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Promoting Medicaid and Food Stamp Participation: Establishing Eligibility Procedures That Support Participation and Meet Families' Needs

Final Report

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CONTENTS

Chapter		Page
	KEY FINDINGS AND RECOMMENDATIONS	xiii
	EXECUTIVE SUMMARY	xv
I	INTRODUCTION	1
	THE CAUSE FOR CONCERN: DECLINING PARTICIPATION AMID CONTINUED NEED	2
	STUDY DESIGN AND METHODOLOGY	6
	ORGANIZATION OF THIS REPORT	11
II	STATE POLICY AND PROCEDURAL OPTIONS	13
	MEDICAID COVERAGE GROUPS FOR CHILDREN AND FAMILIES	13
	STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)	21
	THE FOOD STAMP PROGRAM	22
	SUMMARY	26

Chapter **Page**

III INCREASING AWARENESS ABOUT THE AVAILABILITY OF PUBLIC BENEFITS AND THE PROCESS OF APPLYING FOR THEM 29

PUBLIC INFORMATION CAMPAIGNS 31

COMMUNITY OUTREACH EFFORTS 33

CHALLENGES TO SUSTAINING AND EXPANDING OUTREACH EFFORTS 37

IV CREATING A SIMPLE AND ACCURATE APPLICATION AND ENROLLMENT PROCESS 39

STRATEGIES FOR SIMPLIFYING THE APPLICATION PROCESS 39

STRATEGIES FOR REDUCING THE OPPORTUNITY COSTS 45

OVERALL EASE OF APPLICATION PROCEDURES DEPENDS UPON THE BENEFITS AND ASSISTANCE SOUGHT 47

REDUCING THE RISK THAT APPLICANT FAMILIES WON'T GET THE BENEFITS FOR WHICH THEY ARE ELIGIBLE 49

SUMMARY 54

V STREAMLINING THE BENEFIT RENEWAL PROCESS AND PROMOTING RETENTION AT CRITICAL RISK POINTS 57

STRATEGIES FOR EASING THE BURDEN OF THE RENEWAL PROCESSES 57

ENSURING THAT FAMILIES RETAIN FOOD STAMPS AND MEDICAID AT KEY TRANSITIONS 64

SUMMARY 72

VI USING MANAGEMENT INFORMATION SYSTEMS TO SUPPORT ENROLLMENT AND RETENTION 75

INFORMATION SYSTEM FEATURES THAT SUPPORT ENROLLMENT AND RETENTION 75

THE CHALLENGES OF CREATING INFORMATION SYSTEMS TO SUPPORT ENROLLMENT AND RETENTION IN MEDICAID, SCHIP AND FOOD STAMPS 80

Chapter **Page**

VI *(con't)*

SUMMARY 82

VII SUMMARY AND CONCLUSIONS.....85

KEY FINDINGS 85

RECOMMENDATIONS AND NEXT STEPS.....91

WHAT THE FUTURE HOLDS.....95

REFERENCES 97

TABLES

Table		Page
II.1	POLICIES AFFECTING FAMILIES' INITIAL AND ONGOING ELIGIBILITY FOR SECTION 1931 MEDICAID	16
II.2	POLICIES AFFECTING INITIAL AND ONGOING ELIGIBILITY FOR CHILDREN'S MEDICAID AND SCHIP	20
II.3	PERCENT OF HOUSEHOLDS WITH SHORT FOOD STAMP CERTIFICATION PERIODS IN FY 2000	25
II.4	STATE FLEXIBILITY ON SELECTED MEDICAID AND FOOD STAMP ELIGIBILITY POLICIES AND ENROLLMENT/ RETENTION PROCEDURES	27
IV.1	PROVISIONS TO SIMPLIFY THE APPLICATION PROCESS	41
V.1	PROVISIONS TO SIMPLIFY THE RENEWAL PROCESS	59

KEY FINDINGS AND RECOMMENDATIONS

This study, conducted by Mathematica Policy Research, Inc. and its subcontractors, American Management Systems, Inc. and the George Washington University Center for Health Services Research and Policy, was commissioned by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture to identify strategies states and local welfare offices are using to promote participation in food stamps, Medicaid and SCHIP and the ongoing challenges they face in providing support to working families.

KEY FINDINGS

The experiences of the study sites suggest the need for diverse strategies to increase participation in programs that support working families. These strategies focus on three different themes: (1) awareness, (2) simplification, and (3) reduction of risk points.

Increasing Program Awareness

- A carefully designed public information campaign combined with locally based outreach activities appears to be a promising strategy for increasing program awareness and enrollment.

Program Simplification

- The ease of applying for benefits depends on which benefits a family is seeking. In all the study sites, working families applying for and retaining children's Medicaid and SCHIP can do so through a relatively simple process; with a few exceptions, it is more complicated to apply for and retain Medicaid for the whole family (including parents) and substantially more burdensome to apply for food stamps.

- Efforts to change the culture and structure of the welfare office were important components of some sites' efforts to increase participation in food stamps, Medicaid and SCHIP.

Mitigating Potential Risk Points

- In an environment where each program has its own eligibility, application and renewal requirements, sophisticated automated systems, well-trained staff and explicit case processing procedures help to reduce the risk of families not having their benefits determined properly.

- While TANF families previously were at high risk of not having their benefits determined accurately during critical transitions, the study sites have largely addressed these issues.

RECOMMENDATIONS AND NEXT STEPS

- Use the lessons learned from public information and local outreach campaigns for children's Medicaid and SCHIP to inform families about the availability of Section 1931 Medicaid and the Food Stamp Program.

- Expand efforts to provide families with opportunities to apply for and renew benefits outside of the welfare office and evaluate the relative effectiveness of alternative strategies.

- Continue to encourage states to take advantage of the flexibility they have to simplify application and renewal requirements and identify key program requirements that make simplification difficult.

- Explore options for aligning eligibility requirements and application procedures for Medicaid and food stamps.

- Explore options, including providing increased funding, to help states maximize their use of technology to increase enrollment and promote retention in food stamps, Medicaid and SCHIP.

- Redesign the food stamp quality control system to account for the complex circumstances of working families.

- Encourage states to set enrollment goals for food stamps, Medicaid and SCHIP and reward them for their accomplishments.

EXECUTIVE SUMMARY

During recent years, the nation has witnessed unprecedented changes in the circumstances of low-income families. Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), cash assistance caseloads have declined by more than half. Studies of families who have left the welfare rolls show that about 60 percent are working at any point in time (Acs and Loprest 2001). In addition, between 1994 and 1999, the employment rate for never-married mothers increased from 47 to 65 percent (Moffit 2002).

The increase in employment among former welfare recipients has been accompanied by strong support for providing "work supports" to low-income working families, including nutritional assistance through the Food Stamp Program, health insurance through Medicaid and the State Children's Health Insurance Program (SCHIP) and child care and transportation assistance through a broad array of federal and state initiatives. However, low levels of participation among former TANF recipients and other potentially eligible families in the Food Stamp and Medicaid programs have raised concerns about whether welfare offices are organized and equipped to deliver these benefits to working families, and whether federal requirements constrain their ability to do so. In response to these concerns, the federal government and some states have started to reassess the way eligibility for these benefits is determined, and to implement new strategies to reach more working families. Unlike other benefits that might be made available to working families, food stamps and Medicaid are entitlements, meaning that receipt of program benefits is not subject to the same state and local constraints that may affect benefits such as child care and transportation.

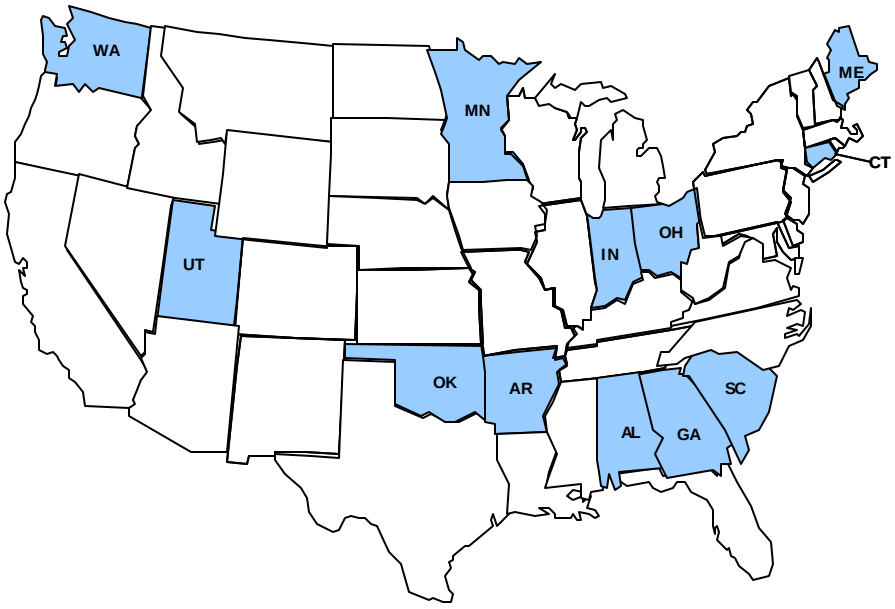
STUDY PURPOSE AND DESIGN

This study, conducted by Mathematica Policy Research, Inc. and its subcontractors, American Management Systems, Inc. and the George Washington University Center for Health Services Research and Policy, was commissioned by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture to identify strategies states and local welfare offices are using to promote participation in food stamps, Medicaid and SCHIP and the ongoing challenges they face in providing support to working families.

Our research design established three overarching foci: (1) assessing how to identify and ameliorate the opportunity costs (i.e. burdens) for families trying to initially apply for or retain benefits; (2) assessing how procedures for processing changes in eligibility status (i.e. transitions) create risk points for potentially losing benefits; and (3) determining whether the experiences of TANF and non-TANF families differ in ways that are important to understand current program participation. By focusing on the concept of opportunity costs, we acknowledge that working families now constitute the primary group of eligible families, and that these families have varying needs and may have less ability or willingness to deal with cumbersome procedures for getting benefits. The concept of risk points at critical transitions reflects the reality that working families frequently experience income and other changes in their circumstances and may need and receive a different combination of benefits as compared with a non-working family receiving cash assistance.

We collected data for this study primarily through three-day site visits to 15 sites in 12 states; a team of two to three researchers conducted the site visits. The objective of each site visit was to gain information from a wide variety of perspectives on the enrollment and retention policies and practices that might affect participation in Medicaid, SCHIP, and food stamps. During each visit, the research team conducted 60- to 90-minute semi-structured interviews with administrators and staff of the state agencies, local welfare offices, and community-based organizations that serve clients. We also conducted focus groups with clients who were recruited by staff from the welfare office or community agencies.

The sites included in the study were selected based on one or more of the following criteria: (1) self-selection by participating in the "Supporting Families Under Welfare Reform" project funded by the Robert Wood Johnson Foundation; (2) implementation of specific promising practices of interest; and (3) demonstration of higher levels of program participation.



Study Sites

Jefferson County, AL
Crittenden County, AR
Bridgeport, CT
DeKalb County, GA
Knox County, IN
Marion County, IN
Portland, ME
Hennepin County, MN
Cuyahoga County, OH
Pottawatomie County, OK
Greenville County, SC
Marion County, SC
Salt Lake City, UT
King County (South), WA
Whatcom County, WA

THE STUDY CONTEXT: LOW LEVELS OF PROGRAM PARTICIPATION AMID CONTINUED NEED

For many families, increased employment does not always translate into improved financial circumstances. Parents leaving the welfare rolls usually work full time, earning between $7 and $8 per hour, leaving many of them well below the poverty line (Moffit 2002). Since the implementation of welfare reform, poverty rates for families have been declining steadily. In 2000, the overall poverty rate reached its lowest level since 1979 and poverty rates for female-headed families hit an all-time low. However, a recent Urban Institute study indicates that when all types of income are taken into account (including earnings, cash assistance and food stamps) about 300,000 more single-parent families lived in extreme poverty (below 50 percent of the poverty line) in 1998 than in 1996. Although many single parent families left welfare for work during this time period, their income from earnings was not sufficient to offset the income loss resulting from lower rates of participation in government programs. The authors note that if families with children took full advantage of the government programs for which they qualified, in 1998, 3.8 million fewer persons would have been poor and 2.0 million fewer would have been extremely poor in 1998 (Zedlewski et al. 2002).

Medicaid: Expanding Eligibility for Children but Slowing Rates of Enrollment for Families and Continued High Levels of Uninsurance for Low-Income Families

Trends in Medicaid enrollment. Total Medicaid enrollment grew throughout the early 1990s, declined between 1996 and 1998, but began rising again in 1999.[1] Between June 1996 and June 2000, total Medicaid enrollment in the 50 states and District of Columbia rose 1.7 percent, but trends in enrollment varied significantly across states. For example, Ohio's enrollment grew by 51.1 percent, while Georgia's enrollment declined 13.0 percent (See Appendix A-1). The growth in the Medicaid program in the early 1990s was fueled primarily by federal and state policies designed to expand Medicaid eligibility for poverty-level children and pregnant women, and by an economic downturn that increased the number of people in need. The enrollment rate slowed in the mid-to-late 1990s; this is often attributed to both the strong economy and federal welfare reform, which moved families from cash assistance to work and created confusion about Medicaid eligibility (Ku and Bruen 1999). The most recent rise in Medicaid enrollment can be largely attributed to SCHIP[2] that was created by the Balanced Budget Act of 1997. By 2001, about 4.6 million children were enrolled in SCHIP at some point during the year, up from less than 2 million children in FY 1999

[1] Total Medicaid enrollment includes these main categories of enrollees: elderly, blind and disabled persons, pregnant women, children, and families.

[2] States are required to determine whether children are eligible for Medicaid for enrolling them in SCHIP. This requirement, combined, with extensive outreach to make families aware of SCHIP has resulted in more children (and sometimes families) enrolling in Medicaid.

(Centers for Medicare and Medicaid Services 2002 and Health Care Financing Administration 2001).

Continued high rates of uninsurance and associated problems. Between 1994 and 1998, rates of uninsurance for persons under 65 rose steadily from 17.1 percent to 18.4 percent. Between 1998 and 1999, the uninsurance rate declined to 17.4 percent (National Center for Health Statistics 2001). Two-thirds of the 42 million uninsured Americans are in working families with incomes less than 200 percent of the federal poverty level; more than one-third of the uninsured come from families living below 100 percent of the federal poverty level. Mothers in families with incomes below 200 percent of the poverty line are uninsured at particularly high rates and account for nearly three of every four uninsured mothers in the United States (Guyer et al. 2001).

Numerous studies link health coverage to better access to care, better quality care, and improved personal and population health status. For example, studies have shown that uninsured individuals receive fewer preventive services and are less likely to have regular care for chronic conditions, such as hypertension and diabetes, which can lead to expensive and disabling complications (Institute of Medicine 2001). Uninsured adults, particularly those in poor health, are more likely to report they cannot see a physician when needed, due to cost (Ayanian et al. 2000). In addition, uninsured children who are eligible for but not enrolled in Medicaid encounter greater obstacles to care than their Medicaid-covered counterparts (Davidoff et al. 2000). A study comparing eligible adults enrolled in Medicaid with those who are not found that the uninsured were less likely to have a physician or dental visit, less likely to have a usual source of care, and more likely to incur out-of-pocket medical expenses (Davidoff et al. 2001).

Food Stamps: Declining Caseloads in the Midst of Substantial Food Insecurity

Trends in the food stamp caseload and program participation. From December 1996 to December 2001, the number of participants in the Food Stamp Program fell by 5 million, or 22 percent. The 18.7 million persons participating in the FSP in December 2001 represented a rise of about 1.6 million persons over the December 2000 level. The recent increase in the food stamp caseload is most likely being driven by improved access to the program in some of the states as well as growing numbers of layoffs (Food Research and Action Center 2002a). The overall caseload change between December 1996 and December 2001 varied substantially across the states. For example, participation declined by 42 percent in California but increased by 30 percent in Oregon and 11 percent in Indiana (Food Research and Action Center 2002b).

Some decline in food stamp participation was expected because of eligibility changes in the 1996 welfare law and the continued strength of the economy. While these two factors together explain some of the decline, they do not explain all of it. Last year, USDA reported to Congress that about a third of the total decline occurred because rising income and assets lifted people above the program's eligibility limits, just under 10 percent reflects the direct effect of welfare reform's change to eligibility rules, and a bit more than half occurred because of declining participation rates among eligibles (USDA 2001). Results of a recent

study using multivariate analysis to explore the effects of the economy and cash assistance policies on food stamp participation found that the economic growth during the middle to late 1990s explains 47 percent of the decline and welfare reform accounted for about 30 percent (Gleason et al. 2001).

Progress in reducing food insecurity and hunger; substantial unmet needs still exist. Between 1998 and 2000, food insecurity[3] fell by 11 percent and hunger by 16 percent. Still, in 2000, 36.8 percent of poor households and 31 percent of households with children headed by a single mother were food insecure compared to 10.5 percent of all households. Similarly, at 12.7 and 9.0 percent respectively, the prevalence of hunger was much greater among poor and single parent households with children than among all households (3.1 percent). Only 23 percent of food-insecure households and 27.4 percent of food insecure-with-hunger households participated in the Food Stamp Program during the previous 30 days (Nord et al. 2002). America's Second Harvest, the nation's largest organization of emergency food providers, served 23.3 million people in 2001, an increase of 9 percent from 1997. Only 30 percent of clients received food stamps, though many more are likely to be eligible (Kim, Ohls and Cohen 2001).

FEDERAL FRAMEWORK AND STATE OPTIONS

Medicaid, SCHIP, and food stamps are authorized by different federal laws and administered by different federal agencies—the Department of Heath and Human Services for Medicaid and SCHIP, and the Department of Agriculture for the FSP. Different federal requirements govern eligibility, enrollment, and retention policies and procedures for each program. Certain policy and procedure options are left to the state.

As Table ES-1 shows, for Medicaid, states have considerable latitude in setting eligibility policies such as income levels. States also have flexibility in setting procedures governing enrollment and re-determination processes. States have much less flexibility in the Food Stamp Program; because program benefits are federally financed, program rules are set largely by the federal government. There are, however, some options for establishing eligibility and procedures governing enrollment and retention. The ease with which working families can participate in these programs will depend on two key factors: (1) the amount of flexibility states have to ease the application and ongoing enrollment burden for families and (2) the extent to which they take advantage of the flexibility they have.

Prior to welfare reform, most families applied for Medicaid, food stamps and cash assistance through a joint process using a joint application. Thus, when families weighed the opportunity costs of applying for benefits against the value of the benefits they would receive, they most likely were considering the value of the full package of benefits available

[3] Families are defined as food insecure if at some point during the previous year they were uncertain of having, or unable to acquire, enough food to meet basic needs of all their members because they had insufficient money or other resources.

Table ES-1
State Flexibility on Selected Medicaid and Food Stamp Eligibility Policies and Enrollment/Retention Procedures

	Medicaid (Section 1931 and Children's Medicaid)	Food Stamps
Income Eligibility Levels	Federally required minimum levels; state has flexibility to set higher income cut-offs.	Federally established eligibility level at 130% federal poverty line.
Asset Limits	Federally required minimum limits; state has flexibility to set higher limits or to eliminate asset tests.	Federal limits: $2,000 ($3,000 if elderly) and vehicle valued at $4,650; state has options to expand categorical eligibility to eliminate asset tests for some families and to substitute vehicle limit used in a TANF or MOE-funded assistance program.
Frequency of Recertification	Must be at least annual and can be more frequent.	Must be at least annual and can be more frequent.
Verification Requirements	States required to verify immigrant status of non-citizens applying for benefits. Any additional verification is state option.	States are required to verify identity, child support obligations and payments, residency, immigration status of aliens, income, SSN, and information that the state considers questionable (as defined by the state). Any additional verification is state option. On review, states shall not verify information that has not changed unless questionable.
Interview Requirements	State option.	Face-to-face interview required at application and recertification unless waived on a case-by-case basis due to hardship. State has the option (through waiver) to eliminate some face-to-face reviews, as long as one interview occurs annually.

to them. Now that fewer families are receiving cash assistance and may have the option to apply for some benefits (e.g., children's Medicaid, SCHIP and Section 1931 Medicaid) through a much simpler process, it is likely that families will begin to consider the costs and benefits of applying for each program separately. Since the opportunity costs of applying for benefits are highest for the Food Stamp Program, it may require a more concerted effort to convince families that it is worthwhile for them to apply for them, especially if their work schedules make it more difficult for them to go to the welfare office. In addition, the programs' varying eligibility criteria and procedural requirements for application and retention are likely to make it more complicated for workers to determine eligibility, for systems staff to develop automated eligibility determination systems, and for program managers to organize workers in a way that is efficient and productive.

KEY FINDINGS

The experiences of the study sites suggest the need for diverse strategies to increase participation in programs that support working families. These strategies focus on three different themes: (1) awareness, (2) simplification, and (3) reduction of risk points. Strategies aimed at increasing awareness of the availability of public benefits reach families who may otherwise never apply for benefits because they do not think they are eligible for them or who may simply be unaware of their availability. Strategies focused on simplifying the application or renewal process aim to reach families who choose not to apply because they believe the opportunity costs outweigh the benefits and families who fail to complete the application or renewal process because the process is too cumbersome. Finally, strategies focused on reducing potential risk points emphasize the importance of developing explicit procedures for addressing points where families are at heightened risk for not initially obtaining or retaining benefits. Below, we discuss our key findings related to each of these themes.

Increasing Program Awareness

- **A carefully designed public information campaign combined with locally based outreach activities appears to be a promising strategy for increasing program awareness and enrollment.**

The information we have on the role of public information campaigns and locally based outreach activities in increasing awareness and program participation comes from efforts to enroll children in Medicaid and SCHIP. Most of the study states reported great success with radio and TV campaigns that make program information routinely available to families. Outreach strategies that aim to provide information in locations where families congregate for other purposes (e.g., PTA meetings, church fairs, parades) extend the reach of these campaigns by providing information and enrollment opportunities to families who may not apply for benefits on their own. Several of the study sites indicated that their offices were flooded with applications or requests for applications after launching their information campaigns and local outreach activities. The overall success of these outreach efforts is difficult to measure because many of them were implemented at the same time as program expansions that broadened the pool of eligible recipients. In addition, they were implemented along with simplified procedures that may have independently increased the number of families interested in applying for benefits. Still, the available evidence suggests that carefully designed outreach strategies can reach families who may not otherwise know about or apply for benefits and are worthy of further exploration and expansion to other programs and other locations.

Program Simplification

- **The ease of applying for benefits depends on which benefits a family is seeking. In all the study sites, working families applying for and retaining children's Medicaid and SCHIP can do so through a relatively simple process; with a few exceptions, it is more complicated to apply for**

and retain Medicaid for the whole family (including parents) and substantially more burdensome to apply for food stamps.

Simple and short applications and renewal forms, no requirements for a face-to-face interview and limited verification requirements all reduce the burden of applying for assistance. In all the study sites, families can apply for children's Medicaid and SCHIP through a very simple process. The application form is short, in part because they do not need to report or verify assets and they never have to go to the welfare office. Five of the study states have simplified the application process even further by allowing self-declaration of income. Renewal of benefits occurs once a year and in half the states, changes in circumstances during the year do not affect eligibility.

Only a few of the study states have achieved the same level of simplification for Section 1931 Medicaid as for children's Medicaid and SCHIP. Nearly all of the study states use a simple application and do not require a face-to-face interview, however, only four states completely eliminate the asset test (an additional four exclude the value of one or more vehicles) and only three allow self-declaration of income. Renewals for Section 1931 Medicaid are generally quite simple; in most states they occur every 12 months and do not require a face-to-face interview.

Largely owing to more stringent federal requirements and concerns about quality control errors, the study states have taken fewer steps to simplify the food stamp application and retention process. Families interested in applying for food stamps or being recertified for them must appear at the welfare office for an interview and declare and document their income and assets, among other things. In most of the study states, families can apply for food stamp benefits using an application that is shorter than ten pages. In addition, several study states have eased the burden of retaining food stamps by waiving the face-to-face interview for recertifications that occur more than once a year. While retaining food stamps is sometimes less burdensome than initially applying for them, it is substantially more burdensome than retaining Medicaid and SCHIP. At the time of our visits, states were just beginning to decide whether they would take advantage of some of the new options for simplifying the renewal and change reporting requirements. Thus, our findings most likely understate the extent to which the recertification process for food stamps has been simplified.

To the extent that families want to apply for or continue to receive both food stamps and Medicaid, because they must still comply with the more burdensome application requirements for food stamps their overall burden is not eased by Medicaid's more simplified procedures. In the absence of a cash benefit, which is frequently accompanied by other benefits such as child care, transportation assistance and extensive casework support, it

Practices That Simplify the Enrollment or Renewal Process

- Applications and information on eligibility broadly available in locations outside the welfare office
- Applications initiated (and sometimes completed) in settings outside of the welfare office
- Submittal of application or renewal form through the mail or fax, via the internet or through a call center
- Short application
- Short renewal forms; pre-printed renewal forms with family specific information; combined form for food stamp and Medicaid reporting/renewal
- Elimination of face-to-face interview requirement
- Elimination of asset tests (Medicaid and SCHIP) and vehicle limits (Medicaid, SCHIP and Food Stamps)
- Reduce verification required (e.g., self-declaration of income in Medicaid and SCHIP); provide checklist of required verification prior to application or renewal appointment; provide assistance to obtain verification; use on-line information for verification; use document imaging systems to maintain documentation on file
- Limit denials for incomplete applications by providing reminder notices or reopening application if information provided after denial
- Longer renewal periods (i.e., 12 months); use food stamp report or renewal to automatically renew Medicaid (i.e., reset the Medicaid renewal clock)
- Continuous eligibility for children in Medicaid and SCHIP
- Semiannual or quarterly reporting in food stamps; for change reporting limit changes that must be reported (e.g., $100 or greater)
- Share information reported for one program to other programs
- Client education about availability of benefits and importance of renewal process

Practices That May Discourage Families from Applying for Assistance or Retaining Benefits

- Perception that food stamps and Medicaid are "welfare" rather than supports for working families
- Process of applying for benefits is too burdensome (real or perceived – long applications; face-to-face requirements; rigid verification requirements; long waits for appointments)
- Practices to divert or discourage TANF applicants may discourage applications for all benefits
- More burdensome processes in some programs may encourage families only to apply for least burdensome program (i.e., children's Medicaid or SCHIP) and forego other benefits (i.e., family Medicaid and Food Stamps)
- Completely separate food stamp and Medicaid application and renewal processes
- Delays in appointment scheduling
- Short certification periods
- Client confusion due to different application and reporting requirements for different programs

is possible that complying with burdensome application and retention requirements for food stamps may present unacceptable opportunity costs for working families, particularly when the food stamp benefit is small. Moreover, our focus group findings suggest that beleaguered families' willingness to comply with relatively simple retention procedures for Medicaid may be undermined by their experiences in retaining food stamp benefits.

Differences in the application processes for food stamps and Medicaid make it difficult to predict systematic effects on participation. Some families may not apply for Medicaid no matter how simple the procedures because they don't currently perceive themselves as needing healthcare services (i.e., they are not sick). In contrast, the Food Stamp Program provides an immediate tangible benefit that may make a substantial difference in a working family's ability to make ends meet. Whether or not a family applies will depend upon whether they believe the opportunity costs of applying for the benefit exceed its cash value.

Historically, even though eligibility for Medicaid and food stamps has never been technically linked, families applying for one program often ended up enrolling in both. In fact, part of the increase in the food stamp caseload during the early 1990s is attributed to the expansion of Medicaid (Rosso 2001). Since most families applied for Medicaid benefits at the welfare office, they were considered for food stamps at the same time. As more families take advantage of the opportunities to apply for Medicaid and SCHIP benefits without ever going to the welfare office, it is possible that some families who may have previously received food stamps because they could apply for them at the same time they applied for Medicaid will no longer find the benefits provided by the Food Stamp Program worth the additional opportunity cost of applying for them.

- **Efforts to change the culture and structure of the welfare office were important components of some sites' efforts to increase participation in food stamps, Medicaid and SCHIP.**

Simplified application and renewal procedures do not necessarily provide a complete picture of the costs families consider when deciding whether or not to apply for benefits, especially when families must go to the welfare office to apply for benefits. Other factors that matter to families include (1) how they are treated at the welfare office; (2) how long they must wait to see a caseworker; (3) how many trips they need to make to complete the application process; and (4) how convenient it is to get to the welfare office or other locations where they can apply for assistance. The study sites implemented a variety of strategies to address these concerns, including:

- A "one worker, one family" approach to casework to provide more seamless and personalized service

- Training for caseworkers that emphasizes the importance of making sure families receive all the benefits to which they are entitled

- Same-day services that allow families to complete the application process in one visit

- Edicts that require families to be seen within 10-20 minutes of arrival
- Decentralized office structures that create more neighborhood-based service centers
- "Call centers" that provide recipients with a convenient way to report changes in their circumstances
- Outreach units that provide application assistance and eligibility determination in places working families frequent for other purposes (e.g., child care centers, health fairs, food banks, etc.)
- Use of staff in community-based organizations to provide application assistance

It is difficult to gather more than anecdotal evidence on how these changes affect families' choices regarding whether or not to apply for or renew their benefits. Participants in our focus groups indicated that these changes mattered to them. Families like having a worker with whom they have a relationship and who can answer questions about their benefits. Participants indicated that same-day service worked well for them because they knew they could go to the welfare office on a day that was convenient for them and not have to return. Families who applied for benefits in a location other than the welfare office liked the convenience of being able to do so and appreciated the assistance they received in completing the application.

Mitigating Potential Risk Points

- **In an environment where each program has its own eligibility, application and renewal requirements, sophisticated automated systems, well-trained staff and explicit case processing procedures help to reduce the risk of families not having their benefits determined properly.**

Because of the low-income eligibility requirements for TANF, non-working families who qualify for TANF almost always qualify for food stamps and Section 1931 Medicaid. The situation for working families (including those receiving TANF in states with generous earned income disregards) is much more complex. While nearly all poor children qualify for both food stamps and children's Medicaid or SCHIP, eligibility for Section 1931 Medicaid and food stamps often diverge quite substantially for parents. In a small number of states, families (including parents) are eligible for Section 1931 Medicaid at higher income levels than for the Food Stamp Program. But, in many states, eligibility for Section 1931 Medicaid is substantially lower. In several of the study states, eligibility levels for Section 1931 Medicaid are so low that virtually any employment makes a family ineligible. Families who lose eligibility for Section 1931 should be eligible for Transitional Medical Assistance for 12 months in all states. Consequently, initial and ongoing eligibility must be determined independently for each program. Furthermore, differences in the application and reporting requirements for each program mean that an application that is incomplete for one program

may be complete for another. Similarly, while a change in circumstances might render a family ineligible for one benefit, it may have no bearing on their eligibility for another.

Staff training has been critical to assuring proper eligibility determination for all programs. When Medicaid eligibility was linked to cash assistance and fewer children and family coverage groups existed, it was relatively simple for workers to determine Medicaid eligibility for families. Now, even though the application process itself may be quite simple, a worker must be knowledgeable about Medicaid policy to know which Medicaid groups to consider and when a transition should and should not affect continued eligibility. This change, combined with more complex TANF eligibility requirements, requires workers to be knowledgeable about several complicated programs. In addition, because an independent eligibility determination must now be made for each program, the time required to process each case is greater than it used to be. Although it is difficult for local welfare offices, especially those in or near large urban centers, to maintain a cadre of well-trained staff who are knowledgeable about all programs, most of the sites have decided that it is preferable to train staff in all programs than to have staff specialize in one program. In the few sites where workers are specialized, the process of applying for and retaining benefits is sometimes substantially more burdensome for the family.

