



Colorado Covering Kids and Families

Retention and the CHP+ Enrollment Cap

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With the news that enrollment into the Child Health Plan Plus (CHP+) is being capped, outreach and enrollment projects are more important than ever. **Under an enrollment cap, children who fail to renew their coverage before their enrollment ends will be barred from re-entering the program** until the enrollment cap is lifted.

The CHP+ enrollment cap may result in a **surge in the number of uninsured children in Colorado**. Families commonly allow their coverage to lapse and re-apply later, once health issues arise. Because of the enrollment cap, community-based programs that have an existing infrastructure for promoting CHP+ enrollment have now inherited a significant task: ensuring that families insured by CHP+ stay insured by helping them to renew their coverage in a timely manner.

Extensive research suggests that obtaining insurance coverage is important for families for a number of reasons. **Insurance coverage improves health outcomes and access to needed care**. Most notably, enrollment in public health insurance programs like CHP+:

- Increases a child's likelihood of getting needed medical attention in a timely manner
- Increases a child's likelihood of getting routine well-child care, including regular physicals and immunizations
- Improves the quality of life for both parents by relieving the financial burden of medical bills
- Improves the quality of life for children by increasing parents' comfort with participation in sports and other health-related extra-curricular activities

The CHP+ enrollment cap will unravel the health insurance safety net for Colorado's working and low-income families, as new families will no longer have access to these benefits. However, much can be done to ensure the well being of families already in the program. Retaining existing CHP+ recipients will promote the continued health benefits to families, as well as increase the financial stability of Colorado's health care system.

Health Related Reasons to Promote CHP+ Retention

Primary among the risks of losing CHP+ coverage is the associated trend that **families who lose public health coverage like CHP+ and Medicaid are likely to become uninsured**. Failure to retain CHP+ coverage during an enrollment cap carries with it the myriad risks of being uninsured, among them: likelihood of avoiding care until problems are severe, likelihood of not getting routine well-child care, and increased financial hardships for families.

Research suggests that retaining coverage increases parents' ability to meet their children's health care needs. **Families who are rolling on to and off of public health coverage programs are less likely to resolve ongoing health issues than those who have consistent coverage**. Allowing children to lose CHP+ coverage increases the chances that

ongoing problems will worsen, causing need for more costly care in the future.

Under the Health Insurance Portability and Accountability Act (HIPAA), **children who lose insurance coverage and are uninsured for two or more months may be excluded from future insurance coverage for pre-existing conditions**. This makes CHP+ retention even more critical for children with existing health conditions, as failing to renew during the enrollment cap may affect their ability to access private insurance if it becomes available to them.

CHP+ helps parents increase their skills and capacity to provide a healthy environment for their children. This includes the adoption of a "health home"—a primary doctor or clinic with whom a family has an ongoing relationship for care. **Families whose health home is not a safety net provider fail usually lose their health homes**, resulting both in decreased quality of care and increased likelihood of poor health outcomes.

Financial Reasons to Promote CHP+ Retention

In addition to the critical role of improving the health and success of children and families, promoting CHP+ retention also has positive economic outcomes for Colorado. These economic outcomes are a function of stabilizing the CHP+ risk pool and minimizing cost shifting onto other health care systems.

The CHP+ risk pool

Insurance is based on the concept of a **risk pool**, which mediates the cost for expensive clients with the cost for other, less expensive clients. Insurance programs achieve stability and financial viability by maintaining a broad risk pool that includes both expensive (unhealthy) and inexpensive (healthy) clients.

Both research and local anecdotal evidence support the notion that families that qualify for CHP+ and Medicaid are more likely to seek coverage during periods of increased need, such as when a child is ill. In a situation where new enrollment is suppressed, like an enrollment cap, it is likely that **the CHP+ risk pool will become increasingly concentrated with children that have greater health care needs**, as their parents are more reliant on the program and are thus more likely to renew in a timely manner. If less expensive, healthy children are not encouraged to retain their CHP+ coverage at the same rate, the CHP+ risk pool—and therefore the program itself—will become more expensive to manage.

