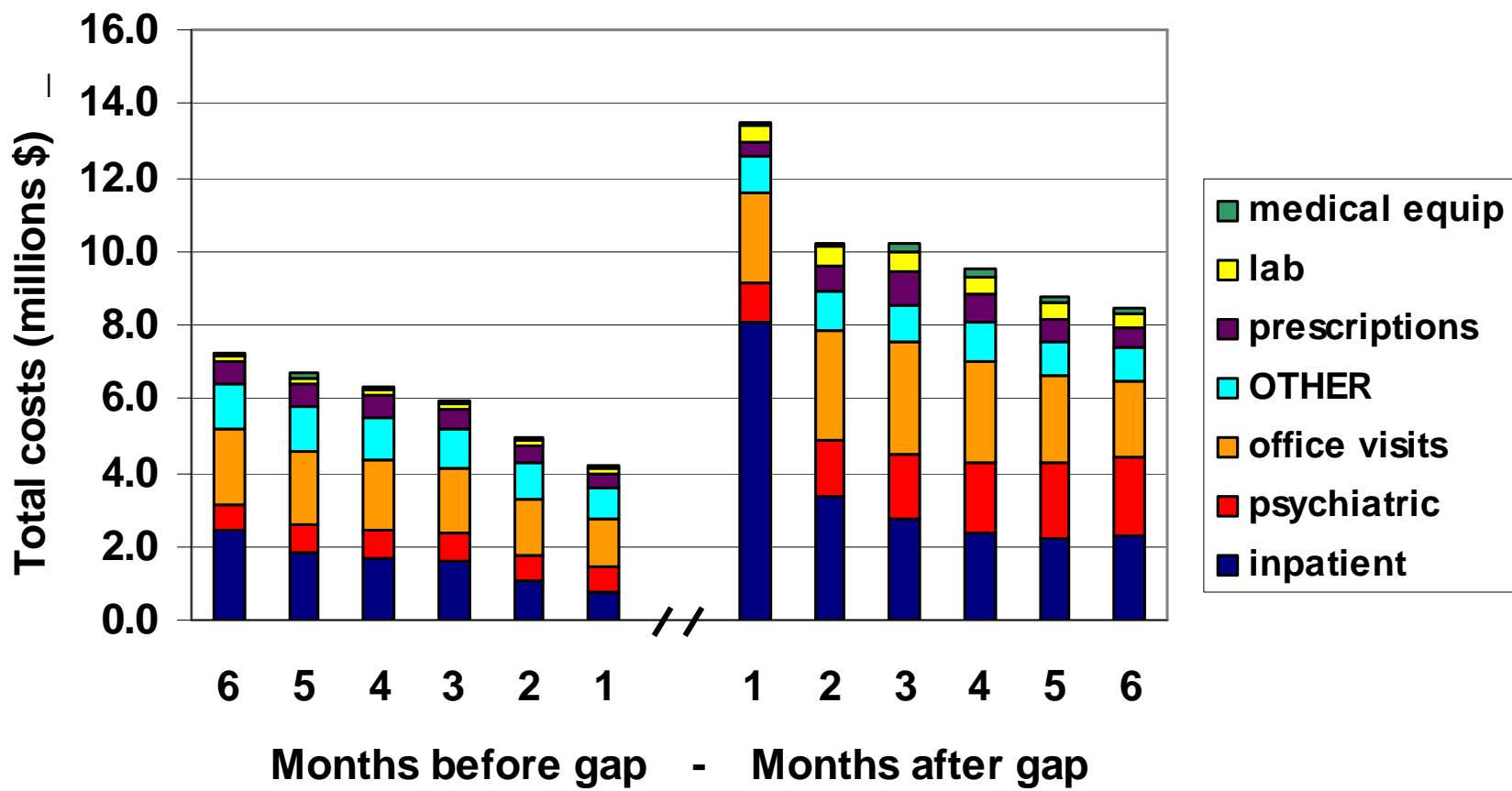
Data Source: State Medicaid Enrollment Files, CY 2001-2003.
Data includes children ages 5-18.