Because eligibility determination is so much more complex than it used to be, the need for automated support is far greater. However, because of the difficulty states have in keeping their automated systems up-to-date with current policy and procedures, automated systems can and do pose risks for families at some critical transition points. In some sites, sophisticated automated systems simplify the application process for families, reduce the workload for caseworkers and reduce the risk of benefits not being determined properly. In others, the eligibility determination process remains a manual process and is cumbersome for both clients and workers. Systems features that help mitigate risk points for families include automated eligibility determination, automatic consideration of eligibility for all programs, cascading eligibility determination routines for various Medicaid groups, integrated information sharing among all programs, and independent eligibility determination. Even though sophisticated automated systems can make eligibility determination simpler and more efficient, automation is not a substitute for well-trained staff. All of the sites with the most sophisticated information systems had implemented policy changes that could not immediately be accommodated by their automated systems. When these situations arise, a worker needs to understand the details of program eligibility well enough to be able to override the automated system and make the correct decision regarding eligibility.

Finally, in an effort to be proactive about mitigating risk points, the study sites implemented a number of explicit case processing strategies to ensure families receive the benefits to which they are entitled. These strategies include educating families early and often about the availability of benefits separate from TANF and about reporting requirements; providing families with pre-printed renewal forms with family-specific information; using food stamp reports to renew Medicaid or reset the Medicaid renewal clock; requiring written "informed consent" letters to close Medicaid; prohibiting TANF workers from closing a Medicaid case; avoiding reviews or requests for information that are not necessary; conducting any Medicaid reviews on an "ex parte" basis, without contacting

the family to the greatest extent possible; conducting special reviews of closed cases to catch erroneous food stamp or Medicaid closures; and considering information that is sufficient to take action on a TANF case sufficient to determine ongoing Medicaid and food stamps.

- **While TANF families previously were at high risk of not having their benefits determined accurately during critical transitions, the study sites have largely addressed these issues.**

Because large numbers of TANF recipients inappropriately lost Medicaid benefits when their TANF cases closed shortly after the implementation of TANF, we closely examined how these transitions were handled in the study sites, focusing on what strategies were being used to avoid improper case closures. Most of the staff members we interviewed were well aware that when a TANF application is denied, an independent eligibility determination should be conducted for food stamps and Medicaid. Frequently, even though enough information may not be available to make a determination for TANF or food stamps, the case can be processed for one of the Medicaid groups that require less information to determine eligibility. Similarly, when an ongoing TANF case closes, workers were aware that independent reasons for reviewing and/or closing Medicaid or food stamp cases must exist.

Strategies in place to reduce the risk of inappropriate case closure are similar to those in place to ensure independent eligibility determinations occur for all program applications. Strategies specific to TANF cases include not permitting a TANF worker to close a Medicaid case and requiring TANF workers to process eligibility for all programs before transferring the case to another worker. In addition, once TANF and Medicaid eligibility were de-linked in states' automated eligibility determination systems, the risk of inappropriate case closures was reduced substantially. While this risk point is not entirely ameliorated and ongoing vigilance is required, the risk of losing Medicaid upon closure of TANF has been substantially reduced in almost all of our study states.

RECOMMENDATIONS AND NEXT STEPS

Low participation rates and retention problems among working families were evident for working families before PRWORA for both Medicaid and the Food Stamp Program. While participation rates have worsened since welfare reform, these dynamics may have less to do with families losing food stamp and Medicaid benefits simply because they lost cash assistance, and more to do with working families not getting or retaining these benefits because they do not know they are eligible for them or they believe the process for obtaining or keeping them is too cumbersome. Our recommendations emphasize the importance of focusing on each of these aspects to increase program enrollment.

Practices Supporting Initial or Continued Receipt of Benefits at Potential Risk Points

- Informing clients early and often that food stamps and Medicaid are separate from TANF; use multiple methods
- Ensuring TANF eligibility requirements (such as job search) are not applied to food stamp or Medicaid application
- Ensuring that TANF or food stamp procedures (such as a face-to-face interview) are not erroneously applied to Medicaid
- Requiring written "informed consent letter" to close food stamps or Medicaid if client requests general case closure
- Training staff, especially on Medicaid de-linking
- Avoiding reviews or requests for information that are not necessary; treat TANF closure as a non-event
- Treating programs independently; consider eligibility separately (if at all) at transitions
- Conducting any Medicaid reviews on an "ex parte" basis
- Programming automated systems to continue, adjust or trickle benefits to other ongoing Medicaid coverage group (e.g., TMA)
- Conducting special reviews of closed cases to identify erroneous food stamp or Medicaid closures
- Ensuring that ongoing food stamps and Medicaid is determined before transferring a case to a non-TANF worker or have TANF worker maintain case longer
- Considering information that was sufficient to take TANF action as sufficient to determine ongoing food stamps and Medicaid (e.g., self-declaration of income for TMA)

Practices Creating a Risk to Initial or Ongoing Receipt of Benefits

- Applicants not apprised of all benefits available
- Applicants not considered for benefits not explicitly requested
- Incomplete application process due to client not completing a TANF requirement
- Delaying Medicaid or food stamp interview or eligibility determination pending completion of TANF requirement, such as orientation
- Caseworkers not fully aware of Medicaid or TMA availability for non-TANF families or importance of placing families in Section 1931 coverage for access to TMA
- Requiring families to provide additional information or complete paperwork to continue food stamps or Medicaid when no basis for review other than TANF closure
- Automated systems link eligibility (e.g., TANF and Medicaid) requiring manual workaround to avoid erroneous closure of Medicaid
- Setting food stamp and Medicaid renewals to occur at anticipated transitions such as when a family reaches a time limit
- Linking of Medicaid and food stamp reviews in the automated system when review periods are different
- Automatic Medicaid closure when eligibility review not completed without first checking if state already has current information to renew benefits (i.e., without conducting "ex parte" reviews).

- **Use the lessons learned from public information and local outreach campaigns for children's Medicaid and SCHIP to inform families about the availability of Section 1931 Medicaid and the Food Stamp Program.**

In recent years we have learned a lot about how to conduct successful public information campaigns for programs that offer benefits to children. States, localities, the federal government and foundations interested in the improving the circumstances of working families should use this information to increase people's awareness about the full range of benefits available to working families. Any barriers to coordinating these efforts should be eliminated (e.g., any restrictions that require outreach efforts to be targeted to a single program) as it may be more efficient to launch one campaign aimed at educating working families about the benefits available to them rather than launching several program-specific campaigns. Efforts to expand outreach to working families should be accompanied by a concerted effort to evaluate the cost-effectiveness of these efforts. As more information becomes available on the overall effectiveness of these campaigns, including the particular features of campaigns that seem to have the most impact on enrollment, this information may help to determine how to target limited financial resources most effectively.

- **Expand efforts to provide families with opportunities to apply for and renew benefits outside of the welfare office and evaluate the relative effectiveness of alternative strategies.**

For some families, the simple act of having to go to the welfare office will keep them from initially applying for or renewing the benefits for which they are eligible. Even though some welfare offices are attempting to change their culture and operational procedures to better serve the needs of working families, many families perceive the welfare office to be a place where they will be treated poorly and be required to jump through numerous hoops to receive assistance. For some families, the stigma associated with receiving "welfare" is enough to deter them from applying for benefits. Others have work schedules that make a trip to the welfare office difficult. In an effort to overcome these barriers to enrollment, states and local welfare offices should continue to explore ways to provide families with options to apply for and renew their benefits outside of the welfare office.

The study sites used two different strategies to encourage families to initially apply for benefits that are worthy of expansion and evaluation, but other strategies should be considered as well. Using staff in community agencies to help families apply for benefits allows welfare offices to tap into a large network of agencies that come into regular contact with potentially eligible families. The downside of this approach is that because enrolling families in public benefit programs is usually added to existing responsibilities, success is dependent on an agency's or worker's individual commitment to increasing enrollment and whether the application process can be closely integrated with their current work. Simple application procedures are key to the success of this strategy.

An alternative strategy that may hold even greater promise, especially for the Food Stamp Program is the creation of outreach eligibility determination units such as those developed in Georgia and Oklahoma for Medicaid and SCHIP. The advantages of such

units are many. First, their sole purpose is to enroll families in public benefit programs. Second, because they are mobile, they can conduct outreach in locations where and when families congregate. By not being stationed in one place, they do not run the risk of not enrolling enough families to justify their existence as is sometimes the case when workers are permanently outstationed in one location. Finally, because staff are trained eligibility workers, they have far greater knowledge of how to ensure applications are completed accurately and processed efficiently. While more complicated application procedures are likely to make it more difficult for an outreach strategy to work, trained eligibility staff can be expected to deal more effectively with complicated application procedures than staff in community agencies. While it is not absolutely necessary for outreach workers to be able to link to the automated system remotely to be successful, when it is possible for them to do so, it simplifies the eligibility determination process and makes it possible for workers to determine eligibility on-site.

As a part of identifying ways to provide families with alternatives to apply for benefits outside the welfare office, special consideration should be given to strategies that allow families to apply for multiple, rather than individual programs. For example, states that already have Medicaid eligibility workers outstationed in health facilities may want to consider how these efforts could be expanded to include outreach for the Food Stamp Program.

The options that make it possible for families to renew their benefits outside of the welfare office are relatively simple and low-cost. The simplest strategy is allowing families to handle all renewals through the mail. Call centers provide an efficient way to handle renewals and changes over the phone. While call centers involve initial start-up costs, those costs may be easily recouped through efficiency gains over time. Finally, the internet provides another easy and efficient way for families to both apply for benefits and report changes. In the short-term, web-based strategies may be more helpful to community groups, but as internet access becomes more widespread, more families will be able to take advantage of these options at their own convenience.

- **Continue to encourage states to take advantage of the flexibility they have to simplify application and renewal requirements and identify key program requirements that make simplification difficult.**

States currently have considerable latitude to simplify the application and renewal process for children's Medicaid, SCHIP and Section 1931 Medicaid. Efforts should continue to encourage more states to take advantage of this flexibility. More documentation of the ways in which simplification reduces the burden for families and workers may help states that have not yet simplified their application and renewal processes to move in this direction. Careful analysis of the circumstances of families who receive benefits under simplified procedures such as elimination of the asset test and self-declaration of income may reduce concerns about ineligible and "non-deserving" families receiving benefits. Additionally, states may want to develop quality control pilots or phase in changes by geography or population to be sure they are comfortable with changes as they proceed. On

verification issues, they might want to initially adopt streamlined requirements at renewals then expand them to applications.

Because the options for simplifying the food stamp application and recertification requirements are relatively new and just being implemented, there is less information available on states' experience with these new procedures. To encourage greater use of these options, it may be worthwhile to document the experiences of states that have successfully implemented them. Emphasizing the ways in which these new options protect states against quality control errors is likely to be key to getting states to adopt them. In addition, because eligibility workers have been so strongly influenced by the emphasis placed on avoiding quality control errors, it may take some time for these more simplified procedures to be fully implemented at the front line.

- **Explore options for aligning eligibility requirements and application procedures for Medicaid and food stamps.**

Prior to welfare reform, there was considerable attention paid to trying to align food stamp and cash assistance policies. Now that more families are working, it may be worthwhile to shift this emphasis and consider ways in which policies and procedures for food stamps and Medicaid may be better aligned. Currently, the complex array of requirements makes it difficult for families to understand which benefits they are eligible for and when they are eligible for them. Under existing federal regulations, states are constrained from simplifying food stamp enrollment and retention procedures to the extent that they can for Medicaid. Although some of the study states were preparing to take advantage of existing and new opportunities to simplify reporting requirements, food stamp eligibility procedures must include annual face-to-face interviews and reporting and verification requirements that are not mandated for Medicaid and SCHIP. Given that some of these constraints follow from federal rules or regulations, some efforts to better align the Food Stamp and Medicaid programs will require action at the federal level, but some things can be done now.

- **Explore options, including providing increased funding, to help states maximize their use of technology to increase enrollment and promote retention in food stamps, Medicaid and SCHIP.**

State capacity to take advantage of the technology available to help simplify the application and renewal processes and to reduce the risk of inaccurate eligibility decisions for food stamps, Medicaid and SCHIP is quite varied. While some states have very sophisticated information systems in place and are exploring ways to use new technology such as document imaging systems and the internet to reduce the burden for families and the workload for caseworkers, other states have information systems in place that can do little more than calculate eligibility. Given the complexity of determining eligibility for multiple programs for working families, information systems are key to ensuring families receive the benefits to which they are entitled. As information systems age, it becomes critical to consider how to best help states take full advantage of the technology available to them and to update their information systems to meet the demands of a reformed public assistance

system. The federal agencies may want to consider providing technical assistance to states on how to implement strategies such as paperless application systems and document imaging systems. They may also want to consider working with states to explore ways in which they can efficiently link to new and existing databases that provide information that can be used to determine eligibility.

- **Redesign the food stamp quality control system to account for the complex circumstances of working families.**

Federal food stamp quality control procedures have a significant influence on how states manage and operate their Food Stamp Programs. As currently implemented, the food stamp quality control system acts as a barrier to simplifying the food stamp application and recertification requirements. Because cases with earnings are especially prone to errors, the quality control system also discourages states from actively encouraging participation by working families. The use of short certification periods is a case in point. Although short certification periods create a substantial burden for families, states use them because changes in families' circumstances, especially fluctuations in wages that are not reported to the agency, are likely to result in a quality control error. Under the current QC system, states are held accountable for making accurate determinations based on a family's circumstances, not on making accurate determinations based on information that is known to them. Thus, to avoid QC errors, states require families whose circumstances change often to be recertified often. The reason the new reporting options are attractive to states is that they allow states to simplify the reporting requirements while protecting them from quality control errors; the options states have to freeze benefit amounts between quarterly and semiannual reports will mean that there are no errors arising from any changes in the family's income and therefore no need to know it between reports.

- **Encourage states to set enrollment goals for food stamps, Medicaid and SCHIP and reward them for their accomplishments.**

Local program administrators commonly reported that they focus their efforts most closely on outcomes for which they are held accountable. Because they are responsible for a broad range of programs and tasks, specific goals help them to set priorities and measure their progress against some benchmark. When Indiana launched its effort to increase participation in children's Medicaid and SCHIP, the state articulated its vision and priorities statewide and set specific enrollment goals for each county office. The state granted local officials the authority to determine how to achieve the goals and gave them financial support to put their plans into action. Arkansas has set a goal of having 80 percent of families leaving TANF continue on food stamps and Medicaid. Officials note that the rate of retaining families increased once they set a specific retention target. The federal agencies may want to work with states to set similar enrollment and retention targets and reward them for their performance.

WHAT THE FUTURE HOLDS

Welfare offices are in a state of transition. Whereas in the past they focused almost exclusively on determining eligibility for public benefits, now, they are focused on determining eligibility *and* developing strategies to help TANF recipients make the transition from welfare to work. In the rush to implement welfare reform, few states initially paid close attention to the challenges inherent in discouraging families from receiving cash assistance while simultaneously promoting continued receipt of benefits that can support them while they are working. However, as welfare reform efforts mature, more states and local welfare offices are looking for ways to support working families. The strategies they have adopted aim to increase awareness about the availability of benefits, simplify the process for applying for or continuing to receive benefits and establishing procedures to assure families receive all the benefits to which they are entitled.

Although the future holds promise for improving the circumstances of working families, it also holds a great deal of uncertainty. Public awareness about the reported success of welfare reform has created strong public support for using government funds to support low-income working families. This support has made it possible for many states to simplify the requirements for Medicaid and SCHIP, and in some states, to expand eligibility to allow more families to take advantage of the benefits these programs provide. Unfortunately, the progress made in simplifying eligibility procedures for Section 1931 Medicaid and children's Medicaid/SCHIP, and in promoting enrollment may be stalled or even reversed due to the current budget crises faced by many states. Since states bear as much as half of the cost of providing Medicaid benefits to families, expanding participation in Section 1931 Medicaid has not received the same level of political support as enrolling children in SCHIP. In the short-term, it is probably unlikely that states will undertake additional efforts to simplify their application and retention requirements as such efforts would be expected to increase enrollment and costs.

On the other hand, there currently appears to be widespread support for simplifying the food stamp program and for making changes in the food stamp quality control system that will make it easier and less risky for states to serve working families. Because states do not bear little of the financial cost of increased enrollment in the Food Stamp Program, states' current fiscal crises may not stall these efforts in the same way they may stall efforts in Medicaid. Since we conducted our site visits, many states have already decided to take advantage of the options they have to make it easier for working families to obtain food stamps. The nutrition provisions of the 2002 Farm Bill also support and expand recent efforts to simplify the Food Stamp Program and to reduce states' risk of having quality control financial penalties imposed upon them.

Technology is already playing a critical role in increasing participation in food stamps, Medicaid and SCHIP and is likely to continue to do. While the current range of systems and technologies used in most states appears to be somewhat of a mixed bag, a number of nascent efforts and trends have the potential to significantly improve program access and participation. Technology innovations are occurring at an unprecedented rate, and hold promise to enable states to create new system components that offer additional functionality for workers and clients, and can be easily added onto existing information systems. This

would allow states to maximize the benefits of new technology, while still retaining the eligibility core systems in which they have heavily invested.

Finally, the outcome of TANF reauthorization could influence how much progress states make in increasing participation in food stamps, Medicaid and SCHIP and how quickly they make it. At any one time, welfare offices have many competing priorities they are trying to address. Because they do not have unlimited resources and often face serious staff shortages, they cannot always address all of their priorities. When welfare offices are required to implement major new initiatives, all other priorities often fade into the background, at least for a time. If TANF reauthorization requires states to shift their focus or makes additional demands on them, increasing participation in food stamps, Medicaid and SCHIP may not receive the same attention it might if states were able to simply continue on the path they are currently on. Alternatively, because welfare reform has raised awareness about the needs of working families, TANF reauthorization could provide the catalyst states need to focus even more effort on increasing participation in food stamps, Medicaid and SCHIP.

CHAPTER I

INTRODUCTION

During recent years, the nation has witnessed unprecedented changes in the circumstances of low-income families. In the past, the primary means of support for many single-parent families was cash assistance; for many of those families, it is now income from their own earnings. Since the passage of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA), cash assistance caseloads have declined by more than half. Studies of families who have left the welfare rolls show that about 60 percent are working at any point in time (Acs and Loprest 2001). Changes in the work participation rates of never-married mothers further demonstrate the extent to which work has become a key means of support for many single-parent families with children. Between 1994 and 1999, the employment rate for never-married mothers increased from 47 to 65 percent (Moffit 2002).

The increase in employment among former welfare recipients has been accompanied by strong support for providing "work supports" to low-income working families, including nutritional assistance through the Food Stamp Program, health insurance through Medicaid and the State Children's Health Insurance Program (SCHIP) and child care and transportation assistance through a broad array of federal and state initiatives. However, low levels of participation among former recipients in the Food Stamp and Medicaid programs have raised concerns about whether welfare offices are organized and equipped to deliver these benefits to working families, and whether federal regulations constrain their ability to do so. In response to these concerns, the federal government and some states have started to reassess the way eligibility for these benefits is determined, and to implement new strategies to reach more working families. Unlike other benefits that might be made available to working families, food stamps and Medicaid are entitlements, meaning that receipt of program benefits is not subject to the same state and local constraints that may affect benefits such as child care and transportation.

This study, conducted by Mathematica Policy Research, Inc. and its subcontractors, American Management Systems, Inc. and the George Washington University Center for Health Services Research and Policy, was commissioned by the U.S. Department of Health

and Human Services and the U.S. Department of Agriculture to (1) identify state and local strategies for increasing participation in the Food Stamp Program, Medicaid, and the SCHIP; (2) examine ways in which the procedures used to determine eligibility support or impede access to benefits; and (3) identify the ongoing challenges faced by the organizations charged with administering these programs at the state and local level. In this report, we synthesize our findings from visits to 15 sites in 12 states. This introductory chapter provides further detail about the study's context and methods. First, we summarize the research on Medicaid and food stamp caseload trends, and how lack of benefits can affect family well-being. The second section presents the study design, key research questions, and the framework for both our analysis and the synthesis of our research presented in this report. The final section outlines the organization of the remainder of the report.

THE CAUSE FOR CONCERN: DECLINING PARTICIPATION AMID CONTINUED NEED

For many families, increased employment does not always translate into improved financial circumstances. Parents leaving the welfare rolls usually work full time, earning between $7 and $8 per hour, leaving many of them well below the poverty line (Moffit 2002). Since the implementation of welfare reform, poverty rates for families have been declining steadily. In 2000, the overall poverty rate reached its lowest level since 1979 and poverty rates for female-headed families hit an all-time low. However, a recent Urban Institute study indicates that when all types of income are taken into account (including earnings, cash assistance and food stamps) about 300,000 more single-parent families lived in extreme poverty (below 50 percent of the poverty line) in 1998 than in 1996. Although many single parent families left welfare for work during this time period, their income from earnings was not sufficient to offset the income loss resulting from lower rates of participation in government programs. The authors note that if families with children took full advantage of the government programs for which they qualified, 3.8 million fewer persons would have been poor and 2.0 million fewer would have been extremely poor in 1998 (Zedlewski et al. 2002).

Food stamps, along with the Earned Income Tax credit, can bring a family with a full-time minimum wage worker close to the poverty level. Health coverage through Medicaid or SCHIP may be the route to medical care for many uninsured working families. Participation in these programs can help increase a family's ability to make and sustain the transition to self-sufficiency, as well as provide important benefits for the health and well-being of each family member. However, an increasing number of eligible families are not taking advantage of the benefits available to them.

Medicaid: Expanding Eligibility for Children but Slowing Rates of Enrollment for Families and Continued High Levels of Uninsurance for Low-Income Families

Trends in Medicaid enrollment. Total Medicaid enrollment grew throughout the early 1990s, declined between 1996 and 1998, but began rising again in 1999.[4] Total Medicaid enrollment grew throughout the early 1990s, declined between 1996 and 1998, but began rising again in 1999.[5] Between June 1996 and June 2000, total Medicaid enrollment in the 50 states and District of Columbia rose 1.7 percent, but trends in enrollment varied significantly across states. For example, Ohio's enrollment grew by 51.1 percent, while Georgia's enrollment declined 13.0 percent (See Appendix A-1). The growth in the Medicaid program in the early 1990s was fueled primarily by federal and state policies designed to expand Medicaid eligibility for poverty-level children and pregnant women, and by an economic downturn that increased the number of people in need. The enrollment rate slowed in the mid-to-late 1990s; this is often attributed to both the strong economy and federal welfare reform, which moved families from cash assistance to work and created confusion about Medicaid eligibility (Ku and Bruen 1999). The most recent rise in Medicaid enrollment can be largely attributed to SCHIP, created by the Balanced Budget Act of 1997. By 2001, about 4.6 million children were enrolled in SCHIP at some point during the year, up from less than 2 million children in FY 1999 (Centers for Medicare and Medicaid Services 2002 and Health Care Financing Administration 2001).

Low Medicaid enrollment among TANF leavers and nonelderly adults. Among families interviewed in the 1997 National Survey of America's Families, only slightly more than half of the women who left Temporary Assistance to Needy Families (TANF) were still on Medicaid or other state health insurance in the first six months after leaving, and one-third had no health insurance at all. One year after leaving welfare, less than one-quarter received Medicaid benefits, and about one half were uninsured (Garret and Holahan 2000). The most recent analyses of Medicaid participation rates for eligible non-elderly adults (parents) indicate that slightly more than half of these individuals (51.4 percent) were enrolled, and 27 percent of them were uninsured (Davidoff et al. 2001).

Continued high rates of uninsurance and associated costs. Between 1994 and 1998, rates of uninsurance for persons under 65 rose steadily from 17.1 percent to 18.4 percent. Between 1998 and 1999, the uninsurance rate declined to 17.4 percent (National Center for Health Statistics 2001). In the wake of September 11 and the recession, the number of uninsured is rising. Two-thirds of the 42 million uninsured Americans are in working families with incomes less than 200 percent of the federal poverty level; more than one-third of the uninsured come from families living below 100 percent of the federal poverty level. Mothers in families with incomes below 200 percent of the poverty line are

[4] Total Medicaid enrollment includes these main categories of enrollees: elderly, blind and disabled persons, pregnant women, children, and families.

[5] Total Medicaid enrollment includes these main categories of enrollees: elderly, blind and disabled persons, pregnant women, children, and families.

uninsured at particularly high rates and account for nearly three of every four uninsured mothers in the United States (Guyer et al. 2001).

Numerous studies link health coverage to better access to care, better quality care, and improved personal and population health status. For example, studies have shown that uninsured individuals receive fewer preventive services and are less likely to have regular care for chronic conditions, such as hypertension and diabetes, which can lead to expensive and disabling complications (Institute of Medicine 2001). Uninsured adults, particularly those in poor health, are more likely to report they cannot see a physician when needed, due to cost (Ayanian et al. 2000). In addition, uninsured children who are eligible for but not enrolled in Medicaid encounter greater obstacles to care than their Medicaid-covered counterparts (Davidoff et al. 2000). A study comparing eligible adults enrolled in Medicaid with those who are not found that the uninsured were less likely to have a physician or dental visit, less likely to have a usual source of care, and more likely to incur out-of-pocket medical expenses (Davidoff et al. 2001).

Health insurance coverage for parents is particularly important because children are more likely to receive care if they are enrolled in the same health plan as their parents (Medi-Cal Policy Institute 2001). In addition, a study of changes in children's coverage comparing states that extended coverage to low-income parents to those that did not found that allowing the family to apply for coverage all at once raises the likelihood that children will be covered (Ku and Broaddus 2000).

Food Stamps: Declining Caseloads in the Midst of Substantial Food Insecurity

Trends in the food stamp caseload. From December 1996 to December 2001, the number of participants in the Food Stamp Program fell by 5 million, or 22 percent. Food stamp caseloads declined further in the first four years of welfare reform and have recently begun to increase. The 18.7 million persons participating in the FSP in December 2001 represented a rise of about 1.6 million persons over the December 2000 level. The recent increase in the food stamp caseload is most likely being driven by improved access to the program in some of the states as well as growing numbers of layoffs (Food Research and Action Center 2002a). The overall caseload change between December 1996 and December 2001 varied substantially across the states (see Appendix A-2). For example, participation declined by 42 percent in California but increased by 30 percent in Oregon and 11 percent in Indiana (Food Research and Action Center 2002b).

Declining rates of participation. Some decline in food stamp participation was expected because of eligibility changes in the 1996 welfare law and the continued strength of the economy. While these two factors together explain some of the decline, they do not explain all of it. Last year, USDA reported to Congress that about a third of the total decline occurred because rising income and assets lifted people above the program's eligibility limits, just under 10 percent reflects the direct effect of welfare reform's change to eligibility rules, and a bit more than half occurred because of declining participation rates among eligibles (USDA 2001). Results of a recent study using multivariate analysis to explore the effects of the economy and cash assistance policies on food stamp participation found that the

economic growth during the middle to late 1990s explains 47 percent of the decline and welfare reform accounted for about 30 percent (Gleason et al. 2001).

An analysis of trends in rates of participation in the Food Stamp Program between 1994 and 1999 found that the number of participants decreased relative to the number of eligible individuals, that is, the rate of participation in the program declined (Rosso 2001). The overall rate of participation declined by more than 10 percentage points, from 74.3 to 57.4 percent. Among children, the participation rate declined from 89.5 to 67.7 percent and among individuals in single-parent households, the rate declined from 98.9 to 81.4 percent. Among households with earnings, a group already less likely to participate than other groups, the participation rate fell from 57.1 to 42.9 percent. Participation held steady or increased for elderly adults, the disabled, and individuals in households receiving TANF.

Low food stamp enrollment among TANF leavers. A 2001 Urban Institute study of food stamp participation among families leaving welfare found that about two-thirds of families who left TANF between 1995 and 1999 also left the FSP, even though few of these families reported incomes high enough to disqualify them for food stamps (i.e., greater than 130 percent FPL) (Zedlewski 2001). A synthesis of welfare leaver studies found that about half of leaver families received food stamps in the first quarter after exit (Acs and Loprest 2001).

Progress in reducing food insecurity and hunger; substantial unmet needs still exist. Between 1998 and 2000, food insecurity[6] fell by 11 percent and hunger by 16 percent. Still, in 2000, 36.8 percent of poor households and 31 percent of households with children headed by a single mother were food insecure compared to 10.5 percent of all households. Similarly, at 12.7 and 9.0 percent respectively, the prevalence of hunger was much greater among poor and single parent households with children than among all households (3.1 percent). Only 23 percent of food-insecure households and 27.4 percent of food insecure-with-hunger households participated in the Food Stamp Program during the previous 30 days (Nord et al. 2002). America's Second Harvest, the nation's largest organization of emergency food providers, served 23.3 million people in 2001, an increase of 9 percent from 1997. Only 30 percent of clients received food stamps, though many more are likely to be eligible (Kim, Ohls and Cohen 2001).

Why Eligible Families Don't Participate

Recent research findings identify several reasons that welfare leavers may not have maintained Medicaid or food stamp benefits for which they were eligible, and why some families are unwilling to apply for these benefits (Ellwood 1999; Ellwood and Irvin 2000; Kenney and Haley 2001; McConnell and Ponza 1999). These include:

[6] Families are defined as food insecure if at some point during the previous year they were uncertain of having, or unable to acquire, enough food to meet basic needs of all their members because they had insufficient money or other resources.

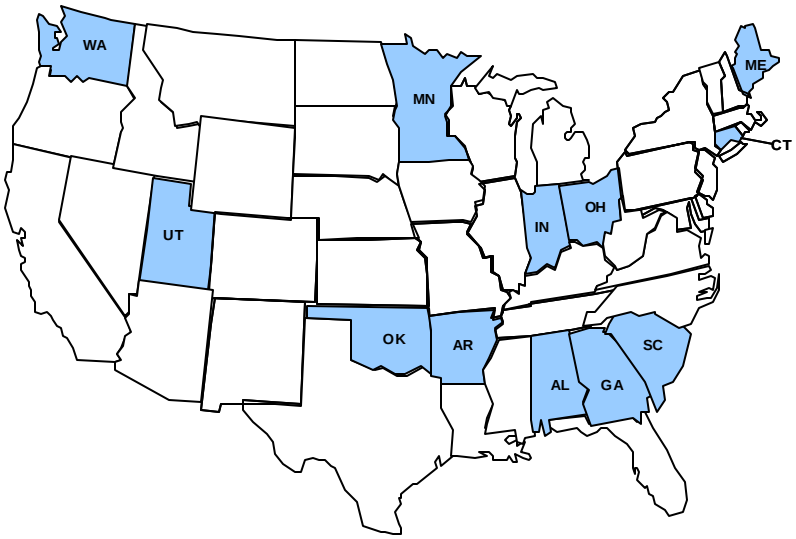
- The lack of knowledge that Medicaid coverage or food stamp benefits are available for working families
- The burdensome and often demeaning procedures associated with applying and retaining benefits
- Negative feelings about participating in the program
- For immigrants, fear of being a "public charge"
- Lack of perceived need for health care coverage or nutritional assistance when families are healthy, coupled with a belief that Medicaid will be available when needed
- The belief that cash assistance rules and constraints apply to Medicaid and food stamps
- The complicated eligibility rules for transitional Medicaid coverage for families with increased income
- The challenge for caseworkers of simultaneously moving families from welfare to work while increasing enrollment in Medicaid
- Poorly equipped management information systems

Although the relative importance/weight of these reasons is not definitely established by research and probably varies given particular recipient circumstances, one study of Medicaid for children and SCHIP found that lack of knowledge was the most common reason, followed closely by administrative hassles (Kenney and Haley 2001). A recent study examining factors affecting the receipt of food stamp and Medicaid benefits for TANF leavers concluded that the two main factors were caseworkers' failure to inform the recipients, and recipients' lack of knowledge (Quint and Widom 2001).