It also makes good financial sense to maintain enrollees in CHP+ over time because **CHP+ and Medicaid beneficiaries cost the programs less the longer they are enrolled**. A Commonwealth Fund study found that Medicaid recipients cost the program about 30% less the second six months of their coverage than the first six months.

Cost shifting

A recent study of families whose children were unable to enroll in North Carolina's SCHIP program due to an enrollment cap found that **almost all of the children who could not access the program needed medical attention**

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during the enrollment cap, causing their parents to seek medical assistance from different sources. This demonstrates a shift of the costs that the SCHIP program would have ordinarily assumed onto other systems: already financially-distressed families, community health centers, and emergency rooms.

Families who do not have health insurance coverage frequently delay care for routine illnesses. When uninsured families seek medical attention, routine illnesses have frequently become costly, severe health issues. **Consistent coverage under CHP+ helps reduce cost shifting to other segments of the health care system.** Because children with transient health coverage are less likely to get their health care needs addressed, they will cost other segments of the health care system more in the future.

Ways to Promote CHP+ Retention

Not nearly as much attention has been directed toward promoting retention into the CHP+ program as toward increasing enrollment. However, a number of strategies for improving retention rates exist. These strategies encompass both direct outreach to families as well as administrative simplification measures.

Outreach

Despite the best efforts of SCHIP administrators, families frequently fail to understand the renewal process. Because families may not have to renew private insurance on an annual basis, they often assume that they will not have to renew their CHP+ coverage. This assumption is complicated by the already confusing eligibility system for public benefits. Outreach campaigns geared specifically toward renewal are therefore useful and important to families. Such outreach campaigns include:

- Efforts to educate families about the renewal process
- Contacting families directly at their year anniversary with the program to remind them to renew their coverage
- Offering renewal assistance in the same way that community agencies offer application assistance

Additionally, new research suggests that families may be more likely to renew their coverage if they make better use of their benefits. Families value their coverage more if they have a more complete understanding of their benefits and utilize them fully during their first year enrolled in the program. Therefore, offering case management services that include education about and promotion of benefit usage may increase CHP+ retention.

Administrative Simplification

Like many other states, Colorado has done more work to simplify the CHP+ enrollment process than the renewal process. As a result, the renewal process is unnecessarily cumbersome for families. CHP+ renewal is more aptly called re-application, as families are currently required to entirely re-apply for the CHP+ program every year. This is more stringent than Medicaid, where it is against program guidelines to force families to apply for the same program more than once if already enrolled. Colorado has many

options to simplify this process so that families are more likely to retain their coverage:

- **Allow for passive redetermination.** Literature consistently cites passive redetermination, when coverage is automatically renewed unless the family informs the state of any changes, as the most desirable policy for states to pursue. Not only is this the most simple option for families, it also mirrors private insurance programs, better preparing families to enter the private insurance system.
- **Adopt the Medicaid redetermination form.** In response to a recent federal audit, Colorado's Medicaid program developed a simplified form for families to fill out at the date of their Medicaid redetermination. This form could be used for CHP+ renewals as well, not only simplifying the renewal process but increasing coordination and consistency between CHP+ and Medicaid.
- **Implement other renewal simplification measures,** such as allowing for self-declaration of income within the re-application process.

Conclusion

CHP+ has been a critical element in ensuring the health and well being of Colorado's working and low-income families. The enrollment cap represents a tremendous loss for this population and for the state as a whole.

Much now needs to be done to support those families already receiving coverage through the program. Promoting the retention of families already enrolled in CHP+ will contribute not only to the health and financial stability of the family, but to the overall functioning and financial viability of the program as well.

As the focus of their work shifts to promoting timely retention of the CHP+ program, outreach and enrollment projects will continue to have a critical impact on the health of families and the economic viability of the CHP+ program during the enrollment cap.

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