Churning Affects both Administrative and Program Costs

Administrative Cost to Enroll (per enrollee)

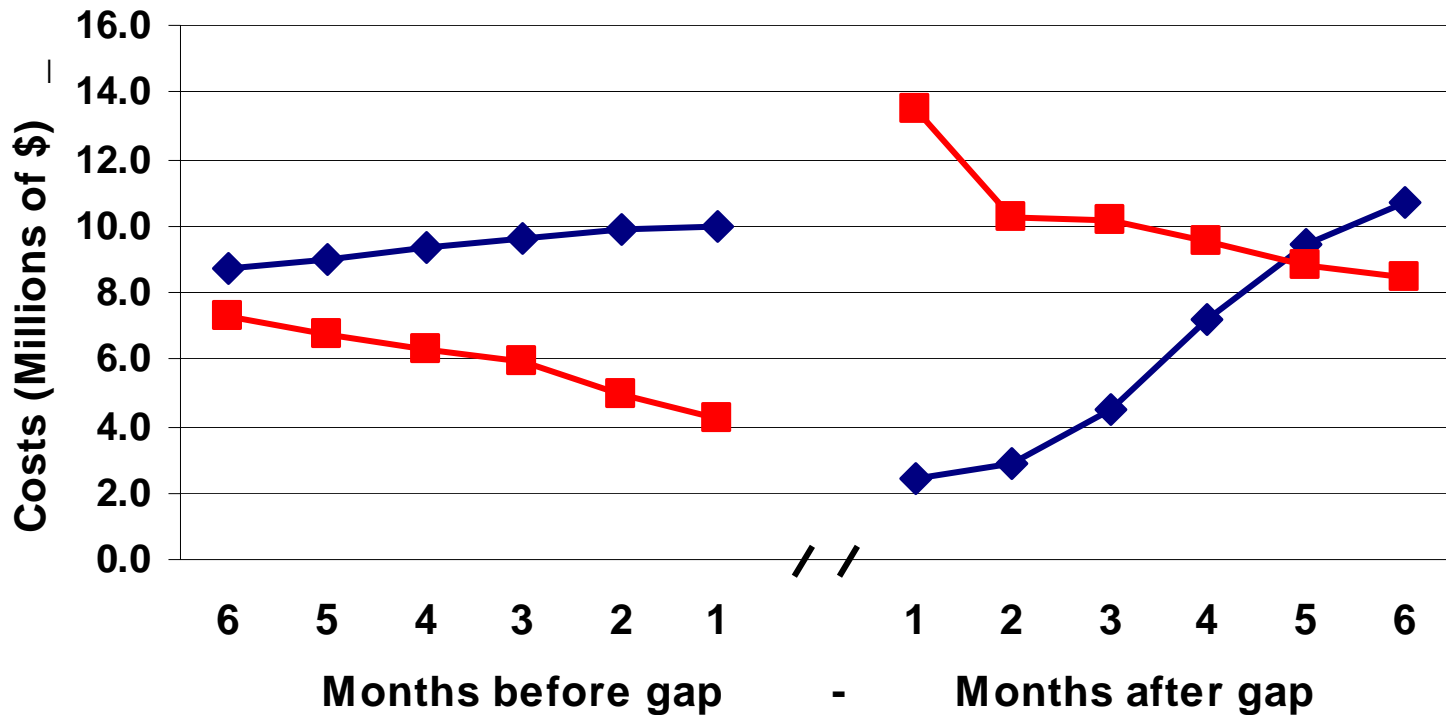
Elements of Cost	PA	CA	OH	MI	OR	Mean \$
State/County costs for Outreach and Eligibility Determination	95	68	47	58	69	67
Enrollment Broker	34	28	7	13	no broker	21
Health Plan (approximate)	20	26	17	15	20	20
Total \$	149	122	71	86	89	103

Medical costs are nearly doubled after a gap in coverage of at least 3 months



Fee-for-service pays for Costs in Months Immediately After a Gap: Managed Care Assumes Cost by Month 4