STUDY DESIGN AND METHODOLOGY

This study was designed with multiple purposes in mind: (1) to identify promising approaches to enhance and facilitate enrollment and retention in the SCHIP and Medicaid and Food Stamp programs; (2) to assess barriers to initial and ongoing enrollment among low-income families and those receiving cash assistance under TANF; and (3) to provide feedback to federal and state program administrators, with suggestions for facilitating increased enrollment and retention. We conducted extensive visits to 15 local sites in 12

states. Prior to completing this report we prepared a detailed summary report for each state.[7]



Study Sites

Jefferson County, AL
Crittenden County, AR
Bridgeport, CT
DeKalb County, GA
Knox County, IN
Marion County, IN
Portland, ME
Hennepin County, MN
Cuyahoga County, OH
Pottawatomie County, OK
Greenville County, SC
Marion County, SC
Salt Lake City, UT
King County (South), WA
Whatcom County, WA

Research Questions

Three research questions provided the framework for our study:

- What "promising practices" are states implementing that facilitate and increase enrollment and retention in the Food Stamp Program and in the children's and family coverage groups of the Medicaid program?

- How do local welfare offices determine initial and ongoing eligibility for food stamps and the children's and family coverage groups of Medicaid? What policies, practices, procedures, and operational configurations promote enrollment and retention in these programs? Which ones create potential risk points to initial or continued participation?

- What lessons can be learned from the efforts and experiences in the study sites?

When it was possible to do so, we also examined these issues for state SCHIP programs.

[7] These reports are available on the Mathematica Policy Research website, www.mathematica-mpr.com.

Selection of the Sites

Our goal was to include a range of states, including some that were interested in identifying ways in which they could change their policies and practices to increase program enrollment and retention, and some that had already implemented strategies to do so. To select the sites, we examined program participation data and consulted with experts in the field. In the end, the sites were selected based on one or more of the following criteria.

Self-selection by participating in the "Supporting Families Under Welfare Reform" project. Four of the sites we studied—Alabama, South Carolina, Maine, and Cuyahoga County, Ohio—were chosen because these sites applied and were chosen to participate in an initiative of the Robert Wood Johnson Foundation, Supporting Families Under Welfare Reform. The project provided technical assistance to states and counties to analyze, assess, and improve enrollment of families in Medicaid, SCHIP and food stamps. Because of the substantial overlap of the goals and efforts of our study and the Supporting Families project, we worked collaboratively to avoid duplication and to benefit from joint efforts.

Implementation of specific promising practices of interest. We identified specific states that had implemented particular promising practices such as outreach or streamlined enrollment. Although many were not the only states to implement such practices, experts in the field helped us select sites particularly worthy of examination. Some examples of practices that contributed to our selection of particular states are: (1) streamlined Medicaid enrollment for parents and children, (2) expanded Section 1931 Medicaid for families, (3) use of community-based groups to assist with enrollment, (4) implementation of procedures to facilitate retention of program benefits, and (5) use of non-traditional organizational structures to provide public benefits to eligible families.

Demonstration of higher levels of program participation. Some of the states we studied demonstrated higher levels of participation in some benefits. For example, Arkansas, Connecticut, and South Carolina had food stamp caseload declines that were much lower than the national average and the state's TANF caseload decline.

Regardless of our reason for selecting the site, we conducted a fairly parallel research process in each site, although we made sure to fully examine any particular practice that contributed to our selection of the site.

Data Collection

We collected data for this study primarily through three-day site visits, conducted by research teams of two or three persons. The objective of each site visit was to gain information from a wide variety of perspectives on the enrollment and retention policies and practices that may affect participation in Medicaid, SCHIP, and food stamps.

During each visit, the research team conducted 60- to 90-minute semi-structured interviews with administrators and staff of the state agencies, local welfare offices, and

community-based organizations that serve clients. We also conducted focus groups with clients who were recruited by staff from the welfare office or community agencies.

At each local welfare office, we conducted interviews to explore staff procedures and client interactions, work flow, the use of automated systems, the supervisory approach, and the local office environment. Whenever possible, we shadowed eligibility workers conducting initial or ongoing eligibility reviews with clients and observed the reception/front desk area and activities.

Data Analysis

Our analytic framework involved two foci. First, we considered how the opportunity costs or burden associated with applying for or retaining Medicaid and food stamps can be eased by state policies, procedures, and practices. For example, how simple or complex is the application and renewal process and how much time does it take to complete it?

Second, we considered points in the application and enrollment process where applicants may be at risk of not getting the benefits for which they are eligible. For example, we examined how the application process differed for families who do and do not apply for cash assistance. For retention, we examined both renewal processes and key transition points such as loss of TANF benefits. In particular, we examined retention policies and procedures that ensure families keep the benefits for which they are eligible when their circumstances change.

We analyzed the data collected from each study site by identifying whether and how the state addressed key factors that affect initial and ongoing participation (see accompanying box for a list of the factors we examined). We also focused on particular categories of applicants and recipients whose circumstances could present a heightened risk to becoming and staying eligible. These categories included families who: (1) are leaving or have left TANF cash assistance, (2) apply for but do not receive TANF cash assistance, and (3) want only to apply for Medicaid or food stamps, but not cash assistance.

In conducting this analysis, we followed the case flow processes from initial inquiry about benefits through program termination. We examined the application and retention processes for Medicaid and food stamps for TANF and non-TANF families. We paid special attention to barriers arising or intensifying because of welfare reform policies. We also examined how automated systems and organizational culture and structure can support or hinder enrollment and benefit retention.

Factors That May Limit Participation in Public Benefit Programs Due to Increased Burden or Heightened Risk

Factors that keep families from initiating the application process

- Lack of information or misinformation about eligibility for benefits
- Lack of information on how to apply for benefits
- Perception that food stamps and Medicaid are "welfare"
- Process of applying for benefits is too burdensome or demeaning (real or perceived)

.

Factors that may affect completion of the initial enrollment process

- Complicated or lengthy application form
- Extensive verification requirements
- Burdensome application process (multiple trips or lengthy visits to the welfare office)
- Applicant not apprised of all benefits available, or that food stamps and Medicaid are available separate from TANF
- Additional TANF requirements that may affect completion of the application process for other benefits
- Inadequate procedures to ensure independent consideration of food stamp and Medicaid eligibility if TANF application is denied or withdrawn

Factors generally affecting retention of program benefits

- Frequent eligibility reviews (short renewal or certification periods)
- Burdensome review processes (trips to welfare office, repeat verification, lengthy forms)
- Confusing and multiple requirements on reporting changes of circumstances

Factors specifically affecting retention of food stamps or Medicaid when TANF is closed

- Lack of information or misinformation about continued eligibility for benefits separate from TANF eligibility
- Lack of effective processes to ensure ongoing Medicaid or food stamps when reason for TANF closure is not a basis for loss of other benefits

ORGANIZATION OF THIS REPORT

The remaining chapters in this report present our findings. To the extent possible, we follow the analytic framework of our analysis. Chapter II provides background on Medicaid, SCHIP, and the Food Stamp Program, detailing federal requirements and state options on policies and procedures affecting enrollment in and retention of benefits. Chapter III discusses state and local efforts to increase awareness of these benefits, including public information campaigns and community outreach initiatives. It also describes some of the notable activities and the factors that may contribute to their success. Chapter IV analyzes application and enrollment procedures, highlighting promising practices and identifying lessons learned about those that appear to promote enrollment. Chapter V analyzes benefit retention practices and procedures—particularly the overall processes for renewal or recertification and those that ensure continuation of food stamps and Medicaid when TANF benefits are closed. We also highlight promising practices in this area. Chapter VI analyzes automated eligibility systems and other supportive technology that states use to distribute and coordinate benefits. This chapter summarizes some of the significant promising practices in using Management Information Systems. Chapter VII presents overall conclusions of this report and of the study.

CHAPTER II

STATE POLICY AND PROCEDURAL OPTIONS

Medicaid, SCHIP, and food stamps are authorized by different federal laws and administered by different federal agencies—the Department of Heath and Human Services for Medicaid and SCHIP, and the Department of Agriculture for the FSP. Different federal requirements govern eligibility, enrollment, and retention policies and procedures for each program. Certain policy and procedure options are left to the state. This chapter briefly reviews federal requirements and state options for setting eligibility policies and enrollment and retention procedures, and identifies the extent to which states have flexibility in determining working families' eligibility and the ease of application and benefit retention. In Appendix B, we provide detailed tables describing the choices made by the 50 states and the District of Columbia in areas where they have the flexibility to determine their own eligibility policies or procedural requirements.

For Medicaid and SCHIP, states have considerable latitude in setting eligibility policies such as income levels. States also have flexibility in setting procedures governing enrollment and re-determination processes. States have much less flexibility in the Food Stamp Program; they generally must follow federal guidelines. There are, however, some options for establishing eligibility and procedures governing enrollment and retention.

MEDICAID COVERAGE GROUPS FOR CHILDREN AND FAMILIES

The Medicaid program provides coverage to several groups of low-income individuals including children, pregnant women, families, and aged, blind, and disabled persons. Each coverage group has its own set of federal requirements and state options governing eligibility policies and procedures for enrollment in and renewal of benefits. Our study focuses on the three primary Medicaid coverage groups serving low-income families or children: Section 1931 Medicaid for families, Transitional Medical Assistance (TMA), and children's Medicaid. Many of the states we visited also serve low-income families through a Medically Needy coverage group or through a waiver of federal Medicaid requirements under Section 1115 of the Social Security Act.

Medicaid is jointly funded by state and federal dollars. State Medicaid spending is matched by the federal government in accordance with each state's federal Medicaid match rate, which is determined annually based on the state's per capita income for recent years. Current federal match rates range from 50 percent in more affluent states ($1 of federal funds matches $1 in state funds) to 76 percent in poorer states (slightly over $3 in federal funds matches $1 in state funds). Certain activities can receive a higher federal match. Because states pay up to 50 percent of the cost of Medicaid coverage, policies and processes that expand eligibility or increase enrollment will increase state Medicaid costs. Thus, budget considerations are likely to substantially influence states' choices in these areas.

Section 1931 Medicaid for Families (Parents and Children)

State Policy Options for Eligibility

The 1996 federal welfare law established a Medicaid coverage group for low-income families with children through a new Section 1931 of the Social Security Act. Prior to 1996, families receiving Aid to Families with Dependent Children (AFDC) automatically qualified for Medicaid, but often families—and, in particular, parents—not receiving welfare could not qualify for Medicaid. In replacing the AFDC program with the Temporary Assistance to Needy Families (TANF) block grant, Congress replaced the AFDC-linked Medicaid group with the Section 1931 eligibility group that is not linked to receipt of cash welfare. (This is often referred to as de-linking.) The primary purpose of establishing a separate Medicaid group was to assure that low-income families would not lose out on health coverage as a result of the changes in state welfare programs.

Medicaid eligibility under Section 1931 is based on certain rules and standards in effect under a state's AFDC plan on July 16, 1996. Specifically, states must provide Medicaid to families with children whose income and resources are below the state's AFDC income and resource standards in effect on July 16, 1996, and who meet certain AFDC family composition requirements as they were on July 16, 1996.

Under Section 1931, a state can vary from its July 16, 1996 rules in several ways, the most significant being the option to adopt "less restrictive methodologies" for consideration of income and assets.

Income and assets. Using less restrictive methodologies, a state can set Section 1931 eligibility policies that raise asset limits, or disregard assets altogether. They can also expand the amount of earnings disregarded in determining eligibility, as most states have done in their TANF programs. Many states have chosen to use less restrictive methodologies to align Section 1931 Medicaid policies with their TANF earnings disregard policies. Other states have expanded Section 1931 eligibility cut-offs beyond those used for TANF eligibility.

Generally, a state must use a single set of eligibility policies for its Section 1931 group. A state is permitted, however, to use different policies for earned income for all Section 1931 applicants than it uses for all Section 1931 recipients. For example, a state can have more

limited earnings disregards for Section 1931 applicants but use more generous earnings disregards for Section 1931 recipients. In addition, while nearly all states are required to use the same set of eligibility criteria for families whether or not they receive TANF, a few states can use different eligibility policies for TANF applicants and recipients than other Section 1931 families under prior AFDC waivers.

The national median income cut-off for a Section 1931 recipient with earnings is about three-fifths of the federal poverty line, but state eligibility limits range from 21 to 200 percent of the federal poverty line (see Appendix B). Fewer than 10 states use an income cut-off above the poverty line, while about one-quarter use an income threshold of below 50 percent of the poverty line. As shown in Table II-1, the 12 states we visited reflected the range in Section 1931 eligibility levels. A number of states, including some of the states we visited, use a higher income eligibility limit for recipients than for applicants. Some states also use a higher earnings disregard for a limited period of time for recipients.

Most states use less restrictive methodologies to raise Section 1931 asset tests from the July 16, 1996 levels, or eliminate them altogether. About half of the states set asset limits higher than $1,000 (the July 16, 1996 level for most states), and another quarter have eliminated asset tests altogether (see Appendix B). The states in this study spanned the range of these choices; four—Connecticut, Ohio, Oklahoma, and South Carolina—eliminated asset tests (see Table II-1).

Two-parent families. In setting Section 1931 eligibility policies, states have an option to treat two-parent families the same as single-parent families, or to make eligibility more restrictive for two-parent families. Specifically, a state can elect to continue or eliminate the AFDC family composition requirement limiting eligibility for two-parent families based on "unemployment" to those persons working fewer than 100 hours per month.[8] This so-called "100-hour rule" often categorically excluded working two-parent families from qualifying for benefits, even when family earnings were so low that the family was financially eligible. Nationally, fewer than a dozen states (including Arkansas and Utah, which appear in this study) continue to impose the 100-hour rule in their Section 1931 Medicaid group (see Appendix B and Table II-1). The remaining states have eliminated the 100-hour rule and substantially treat two-parent families the same as single parent families for Section 1931 eligibility.

[8] To the extent that a state had a statewide waiver of the AFDC "100-hour rule"—as 30 states had under the AFDC program—a state can extend Medicaid coverage under Section 1931 to all two-parent families. In addition, an HHS rule gives all states—including those that did not have 100-hour rule waivers—greater flexibility to extend coverage under Section 1931 to two-parent families with an employed parent.

Table II- 1
Policies Affecting Families' Initial and Ongoing Eligibility for Section 1931 Medicaid

	Section 1931 Medicaid Eligibility Limits for a Family of 3: Maximum Monthly Earned Income								
	Applicant		Recipient[a] (limit after expiration of time-limited earnings disregard in parentheses)		Eliminated Asset Test	Kept Asset Test But Disregards Entirely First Vehicle	Eliminated '100 Hour' Rule	Uses 1931 Disregards or Other Policy to Meet TMA Rules	Effectively Extends Transitional Coverage[b]
State	Dollars	Percent FPL	Dollars	Percent FPL					
U.S.					Yes: 16 No: 35	Yes: 18 No: 17	Yes: 42 No: 9	Yes: 19 No: 33	Yes: 13 No: 38
AL*	$254	21	$366 ($254)	30 (21)		✓	✓		
AR	$255	21	$638	52		✓			
CT	$1,918	157	$1,918	157	✓	--	✓	✓	✓
GA*	$756	42	$756 ($514)	62 (42)			✓	✓	✓
IN	$378	31	$378	31			✓		
ME	$1,918	157	$1,918	157		✓	✓	✓	
MN*	$942	77	$942 ($638)	77 (52)		✓	✓		
OH	$1,219	100	$1,219	100	✓	--	✓		
OK	$591	48	$591	48	✓	--	✓		
SC*	$1,219	100	$1,136 ($668)	93 (55)	✓	--	✓	✓	✓
UT*	$673	55	$995 ($673)	82 (55)				✓	✓
WA	$1,092	90	$1,092	90			✓	✓	

Source: 1931 Medicaid eligibility criteria for applicants and recipients: Data were initially collected during Kaiser-supported study entitled *Making Medicaid Work for Low-Income Families* and are accurate to June 2001, along with supplemental information from site visits and state agencies. For purposes of this table, these data were updated using the Federal Poverty Level for 2001.

[a]States marked with asterisk have time-limited earnings disregard for recipients. These states have a second parenthetical entry in this column . The first entry is the eligibility level with the initial earnings disregard, and the parenthetical entry reflects the eligibility level after this disregard has ended.

[b]Under Section 1931, states have the option to disregard all earnings for a period of time at the point where a family would lose eligibility for Medicaid due to an increase in earnings and before the family enters TMA, thus effectively extending their transitional coverage. These four states provide 24 months of extended Medicaid, by disregarding earnings for 12 months after the family reaches the income limit shown in the column for recipient income limits.

Sanctions. Under Section 1931, states have an option to terminate the Medicaid coverage of a non-pregnant adult who loses TANF due to refusal to comply with TANF work rules. Only 12 states have elected this option, including three states visited in this study: Alabama, Indiana, and South Carolina (see Appendix B). States choosing this option cannot, however, deny or terminate Medicaid coverage of children or pregnant women. Moreover, states cannot deny or terminate Medicaid for failure to comply with other TANF requirements, such as an immunization requirement. For Section 1931 Medicaid, all states must require cooperation with medical support requirements (for child support cases) and must sanction a non-pregnant adult who fails to cooperate without good cause.

State Procedural Options for Enrollment and Retention

Each state has a great deal of flexibility in establishing the procedures it uses to determine initial and ongoing eligibility for Medicaid. The options identified below in the context of Section 1931 Medicaid typically are available for other Medicaid groups as well. State choices made under these options are discussed in more detail in Chapters III, IV, and V.

Applications. States can choose whether families applying for Medicaid use a separate Medicaid-only application or a combined form that also includes TANF and/or food stamps. (States are required to make separate Medicaid-only applications available for pregnant women and children.)

Interview requirements. States can choose whether to require an interview for application or renewal, and, if so, whether it must be face-to-face or can be conducted over the telephone.

Verification. States are required to verify the immigrant status of non-citizens seeking benefits. Otherwise, states can choose the eligibility factors a family must verify, and can accept self-declaration of any or all eligibility factors.

Renewal. Under federal law, states must review eligibility for Medicaid at least once a year, and can choose to review it more frequently. Most states review eligibility for Section 1931 annually, although about a dozen states do so every six months. Four of the states we visited—Georgia, Maine, Ohio, and Oklahoma—reviewed eligibility every six months. A review can and, to the greatest extent possible, should be based on information already known to the agency. A state need not require any action or paperwork from the family if it has information to renew Medicaid.

Reporting of changes. Between reviews, states must require families to report changes of circumstances that affect their eligibility. States can meet this requirement by requiring a family to file a periodic report (e.g., monthly or quarterly) about changed circumstances. States need not require reporting of changes that do not affect eligibility—for example, assets in a state that does not consider them. States can disregard small fluctuations in income between certifications.

Under federal law, only state or county government employees can determine Medicaid eligibility. In addition, many rules that have long governed Medicaid continue to apply to Section 1931 Medicaid. States must conform to salient federal requirements including: (1) individuals have a right to apply without delay; (2) applications must be processed promptly and within 30 or, in some instances, 45 days; and (3) Medicaid for any coverage group should not be denied or terminated until the state has considered eligibility for Medicaid under any other coverage group.

Transitional Medical Assistance (Parents and Children)

State Policy Options for Eligibility

Under federal law, states must provide Transitional Medical Assistance for up to 12 months to families losing Section 1931 Medicaid coverage due to earnings, and four months to families who become ineligible due to receipt of child support income. TMA due to earnings is available automatically for six months and may be extended for an additional six months if a family's gross earnings, without child care costs, are below 185 percent of the federal poverty line. To qualify for TMA, a family must have qualified for Medicaid under Section 1931 for three of the prior six months.

Before the 1996 welfare law, TMA eligibility was triggered by loss of AFDC eligibility. In de-linking cash and Medicaid, Congress changed the TMA trigger; loss of Section 1931 eligibility rather than loss of cash assistance triggers TMA. In fact, a family can receive TMA without ever having received TANF cash assistance.

While basic TMA eligibility policies are set by federal law, state options to use less restrictive methodologies for Section 1931 Medicaid effectively allow a state to increase access by disregarding income for at least three months and thus delaying ineligibility for Section 1931 Medicaid. In doing so, a state can help a family meet the "3 of 6 month rule" to qualify for TMA or can, in effect, provide extended medical coverage for longer than the 12-month TMA period.

Extended Medicaid. Prior to the 1996 welfare law, some states obtained waivers to provide Transitional Medical Assistance for longer than 12 months. Now all states can use less restrictive methodologies in their Section 1931 groups to achieve the same result without a federal waiver. A state can, for example, disregard all earnings for Section 1931 Medicaid for 12 months. The family continues to receive Section 1931 Medicaid for this 12-month disregard period. When the disregard expires, the family may lose eligibility for Section 1931 Medicaid once earnings are counted, thus triggering up to 12 months of federally required TMA. The combined effect of these two periods is that the family receives a 24-month extension of Medicaid. This is often referred to as extended Medicaid. About a dozen states, including four states we visited in this study—Connecticut, Georgia, South Carolina, and Utah—provide 24 months of extended Medicaid (see Appendix B and Table II-1).

Mitigating the "three of six month" rule. By disregarding all income for at least three months for Section 1931 Medicaid, a state can ensure that the family receives Section

1931 Medicaid for the minimum three months needed to qualify for TMA. This can eliminate the TMA access barrier posed by the "three of six month requirement" for recipients who get jobs immediately upon enrolling in Medicaid. About one-third of the states have devised strategies to effectively waive the "three of six month requirement" including several states we visited in this study—Connecticut, Georgia, Maine, South Carolina, Utah, and, since the site visit, Washington (see Appendix B and Table II-1).

State Procedure Options for Enrollment and Retention

Under federal law, **s**tates cannot require a family to apply for TMA. Instead, TMA is automatically made available to families losing Section 1931 Medicaid due to earnings or child support. A state may require that a family verify earnings, or it may accept the family's self-declaration of employment and earnings. Under federal law, families receiving TMA must file quarterly reports.

Children's Medicaid Coverage Groups

State Policy Options for Eligibility

Children have other bases of Medicaid eligibility if the family does not receive Medicaid under Section 1931 or TMA. Under a series of expansions enacted in the 1980s and 1990s, states must provide Medicaid coverage to children under age 6 in families with incomes under 133 percent of the federal poverty line, and children under age 19 in families below 100 percent of the poverty line.[9] States can cover children beyond these minimum levels—over half do so, with about one-quarter of states covering at least some children at or above 200 percent of the poverty line. (In addition, nearly 30 states cover additional children at or above 200 percent of the poverty line through their separate state SCHIP programs, discussed below.) Similarly, federal law sets a floor for state asset tests that cannot be more restrictive than those used under the state's IV-A plan. States may, however, raise asset limits or eliminate them altogether. Some 44 states, including all of the study states except Utah, have eliminated asset tests in the children's Medicaid coverage group (see Appendix B and Table II-2).

State Procedure Options for Enrollment and Retention

States have a great deal of flexibility in establishing the processes to determine initial and ongoing Medicaid eligibility. As is the case for Section 1931 Medicaid, states can choose to use procedures for children's Medicaid such as short application forms, mail-in applications with no interviews required, and self-declaration of income and other circumstances without

[9] Mandatory coverage for children under the poverty line is required for children born after September 30, 1983, and thus is being phased in through passage of time. By September 30, 2002, states will be required to provide Medicaid for all children through age 18 in families with income below the federal poverty line.

Table II-2
Policies Affecting Initial and Ongoing Eligibility for Children's Medicaid and SCHIP

	Medicaid Coverage for Children Including Medicaid Expansion & SCHIP Medicaid Expansion Eligibility as Percent FPL				Separate State SCHIP Eligibility as Percent FPL		
State	Under 6 years	6 to 19 years	Eliminated Asset Test	Continuous Eligibility	Up to 19 Years	Eliminated Asset Test	Continuous Eligibility
AL	133	100	v	v	200	v	v
AR	200	200	v		--	--	--
CT	185	185	v	v	300	v	v
GA	133*	100	v		235	v	
IN	150	150	v	v	200	v	v
ME	150*	150	v	v	200	v	v
MN	275*	275	v		--[a]	--	--
OH	200	200	v		--	--	--
OK	185	185	v		--	--	--
SC	150	150	v	v	--	--	--
UT	133	100			200	v	v
WA	200	200	v	v	250	v	v

Source: Center on Budget and Policy Priorities, survey of state Medicaid and SCHIP enrollment and renewal procedures for the Kaiser Commission on Medicaid and the Uninsured, forthcoming 2002.

*These states have higher eligibility limits for children under 1 year of age

[a]Minnesota has a very small separate state SCHIP for 275 to 280% FPL but, due to its small size, this program is not routinely shown in Kaiser Commission on Medicaid and the Uninsured materials.

requiring verification. States must also meet requirements for timely processing and reviewing eligibility before denying or terminating benefits. There are also several additional options and requirements for children's coverage.

Outstationed enrollment. Federal law requires states to ensure that enrollment sites for Medicaid for children and pregnant women are available at certain locations, namely hospitals and community health centers. Beyond that, states can choose to enable enrollment at such locations as school-linked services centers, WIC clinics, child care programs, and other places frequently visited by families and children. States can also use outstationed workers to complete renewals.

Continuous eligibility. States must review eligibility for Medicaid at least once a year, and can choose to do so more frequently. Over 40 states review children's Medicaid annually; most of the remaining states review eligibility every six months. States have an

option to authorize continuous eligibility for children; about one-third do so (see Appendix B). Under continuous eligibility, changes in circumstances between reviews (except ineligibility due to age or an out-of-state move) do not affect the child's eligibility and need not be reported.

STATE CHILDREN'S HEALTH INSURANCE PROGRAM (SCHIP)

In 1997, the federal government established the federally matched State Children's Health Insurance Program. SCHIP provides states with enhanced fiscal incentives to expand Medicaid for children, establish a separate child health insurance program, or adopt a combination of both approaches to cover children with family incomes up to 200 percent of the poverty line (or higher in some states).[10]

SCHIP is a federal block grant with a state match. Federal funds are established for each state based on an allocation formula. The federal match for SCHIP derives from and enhances the Medicaid match to assure that the federal government will pick up anywhere from 65 percent to 85 percent of the cost of financing children's health insurance.

Medicaid expansion. States can use SCHIP funds to expand Medicaid eligibility for children beyond the criteria the state used as of April 15, 1997. States have wide latitude to set income and asset limits for children's Medicaid.

Separate state SCHIPs. States that opt to spend their funds in separate state SCHIP programs also have wide latitude in determining eligibility criteria. As with children's Medicaid, states can set any asset limit, or choose not to consider family assets at all in their separate state SCHIPs. States have broad flexibility to determine which uninsured children they will cover.

Combination of approaches. A number of states, including some of the sites we visited, use a combination of expanding Medicaid and establishing a separate state SCHIP to cover children. Sometimes this involves covering the lowest-income children in Medicaid and others in SCHIP. For example, Indiana serves all children under age 19 with family incomes under 150 percent of the federal poverty level in Medicaid, and those between 150 and 200 percent of poverty in a separate state SCHIP. Other states have extended Medicaid coverage to *all* children under age 19 with family income below poverty (before the mandatory Medicaid phase-in required such coverage), while also establishing a separate state SCHIP for children in families with income higher than the Medicaid cut-off.

Thirty-five states, including seven states in this study, have separate state SCHIPs. Twenty of these states cover children with family income up to 200 percent of the poverty

[10] States that already covered children at or above 200 percent of the federal poverty line under their Medicaid program as of June 1, 1997, may use the SCHIP funds to cover children with family incomes up to 50 percentage points above the Medicaid limit.

line; the remaining states have income cut-offs either above (nine states) or below (six states) 200 percent of poverty. All states except one have eliminated asset tests in the separate state SCHIPs (see Appendix B and Table II-2).

A state with a separate state SCHIP must screen all children during the application process to determine Medicaid eligibility, and enroll those who are eligible. Nearly all states with a separate state SCHIP use a joint application for children's Medicaid and SCHIP, which simplifies the process of screening and enrolling children in the appropriate program. Most also use a joint renewal form.

States also have broad choices about the procedures they use for SCHIP applications or renewals. As in children's Medicaid, states can set their own interview and verification requirements. They must review eligibility at least annually, and may use continuous eligibility between reviews.

THE FOOD STAMP PROGRAM

State Policy Options for Eligibility

Federal law sets most food stamp eligibility policies. Food stamp benefits issued by states are wholly funded by federal dollars. State costs in administering the Food Stamp Program are matched by the federal government on a 50/50 basis.

Food stamps are available to individuals in households with gross income below 130 percent of federal poverty line who meet asset tests and other requirements. Generally, a household cannot have more than $2,000 in assets ($3,000 if elderly), and cannot have a vehicle valued at more than $4,650 unless the vehicle is an excluded asset. Detailed federal rules govern calculation of the amount of benefits, treatment of earnings, limits on benefits for able-bodied adults without dependents, and other eligibility policies. Within the largely federal eligibility policies, states have some options. In some instances, the design of state policies in such programs as TANF can affect the application of federal food stamp requirements.

As with Medicaid, eligibility for food stamps must be determined by a state or county employee.

Expanded categorical eligibility. Under federal law, recipients of SSI and AFDC or TANF-funded cash assistance have long been exempted from food stamp asset and vehicle limits because they are considered categorically eligible for food stamps. Under the TANF block grant, many families not receiving cash assistance but receiving benefits or services funded with federal TANF or state Maintenance of Effort (MOE) dollars may be considered categorically eligible for food stamps. USDA has provided guidance on when states may, and in some instances must, consider families receiving such benefits categorically eligible.

As of July 2000, 30 states had reported to USDA on plans to use expanded categorical eligibility options (Food Research and Action Center and America's Second Harvest 2000). A number of states we visited extend food stamp categorical eligibility to former TANF

families who continue to receive child care or other support services. In Arkansas, for example, all families leaving TANF qualify for case management services for one year, and are thus considered categorically eligible for food stamps. In addition, Arkansas families leaving TANF and receiving child care (available for up to three years) remain categorically eligible for food stamps.

Use state TANF policy on vehicles. Effective July 1, 2001, states have an option to increase or eliminate the food stamp vehicle limit by aligning it with the vehicle limit used in their TANF program (as long as the latter is not more restrictive). When a state chooses this option, the new vehicle limit applies to all food stamp households, not just families with children. States can extend a vehicle limit from a program other than TANF cash assistance, so long as the program provides assistance that is funded with TANF or state MOE dollars. States have responded positively to this option. About two-thirds of the states have liberalized the treatment of vehicles in their Food Stamp Program, or have firm plans to do so. A number of states we visited had or were planning to implement this option. Most states are using this new food stamp option to exclude the value of one or more vehicles entirely, while a few states have raised the limit. Most have liberalized the vehicle rules this way, but a few states have done so through expanded categorical eligibility.

Sanctions. Federal food stamp law requires states to impose sanctions in certain circumstances, and allows states the option to impose or increase sanctions in other circumstances. Federal law generally prohibits states from increasing a household's food stamp benefits to reflect the loss of income when TANF benefits are reduced due to a sanction. States can use an alternate approach to implement this provision and simply reduce a household's food stamps by up to 25 percent when imposing a TANF sanction.

