



Simplifying Enrollment and Renewal for Parents on Medicaid

The recently released 2008 Ohio Family Health Survey revealed that Ohio has 1.35 million uninsured residents. Included in the number of uninsured are an estimated 200,000 adults and 77,000 children eligible for, but not enrolled in, Medicaid.

Currently the state requires re-certification for Medicaid every six months. This requirement, with its burdensome renewal procedures, contributes to “churning” in the system. “Churning” is the dynamic of parents going on and off Medicaid, thereby incurring breaks in coverage, due to failure to renew at the appropriate time. Parents do not renew for a variety of reasons. First, many low-income parents live highly stressed lives where other crises take precedence over renewal unless someone in the family is sick. Second, Ohio’s renewal process is burdensome, requiring submission of a new application with re-verification of unchanged circumstances.

More than 40 states have 12-month Medicaid certification for parents. Most did so to coincide with children’s 12-month SCHIP/Medicaid certification as well as to align Medicaid with the universal practice in the private insurance world of annual re-enrollment. Ohio is in a distinct minority of states that have not adopted this renewal cycle.

Moving to a 12-month renewal could save Ohio both administrative and health care costs. Ohio spends approximately \$70 in administrative costs for each renewal. Thus, eliminating one renewal per year for each of 330,000 parents will yield significant savings to counties and the state. As well, Medicaid recipients who experience gaps in coverage have more expensive health care needs when they come back into the system. Health conditions worsen and require more expensive care when continuity of care is disrupted. Care that is received is provided often in the most expensive and inappropriate setting—the Emergency Room.

When someone returns to Medicaid in Ohio, the state incurs the cost of their care through fee-for-service coverage for two months before they return to coverage through a Managed Care Organization (MCO). Thus, annual renewal would both reduce churning and achieve cost of care savings.

Adopting annual certification for parents would benefit individuals, providers, and the state and county systems. In the current economic and fiscal climate, with the state and counties losing substantial administrative funds, implementing this change makes both fiscal and policy sense.

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