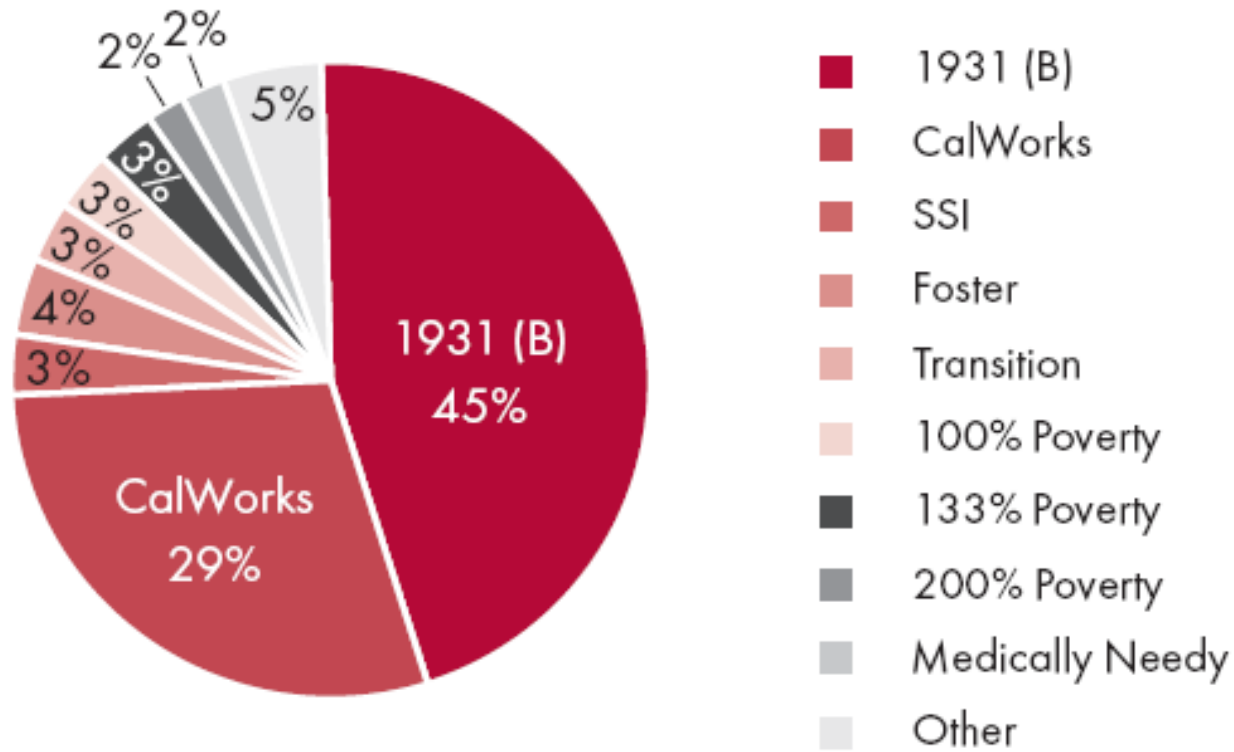
Total costs before and after a gap:
 ◆ Capitulated ■ Fee-for-service



Who is more likely to have a gap?

- (Data from California)