Federal law also requires states to sanction the food stamps of a non-exempt head of household who refuses to participate in food stamp work requirements, and allows states to extend the sanction to the entire household and terminate benefits. States also have an option to disqualify an adult who does not comply with any type of TANF conduct requirement, such as immunization or school attendance.

State Procedure Options for Enrollment and Retention

Although states have greater flexibility to set enrollment and retention procedures than eligibility policies for food stamps, there are federal procedural requirements. Moreover, state concerns about penalties under the Food Stamp Quality Control system frequently dominate procedural choices, so that states often do not use more flexible processing options.[11]

[11] State compliance with detailed federal policies and procedures is measured through a Quality Control audit system. States with a QC error rate exceeding the national average (roughly half of the states) face fiscal sanctions. Concerns about Quality Control error rates may drive a state, for example, to review eligibility more frequently than once a year and to

Households are approved for food stamps for a fixed certification period, after which time they must apply for recertification, typically by appearing for an interview and providing new verification. If they fail to do so, the benefits will automatically end. (These requirements differ from those for Medicaid review, under which a state can renew Medicaid based on information known to the state, without necessary action or information from the family.)

Length of certification periods. Under federal law, states must set a certification period of 12 months or less for most households with children. States can set shorter certification periods of three or six months, and many states do. Because food stamp benefit amounts are sensitive to relatively small fluctuations in income—unlike Medicaid, which is more of an "on/off" switch—many states require frequent recertification to identify changed family circumstances.

States can use different certification periods for different groups of families. For example, states frequently use shorter certification periods for employed families whose income might change or fluctuate. States can also use different certification periods for TANF families and non-TANF families.

Nationally, more than one-third of all families with earnings are assigned certification periods of three months or less. There is tremendous variation among states, however, ranging from less than one percent of working families in some states receiving short certification periods, to over 90 percent in others (see Appendix B). The states in this study reflected this range with one percent or less of families assigned to short certification periods in Alabama, Arkansas, and Connecticut, to more than 80 percent of such families assigned to short certification periods in Oklahoma, Georgia, and Maine (see Table II-3).

Face-to-face interviews. Federal law generally requires an in-person interview for application and recertification, but it can be waived due to hardship on a case-by-case basis. Under some circumstances, states can waive in-person recertification interviews across the board, as long as one is conducted at least annually. Some states that review eligibility more frequently than once a year use mail-in or telephone reviews between annual face-to-face reviews.

Verification. Federal law requires that states verify a handful of eligibility factors including identity, Social Security number, residency, immigration status of aliens, income, child support obligations and payments made (where relevant), disability (where relevant), and any information that the state considers questionable. States must establish guidelines to

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(*continued*)
verify more eligibility factors than required under federal law. States consider food stamp households with earnings to be more error-prone than households with fixed unearned income such as SSI recipients. Thus, state QC concerns have led to greater food stamp retention barriers for welfare families as they have gone to work.

Table II-3
Percent of Households with Short Food Stamp Certification Periods in FY 2000

State	All Households	All Households with Children	All Households with Children and Earnings
U.S.	18.5	26.0	37.8
Alabama	2.8	2.6	0.4
Arkansas	1.8	1.4	0.3
Connecticut	1.9	1.8	1.1
Georgia	36.1	51.7	82.5
Indiana	12.2	16.4	27.1
Maine	26.6	52.3	90.5
Minnesota	0.1	0.0	0.0
Ohio	19.6	34.0	67.5
Oklahoma	45.1	70.1	86.6
South Carolina	0.3	0.6	0.8
Utah	34.0	50.2	71.1
Washington	36.3	51.2	51.9

Source: Center on Budget and Policy Priorities, Analysis of USDA Quality Control Data for FY 2000.

determine when information will be considered questionable. Upon recertification, states shall not verify information that has not changed unless it is questionable.

States frequently choose to verify more information at application and certification because of QC error rate concerns. For example, states are not required to verify assets, but many states require families to verify bank accounts and vehicles. Housing costs and household composition are items for which verification is often required.

Reporting changes of circumstances. States have new options and incentives to use greater flexibility in defining the types of changes a family must report, and the frequency of reporting. To capture information about a family's current circumstances during a certification period, states can use change reporting, periodic reporting, and a new hybrid called semiannual reporting. States may require different reporting methods for different groups of households.

Change reporting. Under this method, families submit reports only if certain types of changes have occurred. States have a number of options about the types of changes that must be reported. For example, states can require a family to report only changes in earnings that exceed $100, or only changes in employment status such as obtaining or losing a job. Most states use change reporting for some or all food stamp households.

Periodic reporting. A state using a periodic reporting system requires families to file a report (typically monthly or quarterly) regardless of whether there have been any changes in circumstances; the family generally is not required to report changes between these periods. Under a recent USDA policy announcement, a state can use quarterly (rather than monthly) reports for *all* families; this is a change from prior policy allowing quarterly reporting only for employed families. States using quarterly reporting must obtain an administrative waiver from USDA. About 10 states use monthly reporting and another 10 use quarterly reporting for at least some households.

Semiannual reporting. Under this new option, families must file a report at six months and report changes between these periods only if household income exceeds 130 percent of the federal poverty line. The semiannual reporting option became available in January 2001, and nearly half of the states are implementing or considering this option.

The recent food stamp options of universal quarterly reporting and semiannual reporting now provide states with an ability to better serve low-income working families while assuring that they will not be penalized in the QC system for lessening barriers for these families. A family is not required to notify states of changes between quarterly reporting periods; a state is not penalized for failure to adjust food stamps based on a change of circumstances between quarterly reports. Similarly, under the semiannual reporting option, food stamp benefit amounts are frozen for six months and a family is not required to report changes *unless* family income exceeds 130 percent of the poverty line ($1,585 per month for a family of three). Thus, the state generally is protected from QC errors for failing to adjust food stamps for fluctuating earnings during the six-month period.

SUMMARY

Medicaid, SCHIP, and food stamps are often considered a package of supports for low-income families. At the family and local welfare office level, these programs often—but not always—serve the same families through joint application processes. However, at the federal and state levels, where most policies and procedures are set, these programs differ significantly.

There is a broad perception that states have greater flexibility in establishing policies and procedures for Medicaid and SCHIP than for food stamps. As Table II-4 shows, that perception is based on real differences in the options available to states. At the same time, states may not exercise what flexibility they have in food stamps, due to concerns about the Quality Control error rate. Recent policy changes in vehicle tests and the option for semiannual reporting may increase state flexibility and willingness to use it. Nonetheless, at least in the short term, the divergence of eligibility and procedural requirements for SCHIP, Medicaid, and the Food Stamp Program may complicate families' understanding of the benefits for which they are eligible, and may affect their decisions about application.

Nearly all poor children qualify for both food stamps and Medicaid. For parents, eligibility for these two programs often diverges quite significantly. In a small number of states, parents are eligible for Medicaid at higher income levels than for the Food Stamp

Table II-4
State Flexibility on Selected Medicaid and Food Stamp Eligibility Policies and Enrollment/Retention Procedures

	Medicaid (Section 1931 and Children's Medicaid)	Food Stamps
Income Eligibility Levels	Federally required minimum levels; state has flexibility to set higher income cut-offs.	Federally established eligibility level at 130% federal poverty line.
Asset Limits	Federally required minimum limits; state has flexibility to set higher limits or to eliminate asset tests.	Federal limits: $2,000 ($3,000 if elderly) and vehicle valued at $4,650; state has options to expand categorical eligibility to eliminate asset tests for some families and to substitute vehicle limit used in a TANF or MOE-funded assistance program.
Frequency of Recertification	Must be at least annual and can be more frequent.	Must be at least annual and can be more frequent.
Verification Requirements	States required to verify immigrant status of non-citizens applying for benefits. Any additional verification is state option.	States are required to verify identity, child support obligations and payments, residency, immigration status of aliens, income, SSN, and information that the state considers questionable (as defined by the state). Any additional verification is state option. On review, states shall not verify information that has not changed unless questionable.
Interview Requirements	State option.	Face-to-face interview required at application and recertification unless waived on a case-by-case basis due to hardship. State has the option (through waiver) to eliminate some face-to-face reviews, as long as one interview occurs annually.

Program. But, in many states, parents' eligibility for Medicaid is substantially lower—in several of the study states, Medicaid parents' eligibility levels are so low that virtually any employment would make them ineligible. Parents receiving Medicaid for three months prior to their employment or living in a state that has opted to waive this requirement may be eligible for TMA, but TMA participation has always been low. The differences in eligibility criteria for these work supports are almost certain to make it difficult for families to know which benefits they are eligible for and when.

Families have traditionally applied for both food stamps and Medicaid benefits at the welfare office, often at the same time they applied for cash assistance. As more families move into the labor force, their decisions about whether to apply for these work supports are likely to be influenced by their perceptions of the likelihood of receiving benefits and the

"opportunity costs" associated with applying for them. In recent years, states have implemented simplified enrollment and retention procedures for children's Medicaid and SCHIP and states have extended some or all of these streamlined enrollment policies to Section 1931 Medicaid, making it possible for some families to apply without ever going to a welfare office. In contrast, families generally must visit the welfare office to apply for food stamps, making the opportunity costs of applying for food stamps substantially higher than for Medicaid.

In the past, families may have decided whether or not to apply for benefits based on the full package available to them. It appears that we may be moving to a system where each program decision is made independently, making it important to make the application and renewal process for each program as simple as possible. The programs' varying eligibility criteria and procedural requirements for application and retention also are likely to make it more complicated for workers to determine eligibility, for systems staff to develop automated eligibility determination systems, and for program managers to organize workers in a way that is efficient and cost-effective.

CHAPTER III

INCREASING AWARENESS ABOUT THE AVAILABILITY OF PUBLIC BENEFITS AND THE PROCESS OF APPLYING FOR THEM

In recent years, the number of low-income working families has risen, while the number of families receiving cash assistance has fallen sharply. This has led to new challenges for public agencies that deliver health and nutritional benefits to families—specifically, educating families about the Food Stamp, Medicaid, and SCHIP programs, and encouraging them to apply for appropriate benefits. Until recently, few states or local welfare offices conducted outreach for these programs, leaving interested states with little experience to draw upon. In order to be successful, outreach efforts need to reach families who are not aware they may be eligible, provide them with information on how to apply, and convince them that the benefits available are greater than the costs of application. This often means correcting misinformation about program eligibility requirements, reducing any discomfort families may have about receiving "welfare," and reducing the opportunity costs of applying for benefits.

Many states have developed expansive public information and outreach campaigns to increase participation in children's Medicaid and SCHIP programs. Although federal funds are available to offset the costs of these activities (see box), they have been slower to use outreach to increase participation in Section 1931 Medicaid and food stamps. We observed this pattern in the study states—the most extensive outreach efforts were focused on enrolling children in Medicaid and SCHIP, with more limited efforts to enroll parents in Medicaid and families in food stamps. In general, outreach efforts were focused on one, rather than multiple programs. When in place for more than one program at the same site, these outreach efforts generally operated independently of one another. Only Washington State had a campaign in place to make working families aware of all of the benefits available to them.

Sources of Funding for Outreach Activities

States can draw upon several different funding sources to conduct outreach activities.

The $500 million fund. For Medicaid outreach, states can use the "$500 million fund," created through the Personal Responsibility and Work Opportunity and Reconciliation Act (PRWORA) to help states improve their Medicaid enrollment and eligibility determination process. Resources from the $500 million fund can be used to create public service announcements, outstation eligibility workers, develop and disseminate new marketing materials targeting individuals at risk of losing Medicaid coverage, and train workers and the community on eligibility policy and application procedures. They can also use the funds to redesign application forms and update computer systems. As of December 2001, $209 million (about 58 percent) of the $500 million set aside for Medicaid outreach had been spent.

Administrative matching funds. States can receive federal matching funds for outreach activities for food stamps, Medicaid, or SCHIP. The matching rate depends on the program for which outreach is conducted. In the case of SCHIP, outreach and other administrative costs are limited to 10 percent of a state's SCHIP allocation. For the Food Stamp Program, a 50 percent federal match is available for activities that inform low-income households about the availability, eligibility, application procedures, and benefits. To receive the matching funds, a state agency must submit an optional Food Stamp Outreach plan to the regional Food and Nutrition Service (FNS) office. In FY 1999, only nine states (including two of the study states, Washington and Connecticut), had submitted plans. In FY 2000, that number increased to 17.

TANF block grant or maintenance-of-effort funds. TANF block grant or maintenance-of-effort (MOE) funds can also be used to help fund state costs for outreach for Medicaid and SCHIP but not food stamps.

Private funding. Significant private funding ($47 million) was also made available for SCHIP outreach by the Robert Wood Johnson Foundation through its Covering Kids Initiative. Through a new initiative, Covering Kids and Families, the foundation will make an additional $55 million available in grants to state and local coalitions to increase the number of eligible children and parents participating in Medicaid and SCHIP.

The sites designed their outreach activities to increase families' awareness of the benefits to which they might be entitled, inform them of the application process and, in some cases, provide assistance with it. Broadly speaking, the sites' outreach efforts were of two types: (1) public information campaigns relying on a broad range of mass marketing techniques, and (2) community outreach activities relying on more targeted and individualized staff efforts. The following sections describe these activities and the factors that seemed to contribute to their success. We conclude with a discussion of the challenges states and localities face in increasing families' awareness of their eligibility for food stamps, Medicaid, and SCHIP, and encouraging them to apply for benefits.

PUBLIC INFORMATION CAMPAIGNS

The study states all implemented high-profile public information campaigns to increase participation of children in Medicaid and SCHIP programs. In all cases, the public information campaigns were conducted statewide, usually with substantial local involvement in the design and implementation. To broaden their reach, several states involved state or local coalitions in the planning and implementation of their public information campaigns.

Large Numbers of Families Enrolled After Start of State Campaigns

The states that implemented these campaigns felt they were extremely effective at increasing awareness and encouraging parents to enroll their children in the programs. Several states indicated that their offices were flooded with applications or requests for applications after launching their campaigns. Utah exceeded its enrollment targets for two years. Oklahoma reported receiving 25,000 calls per month during the first three months of their campaign. Indiana received far more applications than they anticipated, requiring them to enlist the support of local agencies to help with processing. During the first three months of the campaign, nearly 20,000 children were enrolled. In Washington, the number of children enrolled in the Medicaid children's groups grew by 25 percent between July 1997 and March 2001. None of Washington State's increase in children's Medicaid is attributable to the expansion of eligibility; it is all a result of increased enrollment, retention, or transfer from other Medicaid programs.

Although not always required to do so, many families applied for children's Medicaid at the welfare office. Families appearing at the welfare office were generally considered for all benefits for which they might be eligible. Consequently, some of the states saw enrollment in other programs increase. For example, in Indiana, adult enrollment in Medicaid increased by almost 16 percent from 1998 to 1999, reversing a 20 percent decline from 1997 to 1998. It is difficult to determine whether this increase stemmed from the fact that more families enrolled in the program or from the fact that more retained their Medicaid benefits by remaining on transitional Medicaid/TMA. However, it is not unreasonable to attribute, at least in part, the sweeping reversal in adult enrollment to a greater awareness of Medicaid brought about by the outreach and publicity associated with enrolling children in Medicaid and SCHIP.

Multiple Methods to Get the Word Out and Careful Planning Contributed to Success

Media strategies. Most often, these campaigns included announcements on radio, television and in local newspapers. Other strategies included printing information on pharmacy bags, telephone books and making announcements at local sporting events. Some states also worked to obtain additional free coverage by doing interviews, stories, and editorials in the local media. To ensure that their efforts were targeted appropriately, several states monitored their efforts. Washington tested its advertising and marketing materials with local staff and clients to ensure the messages would be appropriate and effective. Oklahoma stopped advertising in movie theaters when staff learned these ads produced very limited applications. To expand the reach of their campaign, officials in Washington State

Help for Working Families Media campaign and Call Center (Washington State)

Washington initiated the Help for Working Families campaign in the spring of 2000 to provide information about the public benefits available to working families, including Medicaid, SCHIP, food stamps, child support, and child care. Marketing materials were created and distributed and a Web site (www.Washington.gov.workfirst) was established. A call center was created to provide general and specific information to interested callers. Workers at the call center could make Medicaid eligibility determinations for children and pregnant women, and could provide information about collecting child support. Applications were mailed to families interested in applying for food stamps or child care. Due to funding constraints, the call center functions were eventually transferred to the local and regional offices.

negotiated with media companies to donate a slot of equal value for each ad the state purchased.

Collateral marketing materials. Public information campaigns were often organized and implemented at the state level. Development of collateral marketing materials helped local welfare offices to actively participate in the campaigns. At a minimum, collateral materials included brochures explaining the program and enrollment packets. Other materials included posters and professional displays for information booths and templates for locally designed materials. Local staff felt materials directed at children—coloring books, lunch bags, t-shirts, and rulers—were especially effective at getting people's attention at community events.

Application support systems. The purpose of public information campaigns is to get people who might not otherwise do so to enroll in public benefit programs. Thus, a key component of a successful campaign is having appropriate systems in place to answer questions and provide and process applications. States established call centers with a toll free number through which people could request information or an application. In addition, applications were made available at hospitals, clinics, grocery stores, public agencies, and local social service providers. Some states also made their applications available on the Internet. Some states established central units to process applications as they were submitted while others fielded applications to their regular eligibility staff. Some states also hosted local enrollment fairs where they could determine eligibility on the spot. Even with simplified application requirements in place, some states had to develop strategies to process more applications than they had anticipated.

A Child-Focused Message Distinguished These Programs from "Welfare"

The states that engaged in the most extensive public information campaigns worked hard to craft a message promoting their programs as a benefit for children or working families, rather than welfare. They took great care not to make any reference to programs (e.g., Medicaid) or places (e.g., the welfare office) that might discourage families from enrolling. While most people interviewed were supportive of this approach, staff in one state's welfare office felt that the state missed an opportunity to change the perception of welfare and the supports it provides to working families.

Using the Internet to Increase Awareness of Public Benefit Programs

Some of the study sites have begun to explore ways in which they can use the Internet to increase awareness of public benefits. For example, Oklahoma, Alabama, and Washington have made their children's Medicaid/SCHIP applications available on the Internet. Several other states are in varying stages of developing a Web-based computer application that allows families to complete a preliminary eligibility assessment for many of the social and human services programs offered by the state, including food stamps and Medicaid. With many of these systems, a potential client may access a high-level assessment tool that collects basic demographic data and then conducts a preliminary assessment of the programs for which the citizen may be eligible. While the systems (or system designs) vary among the states included in the study, most plan to provide the potential applicant with a list of programs for which they may be eligible, relevant program and application information, and in some cases, the ability to print applications.

COMMUNITY OUTREACH EFFORTS

In addition to their public information campaigns, a number of the study sites developed community-based initiatives to increase awareness and provide information and assistance on applying for benefits. Unlike public information campaigns that focused almost exclusively on children's Medicaid/SCHIP, we identified a number of community outreach efforts that focused on increasing awareness of Section 1931 Medicaid and food stamps.

Local Outreach Conducted in Many and Diverse Settings

While public information campaigns rely on the media to provide eligible families with information, community outreach activities are labor-intensive, relying on local staff to identify opportunities within the community to reach eligible families. As a result, flexibility and breadth are key to the success of these efforts.

Presence at community activities. As a part of their efforts to spread the word about the availability of public benefits, local outreach staffs spend considerable time at activities

where eligible families are likely to be found—including county fairs, parades, PTA meetings, church gatherings, and health fairs. At these events, families can receive information on the program and complete an application. In some cases, especially for children's Medicaid and SCHIP, eligibility is determined on the spot. In other cases, the application is forwarded to a central processing unit or the local welfare office for eligibility determination.

Collaboration with local schools. The study sites engaged in a broad range of activities to involve public schools in their efforts to increase awareness and enroll families in public benefit programs. These activities included sending fliers home from school that explain the program and how to apply for it, and coordinating with the free and reduced-price school lunch program to send information home with participants or allow families to check a box on the application for more information. One state, Arkansas, was beginning to train school nurses to identify, enroll, and re-enroll children in children's Medicaid. They also established a "Coaches' Campaign" to engage athletic coaches in helping to identify and enroll middle and high school students in the programs.

Collaboration with local employers. Several of the study sites were actively working with employers to increase enrollment in public benefit programs. Outreach staff members in Oklahoma target their efforts to small businesses that may not offer health insurance or offer it only for the employee. The staff in Crittenden County, South Carolina, targets employees during layoffs, using on-site visits to provide information and accept applications.

Education and training of staff in community-based programs. Several of the sites trained staff of community organizations on the application procedures and eligibility requirements for SCHIP, Medicaid or food stamps. In some sites, staffs were also trained to assist clients with applications.

Outreach Conducted by County or State Eligibility Workers and Community Groups

A number of the community outreach efforts we identified were designed to create new avenues for families to learn about and apply for public benefits. They were created as ongoing efforts, rather than short-term, high-profile events. The sites used a variety of strategies to integrate these into their regular eligibility determination activities. In some cases, the outreach activities were designed to inform families about benefits and to help them complete the application, while others were designed to determine eligibility in places other than the welfare office. The former activities were conducted by a combination of staff from community-based organizations and state or county offices; the latter were conducted only by state or county employees.

Dedicated outreach units. Two of the study states, Oklahoma and Georgia, established separate units staffed by state employees to conduct outreach, take applications, and determine eligibility in the community. Like the public information campaigns, these efforts focused on enrolling children in Medicaid and SCHIP. In Oklahoma, even though the outreach efforts primarily target children, persons eligible for Section 1931 Medicaid can apply for benefits through an outreach worker. In Georgia, efforts target pregnant women and children; at the time of our visit the state was considering whether to expand its efforts

to include Section 1931 Medicaid. The outreach staff in both Oklahoma and Georgia have been very successful in enrolling eligible children in Medicaid/SCHIP. In Georgia, outreach workers completed 109,793 applications in FY 2000, of which 80 percent were approved. Between FY 1996 and 2000, the outreach caseload increased by 16 percent. Although the outreach units in these two states operate somewhat differently, they share several common features:

- They are staffed by eligibility workers who are state employees.
- Outreach staff determines initial eligibility but do not carry an ongoing caseload.
- All outreach staff work in a single statewide unit (dispersed geographically), which allows for sharing of outreach strategies and techniques.
- Outreach staffers are encouraged to spend as much time as possible in the community.
- Outreach staff work flexible hours, in order to accommodate the needs of working families.
- Staff are encouraged to be creative in identifying opportunities to reach potentially eligible families.
- Outreach efforts are supported by a simplified application process.

Right from the Start Medicaid Outreach (Georgia)

Georgia's Right from the Start Medicaid (RSM) outreach unit is focused on enrolling children and pregnant women in Medicaid. The outreach unit is staffed by 143 outreach workers, 20 supervisors, and 4 managers. Many of the outreach workers are former eligibility workers who are hired to do outreach in the communities in which they live. Outreach workers' offices are in community locations such as health departments, hospitals, government buildings, schools, and churches. Each worker is required to conduct outreach and process Medicaid applications eight nontraditional hours per week (i.e., outside the normal 8.-5 workday). They are also required to conduct 48 community presentations each year, including 12 at major events attended by 30 or more people. To keep the RSM workers' efforts focused on outreach, they determine eligibility and then pass the case along to eligibility staff in the local welfare office. The outreach workers have great flexibility in the events they plan, which gives them a sense of ownership. It also increases communication among all levels of the RSM staff as they share ideas on how to improve outreach tactics. The RSM workers attend a yearly conference where they receive training and share ideas.

Expansion of current eligibility staff responsibilities. Three of the study states, Arkansas, Connecticut, and Indiana, added outreach activities to their current staff responsibilities. In Indiana, the state authorized unlimited overtime for eligibility staff to conduct community outreach activities. Overtime was used to support activities such as

participating in PTA meetings, church functions, or neighborhood gatherings. To reach more employed families, Arkansas stations eligibility workers one day a week at the local one-stop centers to take applications for food stamps and Medicaid. When Connecticut expanded eligibility for Medicaid to families with incomes below 150 percent of the federal poverty line, the Bridgeport office established a separate unit to handle Medicaid-only cases. In addition to their regular responsibilities to determine initial and ongoing eligibility, staff members were asked to contact all families in which only the children were receiving Medicaid to encourage their parents to apply for the benefits newly available to them.

Development of formal relationships with community groups. Several of the study states enlisted community groups in their efforts to identify and enroll families. The study states used community groups to conduct outreach for Medicaid, SCHIP and food stamps. Activities conducted by these groups include making presentations at community meetings, providing program applications and helping families complete them, forwarding applications to the local welfare office, and developing specialized marketing strategies and materials for underserved groups such as Indian tribes, immigrants, and non-English-speakers. Unlike state outreach workers, community groups cannot determine eligibility. However, if a face-to-face interview is not required to complete the application, a family can apply for benefits without visiting the welfare office. With the exception of Indiana, all of the states that enlisted community groups to assist with outreach offered payment, either by engaging in a formal fixed-price contract or paying groups for each application submitted or contact made.

Community-Based Enrollment Centers
(Indiana)

Indiana established community-based "enrollment centers" to enroll children in Hoosier Healthwise, the state's Medicaid and SCHIP program. The centers are located in places where children likely to be eligible for Hoosier Healthwise are routinely present with their parents or caretakers, such as community health centers, county health departments, and child-oriented social service agencies such as Head Start centers, child care agencies, and community action programs. The purpose of the enrollment centers was to provide information to parents about the availability of health insurance for their children and to offer them a convenient, friendly place where they could apply for coverage for their children. There are now more than 500 enrollment centers statewide. Enrollment center staff are responsible for helping families complete applications for children, collecting the necessary verification materials, and forwarding the application and supporting materials to the local welfare office where eligibility workers determine eligibility. Welfare office staff train enrollment center staff, and the centers develop memorandums of agreement with the local welfare office regarding their activities. Enrollment centers do not, however, receive funding for their efforts.

Food Stamp Outreach Efforts More Individually Based, Less High Profile

Several of the sites we visited had contracts in place with community groups to conduct outreach for the Food Stamp Program. The outreach provided by these organizations was of two types: (1) design and distribution of marketing materials to increase awareness of the availability of benefits, and (2) application assistance. Unlike local efforts for children's Medicaid/SCHIP, the organizations providing food stamp outreach did not have the advantage of building on a high-profile statewide public information campaign. In addition, the complexity of the food stamp application in some states requires outreach staff to spend considerable time helping interested families apply, reducing the number of families to whom they can offer assistance.

Linking Health and Nutrition:
Community Outreach for the Food Stamp Program
(Hennepin County, Minnesota)

In Hennepin County, Minnesota, the Linking Health and Nutrition through Community Outreach project provides outreach and application assistance for food stamps through medical clinics, community-based social service organizations, and through a nutrition program operated by the Cooperative Extension Service named Simply Good Eating (SGE). Funding for this program comes from the state via food stamp reinvestment funds. In addition to distributing food stamp brochures, outreach workers help applicants fill out a screening form to assess eligibility for food stamps, and help them complete the 26-page application form, if they appear eligible. The application is then forwarded to a program coordinator who determines eligibility.

The SGE program has a greater focus on educating participants about food stamps. If they are interested, a referral form is filled out and passed to the pilot coordinator, who arranges for an application to be completed. One difficulty with this outreach has been training outstation workers to fill out the application form correctly and obtain the needed documentation.

CHALLENGES TO SUSTAINING AND EXPANDING OUTREACH EFFORTS

Although the study states believe that their outreach efforts are an important component of getting families to apply for public benefits, there is little systematic data being collected to document the effectiveness of these efforts. In addition, the study states faced numerous challenges in implementing and sustaining their efforts. In some sites, it was difficult to obtain ongoing funding for outreach activities, requiring staff to scale back their efforts over time. In others, concerns about error rates for food stamps limited the investments they were willing to make in outreach activities. In some communities, lengthy application processes made it difficult to encourage families to apply for benefits. In communities with large immigrant populations, concerns over requirements to report undocumented noncitizens to the Immigration and Naturalization Service discouraged

outreach workers from recruiting families to apply for benefits. Finally, issues with ongoing enrollment or service delivery often made outreach staff feel that their efforts were not as effective as possible, as post-application enrollment problems may eventually discourage families and cause them to drop out after a short while.

In many ways the advent of the SCHIP program provided an impetus for states to develop broad-based public information campaigns and to conduct local outreach activities. Private funding from the Robert Wood Johnson Foundation for SCHIP outreach encouraged the involvement of advocates and other community groups interested in expanding insurance coverage for children. In addition, as a new program focused on children, SCHIP provided a benefit for which there is broad public support. As a result, the burden of mounting a public information campaign did not rest solely with the government.

While not impossible, it is likely to be far more complicated for states to mount equally successful public information campaigns for Section 1931 Medicaid and Food Stamps. Cost concerns have led to ambivalence about increasing participation in these programs; these concerns are likely to intensify as states face growing budget deficits. This consideration is of primary importance for increasing enrollment in Medicaid, where states bear as much as 50 percent of costs incurred. For food stamps, states or counties would only bear a portion of the cost for processing additional applications, as the benefits are funded entirely by federal dollars. Neither program engenders the same degree of broad public support, making it difficult to garner the financial commitment and staff resources necessary to mount such a campaign.

In addition, because Medicaid and food stamps have long been viewed as welfare programs, it is likely to be a considerable challenge to craft a nonwelfare message that effectively eliminates or reduces the stigma. However, the sentiments regarding these programs do seem to be changing as more families enter the labor force, and more data becomes available on their circumstances. Some states have been especially receptive to making Medicaid available to parents as well as children.

Finally, many families do not apply for benefits to which they are entitled because the application procedures are too burdensome or because they are concerned about being treated poorly at the welfare office. In the case of children's Medicaid and SCHIP, state and local staff felt that simplified application procedures (which we discuss in detail in the next chapter) were critical to the success of their outreach efforts. For families, these more simplified procedures reduced the burden of applying for assistance. For workers, they made it possible to process applications in places other than the welfare office and to process large numbers of applications in a short period of time. In the case of food stamps, where states have less flexibility to simplify the application procedures, outreach efforts are more labor intensive, limiting the number of families who can be reached through them.

CHAPTER IV

CREATING A SIMPLE AND ACCURATE APPLICATION AND ENROLLMENT PROCESS

In this chapter, we examine two critical issues related to application and enrollment: the ease of applying for food stamps, Section 1931 Medicaid, and children's Medicaid/SCHIP, and the points at which families may be at risk for not becoming enrolled. The former includes an assessment of the opportunity costs or burden for families applying for benefits; the latter how welfare offices determine eligibility so families receive the benefits to which they are entitled.

In examining the application process, we first consider the individual elements: the complexity of the application, the type and amount of verification required, whether a visit to the welfare office is required, and, if so, how quickly a family can be seen. We then evaluate the complexity of applying for multiple programs.

Next, we examine the points where families are potentially at risk for not receiving the benefits to which they are entitled, and consider the policies and procedures the study sites use to mitigate these risks. Finally, we conclude with lessons learned about the policies, procedures, and practices that seem to promote enrollment in these programs. Throughout this chapter, we consider whether and how families not requesting Temporary Assistance for Needy Families (TANF) have different experiences applying for and enrolling in Medicaid and food stamps than those applying for TANF.