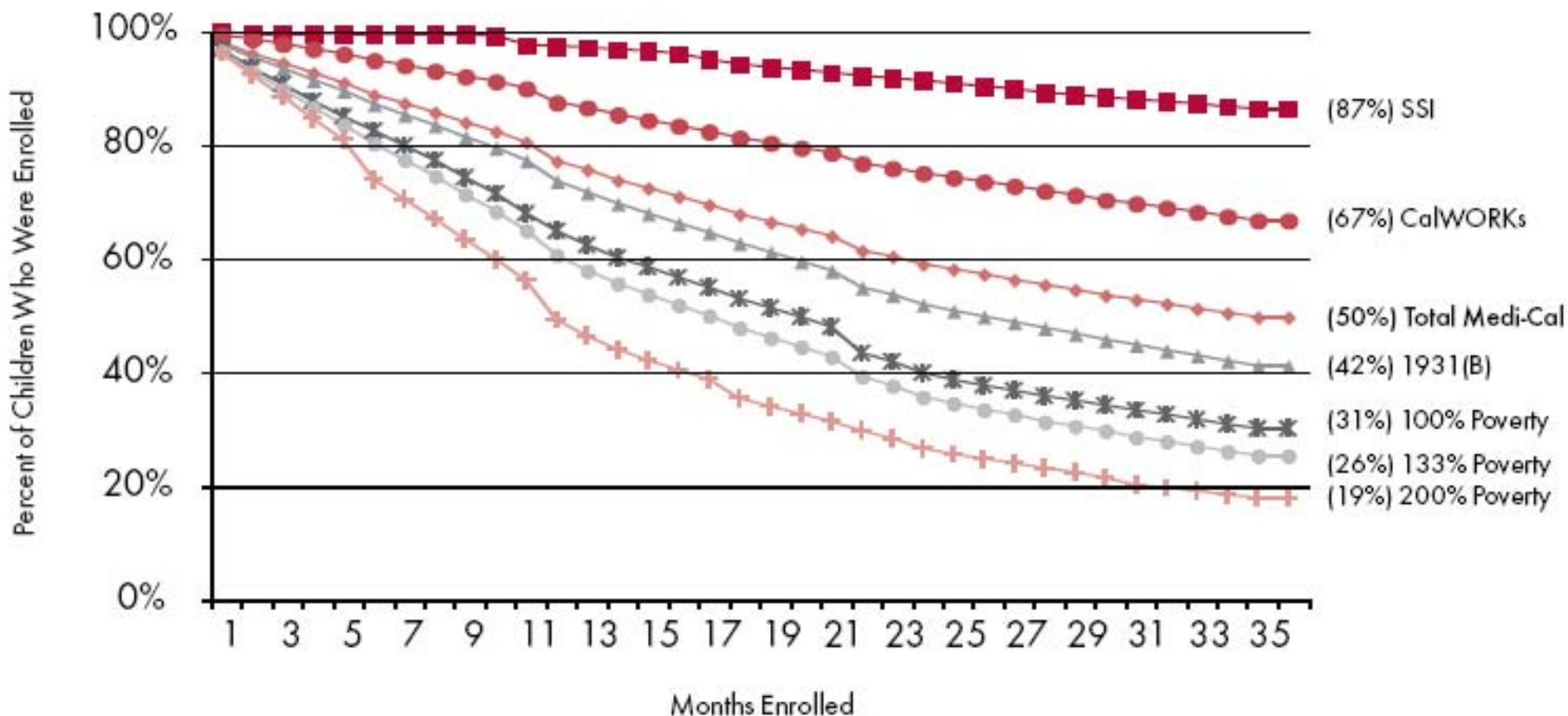
Medi-Cal is not Just One Program



Data Source: State Medi-Cal Enrollment File.

Note: All Children Less than or Equal to 18 Years of Age Enrolled in Medi-Cal for June, 2005

Greatest Stability in CalWORKs and SSI



Data Source: State Medi-Cal Enrollment file.

Note: Children aged less than or equal to 15 enrolled in selected programs as of July, 2002 were followed through 2005. Children aged 16, 17, or 18 are not included because these children would have aged out of the sample and caused artificially low drop-off rates.

No Matter which Program, Most Gaps are Short

	Total Medi-Cal	SSI	Cal-WORKs	1931(B)	Medically Needy	100% Poverty	133% Poverty	200%
Percent of Children with at Least One Gap in Enrollment in the Last 3 Years	22%	3%	16%	26%	24%	28%	31%	29%
Mean Number of Gaps in Coverage	1.19	1.06	1.15	1.20	1.19	1.18	1.23	1.27
Median Length of Gap (Months)	4	5	3	4	4	5	5	4

Data Source: State Medi-Cal Enrollment Files

Note: Data includes children 0 to <= 15 years of age, who were in Medi-Cal in July, 2002 and had at least 1 gap during the three years between July, 2002 and June, 2005.

Note: Mean number of gaps and median length of gaps are calculated only for children with gaps. We calculated gap length for gaps that occurred during the first two years; the gap for these children could extend into the third year

Which Children are Likely to Have a Gap in Coverage?

- Gaps are associated with:
 - Changes in zip codes before and after gap (family moved)
 - Changes in eligibility codes before and after gap (income or other life circumstances changed)
 - Hispanic ethnicity

What does this say about renewal

- As more children are enrolled, it will become
 - More and more
- Expensive to do outreach to the remaining eligible uninsured
- This points to need for targeted outreach and an emphasis on renewal

Health Plans are Positioned to be Effective at Renewal

- Health plans can target the renewal effort
- Health plans can be more aggressive in reaching out to beneficiaries that County Assistance Offices
- Health plans have vested interest in keeping beneficiaries and continuity is in the interest of the beneficiary