STRATEGIES FOR SIMPLIFYING THE APPLICATION PROCESS

There are a number of factors that affect the ease of application. Elimination of the face-to-face interview requirement means that families do not have to take time from work to go to the welfare office. The type and length of the application form affects families' experiences providing the information they need to initiate or complete the application process. A long or complicated application may deter families from starting the process; one that is short and easy to obtain will make it easier for families to begin the application process. If a state has eliminated the asset test, families will have to provide less documentation to complete the process and the application form can be shorter. Similarly,

disregarding the value of a car means that families do not have to produce any documentation for it. Where self-declaration of income is permitted, families do not have to produce pay stubs to show earnings.

All of the study states adopted one or more of these options to simplify the application process, although the extent to which they did so varied substantially by program. The simplest application procedures have been implemented in the separate State Children's Health Insurance Program (SCHIP), followed by children's Medicaid and then Section 1931 Medicaid. Because of more rigid federal requirements and state concerns about error rates, states have done far less to simplify the application requirements for the Food Stamp Program (see Table IV-1).

Widespread Elimination of Face-to-Face Interviews for Medicaid and SCHIP

The burden of applying for assistance is greatly reduced for families who do not have to appear at the welfare office. In the study sites, face-to-face interviews are not required for any of the children's Medicaid or SCHIP programs. Ten of the states also do not require a face-to-face interview for families applying for Section 1931 Medicaid (see Table IV-1). In local areas that work with community groups to do program outreach or have established specialized outreach units, families can complete the application in places they frequent for other reasons (e.g., child care or health centers). Or, if a family does not need any assistance in completing the form, they can mail the application to the welfare office or a central processing center. In some cases, the entire application can be completed over the phone.

In contrast, families are nearly always required to appear at the welfare office to apply for food stamps. Although states can waive the face-to-face interview due to hardship, only one of the study sites, Hennepin County, Minnesota, systematically does so. In its outreach pilot, families complete the application with help from a community agency staff member, trained by the program coordinator. The program coordinator, who is a county worker, then contacts the applicant by phone to gather any additional information. For families who submit their application through this route, the face-to-face requirement is waived using the hardship provision.

Short Applications for All Programs in Most Sites

Traditionally, because receipt of Medicaid was dependent upon eligibility for cash assistance and many families applying for cash assistance were also applying for food stamps, families applied for assistance using a joint Medicaid/food stamp/TANF application form. These forms are often quite lengthy, as they are designed to collect the information needed for all of the programs. The study sites developed a number of alternatives to these forms, most of them much shorter.

Children's Medicaid/SCHIP applications. With the advent of SCHIP and the expansion of children's Medicaid, states have developed short applications—usually just two to four pages—that allow families to apply for the children's Medicaid or SCHIP programs.

Table IV-1
Provisions to Simplify the Application Process

State	No Face-to-Face Interview Required Yes = ✓				Reduced Verification: Income Self-Declaration; No Asset Test or Vehicle Exclusion				Application Type: 1931 Can Use Children's Application ✓ Children's Medicaid/State SCHIP Use Same Form ✓ Food Stamp Application < 10 Pages ✓		
	Section 1931 Medicaid	Children's Medicaid	Separate State SCHIP	Food Stamp	Section 1931 Medicaid	Children's Medicaid	Separate State SCHIP	Food Stamp	Section 1931 & Children's Medicaid	Children's Medicaid & Separate SCHIP	Food Stamps
AL	✓[a]	✓[a]	✓		Vehicle exclusion	No asset test	Income self-declaration; No asset test	Vehicle exclusion		✓	
AR		✓	--		Vehicle exclusion	Income self-declaration; No asset test	--	Vehicle exclusion	✓	--	✓
CT	✓	✓	✓		Income self-declaration No asset test	Income self-declaration No asset test	Income self-declaration; No asset test		✓	✓	✓
GA		✓	✓		Income self-declaration	Income self-declaration; No asset test	Income self-declaration			✓	✓
IN	✓[a]	✓	✓			No asset test	No asset test	Vehicle exclusion		✓	✓
ME	✓	✓	✓		Vehicle exclusion	No asset test	No asset test	Vehicle exclusion	✓	✓	✓
MN	✓	✓	--	[b]	Vehicle exclusion	No asset test	--			--	
OH	✓	✓	--		No asset test	No asset test	--	Vehicle exclusion	✓	--	✓
OK	✓	✓	--		Income self-declaration; No asset test	Income self-declaration; No asset test	--		✓	--	✓
SC	✓	✓	--		No asset test	No asset test	--	Vehicle exclusion		--	✓
UT	✓	✓	✓				No asset test		✓	✓	✓
WA	✓	✓	✓			Income self-declaration; No asset test	Income self-declaration; No asset test			✓	✓

[a]Interview is required, but can be completed over the phone.
[b]In its pilot outreach project, Hennepin County uses the hardship exemption to exempt families who apply for food stamps at community centers from the face-to-face interview.

All of the study states developed short applications for these programs; in four sites, these applications can also be used to apply for Section 1931 Medicaid. There are three key advantages to these forms. First, most of the sites make them available at an array of community locations, including libraries, health centers, special events such as parades, and schools. Families can frequently use 800 numbers to request applications in the mail, and some states offer online applications. Second, the less complicated requirements—including self-declaration of income and the elimination of the asset test—lead to applications that are simpler to complete than joint applications of a similar length. Third, for states with separate state SCHIPs, because the same form is used for both Medicaid and SCHIP, the same application can be used to enroll the child in the appropriate program; this eliminates the need to start the application process over if a SCHIP applicant qualifies for Medicaid, or vice versa. The downside of these applications is that they usually cannot be used to apply for or obtain information about any other programs.

Short joint applications. In an effort to simplify the application process, many states have shortened their joint application used for TANF, food stamps and Medicaid. At the time of our site visits, the length of these forms ranged from 4 to 26 pages, with only two of the study states using applications of 10 pages or longer for any program (see Table IV-1). Some states have developed shorter forms that collect all of the information required to determine eligibility, and others have developed a short form that initiates the application process, but does not complete it.

Computer-aided application processes. As states develop more sophisticated automated systems, it is becoming more common for caseworkers to work together with a family to complete an online application. When states have this capability, families need only fill out a short form (usually no more than two pages) to initiate the application process. These forms substantially reduce the burden on the family and may discourage fewer families from completing the application process. These forms usually contain sufficient information to ascertain whether a family qualifies for expedited food stamps, but not necessarily to determine eligibility for any program, even those with minimal requirements. For example, Oklahoma uses a short joint initiation application and then captures the remaining eligibility information needed in a face-to-face online interview. Oklahoma families who are interested in applying only for Medicaid typically are given the short mail-in application containing the necessary information to determine eligibility.

Modest Use of Self-Declaration of Income, Primarily for Children's Medicaid and SCHIP

Several recent studies indicate that verification requirements pose a substantial barrier to enrolling families in programs for which they might be eligible. In one study, 70 percent of the families surveyed cited gathering verification as a barrier to enrolling their children in Medicaid (Perry et al 2000). Lack of verification often results in applications being denied (Cox 2001). Participants in our focus groups consistently complained about the burden placed on them to provide documentation of their income and the value of their cars and other assets. Participants often felt that the Food Stamp Program had the most burdensome requirements.

In both the Medicaid and Food Stamp Programs, caseworkers are permitted to request verification for items that they deem "questionable." (Questionable information can include categories identified by the state as always questionable as well as anything arousing suspicion about the veracity of the applicant.) In many states, efforts to keep federally monitored food stamp error rates low have led workers to ask for more verification than is necessary and to focus on accuracy rather than enrollment. How caseworkers are instructed to apply this verification requirement can make a big difference in the food stamp enrollment burden.

For working families, the most burdensome aspect of applying for assistance often is producing documentation of their earnings. Some families may not get or may not have kept the requisite number of pay stubs; they must then request documentation of their earnings from their employer. Half of the study states allow self-declaration of income in children's Medicaid or SCHIP; only three states, Connecticut, Georgia, and Oklahoma allow self-declaration for Section 1931 Medicaid (see Table IV-1). Because income is a major determinant of the amount of food stamps a family receives and is a major cause of food stamp errors, states generally require extensive documentation of income. For example, Maine requires that families show pay stubs for the last eight weeks.

Extensive Simplified Procedures and Community Outreach for Medicaid and SCHIP (Oklahoma)

Oklahoma uses the same simplified procedures for children's Medicaid/SCHIP and Section 1931 Medicaid; this includes a two-page application with no interview required, self-declaration of income, and no asset test. Department of Human Services caseworkers stationed in locations throughout the counties can immediately determine eligibility for families and children using simplified procedures and self-declaration of income. These community-based caseworkers are specially trained and given great flexibility to promote enrollment. These workers noted that their jobs would be impossible were it not for the simplified verifications. Should a family wish to apply at the welfare office, a designated worker of the day is used to ensure immediate assistance. The office culture emphasizes the overriding goal of helping working families get the support services that they need. One state official noted this central message about applying for Medicaid: "The key is to make it simple and tell everybody you can about it."

Elimination of Asset Requirements or Vehicle Limits Varies by Program

Changes in asset and vehicle policies are often adopted to expand the pool of people eligible for benefits. As families are required to go to work, there has been growing acceptance that they should not be penalized for owning a reliable car that makes it possible for them to work and for accumulating assets that may provide them with resources during periods of hard economic times. Relaxing or eliminating these requirements also reduces the application burden as families have fewer documents to provide to verify eligibility for benefits. It also makes it possible to create a shorter application.

The study sites have made the most extensive changes under children's Medicaid and SCHIP. All but one of the sites eliminated the asset test entirely for their children's Medicaid and separate SCHIPs. In contrast, only four study states eliminated the asset test for Section 1931 Medicaid, and four disregard the value of one or more vehicles (see Table IV-1). Through a variety of different mechanisms, half of the study states disregard the value of at least one vehicle in the Food Stamp Program.[12] With one exception, the states that disregard the value of a vehicle for food stamps do so for Section 1931 Medicaid (see Table IV-1).

Modest Use of Special Procedures or Assistance to Reduce the Application Burden

When the application process is simplified, it is relatively easy for families to complete the application process. However, when the process is more burdensome, there are some strategies that caseworkers can use to reduce the overall burden. The study sites made some, but not extensive use of these procedures.

Use of technology to obtain documentation required for verification. A few of the states we visited regularly use automated links to other state information systems to verify client-provided information. In Georgia, eligibility workers can access the state's child support enforcement system and several Department of Labor systems to verify income information. In several states, eligibility workers can access Department of Motor Vehicle records to obtain information on clients' vehicles. These tools facilitate the application process and relieve the burden on the client of providing difficult information.

Follow-up procedures to assist families in obtaining required documentation. Acknowledging that many families' applications for benefits are denied for lack of required documentation, a few of the study sites have implemented more aggressive follow-up procedures to encourage families to provide missing information. In Indiana, caseworkers are encouraged to make follow-up telephone calls to applicants to promote compliance. In Marion County, South Carolina, applicants are informed that they have 10 days to turn in

[12] There is substantial variation in how states have liberalized their vehicle policies for the Food Stamp Program. For a more detailed discussion, see Stacy Dean and Ray Hong. *States' Vehicle Asset Policies in the Food Stamp Program.* Washington, D.C.: Center on Budget and Policy Priorities, February 2002.

their verification, even though workers have 30 days to determine eligibility. If an applicant misses the first 10-day window, the caseworker sends a letter or calls giving them 10 more days until the 30-day window expires. This policy gives workers an active role in encouraging applicants to submit their information, instead of just relying on the applicant to remember what they need to submit.

Maine actually denies applications if the documentation is not received within 10 days, based on the assumption that families respond quicker than if they simply receive a notice indicating their application is not complete. As long as the family reapplies within 30 days, they do not have to complete a new application. Maine officials believe that this policy encourages families to produce documentation sooner than they might otherwise. However, it may also deter some families who do not understand why their application has been denied.

STRATEGIES FOR REDUCING THE OPPORTUNITY COSTS

Simplified application procedures do not necessarily provide a complete picture of the burden for families. While mailing in an application, avoiding a face-to-face interview, or not having to provide extensive documentation can certainly ease the process of applying for benefits, other aspects also affect families' experiences. These include (1) how a family is treated at the welfare office, (2) how long a family waits to see a caseworker, whether they can make an appointment ahead of time and whether they can complete the application process in a single visit, and (3) how convenient it is for a family to get to the welfare office or other locations to apply for assistance. Although many of the study sites are implementing procedures to change the experience at the welfare office, in some states, applicants still face long waits in the office, must return for multiple visits, and may wait several weeks to see a caseworker to complete their application.

Office Operations and Procedures Reduce the Opportunity Costs in Some Sites

Office cultures that promote receipt of benefits. The study sites implemented a range of strategies to create office cultures that promote receipt of benefits, especially for working families. Maine retrained its eligibility staff to make sure they understood the importance of providing Medicaid, SCHIP, and food stamps to eligible families and implemented a standard of service called the "personal touch of Maine." Indiana set explicit enrollment goals for its local welfare office during its initial efforts to enroll children in Medicaid and SCHIP. Washington initiated an "Ask Me About Medicaid" campaign. In Arkansas, state officials specifically encourage caseworkers to take the least burdensome approach possible to processing food stamp applications. The state's quality control approach considers extending benefits to families of equal importance to achieving accuracy.

Still, two key concerns dominate the culture and structure of many welfare offices: (1) providing services to help TANF recipients find employment (even though they make up a decreasing share of agencies' caseloads), and (2) reducing food stamp error rates. In Ohio, applicants for TANF usually receive an appointment within a few days, but applicants for food stamps usually must wait two weeks. Caseworkers in Washington and participants in

focus groups in Georgia reported that the office culture promotes an attitude of suspicion and over-emphasis on the importance of verification and accuracy. Officials in Connecticut noted the difficulties inherent in resolving the tension between scrutinizing food stamp applications and simplifying enrollment in Medicaid.

The Personal Touch of Maine

Leadership from high-ranking state officials has established the office culture as the "Personal Touch of Maine." Applicants are to be treated with respect at all times; caseworkers are charged with considering applicants as whole persons facing a personal crisis and with being as creative and flexible as possible in enrolling clients. The waiting area includes spaces for children's play and private interview rooms. No face-to-face interview is required for Medicaid and families can mail the completed two-page application. Applicants who choose to come to the welfare office are seen within 10 to 20 minutes of arrival, even without an appointment. A single interview with one caseworker and completion of a six-page joint application serves to determine eligibility for all programs. The caseworker checks all eligibility, irrespective of the programs identified by the applicants. Caseworkers communicate frequently with families to help them complete the application.

Short waiting times and single trips to the welfare office. For many families, taking time from work can create a barrier to applying for benefits. To accommodate working families and provide better service to all families, several of the study sites redesigned their application procedures to limit the time an applicant must spend waiting to see a caseworker, and allow families to complete the application process when they first come to the welfare office. Maine and Connecticut require that applicants be seen for an intake appointment within 15 to 20 minutes of arrival. Minnesota and Washington provide same-day appointments so families do not have to make another trip to the welfare office. In all of these states, the application process can be completed in one day, although families may have to mail any verification they do not have with them. Washington and Connecticut allow families to be seen the same day to reduce the number of families who abandon their application. Prior to implementing these procedures, they were experiencing no-show rates of 40 to 50 percent for application appointments.

Convenient locations to apply for assistance. The study sites have taken two different approaches to making it more convenient for families to apply for assistance. As noted in Chapter III, several states have enlisted the support of community groups or have created outreach units to provide application assistance in the community. While most of these efforts are in the area of children's Medicaid and SCHIP, some focus more broadly on other Medicaid groups, and a few on the Food Stamp Program. Interestingly, even when presented with the option not to apply for benefits at the welfare office, many families still do so. For example, in Marion County, Indiana (Indianapolis), where the county has enlisted about a hundred organizations to help with enrollment of children, 40 to 60 percent of families still apply at the welfare office. The advantage of applying for benefits at the welfare

office is that you are more likely to be informed of other programs, such as food stamps. For this reason, study sites in South Carolina encourage all families to apply at the welfare office.

Taking another approach, Minnesota, Ohio, and Indiana have shifted from one large welfare office to several small, neighborhood-based centers, making it possible for families to apply for assistance close to where they live. In Ohio, these offices offer a broad range of services, including child care assistance and mental health and substance abuse services. In Hennepin County, Minnesota, these offices are smaller and serve as an adjunct to, rather than a replacement for, the main welfare office. The majority of Hennepin County families continue to go to the main welfare office to apply for benefits, although the number of families using the satellite offices may increase as more families become aware of their existence.

OVERALL EASE OF APPLICATION PROCEDURES DEPENDS UPON THE BENEFITS AND ASSISTANCE SOUGHT

Families may be eligible for a range of benefits depending primarily on their income and, for some programs, their assets. Their decisions to apply are likely to reflect their expectations about eligibility, how much they value the benefits, their perceived need for the benefits and the burden they perceive in applying for them. In general, application procedures will involve either no visit to the welfare office and a very short application (e.g., children's Medicaid) or a visit to the welfare office with a more complicated application (e.g., joint TANF/food stamps/Medicaid).

Applying for Children's Medicaid/SCHIP Uniformly Simple

In all of the study states, families can apply for children's Medicaid and SCHIP through a very simple process. The application form is short; they never have to go to the welfare office or report or verify the value of their assets. States have been slower to allow self-declaration of income, but in five of the study states, families report their income but need not produce any verification. Community-based organizations often offer families assistance in completing the application. These procedures not only make it easy for families, but also eliminate concerns about how they might be treated at the welfare office and how much time they might have to spend there.

Applying for Section 1931 Usually More Complicated Than Children's Medicaid/SCHIP

Some states extend all or part of their eased enrollment procedures to Section 1931 Medicaid. Oklahoma's application procedures for Section 1931 Medicaid and children's Medicaid/SCHIP are the simplest among our study states, involving a two-page mail-in application, self-declaration of income, and no required interview. Connecticut uses a similarly simplified approach; families can complete the four-page application over the phone and receive pre-printed forms to sign and return by mail. For both children's and Section 1931 Medicaid, Ohio has eliminated asset tests and interview requirements, and uses

a short combined application, but does not allow self-declaration of income. Georgia allows self-declaration of income for children's and Section 1931 Medicaid, but requires a face-to-face interview for Section 1931 coverage. Although several other states do not require a face-to-face interview, families must apply for Section 1931 Medicaid using a joint application form that, lacking wide distribution, is most easily obtained at the welfare office. As a result, these families generally end up applying for benefits through the welfare office.

Simplified Medicaid and SCHIP Procedures with Complicated Food Stamp Procedures Create Operational Challenges (Connecticut)

Medicaid applicants can use a toll-free number to complete a short interview over the phone. A pre-printed application form is then mailed to the caller, who completes the application process by returning the signed form along with required documents. Connecticut accepts self-declaration of income and has eliminated the asset test, so documentation is limited. The same four-page application form is used for both Section 1931 Medicaid and Medicaid/SCHIP. Caseworkers are expected to see families applying for assistance within 15 minutes of their arrival.

Staff were concerned that public programs send out conflicting messages. Officials in Bridgeport characterized these messages as "schizophrenic." They attribute this conflict to inconsistent philosophies in the federal agencies administering the programs. In one official's words, "… In a food stamp case [with] a single individual getting $10, there are much more strict rules to follow than Medicaid. It's the wrong philosophy for workers and clients. … The issue of access to food stamps is control by verification. …We send a mixed message to our staff by saying in food stamps that the focus is on verify, verify, verify because we want payment accuracy at all times. Otherwise we're going to be sanctioned. And yet in other programs, we're saying, 'Come one, come all, provide the services.' … The same staff handling both programs are schizophrenic about what to do.''

Burden of Applying for Food Stamps Not Substantially Reduced

Families interested in applying for food stamps must apply at the welfare office and declare and document their income and assets. Thus, for families who want to apply for both food stamps and Medicaid, their burden is not eased by Medicaid's more simplified procedures. In nearly all of the study states, however, families apply for food stamps using a joint application form that they can also use to apply for Medicaid (and for TANF).[13] Since

[13] Arkansas families apply for food stamps through a separate application form than for Medicaid or TANF, but the state will be implementing a new computer system that will use

less information is required to apply for Medicaid than food stamps, families completing the joint TANF/Medicaid/food stamp application automatically provide information to complete their Medicaid application. In determining the cost and benefits of applying for benefits, it is possible that some families may decide to forego applying for food stamps in order to avail themselves of the more simplified Medicaid-only procedures.

REDUCING THE RISK THAT APPLICANT FAMILIES WON'T GET THE BENEFITS FOR WHICH THEY ARE ELIGIBLE

Eligibility determination for public benefit programs, always complex, has become more so in recent years, due to:

- An increase in the number of programs available to families (e.g., the expansion of children's Medicaid and the advent of SCHIP)
- The creation of a new Medicaid eligibility category for families by delinking Medicaid and cash assistance
- Simplified application procedures in some, but not all, programs
- More varied circumstances among families applying for assistance (e.g., an increase in the number of working families seeking benefits)

Ensuring accurate and timely eligibility determinations depends upon the family meeting the requirements of the application procedures, and the caseworker properly assessing the family's application.

The complexity of the eligibility determination process and the multiple pathways through which families can apply lead to points where families risk not getting considered for all benefits for which they may qualify. A family may not be apprised of all the available benefits, or may meet the application requirements for some but not all of the benefits for which they applied. A family may also abandon their application without completing the requirements for any program. Where joint applications exist, the enrollment requirements for one program may be improperly applied to another. In this study, we sought to determine whether certain risk points might be greater for families applying for TANF in addition to Medicaid and food stamps.

(*continued*)
a new short joint form. In Alabama, families seeking Medicaid but not TANF (and some TANF families) apply for food stamps through a separate application form and process.

Families Don't Always Receive Information on All Available Benefits

As the complexity of applying for benefits increases, so does the importance of developing initial screening procedures to connect families with information on appropriate benefits and procedures for applying. When application procedures are specialized, families do not necessarily receive this information. Families who apply for children's Medicaid or SCHIP outside of the welfare office are the least likely to receive information on all of the programs available to them. Outreach workers are trained on the specifics of the programs for which they can provide application assistance, and usually refer families to the welfare office to apply for other programs.

One state indicated that they do not provide food stamp applications at their Medicaid outreach sites because the workers are not equipped to handle questions about the program or the application process. In a second state, outreach workers encourage families to first apply for children's Medicaid through the simpler process, then go to the welfare office to apply for Section 1931 Medicaid for the parent.

Families applying for benefits through the welfare office are much more likely to be apprised of all the benefits for which they might be eligible, and how to apply. However, these screening processes vary considerably, and in many cases are still being developed. In some of the study sites, families are screened for only the benefits in which they express interest, while in others, it is routine to assess their eligibility for all benefits. A well-established screening process with experienced caseworkers can inform families about all available public benefits, provide a preliminary assessment of potential eligibility, and facilitate assignment to the most appropriate starting point. In Marion County, South Carolina, county officials note that their centralized intake unit has these attributes and is designed to achieve these goals.

We found evidence in a few study states that families not applying for TANF but potentially eligible for Section 1931 Medicaid were not informed about the latter. Caseworkers in one state appeared to believe that Section 1931 Medicaid eligibility still depended upon eligibility for TANF. State strategies to address this risk primarily focus on using screening procedures that target caseworker training and emphasize eligibility for Section 1931 Medicaid independent of TANF.

Medicaid and Food Stamp Applications Processed When TANF Denied

For families applying for TANF along with food stamps or Medicaid, we examined whether failure to comply with the more stringent TANF application requirements was likely to adversely (and erroneously) affect their food stamp and Medicaid applications. In addition to the requirements for applying for Food Stamps or Medicaid, TANF applicants in several of our sites are required to attend a mandatory orientation or look for employment before their application for assistance is approved. A family failing to meet applicant job search requirements would have their TANF application denied, but this should not affect their Medicaid and food stamp eligibility. We found little evidence of families being denied food stamps or Medicaid based on their TANF applications. Families and caseworkers are

generally aware that processing the Medicaid and food stamps applications should proceed even if the TANF processing is delayed or the application is denied or dropped.

The study states use a range of strategies to mitigate the risk associated with applying for TANF in addition to Medicaid and food stamps. In South Carolina, the automated eligibility system doesn't allow a TANF worker to deny a Medicaid application. In Washington, since no interview is required for Medicaid, caseworkers manually review all Medicaid applications when TANF or food stamps are denied for failure to appear for an interview to determine whether there is sufficient information to determine Medicaid eligibility. Most of the study states use training and/or explicit instructions for caseworkers to emphasize that they must determine Medicaid and food stamp eligibility independently when TANF eligibility is denied, using the information provided in the joint application. South Carolina's Medicaid eligibility policy is designed to ensure immediate and independent assessment of eligibility for TANF applicants. The state's joint two-page application has a tear-off portion for Section 1931 Medicaid; eligibility for Section 1931 Medicaid is determined within two days without verifications, independently of any actions required to complete the TANF application.

A critical risk point for families applying for TANF occurs when an applicant does not provide sufficient information to process eligibility for any programs. While always present, this risk is mitigated when an application can be completed the day an applicant comes to the welfare office or if limited information is required to complete the application. If an application is submitted with the appropriate documentation, eligibility for Medicaid and food stamps can be determined even if additional TANF requirements, such as attending an orientation or job search, are not complete. However, if the applicant abandons the application by not appearing for an in-person interview (if required) or not providing required documentation, the application for food stamps or Medicaid will be denied for "procedural reasons." Thus, simplified application procedures can substantially reduce the likelihood that a TANF applicant who decides not to apply for TANF will be denied food stamps or Medicaid because they dd not provide sufficient information to have their eligibility determined.

Office Structure, Explicit Case Review Procedures, and Information Systems Can Promote Independent Eligibility Determination

A joint application process eases the burden on a family by making it possible to apply for more than one benefit without providing the same information more than once. However, it may increase the risk that requirements for one program are inappropriately applied to all programs. Study states use a range of strategies to mitigate this risk associated with applying for TANF in addition to Medicaid and food stamps.

Using generalist caseworkers who can determine eligibility for all programs. Application/enrollment procedures that rely on "generalist" caseworkers who handle all benefits may be the most effective strategy for reducing risk of improper denials and easing the enrollment burden. The single caseworker is knowledgeable about all aspects of a family's situation and can ensure economy of effort in complying with enrollment

requirements for all programs. Oklahoma and Maine officials tout the concept of "one family, one worker" and believe that this approach promotes successful enrollment and lowers burdens and risks for families. Indiana officials characterize their integrated (generalist) caseworkers as the key element in efforts to promote enrollment, and report that improved case management efficiencies resulted in these caseworkers having time to make follow-up calls to families. The success of this strategy depends on caseworkers' experience and their knowledge about all programs.

Creating procedures for transferring cases or sharing information when multiple workers handle eligibility determination. The premise of application/enrollment procedures that rely on specialized caseworkers (i.e., one caseworker handles Medicaid and another food stamps) is that they will provide the most accurate and efficient processing of individual program applications, especially for programs as complex as Medicaid. However, this approach can mean that families applying for more than one benefit and dealing with more than one caseworker may have to provide the same information multiple times. In South Carolina, for example, where Medicaid and food stamp data are entered in two separate data management systems, families applying through the non-TANF pathway deal with different workers with limited capacity to share information. In Alabama, families seeking Medicaid and food stamps but not TANF must complete two sets of application forms, attend two interviews, and provide verification to two different workers. Focus group discussions confirmed that families find dealing with multiple caseworkers frustrating and confusing.

This burden—which can increase the risk that families will not complete their applications properly—can be mitigated by procedures promoting communication and information sharing among caseworkers and using efficient management information systems. In Cuyahoga County, Ohio, the CRIS-E computerized eligibility system automatically enters information across all case files, making it accessible to all workers. .

When families apply through the TANF pathway, procedures are needed to ensure that families denied TANF benefits are reviewed for their Medicaid and food stamp eligibility. In some of the sites, the TANF worker who determined the family ineligible for TANF determines food stamps and Medicaid eligibility. The case is then transferred to the appropriate worker(s). To facilitate these transitions, Maine pairs each of its TANF units with a non-TANF (i.e., Medicaid/food stamp) unit. In other sites, the TANF worker determines eligibility for that program alone, and transfers ineligible families to other workers for food stamp and Medicaid assessment.

"Superworkers" Do It All
(Indiana)

An important component of Indiana's workflow has the same caseworker performing all case management activities for each case to which he/she is assigned. This structure results in combined client interviews covering multiple programs as well as the same caseworker performing eligibility determination and redetermination for all his cases. This "superworker" approach results in caseworkers who are knowledgeable in all programs and in all phases of case management with a positive impact on families' access to food stamps and Medicaid. Having caseworkers knowledgeable in all programs results in more holistic case management and increases the potential that families coming in for one program will learn about another for which they might be eligible.

Staff training. Several of the study sites noted that training for staff was critical to ensure accurate processing of applications for multiple programs. Many workers were used to a system in which the eligibility and application requirements were the same for cash assistance and Medicaid, and similar for food stamps, and where applicants were more homogenous socio-economically. These circumstances made it manageable for them to simultaneously consider eligibility for the three programs. Once the program requirements began to diverge, workers had to become knowledgeable enough about each program to be able to consider eligibility separately. Staff training now focuses on the eligibility requirements for each program and emphasizes that workers must determine Medicaid and food stamp eligibility independently when TANF eligibility is denied, using the information provided in the joint application.

Sophisticated and integrated automated systems. Sophisticated and well-functioning management information systems can ease the process of managing multiple applications, reduce the burden for caseworkers and clients, and help to mitigate risk points. Automated systems in Ohio, Georgia, and Connecticut support cascading eligibility systems that automatically check eligibility for all health insurance programs, starting with the program offering the most generous benefits. These systems can incorporate updated information about changes in a client's circumstance and new policies, thereby supporting independent and informed eligibility determinations. Some study states have redesigned their eligibility determination systems to require caseworkers to make independent determinations for each program. For example, in Connecticut, the automated system treats each program as an assistance unit and mandates a separate eligibility determination for each. In South Carolina, the automated eligibility system does not allow a TANF worker to deny Medicaid eligibility.

Independent Operation of Separate SCHIPs Requires Specialized Procedures

State outreach campaigns and eased enrollment procedures have led to increased applications for children's Medicaid/SCHIP, often through a centralized SCHIP location. In several of the study sites, eligibility for separate state SCHIPs is determined by an organization that is completely independent of the welfare office and the Medicaid agency. For example, Connecticut uses a private contractor to determine eligibility for SCHIP. In Alabama, eligibility is determined through the Department of Public Health. In other states, eligibility for the separate state SCHIP is determined separately from the welfare office, but by the same agency that also determines children's Medicaid, for example, in Utah and Washington. In these latter states, the Medicaid agency can directly enroll children in either SCHIP or Medicaid.

When Medicaid and SCHIP eligibility are determined by separate agencies, states must have a system to screen SCHIP applicants for Medicaid eligibility and to enroll any Medicaid-eligible children in Medicaid. (In order for children to be enrolled in SCHIP, they must first be deemed ineligible for Medicaid.) Where these programs operate independently, there is often a time lag before children are enrolled in the correct program. When children's Medicaid has additional application requirements (e.g. interview or verification) than SCHIP, the family will need to comply with an additional step in the process. Because the computer systems of the two programs usually are not linked, applications must be transferred manually between offices. This process can be transparent to the family applying for benefits, however, because it is largely a manual process of sending files back and forth between agencies, it has substantial potential for error.

SUMMARY

The study states have, to varying degrees, taken advantage of opportunities to simplify their application procedures. Easing the enrollment burden involves both tangible procedural costs—such as face-to-face interviews and substantial verification requirements—and intangible experiential costs including families' experiences at the welfare office, and how office culture affects ability to meet families' needs. Overall, these procedures range from no welfare office visit with a brief application to a welfare office visit with a complicated application.

Study states have made the most progress in developing simplified application procedures for children's Medicaid and SCHIP, with notable progress in improving enrollment in Section 1931 Medicaid. States have little flexibility, however, to simplify the application process for food stamps.

States have great flexibility to ease the burden associated with applying for benefits at the welfare office. Stigma is frequently cited as a barrier to families applying in person—suggesting that families are reluctant to apply for benefits because doing so is inherently stigmatizing. Recent research findings indicate that the feelings that deter families are often a result of being treated poorly at the welfare office (Stuber et al 2001). Our focus group discussions consistently confirmed these findings. Recognizing "stigma" as describing these

intangible opportunity costs and burdens may make it easier for states to alleviate these barriers. Several of the study states recognized the importance of addressing these issues and have worked to change their operating procedures to make it easier for families to apply for benefits. Still, it is likely to take some time to replace families' negative perceptions of the welfare office, and to encourage them to take advantage of the benefits available.

The study states seem to have made considerable progress in implementing procedures to ensure that eligibility is determined independently for each program, and to reduce the risk of inaccurate determinations. However, because many of these programs are in a state of transition, maintaining accurate eligibility determinations will require ongoing training and attention to these issues. In addition, while some of the study sites have made considerable progress in retooling their automated systems to aid in the eligibility determination process, others could vastly improve the process with updates or refinements to their systems.

Despite notable progress in many of the study states in easing the application burden and reducing the risk for families applying for benefits, much more remains to be done. States can and should make the application procedures for Section 1931 Medicaid as simple as those for SCHIP and Medicaid for children. In addition, states must ensure that knowledge of Section 1931 Medicaid coverage and food stamps independent of cash assistance is widespread and thorough. States can use well-established outreach efforts to promote the availability of these benefits and use the enrollment sites and procedures established for children to cover parents as well. States that have not already done so can reduce the length of their joint application so that it does not pose a burden to families.

States may also want to consider establishing options for enrolling families in food stamps outside of the welfare office in places eligible families are likely to frequent. In some cases, it may be feasible to build on existing efforts to enroll families in health insurance programs. An Arkansas administrator's comment can guide continued progress in easing application and eligibility procedures: “If they are eligible, then we want them to have the benefits.”

CHAPTER V

STREAMLINING THE BENEFIT RENEWAL PROCESS AND PROMOTING RETENTION AT CRITICAL RISK POINTS

In this chapter, we examine what happens once families become eligible for benefits by considering what the study states have done to ease the burden of renewal at regularly scheduled reviews and promote retention at key transitions such as loss of TANF benefits or loss of Section 1931 Medicaid. To do so, we review the opportunity costs associated with staying enrolled in the programs, and examine procedures states use to ensure that benefits are maintained when families encounter risk points. We also consider whether and how the retention experiences of families receiving and not receiving TANF cash assistance differ.

STRATEGIES FOR EASING THE BURDEN OF THE RENEWAL PROCESSES

Many of the factors that make it easy for families to enroll in benefits also assist them in retention—particularly, the ability to renew without a trip to the welfare office, use of short and easy forms, and reduced verification burdens through self-declaration of income and eased asset tests. A key factor, unique to retention, is the frequency of renewal—how often a family must take action to stay on benefits. In addition, agencies may ease the renewal process by using information already known to them.

States must review a family's eligibility for Medicaid, SCHIP, or food stamps at least once a year but, beyond this, have many options in designing the frequency of and procedures for renewal. States have more flexibility to design eased renewal processes for Medicaid and SCHIP than food stamps, and they make greater use of it. We found—and focus group participants consistently confirmed—that it is a great deal more burdensome for a family to stay on food stamps than Medicaid, and somewhat more burdensome to stay on Section 1931 Medicaid than children's Medicaid or SCHIP. Still, recertifying food stamps is often easier than initially applying for them.

This section examines the procedures the study states use for renewing Medicaid, SCHIP, and food stamps with particular attention to employed families not receiving TANF cash assistance. We focus on the burden of retaining benefits primarily from the perspective

of the family, and discuss promising strategies to address the primary burdens of retaining and renewing benefits.

For context, we note that states frequently use different terms for renewal procedures in Medicaid and food stamps. When eligibility has been established, the period of time until the next eligibility review is often called the renewal period for Medicaid and the accompanying procedures are called the renewal or redetermination process. For the Food Stamp Program, the eligibility period is known as the certification period and the eligibility review procedures typically are called recertification. We frequently use the term renewal when talking generally about both programs.

It is also important to note key differences between the structure of renewal processes in Medicaid and food stamps. A state can renew Medicaid without requiring any action by the family if it has information it needs to establish continuing eligibility.[14] By contrast, food stamps are approved for a fixed period, after which the case closes automatically *unless* the family takes steps to apply for recertification. Although food stamp reapplication is necessary for each certification period, states sometimes use shorter forms than those for initial application, and should not require reverification of circumstances that are not subject to change. Because families are required to reapply for food stamps at each renewal, states cannot make retention as easy as it is in Medicaid.

Longer Review Periods Key to Helping Families Maintain Benefits

Less frequent renewals make it easier for families to continue to receive benefits and lessen the risk of losing benefits. Households failing to reapply for benefits has always been a primary reason for loss of public assistance benefits. Moreover, the more often action is required to retain benefits, the greater the opportunity costs for families.

Retaining food stamps is more burdensome than retaining Medicaid in large part because families usually must renew food stamps more frequently than Medicaid. Of the 12 study states, about two-thirds use 12-month renewal periods for Medicaid, including both Section 1931 and children's Medicaid (Table V-1). In contrast, more than half of the states use three-month certification periods for food stamps for employed families.[15] Only three states use 12-month food stamp certification periods; in these states families file quarterly or monthly reports. Two states use six-month certification periods (Table V-1). As is true for many states, the study states are in a period of transition on how they handle food stamp renewals. Since our site visits, Georgia and Oklahoma have both shifted from three-month

[14] Indeed, states are required to perform ex parte reviews (i.e., look for existing sources of information before contacting the client) for Medicaid cases whenever presented with a change in eligibility status.

[15] States generally use different food stamp certification periods for different groups of households. For this discussion, we consider the certification period a state uses for an employed family not receiving TANF cash assistance.

Table V-1
Provisions to Simplify the Renewal Process

State	Length of Renewal Period (*indicates continuous eligibility for children)			Renewal Requirements: No Face-to-Face (F2F) Interview Required ✓ Mail-in – Renewals Can Be Done by Mail Between Annual Face-to-Face Interviews		
	Section 1931 Medicaid	Children's Medicaid/ SCHIP	Food Stamps[a]	Section 1931 Medicaid	Children's Medicaid/ SCHIP	Food Stamps[b]
AL	12 mos.*	12 mos.*	12 mos. (QR)	✓[c]	✓	
AR	12 mos.	12 mos.	12 mos. (QR)	✓	✓	
CT	12 mos.	12 mos.*	6 mos.	✓	✓	Mail-in except annual F2F
GA	6 mos.	12 mos.	3 mos.	Mail-in except annual F2F	✓	
IN	12 mos.	12 mos.*	6 mos.	✓[c]	✓	
ME	6 mos.	6 mos.*	3 mos.	✓	✓	Mail-in except annual F2F
MN	12 mos.	12 mos.	12 mos. (MR)	✓	✓	
OH	12 mos.	12 mos.	3 mos.	✓	✓	
OK	6 mos.	6 mos.	3 mos.	✓	✓	
SC	12 mos.	12 mos.*	3 mos.	✓	✓	Telephone or mail-in except annual F2F
UT	3 or 6 mos.	6 or 12 mos.	3 mos.	✓	✓	Mail-in except annual F2F
WA	12 mos.	12 mos.*	3 mos.	✓	✓	

[a]States use different food stamp certification periods for different groups of families. The periods listed here are for employed families not receiving TANF cash assistance. QR or MR indicates quarterly or monthly report must be submitted.
[b] USDA allows states to use mail-in or telephone reviews for recertifications that occur more frequently than once a year with an annual face-to-face review. Federal food stamp law requires a face-to-face review at renewal unless waived due to hardship.
[c]Interview required but can be done by telephone.

to 12-month certification periods, with semiannual reporting. Now that USDA has made longer food stamp certification periods more attractive by allowing new options for semiannual and universal quarterly reporting that reduce states' exposure to QC errors, it is likely that many more states will move in this direction.

Mail-in Reviews Lessen the Renewal Burden, Especially When Review Periods are Short

Medicaid mail-in reviews widely used. Of the 12 study states, only Georgia requires a face-to-face interview at renewal for Medicaid for families or children. Georgia's in-person interview is required annually—but not at the six-month renewal—for Section 1931 Medicaid; no interview is required for renewal of children's Medicaid or SCHIP (see Table V.1). Two of the study states require a telephone interview at renewal, but do not require the family to appear at the welfare office for a face-to-face interview.

Face-to-face required, but often waived for some food stamp recertifications. At each food stamp renewal, most states require a face-to-face interview at the welfare office, unless waived on a case-by-case basis due to hardship. This generally reflects federal requirements. However, several states have taken advantage of the option to use mail-in reviews for recertifications that are more frequent than once a year. Using short food stamp certification periods with an annual face-to-face interview and mail-in periodic reviews lessens families' burden, making it similar to that under 12-month certification periods with quarterly or semiannual reports. In South Carolina and Maine, families have three-month food stamp certification periods but need only appear for a face-to-face review annually; the other reviews are accomplished by mail. Connecticut only requires a face-to-face review annually, with a mail-in review at six months. In Utah, families need to appear for a face-to-face food stamp recertification annually, but three-month food stamp reviews and all Medicaid reviews can be handled over the phone.

Simplified Application Requirements Carried Over to Renewal Process

Short renewal forms. Another key issue in easing the burden of renewal is the ease of completing the paperwork. Some states use food stamp renewal forms that are shorter than the initial food stamp or joint application. For example, in Alabama, non-TANF families apply for food stamps using a 20-page application form, but the food stamp reapplication for these families is six pages long. As with applications, states often have short, simpler renewal forms for children's Medicaid or SCHIP than for other benefits.

To make the process even easier, some states send the family individual renewal forms that already contain the most recent information on file. A family need only mark changes, thus easing the paperwork burden for renewal. Maine's system generates pre-printed renewal notices to recipients and shows the basis of eligibility calculations in a way that allows the recipient to check accuracy. In Utah, the computer generates a one-page review form with the information already entered for TANF, food stamps, and Medicaid. In most cases, the family then indicates changes, signs the form and provides any required verification by mail.

Combined Renewal Forms
(Oklahoma)

State officials in Oklahoma were concerned that families were not completing the six-month mail-in renewal form for Medicaid/SCHIP, often letting their Medicaid coverage lapse and reapplying when they need the coverage. Focus group comments indicated that it was "easier to reapply for Medicaid than to keep up with forms." As part of its move to food stamp semiannual reporting, the state has developed a new simplified joint renewal form for food stamps, child care benefits, and Medicaid/SCHIP that is required every six months. The state reasons that families will return the form in order to maintain their immediately tangible food stamp and child care benefits, and, by doing so, will have Medicaid renewed.

Eliminating asset tests. If assets are not considered for eligibility, completion of renewal is less burdensome, as less information and verification are needed. The three study states that eliminate the asset test for applicants also eliminate it for recipients. Washington eliminates the asset test for Section 1931 Medicaid recipients, but not applicants. States that have eliminated asset tests for Section 1931 Medicaid as well as children's Medicaid can more easily use the short renewal forms developed for the children's Medicaid/SCHIP programs to renew Section 1931 coverage. Several of the study states have done so—including Ohio, Oklahoma, Washington, and Connecticut.

Verification—less than at application, but often more than is required. For Medicaid and SCHIP, the three states that allow self-declaration of income for applicants also allow it for recipients. States do not have the same flexibility to eliminate verification requirements for food stamps, although they should not require proof of circumstances that have not changed. While verification at food stamp renewal typically is less comprehensive than at initial application, we observed families regularly bringing in the full range of verification at each review, regardless of whether circumstances had changed. Some states indicate that certain items—such as household composition or bank statements—need only be verified annually unless changed, but even there, we observed workers requiring the verification more frequently. Concerns about quality control error rates have led states and workers to extend the scope of verification beyond that required by federal or even state policy.

When states require verification for Medicaid or food stamps, as in the application process, interfacing with available state or federal information on employment, SSI or Social Security benefits, child support, vital records, and motor vehicle information can ease the burden. In addition, easy access to previously provided information helps avoid asking families to reverify information that does not change. Minnesota and Utah use document-imaging systems to capture verification documents and create paperless permanent files. Oklahoma staff noted that their automated case management system makes it much easier

for caseworkers and recipients to meet the three-month recertification requirements, as the electronic case file saves all information and expedites updating and verification.

Simplified Change Reporting Key to Realizing Full Benefits of Eased Retention Processes

Recipients of Medicaid and food stamps typically must provide information on changed circumstances between regularly scheduled reviews. Reporting of changes in food stamps has received greater attention because of state food stamp QC concerns and because, unlike Medicaid which is more of an "on/off" switch, food stamp benefits fluctuate with small changes in income. States have options, however, to lessen reporting requirements. These options differ somewhat between Medicaid and food stamps.

Continuous eligibility for children in Medicaid. For Medicaid or SCHIP, states can use continuous eligibility for children. More than one-third of states nationwide and half of the study states do so. One of the study states, Alabama, uses continuous eligibility for children in Section 1931 Medicaid as well as in the children's Medicaid group and SCHIP. Under continuous eligibility, most changes do not affect children's Medicaid or SCHIP eligibility and need not be reported between reviews. This option makes retention less burdensome for families and for caseworkers.

Reducing the Burden of Retaining Food Stamps (Arkansas)

In Arkansas, where food stamp caseloads showed the third-lowest decline from 1996 to 1998, state officials have for several years specifically encouraged caseworkers to take the least burdensome approach possible to processing food stamp applications and helping families maintain benefits. Administrators in Arkansas place providing benefits to eligible families on an equal footing with achieving accuracy. Caseworkers are discouraged from using the "anything questionable" approach to verification. Case managers routinely review assistance cases without food stamp benefits to determine whether they might be eligible and review food stamp denials to ensure that processing errors are not the cause.

Prior to the federal option for universal quarterly reporting, Arkansas obtained a waiver to use quarterly reporting for families with and without earnings. This simplified process requires recipient families to submit a two-page quarterly report by mail with one annual face-to-face interview. This approach makes the process of retaining food stamp benefits easier for both families and caseworkers. State officials have also set a target of 80 percent for the proportion of families leaving TANF who retain food stamp and Medicaid benefits. As one caseworker noted about these retention efforts, "If they are eligible, we want them to get food stamps."

Lessening reporting in food stamps. States can limit the changes that are reported during the certification period. Typically, families need only report an income change in excess of $80 or $100, or a change in employment status. Alternatively, states can have families submit periodic reports of circumstances instead of reporting changes. For example, Arkansas and Alabama use quarterly reporting for food stamps for employed families along with 12-month certification periods. In these states, a family will lose benefits for not submitting the periodic reporting form, even if there has been no change in circumstances. On the other hand, a family need not report any other changes between these periods. Quarterly reporting and the new semiannual reporting option offer states quality control protection while imposing a regular but predictable obligation on families.

Client education on reporting requirements. Whatever the reporting requirements, families can more readily comply if they understand what is expected. For example, if families need only report some changes, states must be clear about which. In Oklahoma's food stamp interviews, families are shown a short video on the computer that explains the state's $100 change reporting rule (that was used at the time of the site visit). Arkansas has produced a brochure to teach families how to comply with the quarterly reporting process.

Coordination of Review and Change Processes Lessens Overall Burden and Reduces Client Confusion

Information sharing among programs. In a number of states, changes reported for TANF, food stamps or Medicaid are automatically entered in the automated system for all programs. Ohio's information system uses a "change driver" to accomplish this. If between a regularly scheduled recertification a client reports a change in circumstances—such as income or household composition—the worker will enter the information into the change driver. The driver will then determine whether the change renders the client ineligible for any program, and will also automatically re-test eligibility for all programs offered by the state. In Georgia, the automated system enters the change in all programs and notifies the caseworker of the potential need to review the case. In several states, changes reported in one program are not automatically carried over to other programs. One state had a paper system to transmit changes from one program to another.

Using food stamp information for Medicaid renewal. When families are receiving both food stamps and Medicaid, the state can also use the information it receives from food stamp reviews (or quarterly or semiannual reports) to renew Medicaid automatically at the same time. Unlike food stamps, Medicaid can be renewed without any action by the family if a state has the information it needs. Washington uses the information obtained at each three-month food stamp or TANF review to automatically reset the Medicaid review clock for another 12 months. The result is that a family receiving food stamps or TANF never needs to actively renew Medicaid. Ohio uses a similar approach to reset renewal periods for children's Medicaid when reviewing food stamps. These approaches are not an example of aligning food stamp and Medicaid reviews; rather, they use the more frequent food stamp review or report to extend Medicaid even when no Medicaid review is scheduled for that time. Families who do not complete food stamp reviews do not risk loss of Medicaid at that time, but those who do get the benefit of a Medicaid renewal for another 12 months.

Avoiding multiple reporting obligations. Often families are required to submit multiple reports in order to retain both food stamps and Medicaid. Oklahoma recently started to use its food stamp semiannual report to obtain information for Medicaid and child care renewals as well. Arkansas is also in the process of designing a system that will align reporting requirements to avoid duplicate requests for information from clients.

ENSURING THAT FAMILIES RETAIN FOOD STAMPS AND MEDICAID AT KEY TRANSITIONS.

In our site visits, we examined transition points that could pose a risk to continued receipt of Medicaid and food stamps. We focused on how retention is handled at two key transitions: when families leave TANF but still qualify for food stamps and/or Medicaid, and when they lose eligibility for Section 1931 Medicaid but still qualify for ongoing Medicaid on another basis. In addition, we examined how states handled the risk of procedural termination—that is, loss of benefits for failure to provide necessary information, either at renewal or in response to requests at other times.

Call Centers Offer an Innovative Approach to Obtain Updated Client Information

Several of the study states use call centers to make it easier for families to report changes in circumstances and obtain information about the renewal of their benefits. Both Georgia and Utah have phone centers that handle and process change reports; some offices or regions in Washington also have call centers.

In Georgia, change centers allow food stamp, Medicaid, and TANF recipients to report, by telephone, changes in earned income, expenses, and other circumstances that may affect their eligibility. Changes recorded by center staff are entered directly into clients' case files in the automated system. The clients' caseworkers are alerted to review the changes and adjust benefits and other requirements if necessary. State officials note that intensive outreach is encouraging clients to call the centers and report any changes that may affect their status and eligibility.

In Utah, the call center (eligibility service center) not only accepts and inputs the information reported but also has full responsibility for taking all case actions involving renewal and changes. After initial determination of eligibility, the eligibility service center handles all case actions. Clients report earnings and other case-related changes, and complete required reviews (when a face-to-face interview is not required) through the call center. (The eligibility service center does not serve families receiving only Medicaid or SCHIP who are served through the Department of Health.) In Washington, families can report changes of circumstances through the Internet and, in some areas, through a local call center.

Even though Medicaid and food stamp eligibility is independent of TANF eligibility, most families receiving cash TANF also receive Section 1931 Medicaid and food stamps. Loss of TANF benefits should not, in and of itself, mean that Medicaid or food stamps should stop. When a family loses TANF benefits, the state must conduct any reviews of eligibility independently for each program. For example, if circumstances leading to TANF closure may also affect Medicaid, states must ensure that eligibility determination for the latter program is separate. Moreover, states can promote retention by avoiding unnecessary reviews; for example, treating loss of TANF as a non-event for ongoing Section 1931 Medicaid eligibility. States can also review eligibility without placing any additional burden or risk of procedural termination on the family by using the information that is the basis for TANF closure to adjust food stamps or shift Medicaid coverage groups automatically where appropriate. We examined states' use of these approaches, and whether and how they treated eligibility for each program separately at renewals and transitions.

Expected Actions and Risks at Transitions Differ for Food Stamps and Medicaid

In examining state practices for continuing Medicaid and food stamps at key transition points, it is important to understand current and historic differences between the two programs. These differences result in unique issues and risks that arise for Medicaid retention that generally do not extend to food stamps. Other issues apply to both types of benefits.

Despite de-linking of Medicaid and TANF, transition risks remain. Prior to PRWORA, family eligibility for Medicaid depended upon eligibility for cash. Now, because the two are de-linked (i.e., a new Medicaid eligibility category for families was established), eligibility for Section 1931 Medicaid is not determined by TANF eligibility. Although the study states have all created a new Section 1931 Medicaid category, a perceived connection between Medicaid and TANF remains due to the historical linkage. Moreover, although several states have established different income eligibility criteria for Section 1931 Medicaid and TANF, the majority of states have maintained the same or very similar income eligibility criteria for these programs. In these latter states, families losing TANF due to increased earnings also become ineligible for Section 1931 Medicaid reinforcing this misperception of linkage. This creates the heightened risk that loss of TANF eligibility will automatically lead to loss of Section 1931 Medicaid without the required consideration of eligibility for TMA.

Redetermination of an individual's eligibility under other Medicaid coverage groups before closure. Longstanding federal policies require a state to consider eligibility of each family member for ongoing Medicaid before terminating benefits. Thus, even when changed circumstances such as earnings result in the loss of Section 1931 Medicaid, a family often will qualify for TMA or children's Medicaid coverage. While the term redetermination is used to describe the Medicaid renewal process, it also encompasses a review for any other basis of eligibility that must occur prior to Medicaid closure.

Adjustment of food stamp benefits based on changed circumstances. Food stamp eligibility has always been independent of cash assistance receipt; the national eligibility levels are higher for food stamps than TANF in every state. However, the

circumstances that lead to TANF closure, such as increased earnings, can affect food stamp eligibility or, more likely, benefit amount. Because food stamp benefit amounts are adjusted periodically during a certification period in response to fluctuations in a family's income and other circumstances, states often want information on circumstances of a family leaving TANF. Such adjustments are not formal food stamp recertifications, but are based on reports of changes that routinely occur in the course of most certification periods. Once food stamp benefits are authorized for a set period, changes in circumstances may result in reduction or loss of benefits, but the TANF loss should not affect the scheduled recertification date. In other words, families may be required to provide information to the state to adjust or continue food stamps, but not to apply for recertification sooner than it is otherwise due just because of TANF closure.

Avoiding Unnecessary Reviews or Requests for Information Reduces Chances of Inappropriate Case Closure

No review at transitions if unnecessary. In many cases, loss of TANF benefits is a non-event (i.e., there is no reason to review eligibility) for Section 1931 Medicaid eligibility. A number of states have implemented procedures that are designed to ensure that unnecessary reviews do not occur when TANF benefits are lost. In Washington, the automated system continues Section 1931 Medicaid based on information known to the agency when TANF is closed. If the information indicates that the family exceeds the Section 1931 Medicaid level due to earnings, the family is automatically placed on TMA. But if the agency has no information establishing that the family is *not* eligible for continuing Section 1931 Medicaid coverage, no review or request for information occurs. In Maine, Medicaid is automatically continued for two months at TANF closure, during which time the case is transferred to a Medicaid specialist who examines the case. If the family remains eligible for Section 1931 Medicaid, then benefits are continued and no further action is taken until the next renewal. If the family no longer qualifies for Section 1931 Medicaid eligibility, then the specialist reviews any other Medicaid eligibility using information known to the department and transfers the case to the appropriate coverage group. TMA coverage is automatic for families losing 1931 Medicaid due to increased earned income.

By deliberately aligning renewal with an anticipated transition such as the time limit, a state may increase risk of loss of benefits. Connecticut has aligned food stamp and Medicaid renewals with the exit interview for TANF families approaching the state's 21-month time limit. Although Connecticut normally uses 12-month Medicaid renewal periods, the state schedules a shorter renewal to coincide with the family's time limit. If a family does not appear for the exit interview, which focuses on discussion of possible time limit extensions, food stamps and Medicaid close. While families hitting TANF time limits are likely to continue to qualify for Section 1931 Medicaid (as it covers families with income up to 150 percent of the poverty line), they may lose Medicaid coverage simply because they do not

appear for the exit interview.[16] In response to concerns about families losing food stamps and Medicaid, Connecticut changed its exit interview notices to clarify that ongoing food stamps and Medicaid are also at stake. In addition, the state is implementing automated system changes to de-link reviews, so families will not be up for Medicaid renewal at the time they reach the TANF time limit.

Avoiding unnecessary requests for information. States can reduce the risk of loss of benefits at transition points by avoiding unnecessary requests for information or verification. In Arkansas, families leaving TANF due to increased earnings are enrolled in TMA using self-declaration of earnings if verification is unavailable. This avoids the anomalous result of a state terminating Section 1931 Medicaid based on a report of earnings but not providing TMA due to lack of verification of those earnings.

One way that states limit risk and burdens on families is to conduct reviews of Medicaid eligibility without contacting the family for more information. This is known as an ex parte review. While all states should be conducting some type of ex parte reviews, as required by federal law, states vary in the lengths to which they search for or rely on information known to the agency. Moreover, many states use ex parte reviews for transitions that occur between renewals but not for renewals, even if recent information is available from food stamps. Instead, many states automatically terminate benefits if the family does not complete the renewal process. Washington and Ohio extend ex parte reviews to renewals by resetting the 12-month clock for Medicaid whenever TANF or food stamps are reviewed.

Automated Systems Can Both Facilitate and Impede Retention of Benefits

Programming automated systems to separate TANF closure from Medicaid facilitates retention. Because of the historical link between cash assistance and Medicaid, some state computer systems continued to link the two in the initial years of implementing TANF and Section 1931 Medicaid. By now, many states have modified their computer systems to automatically continue Medicaid, or to make an independent Medicaid eligibility determination, when TANF is closed. For example, in Oklahoma and South Carolina, the automated systems cannot automatically close Medicaid cases; caseworkers must conduct a manual review to determine whether another basis for Medicaid eligibility exists. In some states, however, worker action is needed to avoid automatic termination of Medicaid when TANF is closed. In Ohio, Medicaid is automatically ended upon TANF closure unless the worker manually creates an ongoing Medicaid case for the family.

Automatic consideration of ongoing eligibility facilitates transfer to other Medicaid coverage groups when circumstances change. Sophisticated automated systems can provide critical support for handling transitions by ensuring accurate and

[16] Because of Connecticut's generous TANF earnings disregards (which do not extend beyond the 21-month time limit), families in Connecticut typically do not lose TANF benefits due to earnings until they reach the time limit.

independent redetermination of eligibility for other types of Medicaid when Section 1931 Medicaid ends. Connecticut's system is designed to "sprout, trickle, and spawn" other sources of eligibility for Medicaid during reviews. Washington's system, based on Connecticut's, is designed to automatically shift a family to ongoing Section 1931 coverage or, where relevant, to TMA when TANF is closed. If the family does not qualify under these groups, the MIS would consider children's Medicaid and SCHIP. (Both Connecticut and Washington use different computer codes for TANF and non-TANF families for Section 1931 Medicaid. Thus, when a family leaves TANF, the computer automatically shifts the family to the non-TANF Section 1931 Medicaid code. This action is automatic and invisible to the family.) Other state systems—for example, Indiana, Georgia, and Ohio—also use a cascading approach of considering other bases of eligibility at renewal or at redetermination.

Inadequate recognition of different renewal periods poses risks for Medicaid retention. Problems can arise when one program drives a renewal in another program when it would not otherwise be due. In several states, the automated system is not programmed to separate a more frequent food stamp or TANF review from less frequent Medicaid reviews. In these states, workers are instructed to use manual workarounds to ensure that Medicaid is not erroneously closed if the family does not complete a food stamp or TANF review.

Medicaid Retention Promoted by Automatic Transfers to TMA and Full Understanding of Section 1931 Medicaid Eligibility

As families losing Section 1931 Medicaid eligibility due to earnings almost always qualify for TMA, state efforts to maximize access to TMA are important to aid Medicaid retention. These efforts include procedures to automatically transfer families to TMA and training staff to ensure they fully understand the importance of helping families make this transition.

Automatic transfer to TMA. States with automated systems that "trickle" through alternate eligibility groups often automatically transfer a family to TMA after the loss of Section 1931 Medicaid. Thus, for example, in Oklahoma, Washington, and Indiana, the automated system automatically enrolls families in TMA when they leave TANF due to earnings. The TANF closure code reflecting increased earnings generally will generate TMA enrollment. (In each of these states, a family leaving TANF due to earnings also becomes ineligible for Section 1931 Medicaid.) In other states, this transfer is not automatic, but the automated system prompts the worker to review for TMA. In Hennepin County, Minnesota, workers who close a case without acting on this prompt from the MAXIS system (the automated eligibility determination system) are contacted by a "MAXIS mentor" who reviews closed cases.

Training staff to ensure TMA access. While TMA provides families a way to retain Medicaid for up to an additional 12 months after their earnings exceed the Section 1931 limits, families cannot receive TMA upon leaving any other Medicaid group. Thus, if a family is not enrolled in Section 1931 Medicaid, it loses access to TMA as well. In one state, we observed that applicant families might be placed in the Medically Needy program rather

than in Section 1931 Medicaid and thus lose out on the additional year of benefits available under TMA. It appeared that families and staff did not always fully understand the consequences of choosing the initial Medicaid coverage group. In another state, we observed that some caseworkers were unaware that non-TANF families receiving Section 1931 Medicaid could qualify for TMA when they became ineligible due to earnings; these workers thought TMA was only available to families leaving TANF.

Special Reviews, Explicit Case Closure Requirements, and Specialized Training Support Retention, Primarily for Medicaid

Special reviews or other procedures. Several study states have established procedures whereby supervisors engage in routine manual checks of cases at transitions. In Arkansas, supervisors conduct monthly reviews of TANF case closures and accompanying Medicaid and food stamp closures to determine whether they were appropriate. The state has set a target that 80 percent of families leaving TANF should maintain food stamps or Medicaid, and the retention rate has increased since the initiative began.

In Washington, an automated system generates a nightly list of Medicaid case closures for manual review by senior workers to identify improper closures. While this system was started as an interim audit to monitor use of temporary manual work-arounds before the automated system was reprogrammed, it is now continuing to catch any remaining erroneous closures. As mentioned above, Minnesota "MAXIS" mentors also review closed cases to ensure that MIS-prompted reviews of ongoing Medicaid eligibility are conducted.

Medicaid and general case closure requests. When parents on TANF get jobs, they often phone or write their worker asking to close the case. To ensure that this closure does not inadvertently eliminate any ongoing Medicaid benefits, Washington sends an "informed consent letter" that requires the recipient to sign and return a Medicaid-specific request for closure. Unless the recipient signs and returns the letter, the Medicaid benefits continue.

Special training of staff. A number of states have focused worker training on Medicaid de-linking and avoiding inappropriate Medicaid closures. Utah officials have established "Stop the Bleeding" training based on concerns that TANF closures were leading to Medicaid closures. Caseworkers are reminded that losing TANF is not a basis for losing Medicaid, and are instructed to conduct ex parte reviews for other Medicaid eligibility, and use a minimalist approach to verification. Indiana has aggressively promoted training caseworkers and informing families about continued Medicaid benefits upon leaving TANF. In Maine, all workers were retrained to make sure they understood the importance of continuing Medicaid and food stamp benefits when families are eligible for them.

Educating Families About Continued Availability of Benefits Can Aid Retention

While states can ease burdens on families during renewal or key transition points, they must periodically obtain current information on families' circumstances, often from the family. Educating families that Medicaid and food stamp eligibility is independent of TANF receipt may make it more likely that they provide required information when TANF is

closed than if they believe that all benefits end together. One of the reasons for low TMA participation is that families may not understand the benefits of reporting income information when they get a job and leave TANF. Informing families early and often of these policies can aid in retention.

Casework Procedures to Facilitate Retention
(South Carolina)

In Marion County, South Carolina, agency officials have experimented with several strategies to promote retention by making it easy for families to comply with procedures. Caseworkers have distinct intake and ongoing case management responsibilities, and are specialized by program. As a result, caseworkers have more time to follow-up with extra notices and personal phone calls for recertification and renewal procedures, and are more knowledgeable about continuing Medicaid eligibility issues. The county uses routine supervisory reviews to ensure that case closures are appropriate. TANF caseworkers are instructed to hold their closed TANF cases for 30 to 60 days to ensure that food stamp and Medicaid benefits are properly continued. A TANF caseworker can never close a Medicaid case.

Routine education practices. In many of our study states, workers regularly inform recipients that food stamps and Medicaid can continue after TANF. Some states have more formal procedures to convey this information. In Bellingham, Washington, the TANF orientation includes written and scripted oral statements that Medicaid and food stamps may continue after TANF, and specifically about the availability of TMA. One presenter specifically suggested that TANF applicants question any termination of Medicaid, should it occur when TANF is closed. To ensure clear communication that Medicaid and food stamps are separate, Washington includes this information in an orientation video used throughout the state.

In Ohio, computer-generated notices sent monthly and at eligibility reviews include information on how many months remain before the TANF time limit is reached, and a reminder that food stamps and Medicaid may still be available. During the 32-month interviews that precede the state's 36-month TANF time limit, the caseworker reminds families about the availability of food stamps and Medicaid. In one of our focus groups, members unanimously agreed with one participant's statement that TANF time limits did not apply to food stamps or Medicaid—an indication of the success of this approach.

Post-TANF notification of availability of other benefits. Some states send notices informing families about food stamp or Medicaid eligibility independent of TANF *after* families leave benefits. In Indiana, the notice discontinuing TANF has been modified to explain ongoing eligibility for Medicaid. Washington sent 40,000 Help for Working Families brochures to families who recently had left TANF; these brochures discussed the availability of food stamps, Medicaid, child care, and child support assistance. Ohio sends notices to families 60 days after leaving Medicaid, reminding them that Medicaid for families or children is available independently of TANF.

Office Procedures for Transferring Cases After TANF Is Closed Can Aid Retention

In all of the study states, different workers—and sometimes different units, offices, or agencies—handle food stamps and Medicaid for TANF than for non-TANF families. Closure of TANF benefits often results in a transfer of the remaining benefits to the unit that handles non-TANF families. State practices range from immediate transfer to the non-TANF unit to a long-term retention of the case and any accompanying benefits by the TANF unit. We examined some of the ways states handled these transitions with particular attention to when an eligibility review occurs, if at all, and to the barriers these different approaches pose for families. In some states, non-TANF families often need to take separate actions to retain both food stamps and Medicaid.

TANF worker generally processes benefits when TANF closes to ensure other benefits continue. In most states, after TANF closure, the TANF worker takes any actions necessary to continue food stamps or Medicaid before transferring the case to the non-TANF unit. The TANF worker has greatest familiarity with the family and the case, and frequently has a smaller caseload than the non-TANF worker. In Connecticut, for example, when TANF closes, the TANF worker keeps the case until food stamp benefits are issued to ensure that ongoing food stamps have not been improperly affected by the TANF closure. At that point, the case is transferred to a non-TANF worker. Similarly, workers in Washington adjust food stamps, and Medicaid is automatically considered before the case is transferred.

In Oklahoma, the TANF worker initially holds on to the case, and takes any actions necessary to continue food stamps, child care, and Medicaid. The worker then transfers the case to the non-TANF unit within three months, except if the family continues to receive TMA, the TANF worker handles the case for the duration of assistance. All benefits stay together as part of the agency's "one family/one worker" initiative. In Arkansas and Alabama, the TANF worker also retains the TMA case after TANF closure, but transfers the food stamp portion of the case to another worker after adjusting them based on current information.

In some states, the retention actions are taken after the transfer to non-TANF workers. In Maine, when TANF closes, the TANF workers automatically extend Medicaid and food stamp benefits for two months, and then transfer the case to the non-TANF workers who take any additional action during the two-month period needed to continue benefits. Pairing of workers in TANF and non-TANF units helps to ensure smooth transitions.

Non-TANF families sometimes face dual retention pathways. Families receiving TANF generally receive cash, Medicaid, and food stamps through the same worker. In several of the study states, however, families receiving Medicaid and food stamps but not TANF must pursue two different pathways with different workers to retain benefits. In some states, this is the situation for all non-TANF families; in others, families may have dual pathways depending upon their Medicaid group. For example, in South Carolina, families receiving food stamps and TMA will have the same non-TANF worker, but those receiving food stamps and Section 1931 Medicaid will have two different workers. In Arkansas, a family will keep their TANF worker for TMA and will get a non-TANF worker for food

stamps. Because of these dual pathway structures, retention of benefits can be more difficult for families who have left TANF than for those who remain.

SUMMARY

Easing the retention burden involves both tangible procedural costs such as face-to-face interviews, frequency of reporting and review, and substantial verification requirements as well as intangible experiential costs such as how the office culture promotes continuing benefits for families. Programmatic differences between Medicaid and food stamps result in distinct renewal practices and costs/burdens associated with the retention of each benefit. In addition, families face transition risks during regularly scheduled renewals or recertifications and transitions. Nevertheless, the study states employ a range of methods to minimize these—including simplifying what a family must do to retain benefits; treating each program separately; avoiding unnecessary reviews or requests for information; and educating clients and workers about renewal and about food stamps and Medicaid being independent of TANF receipt. (See "Strategies for Promoting Retention of Medicaid and Food Stamps" in the box below.)

10 Strategies for Promoting Retention of Medicaid and Food Stamps

1. Make renewal of benefits easy and as infrequent as possible (i.e., annual).
2. Eliminate unnecessary reviews at transitions.
3. Treat programs independently; consider eligibility separately (if at all) at transitions.
4. Don't ask a family to provide any information that you don't need, already have, or can find yourself.
5. Treat TANF closure as a non-event to the extent that the reason does not impact Medicaid or food stamp eligibility.
6. Share information among programs.
7. Use automated systems to continue or adjust benefits automatically.
8. Ensure that automated systems do not require manual actions to avoid erroneous closure.
9. Inform workers and clients what actions are required of them.
10. Design processes for retaining food stamps and Medicaid that accommodate the needs of working families by making the requirements simple and requiring as little disruption as possible (e.g., no trip to welfare office).

Practices and costs associated with renewals. States have greater flexibility to simplify renewal for Medicaid than food stamps. While Medicaid renewals can occur without a trip to the welfare office and, in some states, without any action by the family, food stamp renewals require that a family apply anew at each certification period. Limiting the frequency of the renewals is the most effective way to ease burdens on families and caseworkers.

It is notable that since welfare reform, states have increased the use of short food stamp certification periods, and appear to have lost working families in the process. States' increased use of short food stamp renewal periods appears to be correlated with decreased food stamp participation by employed families. Nationally, the five states with the greatest decline in food stamp participation among working families between 1994 and 1998—including three of the study states, Indiana, Ohio, and Utah—all dramatically expanded their use of three-month certification periods during this time (Rosenbaum 2000). Other study states also significantly expanded use of three-month certification periods during these years, and also experienced decreased participation among working families. The increased use of short certification periods largely arose from state Quality Control error rate concerns.

While there are limits on how much states can simplify food stamp renewals, they have greater flexibility in this area than in initial applications. However, states are only beginning to take advantage of this flexibility. States can use 12-month certification periods and mail-in reviews that are more frequent than once a year. The new periodic change reporting options that can freeze benefits for three or six months can ease families' reporting burden and staff workload. Many states indicate great interest in these new options. Ultimately, making renewal easier for working families would need to include ways to renew without a trip to the welfare office and with lessened verification burdens. For food stamps, families face more significant retention barriers at renewal than when leaving TANF.

Although it is generally simpler than food stamp renewal, states have not taken advantage of all the options they have to make Medicaid renewal easier. Some have eliminated asset tests and use simplified children's forms to renew Medicaid for parents as well. Some use information they already have to pre-populate the renewal form sent to the family, or to renew without contacting the family at all. But there is still substantial room for making greater use of these options.

Risks at transition points with multiple benefits. Retaining benefits at transition points, such as leaving TANF, is more of an issue in Medicaid than in food stamps. Medicaid and TANF have only recently been de-linked, while food stamps have always been independent of cash welfare. Multiple Medicaid eligibility groups involve redetermination tasks that are not present in food stamps. State processes and automated systems were not immediately adapted to the changes, but states have begun to focus on retaining Medicaid at transitions. In some states, system problems remain and require manual workarounds.

At transition points, families risk losing both Medicaid and food stamps if they do not provide information that is requested. To reduce this risk, some study states are avoiding unnecessary reviews or requests for information and educating clients about the independent

availability of food stamps and Medicaid so they understand the importance of providing information that is requested.

Addressing retention burden for families increasingly working and not receiving TANF. We found that most states were well aware that, when TANF cases close, independent reasons for closing Medicaid or food stamps must also exist, and that states were using a variety of strategies to ensure that Medicaid and food stamp benefits were continuing. The fact that TANF families have one caseworker managing all of their benefits is integral to good retention outcomes On the other hand, in several states, families not receiving TANF have greater burdens in renewing and retaining benefits, often because they have different workers for food stamps and for Medicaid. Maintaining food stamp eligibility may represent the biggest burden on families and may undermine families' willingness to follow retention procedures for Medicaid, especially for TMA. As states continue to retool their systems to better serve working families not receiving cash welfare, identifying and addressing the opportunity costs these families face to retain benefits should be a priority.

Retention problems were present before PRWORA in both Medicaid and the Food Stamp Program. However, as more families have left welfare and are employed, due to effects of welfare reform as well as the strong economy of recent years, these problems take on increased magnitude and additional significance. Our findings suggest fewer families on cash assistance has led to fewer families receiving other benefits not always because they are ineligible but in large part because procedures represent more of an unacceptable burden to them if they aren't receiving cash assistance. The ability to make sure that low-income working families not receiving cash assistance can and will keep their benefits for as long as they are eligible may boil down to this simple proposition: make it as easy as possible to obtain benefits, make it even easier to retain them and make a commitment to make sure that families who are eligible for benefits receive them.

CHAPTER VI

USING MANAGEMENT INFORMATION SYSTEMS TO SUPPORT ENROLLMENT AND RETENTION

In the last three chapters we presented strategies the study sites have implemented to increase initial and ongoing participation in food stamps, Medicaid and SCHIP. Among those strategies are changes states have made to their automated systems to support enrollment and retention. At the study sites, we spoke with caseworkers, administrators and staff of each state's MIS organization to better understand what role the site's management information system plays in promoting participation in food stamps, Medicaid and SCHIP. We focused on two primary issues: (1) use of information systems to simplify the initial and ongoing enrollment processes and (2) ways in which information systems mitigate or create potential risks to initial or ongoing participation. In this chapter, we present what we learned from these conversations.

INFORMATION SYSTEM FEATURES THAT SUPPORT ENROLLMENT AND RETENTION

Although many of the sites had made changes to their automated systems to facilitate participation in the Food Stamp and Medicaid programs, the extent to which information systems aid workers in the initial and ongoing eligibility determination process varies considerably. In some states or counties, the initial and ongoing eligibility determination process remains mostly a manual process while in others, the automated eligibility determination system includes sophisticated routines to ensure that families receive the most comprehensive set of benefits available to them or that families do not lose benefits inappropriately. Information systems aid enrollment in several important ways: (1) they reduce the burden on workers and clients; (2) they reduce the potential for worker error; and (3) they provide states and counties with options for programming the system to mitigate potential risk points. When sophisticated information systems are in place, they can significantly lower the risk that a family will not receive the benefits to which they are entitled. When information systems are less developed, caseworkers bear more responsibility for implementing appropriate procedures to ensure benefits are received. In a

few sites, information systems played a significant role in making sure families received the benefits they were entitled to; in most, they provided modest support and many ongoing challenges.

Across the 15 sites, we identified a broad range of strategies that involved using technology to simplify enrollment and retention. Taken as a whole, these strategies represent an impressive list of the ways in which technology can be used to simplify the initial application, renewal and change reporting process (see the box below). Many of the MIS-related promising practices we observed, however, were only implemented in a few of the study states. For many states, there is much potential for increased use of technology to ease enrollment and retention processes. Given this, it will be important for states that are pioneering the use of technology to document both its cost and effectiveness. This is especially important for systems that are complex and costly to develop and use, such as eligibility determination systems, paperless welfare offices and linkages among multiple management information systems.

During our site visits, we identified a number of automated system features that help to mitigate the risk that families will not receive benefits when they should (see the box below). In particular, we looked at (1) what programs are included in a shared automated system; (2) how automated are the systems in determining eligibility and managing the case; and (3) how integrated the systems are in communicating information among programs. None of the sites' automated systems included all of the features discussed below, although several of the sites included most of them.

Level of Automation Ranges from Minimal to Extensive

Automated eligibility determination. In most of the study sites, program eligibility is determined automatically, reducing the potential for worker error. In several sites, workers enter information directly into the automated system as they interview a client. In others, the information is gathered manually and then entered into the information system to determine eligibility.

At the time of our visits, three of the study sites had virtually no automated support for the eligibility determination process. In Arkansas, South Carolina and Maine, eligibility workers computed program eligibility manually, which requires manual creation of client budgets, manual computation of asset and income information, and detailed knowledge of the eligibility rules and regulations for each of the program coverage categories for which the client may qualify. In addition to requiring that workers remain knowledgeable about all of the eligibility details for the programs they manage, it's harder and more time-consuming to help a client apply for benefits. In each of these states, manual processes are also used to conduct ongoing eligibility determinations at recertification and redetermination points. Arkansas and Maine are both developing new information systems that will significantly increase the automated support available to workers.

Features of Information Systems That Support Participation in the Food Stamp Program, Medicaid and SCHIP

Features That Support Simplification

- Web-based information and application distribution and preliminary screening
- Computer-aided interactive interviews
- Pre-populated review forms
- Document imaging systems
- Paperless case management systems
- Technology links to verify key information

Features That Help Mitigate Risk Points

- Automated eligibility determination
- Automatic consideration of eligibility for all programs
- Integrated information sharing among all programs
- Cascading benefit systems
- Independent eligibility determination

Some states have a mix of automated and manual functions. For example, in Minnesota, the automated system determines food stamps and TANF eligibility, but the sub-system for Medicaid largely uses a manual eligibility determination.

Automatic consideration of eligibility for all programs and coverage groups. Even in states with shared automated systems, the system often determines eligibility only for those programs requested by the applicant or selected by the caseworker. Cuyahoga County is the only site we visited where the information system automatically determines eligibility for all programs for which a family might be eligible regardless of what programs were sought. Neither the family nor the worker needs to specify the programs for which eligibility is being considered. Once eligibility is determined, the family has the option to enroll in each of the programs for which they are eligible.

In the other sites, workers must indicate the set of programs for which the client should be tested, and sometimes must initiate the eligibility determination sequence. In addition, in some states, there are systems limitations as to how many different programs or coverage groups can be run in one eligibility sequence. For example, in South Carolina, only one basis for Medicaid eligibility can be tested at a time. Therefore, each time a client fails the eligibility test for one Medicaid group, the worker must enter the code for a different category and initiate a new eligibility sequence in the system. The Utah system can determine eligibility for only six programs or coverage groups concurrently. These limitations create

opportunities for error, as workers may not correctly identify all of the programs for which a client should be tested.

A number of states, including Connecticut, Georgia, Indiana, Ohio, and Washington, use what are often referred to as cascading systems to determine initial and ongoing eligibility. Cascading typically arises in Medicaid which has multiple eligibility groups. Cascading systems automatically determine eligibility for those Medicaid coverage groups of interest, but in a way that first tests the client for eligibility in the group with the most comprehensive set of benefits and coverage. For example, when determining Medicaid eligibility, the Indiana ICES system will first test a client for eligibility in the 1931 Medicaid category, which offers the most comprehensive coverage. If the client fails, the system will cascade through the state's Medicaid groups until the client is either determined eligible or completely denied benefits. Cascading systems can separately consider the eligibility of each individual in the family. One problem that exists in some cascading systems is that they only cascade in one direction. Thus, if a family is enrolled in children's Medicaid and their income drops, they would not automatically be considered for Section 1931 Medicaid unless the client requested or the caseworker initiated the process.

Independent Eligibility Determination Programmed in Some, but Not All, Sites

Ideally, an information system should cover and consider all programs, but determine eligibility independently for each one. Prior to PRWORA, eligibility determination was linked for cash assistance and Medicaid, meaning that decisions affecting cash assistance automatically affected Medicaid. When Medicaid was de-linked from cash assistance, many families lost eligibility for Medicaid incorrectly because the information systems were not properly de-linked. In order to prevent this kind of error, several of the study states have reprogrammed their information systems to determine eligibility independently and do not allow automatic closure of a Medicaid case when TANF is closed.

Some systems also have independent automated processes at renewal. For example, in Oklahoma, the computer system will close TANF and food stamps automatically if the renewal is not completed but will not close Medicaid automatically; the caseworker must take action to close the Medicaid case. In at least two states, we observed systems that were not automated to accommodate different renewal periods for food stamps and Medicaid and the worker needed to take manual action at the time of the food stamp review to extend Medicaid and avoid automatic closure even though no Medicaid review was due.

Systems Integration Reduces Chances for Error and Promotes Receipt of Multiple Benefits

The amount of integration among the eligibility determination systems for food stamps and Medicaid in the study sites ranges from fully integrated to completely separate. In sites where the information systems are fully integrated, workers enter information into one system where it can be used to determine eligibility for multiple programs. For example, Ohio's information system uses a "change driver." Any information entered in for one program is automatically considered for other programs. In Georgia, the automated system

prompts the worker to review eligibility in one program in response to information entered for another program.

In sites where the systems are not fully integrated or are completely separate, information must be entered and eligibility determined separately for each program. In Alabama, Medicaid and food stamp eligibility are determined by two different computer systems. Thus, families must provide information to two different workers who each enter information into the system separately. (For families applying for TANF, one worker can handle eligibility for all programs, but must still enter information into two different systems.) In both cases, the process is time-consuming and increases the potential for error.

The lack of a single system also has created unique challenges for South Carolina, where the systems in use do not communicate with one another in any sort of meaningful automated fashion. Marion County, the largest county in the state, has instituted a process to align the food stamp recertification periods with the Medicaid redetermination periods, in order to require a face-to-face interview with the client only once per year. Since the systems do not communicate with one another, county staff must manually match up the Medicaid case information in one system with the food stamp case information in the second system using printed case information, and then manually revise the certification periods in the system. The county described this as an "intensely time consuming process," which, with the proper automated support, would go quickly.

In some states, the Medicaid coverage groups included in the linked automated system may not cover all possible bases of health coverage. For example, in Minnesota, the linked system includes Section 1931 and children's Medicaid but does not include MinnesotaCare, the state's Medicaid demonstration waiver program. Also, in some states (e.g., Washington), eligibility for the separate state SCHIP program is handled through the same system that handles other benefits, but in other states (e.g., Connecticut and Alabama), eligibility for the separate state SCHIP program is determined through a wholly separate automated system. In the latter case, applications and renewal forms are manually forwarded between the Medicaid and SCHIP agencies so that the child can be enrolled in the proper program. .

Interface with other systems and databases. In some states, the automated systems could interface with databases providing information on client's circumstances. For example, in some states workers can easily access records from agencies such as the Department of Motor Vehicles or the Department of Vital Statistics to verify information about age, citizenship, and value of assets. These interfaces were used extensively in only a few states; typically workers rely on clients to provide such verification. In some states the automated eligibility system could interface with the child support collection system to determine if the client had received child support income and with the unemployment insurance system to determine if they had a recent pattern of earnings. Because of the time lag, workers are not able to verify income through links with the unemployment insurance system. In Georgia, some workers had access to the new hire registry, but it did not appear to be widely used, possibly because it is relatively recent.

Sophisticated Information Systems Do Not Reduce the Need for Knowledgeable, Well-Trained Staff

Sophisticated information systems have substantial potential to ensure families receive the benefits they deserve while minimizing the burden on workers and families. However, they are not a substitute for workers who are knowledgeable and well-trained. All of the sites with the most sophisticated information systems had implemented policy changes that had not been accommodated by the automated systems. Thus, workers were responsible for working around the automation in order to ensure accurate case processing and avoid erroneous automated actions. When these situations arise, a worker needs to understand the details of program eligibility well enough to be able to override the automated system and make the correct decision regarding eligibility. In addition, when automated systems are down, work must be done manually.

THE CHALLENGES OF CREATING INFORMATION SYSTEMS TO SUPPORT ENROLLMENT AND RETENTION IN MEDICAID, SCHIP, AND FOOD STAMPS

All Sites Face Difficulties Keeping Pace with Change

One of the most significant challenges that every state mentioned regarding automated support for the Food Stamp and Medicaid programs was the difficulty in modifying their eligibility information systems to keep pace with legislative and programmatic changes. As an example, most states reported that enhancing their automated eligibility systems to conform with the programmatic changes in the 1996 PRWORA legislation required *at least* one year of effort for their state MIS organization, and in many cases, multiple years were required. In several states, it was apparent that the PRWORA changes were still not yet fully automated.

States were quick to point out that even minor program changes can have considerable systems implications, and require significant effort to implement within the state's automated eligibility system. Additionally, many times what appear to be minor changes to system processing can cause unexpected "ripple effects" throughout the automated system. Implementing changes of this scope, therefore, often requires an extensive design, development and testing effort to ensure that not only do the system changes incorporate the new program features and policies, but they do not harbor any unforeseen consequences on other, related system processes. Frequently, this is a time-consuming and resource intensive effort.

While difficult, keeping information systems current with legislative and program changes is a vital part of ensuring that eligible families are able to enroll in food stamps and Medicaid, and retain their benefits for as long as they are eligible. When the state's automated system lags behind current policies, workers may be at risk of inappropriately denying applications or terminating existing benefits for clients because the eligibility results and information they receive from the system may be erroneous. We witnessed many situations, in a number of states, where workers manually overrode a system result because

they knew the system to be in error. As systems modifications fall behind program changes, therefore, it becomes increasingly important for workers to have the most up-to-date knowledge of current programs, policies, and the extent to which the system incorporates them.

Lack of Adequate Reporting Tools Makes Program Management More Complex

In general, several states felt that while their automated systems may be a valuable case management tool, the reporting capabilities were limited, particularly regarding the ability to generate client-level reports that monitor changes in the Food Stamp and Medicaid programs. Program staff and caseworkers in several sites indicated that improved tracking and reporting of clients, including detailed information on case status changes, closures, and movement between assistance programs, would yield benefits to workers and program managers. Washington State is one of the few sites that uses an interfacing system that could provide management information reports that enabled managers and supervisors to run statistics by client and type of case using both standard and ad hoc reports. This interfacing system produces an audit report daily that lists any individual who has lost Medicaid coverage, thereby alerting managers to review such cases. The system can also be used to examine issues such as case processing time frames and food stamp accuracy.

Managing with Limited Resources

States reported difficulty in modifying eligibility systems to respond to program changes, as well as generally enhancing systems to provide more automated support in the application and review processes. This is largely due to severe resource constraints that many state MIS organizations face, and the competing demands for those resources. In some states, a single MIS department is responsible for maintaining and enhancing all of the state's human and social services eligibility information systems. The array of state systems include not only the state's information system, which typically provides case management, eligibility determination and benefit issuance for food stamps, Medicaid and TANF, but also other automated systems such as the state's child support enforcement, child welfare system, and Medicaid Management Information System (MMIS), which conducts claim processing and provider reimbursement for the state Medicaid program.

Given the scope of responsibility under an MIS organization's purview, enhancements to the eligibility determination system do not necessarily take precedence over other systems and MIS initiatives, even when those enhancements are necessary to comply with state or federal program changes. This is particularly the case when other systems under the MIS organization's purview are facing scrutiny from state legislatures, federal oversight agencies, and the press. In addition, over the past several years, many state MIS organizations have had the additional burdens of preparing for the Y2K conversion and implementing the child support enforcement and state disbursement unit systems requirements contained in PRWORA. For this latter set of efforts, states faced the threat of significant federal sanctions for not meeting the legislatively mandated time frames. In addition, over the past several years, many states have experienced budget shortfalls, which further restrict the ability to update eligibility systems.

Apart from resource allocation issues among competing systems, eligibility determination systems themselves have a unique set of challenges relating to their upkeep and enhancements. Most of the systems that states use to determine eligibility and provide case management for TANF, food stamps and Medicaid employ outdated technology, and in some cases, are constructed in a haphazard fashion that makes modifications extremely difficult. A review of state information systems mandated by the PRWORA legislation showed that these systems were aging and in need of substantial modifications to be compliant with TANF requirements. In addition, virtually every state uses some type of mainframe-based technology that is becoming increasingly antiquated and difficult to maintain, due in part to the difficulty in finding IT professionals experienced with these systems. Despite this, many states are unwilling to abandon these systems in favor of more modern systems that would support a wider range of functionality for caseworkers, and be easier to maintain and enhance over time. Most states have invested millions of dollars and many years in the development of their eligibility determination systems. This represents time and spending not only on systems development costs, but also on training workers, creating documentation, and re-engineering work flows and business practices around the system processing, to ensure that workers understand and accept the systems. Many states have indicated that worker acceptance of the system is the most challenging aspect of systems implementation, and that forcing workers to abandon a system they have spent years learning and inculcating into their daily activities would be extremely difficult.

SUMMARY

Information technology offers vital support to workers and clients. Our site visits demonstrated that information technology has the potential to provide significant support to caseworkers in their efforts to determine eligibility and coordinate benefits. We have outlined a number of promising practices regarding the use of information technology to facilitate initial access to and ongoing participation in food stamps and Medicaid. States are increasingly providing more automation of the application and recertification processes, moving toward paperless applications, and providing automated tools that assist workers. These practices help reduce the possibility of worker error, lessen the burden on applicants and recipients, and ensure that during application and reviews, clients are, in some states, automatically tested for eligibility in the programs for which they have applied, and in some states, for all of the programs that the state offers, thereby ensuring access to all programs.

Moreover, as state eligibility systems provide greater automated support, caseworkers are able to spend more time interacting with clients to provide the case management support and counseling they often need to realize their work-related objectives. In many of the client focus groups we conducted, it was evident that clients responded much more positively to frequent and direct contact with workers, and were more likely to remain active in the benefit programs when they felt a personal connection with their worker.

Despite the promising practices, information systems still harbor a number of critical pitfalls that create risks for food stamp and Medicaid applicants and clients. Virtually every state reported significant lag time between program changes and system changes, which places a noteworthy burden on caseworkers to remain knowledgeable about

current program policies and regulations, and which ones are not supported by the state's automated eligibility system. Often, this meant providing significant ongoing training on policy and procedures; otherwise, workers could inappropriately deny benefits either by using the system incorrectly, misapplying new regulations, or not considering programs to test eligibility on because they are unaware of the program rules.

There is great potential for the future use of technology. While the current range of systems and technologies used in most states appears to be somewhat of a mixed bag, a number of nascent efforts and trends have the potential to significantly improve program access and participation. Most states are beginning to use the Internet to post application forms, distribute program information to both potential clients and community partners, and at least one state has implemented on-line application, change reporting and renewal. In addition, several states are implementing web-based processes that allow potential clients to screen themselves for program eligibility, and then locate offices where they can apply.

Mobile or web-based based enrollment and renewal capacity can allow outstationed workers to complete enrollment or renewal, or can allow community-based organizations to provide on-site assistance to families to complete processes. In addition, sharing information among programs available in one automated system or in other databases can play a central role if reducing burdens on families while maintaining (or even improving) payment accuracy. A state's ability to verify or confirm information through interfacing databases can lead to increased acceptance of self-declared information

Technology innovations are occurring at an unprecedented rate, and hold promise to enable states to create new system components that offer additional functionality for workers and clients, and can be easily added onto existing information systems. This allows states to maximize the benefits of new technology, while still retaining the core eligibility systems in which they have heavily invested.

CHAPTER VII

SUMMARY AND CONCLUSIONS

In light of the unprecedented declines in Medicaid and food stamp participation by families shortly after the passage of welfare reform, this research grew out of the desire of the Departments of Health and Human Services and Agriculture to know more about state and local strategies for promoting participation in food stamps, Medicaid and SCHIP and how eligibility requirements for these programs promote or discourage participation. This two-year research project was designed to assess how frontline procedures and practices either support or impede participation, and to identify promising practices for enrollment and retention strategies to provide specific guidance for states endeavoring to address participation issues.

Our research design established three overarching foci: (1) assessing how to identify and ameliorate the opportunity costs (i.e. burdens) for families trying to initially apply for or retain benefits; (2) assessing how procedures for processing changes in eligibility status (i.e. transitions) create risk points for potentially losing benefits; and (3) determining whether the experiences of TANF and non-TANF families differ in ways that are important to understand current program participation. By focusing on the concept of opportunity costs, we acknowledge that working families now constitute the primary group of eligible families, and that these families have varying needs and may have less ability or willingness to deal with cumbersome procedures for getting benefits. The concept of risk points at critical transitions reflects the reality that working families frequently experience income and other changes in their circumstances and may need and receive a different combination of benefits as compared with a non-working family receiving cash assistance.

KEY FINDINGS

The findings outlined in the previous chapters reflect the need for diverse strategies to increase participation in programs that support working families. These strategies focus on three different themes: (1) awareness, (2) simplification, and (3) reduction of risk points. Strategies aimed at increasing awareness of the availability of public benefits reach families

who may otherwise never apply for benefits because they do not think they are eligible for them or who may simply be unaware of their availability. Strategies focused on simplifying the application or renewal process aim to reach families who choose not to apply because they believe the opportunity costs outweigh the benefits and families who fail to complete the application or renewal process because the process is too cumbersome. Finally, strategies focused on reducing potential risk points emphasize the importance of developing explicit procedures for addressing points where families are at heightened risk for not initially obtaining or retaining benefits. Below, we discuss our key findings related to each of these themes.

- **A carefully designed public information campaign combined with locally based outreach activities appears to be a promising strategy for increasing program awareness and enrollment.**

The information we have on the role of public information campaigns and locally based outreach activities in increasing awareness and program participation comes from efforts to enroll children in Medicaid and SCHIP. Most of the study states reported great success with radio and TV campaigns that make program information routinely available to families. Outreach strategies that aim to provide information in locations where families congregate for other purposes (e.g., PTA meetings, church fairs, parades) extend the reach of these campaigns by providing information and enrollment opportunities to families who may not apply for benefits on their own. Several of the study sites indicated that their offices were flooded with applications or requests for applications after launching their information campaigns and local outreach activities. The overall success of these outreach efforts is difficult to measure because many of them were implemented at the same time as program expansions that broadened the pool of eligible recipients. In addition, they were implemented along with simplified procedures that may have independently increased the number of families interested in applying for benefits. Still, the available evidence suggests that carefully designed outreach strategies can reach families who may not otherwise know about or apply for benefits and are worthy of further exploration and expansion to other programs.

- **The ease of applying for benefits depends on which benefits a family is seeking. In all the study sites, working families applying for and retaining children's Medicaid and SCHIP can do so through a relatively simple process; with a few exceptions, it is more complicated to apply for and retain Medicaid for the whole family (including parents) and substantially more burdensome to apply for food stamps.**

Simple and short applications and renewal forms, no requirements for a face-to-face interview and limited verification requirements all reduce the burden of applying for assistance. In all the study sites, families can apply for children's Medicaid and SCHIP through a very simple process. The application form is short, in part because they do not need to report or verify assets and they never have to go to the welfare office. Five of the study states have simplified the application process even further by allowing self-declaration

of income. Renewal of benefits occurs once a year and in half the states, changes in circumstances during the year do not affect eligibility.

Only a few of the study states have achieved the same level of simplification for Section 1931 Medicaid as for children's Medicaid and SCHIP. Nearly all of the study states use a simple application and do not require a face-to-face interview, however, only four states completely eliminate the asset test (an additional four exclude the value of one or more vehicles) and only three allow self-declaration of income. Renewals for Section 1931 Medicaid are generally quite simple; in most states they occur every 12 months and do not require a face-to-face interview.

Largely owing to more stringent federal requirements and concerns about quality control errors, the study states have taken fewer steps to simplify the food stamp application and retention process. Families interested in applying for food stamps or being recertified for them must appear at the welfare office for an interview and declare and document their income and assets, among other things. In most of the study states, families can apply for food stamp benefits using an application that is fewer than 10 pages. In addition, several study states have eased the burden of retaining food stamps by waiving the face-to-face interview for recertifications that occur more than once a year. While retaining food stamps is sometimes less burdensome than initially applying for them, it is substantially more burdensome than retaining Medicaid and SCHIP. At the time of our visits, states were just beginning to decide whether they would take advantage of some of the new options for simplifying the renewal and change reporting requirements. Thus, our findings most likely understate the extent to which the recertification process for food stamps has been simplified.

To the extent that families want to apply for or continue to receive both food stamps and Medicaid, their burden is not eased by Medicaid's more simplified procedures. In the absence of a cash benefit, which is frequently accompanied by other benefits such as child care, transportation assistance and extensive casework support, it is possible that complying with burdensome application and retention requirements for food stamps may present unacceptable opportunity costs for working families, particularly when the food stamp benefit is small. Moreover, our focus group findings suggest that beleaguered families' willingness to comply with relatively simple retention procedures for Medicaid may be undermined by their experiences retaining food stamp benefits.

Differences in the application processes for food stamps and Medicaid make it difficult to predict systematic effects on participation. Sometimes families won't apply for Medicaid no matter how simple the procedures because they don't currently need healthcare services (i.e., they are not sick). In contrast, the Food Stamp Program provides an immediate tangible benefit that may make a substantial difference in a working family's ability to make ends meet. Whether or not a family applies will depend upon whether they believe the opportunity costs of applying for the benefit exceed its cash value.

Historically, even though eligibility for Medicaid and food stamps has never been technically linked, families applying for one program often ended up enrolling in both. In fact, part of the increase in the food stamp caseload during the early 1990s is attributed to

the expansion of Medicaid (Rosso 2001). Since most families applied for Medicaid benefits at the welfare office, they were considered for food stamps at the same time. As more families take advantage of the opportunities to apply for Medicaid and SCHIP benefits without ever going to the welfare office, it is possible that some families who may have previously received food stamps because they could apply for them at the same time they applied for Medicaid will no longer find the benefits provided by the Food Stamp Program worth the additional opportunity cost of applying for them.

- **Efforts to change the culture and structure of the welfare office were important components of some sites' efforts to increase participation in food stamps, Medicaid and SCHIP**.

Simplified application and renewal procedures do not necessarily provide a complete picture of the costs families consider when deciding whether or not to apply for benefits. Other factors that matter to families include (1) how they are treated at the welfare office; (2) how long they must wait to see a caseworker; (3) how many trips they need to make to complete the application process; and (4) how convenient it is to get to the welfare office or other locations where they can apply for assistance. The study sites implemented a variety of strategies to address these concerns, including:

- A "one worker, one family" approach to casework to provide more seamless and personalized service
- Training for caseworkers that emphasizes the importance of making sure families receive all the benefits to which they are entitled
- Same-day services that allow families to complete the application process in one visit
- Edicts that require families to be seen within 10-20 minutes of arrival
- Decentralized office structures that create more neighborhood-based service centers
- "Call centers" that provide recipients with a convenient way to report changes in their circumstances
- Outreach units that provide application assistance and eligibility determination in places working families frequent for other purposes (e.g., child care centers, health fairs, food banks, etc.)
- Use of staff in community-based organizations to provide application assistance

It is difficult to gather more than anecdotal evidence on how these changes affect families' choices regarding whether or not to apply for or renew their benefits. Participants in our focus groups indicated that these changes mattered to them. Families like having a worker with whom they have a relationship and who can answer questions about their benefits. Participants indicated that same-day service worked well for them because they

knew they could go to the welfare office on a day that was convenient for them and not have to return. Families who applied for benefits in a location other than the welfare office liked the convenience of being able to do so and appreciated the assistance they received in completing the application.

- **In an environment where each program has its own eligibility, application and renewal requirements, sophisticated automated systems, well-trained staff and explicit case processing procedures help to reduce the risk of families not having their benefits determined properly.**

Because of the low-income eligibility requirements for TANF, families who qualify for TANF almost always qualify for food stamps and Section 1931 Medicaid. The situation for working families is much more complex. While nearly all poor children qualify for both food stamps and children's Medicaid or SCHIP, eligibility for Section 1931 Medicaid and food stamps often diverge quite substantially for parents. In a small number of states, families (including parents) are eligible for Section 1931 Medicaid at higher income levels than for the Food Stamp Program. But, in many states, eligibility for Section 1931 Medicaid is substantially lower. In several of the study states, eligibility levels for Section 1931 Medicaid are so low that virtually any employment makes a family ineligible. Families who lose eligibility for Section 1931 should be eligible for Transitional Medical Assistance for 12 months in all states. Consequently, initial and ongoing eligibility must be determined independently for each program. Furthermore, differences in the application and reporting requirements for each program mean that an application that is incomplete for one program may be complete for another. Similarly, while a change in circumstances might render a family ineligible for one benefit, it may have no bearing on their eligibility for another.

Staff training has been critical to assuring proper eligibility determination for all programs. When Medicaid eligibility was linked to cash assistance and fewer children and family coverage groups existed, it was relatively simple for workers to determine Medicaid eligibility for families. Now, even though the application process itself may be quite simple, a worker must be knowledgeable about Medicaid policy to know which Medicaid groups to consider and when a transition should and should not affect continued eligibility. This change, combined with more complex TANF eligibility requirements, requires workers to be knowledgeable about several complicated programs. In addition, because an independent eligibility determination must now be made for each program, the time required to process each case is greater than it used to be. Although it is difficult for local welfare offices, especially those in or near large urban centers, to maintain a cadre of well-trained staff who are knowledgeable about all programs, most of the sites have decided that it is preferable to train staff in all programs than to have staff specialize in one program. In the few sites where workers are specialized, the process of applying for and retaining benefits is sometimes substantially more burdensome for the family.

Because eligibility determination is so much more complex than it used to be, the need for automated support is far greater. However, because of the difficulty states have in keeping their automated systems up-to-date with current policy and procedures, automated systems can and do pose risks for families at some critical transition points. In some sites,

sophisticated automated systems simplify the application process for families, reduce the workload for caseworkers and reduce the risk of benefits not being determined properly. In others, the eligibility determination process remains a manual process and is cumbersome for both clients and workers. Systems features that help mitigate risk points for families include automated eligibility determination, automatic consideration of eligibility for all programs, cascading eligibility determination routines for various Medicaid groups, integrated information sharing among all programs, and independent eligibility determination. Even though sophisticated automated systems can make eligibility determination simpler and more efficient, automation is not a substitute for well-trained staff. All of the sites with the most sophisticated information systems had implemented policy changes that could not immediately be accommodated by their automated systems. When these situations arise, a worker needs to understand the details of program eligibility well enough to be able to override the automated system and make the correct decision regarding eligibility.

Finally, in an effort to be proactive about mitigating risk points, the study sites implemented a number of explicit case processing strategies to ensure families receive the benefits to which they are entitled. These strategies include educating families early and often about the availability of benefits separate from TANF and about reporting requirements; providing families with pre-printed renewal forms with family-specific information; using food stamp reports to renew Medicaid or reset the Medicaid renewal clock; requiring written "informed consent" letters to close Medicaid; prohibiting TANF workers from closing a Medicaid case; avoiding reviews or requests for information that are not necessary; conducting any Medicaid reviews on an "ex parte" basis, without contacting the family to the greatest extent possible; conducting special reviews of closed cases to catch erroneous food stamp or Medicaid closures; and considering information that is sufficient to take action on a TANF case sufficient to determine ongoing Medicaid and food stamps.

- **While TANF families previously were at high risk of not having their benefits determined accurately during critical transitions, the study sites have largely addressed these issues.**

Because large numbers of TANF recipients inappropriately lost Medicaid benefits when their TANF cases closed shortly after the implementation of TANF, we closely examined how these transitions were handled in the study sites, focusing on what strategies were being used to avoid improper case closures. Most of the staff members we interviewed were well aware that when a TANF application is denied, an independent eligibility determination should be conducted for food stamps and Medicaid. Frequently, even though enough information may not be available to make a determination for TANF or food stamps, the case can be processed for one of the Medicaid groups that require less information to determine eligibility. Similarly, when an ongoing TANF case closes, workers were aware that independent reasons for reviewing and/or closing Medicaid or food stamp cases must exist.

Strategies in place to reduce the risk of inappropriate case closure are similar to those in place to ensure independent eligibility determinations occur for all program applications. Strategies specific to TANF cases include not permitting a TANF worker to close a Medicaid case and requiring TANF workers to process eligibility for all programs before

transferring the case to another worker. In addition, once TANF and Medicaid eligibility were de-linked in states' automated eligibility determination systems, the risk of inappropriate case closures was reduced substantially. While this risk point is not entirely ameliorated and ongoing vigilance is required, the risk of losing Medicaid upon closure of TANF has been substantially reduced in almost all of our study states.

RECOMMENDATIONS AND NEXT STEPS

Low participation rates and retention problems among working families were evident before PRWORA for both Medicaid and the Food Stamp Program. While participation rates have worsened since welfare reform, these dynamics may have less to do with families losing food stamp and Medicaid benefits simply because they lost cash assistance, and more to do with working families not getting or retaining these benefits because eligibility procedures represent more of an unacceptable burden without the incentive of the cash benefit.

Our findings suggest that the central issues regarding enrollment and retention concern how we do a better job of ensuring that low-income working families who are not interested in applying for cash will still be interested in applying for Medicaid and food stamps, will be able to apply and get these benefits if eligible, and will want to keep these benefits for as long as they are eligible. Is it primarily a matter of reducing the burden/opportunity costs as well as the risks at transition points? Or is it as simple as articulating and supporting the principle that we want working families to get benefits and keep benefits with a minimum of fuss? Our recommendations incorporate both of these perspectives.

- **Use the lessons learned from public information and local outreach campaigns for children's Medicaid and SCHIP to inform families about the availability of Section 1931 Medicaid and the Food Stamp Program.**

In recent years we have learned a lot about how to conduct successful public information campaigns for programs that offer benefits to children. States, localities, the federal government and foundations interested in the improving the circumstances of working families should use this information to increase people's awareness about the full range of benefits available to working families. Any barriers to coordinating these efforts should be eliminated (e.g., any restrictions that require outreach efforts to be targeted to a single program) as it may be more efficient to launch one campaign aimed at educating working families about the benefits available to them rather than launching several program-specific campaigns. Efforts to expand outreach to working families should be accompanied by a concerted effort to evaluate the impact and cost-effectiveness of these efforts. As more information becomes available on the overall effectiveness of these campaigns, including the particular features of campaigns that seem to have the most impact on enrollment, this information may help to determine how to target limited financial resources most effectively.

- **Expand efforts to provide families with opportunities to apply for and renew benefits outside of the welfare office and evaluate the relative effectiveness of alternative strategies.**

For some families, the simple act of having to go to the welfare office will keep them from initially applying for or renewing the benefits for which they are eligible. Even though some welfare offices are attempting to change their culture and operational procedures to better serve the needs of working families, many families perceive the welfare office to be a place where they will be treated poorly and be required to jump through numerous hoops to receive assistance. For some families, the stigma associated with receiving "welfare" is enough to deter them from applying for benefits. Others have work schedules that make a trip to the welfare office difficult. In an effort to overcome these barriers to enrollment, states and local welfare offices should continue to explore ways to provide families with options to apply for and renew their benefits outside of the welfare office.

The study sites used two different strategies to encourage families to initially apply for benefits that are worthy of expansion and evaluation, but other strategies should be considered as well. Using staff in community agencies to help families apply for benefits allows welfare offices to tap into a large network of agencies that come into regular contact with potentially eligible families. The downside of this approach is that because enrolling families in public benefit programs is usually added to existing responsibilities, success is dependent on an agency's or worker's individual knowledge and commitment to increasing enrollment or their ability to integrate the application process into their existing responsibilities. Simple application procedures are key to the success of this strategy.

An alternative strategy that may hold even greater promise, especially for the Food Stamp Program is the creation of outreach eligibility determination units such as those developed in Georgia and Oklahoma for Medicaid and SCHIP. The advantages of such units are many. First, their sole purpose is to enroll families in public benefit programs. Second, because they are mobile, they can conduct outreach in locations where and when families congregate. By not being stationed in one place, they do not run the risk of not enrolling enough families to justify their existence as is sometimes the case when workers are permanently outstationed in one location. Finally, because staff are trained eligibility workers, they have far greater knowledge of how to ensure applications are completed accurately and processed efficiently. While more complicated application procedures are likely to make it more difficult for an outreach strategy to work, trained eligibility staff can be expected to deal more effectively with complicated application procedures than staff in community agencies. While it is not absolutely necessary for outreach workers to be able to link to the automated system remotely to be successful, when it is possible for them to do so, it simplifies the eligibility determination process and makes it possible for workers to determine eligibility on-site.

As a part of identifying ways to provide families with alternatives to apply for benefits outside the welfare office, special consideration should be given to strategies that allow families to apply for multiple, rather than individual programs. For example, states that already have Medicaid eligibility workers outstationed in health facilities may want to

consider how these efforts could be expanded to include outreach for the Food Stamp Program.

The options to make it possible for families to renew their benefits outside of the welfare office are relatively simple and low-cost. The simplest strategy is allowing families to handle all renewals through the mail. Call centers provide an efficient way to handle renewals and changes over the phone. While call centers involve initial start-up costs, those costs may be easily recouped through efficiency gains over time. Finally, the internet provides another easy and efficient way for families to both apply for benefits and report changes. In the short-term, web-based strategies may be more helpful to community groups, but as internet access becomes more widespread, more families will be able to take advantage of these options at their own convenience.

- **Continue to encourage states to take advantage of the flexibility they have to simplify application and renewal requirements and identify key program requirements that make simplification difficult.**

States currently have considerable latitude to simplify the application and renewal process for children's Medicaid, SCHIP and Section 1931 Medicaid. Efforts should continue to encourage more states to take advantage of this flexibility. More documentation of the ways in which simplification reduces the burden for families and workers may help states that have not yet simplified their application and renewal processes to move in this direction. Careful analysis of the circumstances of families who receive benefits under simplified procedures such as elimination of the asset test and self-declaration of income may reduce concerns about ineligible and "non-deserving" families receiving benefits. Additionally, states may want to develop quality control pilots or phase in changes by geography or population to be sure they are comfortable with changes as they proceed. On verification issues, they might want to initially adopt streamlined requirements at renewals then expand them to applications.

Because the options for simplifying the food stamp application and recertification requirements are relatively new and just being implemented, there is less information available on states' experience with these new procedures. To encourage greater use of these options, it may be worthwhile to document the experiences of states that have successfully implemented them. Emphasizing the ways in which these new options protect states against quality control errors is likely to be key to getting states to adopt them. In addition, because eligibility workers have been so strongly influenced by the emphasis placed on avoiding quality control errors, it may take some time for these more simplified procedures to be fully implemented at the front line.

- **Explore options for aligning eligibility requirements and application procedures for Medicaid and food stamps.**

Prior to welfare reform, there was considerable attention paid to trying to align food stamp and cash assistance policies. Now that more families are working, it may be worthwhile to shift this emphasis and consider ways in which policies and procedures for

food stamps and Medicaid may be better aligned. Currently, the complex array of requirements makes it difficult for families to understand which benefits they are eligible for and when they are eligible for them. Under existing federal regulations, states are constrained from simplifying food stamp enrollment and retention procedures to the extent that they can for Medicaid. Although some of the study states were preparing to take advantage of existing and new opportunities to simplify reporting requirements, food stamp eligibility procedures must include annual face-to-face interviews and reporting and verification requirements that are not mandated for Medicaid and SCHIP. Given that some of these constraints follow from federal rules or regulations, some efforts to better align the Food Stamp and Medicaid programs will require action at the federal level, but some things can be done now.

- **Explore options, including providing increased funding, to help states maximize their use of technology to increase enrollment and promote retention in food stamps, Medicaid and SCHIP.**

State capacity to take advantage of the technology available to help simplify the application and renewal processes and to reduce the risk of inaccurate eligibility decisions for food stamps, Medicaid and SCHIP is quite varied. While some states have very sophisticated information systems in place and are exploring ways to use new technology such as document imaging systems and the internet to reduce the burden for families and the workload for caseworkers, other states have information systems in place that can do little more than calculate eligibility. Given the complexity of determining eligibility for multiple programs for working families, information systems are key to ensuring families receive the benefits to which they are entitled. As information systems age, it becomes critical to consider how to best help states take full advantage of the technology available to them and to update their information systems to meet the demands of a reformed public assistance system. The federal agencies may want to consider providing technical assistance to states on how to implement paperless application systems and use document imaging systems. They may also want to consider working with states to explore ways in which they can efficiently link to new and existing databases that provide information that can be used to determine eligibility.

- **Redesign the food stamp quality control system to account for the complex circumstances of working families.**

Federal food stamp quality control procedures have a significant influence on how states manage and operate their Food Stamp Programs. As currently implemented, the food stamp quality control system acts as a barrier to simplifying the food stamp application and recertification requirements. Because cases with earnings are especially prone to errors, the quality control system also discourages states from actively encouraging participation by working families. The use of short certification periods is a case in point. Although short certification periods create a substantial burden for families, states use them because changes in families' circumstances, especially fluctuations in wages that are not reported to the agency, are likely to result in a quality control error. Under the current QC system, states are held accountable for making accurate determinations based on a family's circumstances, not

on making accurate determinations based on information that is known to them. Thus, to avoid QC errors, states require families whose circumstances change often to be recertified often. The reason the new reporting options are attractive to states is that they allow states to simplify the reporting requirements while protecting them from quality control errors; the options states have to freeze benefit amounts between quarterly and semiannual reports will mean that there are no errors arising from any changes in the family's income and therefore no need to know it between reports.

- **Encourage states to set enrollment goals for food stamps, Medicaid, and SCHIP and reward them for their accomplishments.**

Local program administrators commonly reported that they focus their efforts most closely on outcomes for which they are held accountable. Because they are responsible for a broad range of programs and tasks, specific goals help them to set priorities and measure their progress against some benchmark. When Indiana launched its effort to increase participation in children's Medicaid and SCHIP, the state articulated its vision and priorities statewide and set specific enrollment goals for each county office. The state granted local officials the authority to determine how to achieve the goals and gave them financial support to put their plans into action. Arkansas has set a goal of having 80 percent of families leaving TANF continue on food stamps and Medicaid. Officials note that the rate of retaining families increased once they set a specific retention target. The federal agencies may want to work with states to set similar enrollment and retention targets and reward them for their performance.

WHAT THE FUTURE HOLDS

Welfare offices are in a state of transition. Whereas in the past, they focused almost exclusively on determining eligibility for public benefits, now, they are focused on determining eligibility *and* developing strategies to help TANF recipients make the transition from welfare to work. In the rush to implement welfare reform, few states initially paid close attention to the challenges inherent in discouraging families from receiving cash assistance while simultaneously promoting continued receipt of benefits that can support them while they are working. However, as welfare reform efforts mature, more states and local welfare offices are looking for ways to support working families. The strategies they have adopted aim to increase awareness about the availability of benefits, simplify the process for applying for or continuing to receive benefits and establishing procedures to assure families receive all the benefits to which they are entitled.

Although the future holds promise for improving the circumstances of working families, it is also holds a great deal of uncertainty. Public awareness about the reported success of welfare reform has created strong public support for using government funds to support low-income working families. This support has made it possible for many states to simplify the requirements for Medicaid and SCHIP, and in some states, to expand eligibility to allow more families to take advantage of the benefits these programs provide. Unfortunately, the progress made in simplifying eligibility procedures for Section 1931 Medicaid and children's Medicaid/SCHIP, and in promoting enrollment may be stalled or

even reversed due to the current budget crises faced by many states. Since states bear as much as half of the cost of providing Medicaid benefits to families, expanding participation in Section 1931 Medicaid has not received the same level of political support as children's Medicaid. It is probably unlikely that states will undertake additional efforts to simplify their application and retention requirements as such efforts would be expected to increase enrollment and costs.

On the other hand, there currently appears to be widespread support for simplifying the food stamp program and for making changes in the food stamp quality control system that will make it easier and less risky for states to serve working families. Because states bear little of the financial cost of increased enrollment in the Food Stamp Program, states' current fiscal crises may not stall these efforts in the same way they may stall efforts in Medicaid and SCHIP. Since we conducted our site visits, many states have already decided to take advantage of the options they have to make it easier for working families to obtain food stamps. The nutrition provisions of the 2002 Farm Bill also support and expand recent efforts to simplify the Food Stamp Program and to reduce states' risk of having quality control financial penalties imposed upon them.

Technology is already playing a critical role in increasing participation in food stamps, Medicaid and SCHIP and is likely to continue to do. While the current range of systems and technologies used in most states appears to be somewhat of a mixed bag, a number of nascent efforts and trends have the potential to significantly improve program access and participation. Technology innovations are occurring at an unprecedented rate, and hold promise to enable states to create new system components that offer additional functionality for workers and clients, and can be easily added onto existing information systems. This would allow states to maximize the benefits of new technology, while still retaining the eligibility core systems in which they have heavily invested.

Finally, the outcome of TANF reauthorization could influence how much progress states make in increasing participation in food stamps, Medicaid and SCHIP and how quickly they make it. At any one time, welfare offices have many competing priorities they are trying to address. Because they do not have unlimited resources and often face serious staff shortages, they cannot always address all of their priorities. When welfare offices are required to implement major new initiatives, all other priorities often fade into the background, at least for a time. If TANF reauthorization requires states to shift their focus or makes additional demands on them, increasing participation in food stamps, Medicaid and SCHIP may not receive the same attention it might if states were able to simply continue on the path they are currently on. Alternatively, because welfare reform has raised awareness about the needs of working families, TANF reauthorization could provide the catalyst states need to focus even more effort on increasing participation in food stamps, Medicaid and SCHIP.

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APPENDIX A

PROGRAM ENROLLMENT

TABLE A-1

CHANGES IN OVERALL MEDICAID AND TANF ENROLLMENT

State	Medicaid 6/96 –6/98 Change (%)	TANF 6/96 –6/98 Change (%)	Medicaid 6/98-6/00 Change (%)	TANF 6/98-6/00 Change (%)	Medicaid 6/96 –6/00 Change (%)	TANF 6/96 –6/00 Change (%)
U.S.	-6.7	-32.3	9.0	-30.1	1.7	-53.2
AL	2.6	-47.7	6.3	3.7	9.0	-45.8
AK	-24.7	-18.2	23.4	-20.1	-7.0	-34.9
AZ	-2.4	-41.2	10.6	-13.9	8.0	-49.4
AR	-10.3	-43.8	17.0	-12.3	4.9	-50.8
CA	-9.5	-22.9	2.8	-37.0	-7.0	-51.4
CO	-16.1	-43.2	29.2	-49.3	8.4	-71.2
CT	-1.5	-25.2	4.4	-46.4	2.8	-60.0
DE	9.5	42.4	17.8	-47.8	29.0	-25.6
DC	-10.0	-20.1	5.8	-17.6	-4.7	-34.1
FL	-7.8	-54.9	20.0	-44.1	10.6	-74.8
GA	-8.8	-47.3	-4.6	-24.3	-13.0	-60.1
HI	.4	-30.3	.5	-8.4	.9	-36.1
ID	4.8	-81.6	22.0	-42.9	27.8	-89.5
IL	-6.5	-25.9	6.4	-46.0	-.5	-60.0
IN	-6.6	-26.6	39.4	-8.7	30.2	-33.0
IA	-8.7	-22.9	-2.5	-21.8	-11.0	-39.7
KS	-10.6	-49.2	12.3	9.7	.4	-44.3
KY	-2.5	-30.7	11.0	-28.1	8.2	-50.2
LA	-6.1	-39.9	2.5	-42.5	-3.8	-65.5
ME	-3.1	-28.6	5.6	-31.7	2.4	-51.3
MD	-2.0	-39.2	4.8	-40.0	2.7	-63.5
MA	30.1	-27.6	7.1	-43.55	39.3	-59.1
MI	-3.6	-35.13	-3.9	-41.7	-7.4	-62.2
MN	-10.1	-15.1	8.6	-20.2	-2.3	-32.3
MS	-24.7	-59.5	45.5	-34.1	9.6	-73.3
MO	-4.8	-35.5	24.2	-15.0	18.2	-45.2
MT	-14.7	-42.0	2.8	-21.4	-12.3	-54.4
NE	5.3	-11.9	20.3	-20.3	26.7	-29.8
NV	40.0	-28.6	6.1	-35.4	48.5	-53.9
NH	1.2	-32.8	7.6	-13.4	8.9	-41.8
NJ	-9.0	-33.4	2.4	-33.7	-11.2	-55.8
NM	-26.7	-25.3	28.5	-8.4	-5.9	-31.6

State	Medicaid 6/96 –6/98 Change (%)	TANF 6/96 –6/98 Change (%)	Medicaid 6/98-6/00 Change (%)	TANF 6/98-6/00 Change (%)	Medicaid 6/96 –6/00 Change (%)	TANF 6/96 –6/00 Change (%)
NY	-22.2	-21.3	28.6	-24.5	.05	-40.6
NC	-.4	-36.4	7.5	-43.9	7.1	-64.3
ND	-8.8	-34.3	-2.4	-.04	-6.6	-34.6
OH	39.2	-34.1	8.6	-30.3	51.1	-54.0
OK	-6.9	-29.5	30.2	-52.4	21.1	-66.5
OR	-11.8	-41.0	11.1	-12.9	-2.0	-48.6
PA	-17.8	-31.5	1.4	-35.4	-16.7	-55.8
RI	3.4	-5.3	28.5	-18.1	32.9	-22.4
SC	13.4	-47.8	21.5	-40.4	37.8	-68.9
TN	7.5	-43.0	4.3	-2.3	12.1	-44.3
TX	-13-4	-44.2	4.0	5.6	-9.9	-47.0
UT	9.4	-29.1	7.8	-13.1	17.9	-38.4
VT	30.6	-21.6	10.3	-20.9	44.0	-37.9
VA	-26.8	-36.4	-3.9	-31.9	-29.7	-56.7
WA	13.2	-24.5	1.5	-29.5	14.9	-46.8
WV	.5	-56.1	15.1	-22.3	-14.7	-65.9
WI	-14.2	-76.5	20.6	1.8	3.5	-76.0
WY	-9.3	-75.1	.4	-63.1	-5.5	-90.8

Sources: Health Care Financing Administration. *Medicaid Managed Care Enrollment Report*, www.hcfa.gov/medicaid/omc1996/2000.htm (column 1, total Medicaid enrollment).
Department of Health and Human Services, Administration for Children and Families, Changes in welfare caseloads, http://www.acf.dhhs.gov/news/stats/caseload.htm.
Calculations were done by staff of the Center for Health Services Research and Policy (CHSRP), School of Public Health and Health Services, The George Washington University Medical Center.

TABLE A-2

CHANGES IN FOOD STAMP ENROLLMENT

State	Food Stamp Participants December 1996	Food Stamp Participants December 2001	Percent Change December 1996 – December 2001
U.S.	23,920,683	1,874,286	-21.6
AL	492,478	441,060	-10.4
AK	15,651	41,832	167.3
AZ	388,374	357,847	-7.9
AR	273,742	279,453	2.1
CA	2,938,077	1,702,529	-42.1
CO	228,530	175,476	-23.2
CT	213,636	163,684	-23.4
DE	57,880	38,849	-32.9
DC	93,328	75,544	-19.1
FL	1,295,006	989,257	-23.6
GA	746,116	616,645	-17.4
HI	131,074	107,834	-17.7
ID	74,941	67,556	-9.9
IL	1,059,386	893,276	-15.7
IN	356,026	396,508	11.4
IA	167,446	138,604	-17.2
KS	157,751	136,656	-13.3
KY	459,433	439,305	-4.4
LA	610,840	579,500	-5.1
ME	126,823	109,030	-14.0
MD	354,647	222,382	-37.3
MA	353,910	236,677	-33.1
MI	870,229	730,455	-16.1
MN	270,236	210,696	-22.0
MS	423,956	328,097	-22.6
MO	522,146	505,186	-3.2
MT	68,052	63,243	-7.1
NE	98,088	85,054	-13.3
NV	89,028	93,413	4.9
NH	47,672	39,664	-16.8
NJ	510,583	319,666	-37.4

State	Food Stamp Participants December 1996	Food Stamp Participants December 2001	Percent Change December 1996 – December 2001
NM	222,484	166,447	-25.2
NY	1,966,399	1,318,618	-32.9
NC	610,383	565,048	-7.4
ND	37,928	36,352	-4.2
OH	918,303	722,426	-21.3
OK	326,181	291,928	-10.5
OR	268,898	350,555	30.4
PA	1,042,559	76,9745	-26.2
RI	94,449	69,711	-26.2
SC	358,353	370,536	3.4
TN	611,291	569,742	-6.8
TX	2,161,958	1,519,766	-29.7
UT	102,517	86,711	-15.4
VT	53,944	39,414	-26.9
VA	503,630	350,453	-30.4
WA	487,312	343,279	-29.6
WV	294,564	231,674	-21.4
WI	246,023	252,332	2.6
WY	30,476	22,724	-25.4

Source: Food Research and Action Center. "Food Stamp Program Participation Five Year Change." http://www.frac.org/html/news/fsp/01december5yr.htm, March 2002b.

APPENDIX B

PROGRAM POLICIES

TABLE B-1

MEDICAID POLICIES AFFECTING FAMILIES' ABILITY TO ENROLL IN AND RETAIN SECTION 1931 MEDICAID

State	Section 1931 Medicaid Eligibility for 3-Person Family with Earnings Disregard: Maximum Monthly Earned Income in $$ and as Percent FPL		Eliminated Asset Test	Kept Asset Test But Disregards Entirely First Vehicle	Eliminated '100 Hour' Rule	Length of Review of Period (Months)	Uses 1931 Disregards or Other Policy to Meet TMA Rules	Effectively Extends Transitional Coverage[c]
	Applicant[a]	Recipient[b]	Yes: 16✓ No: 35	Yes: 18✓ No: 17	Yes: 42✓ No: 9		Yes: 19✓ No: 32	Yes: 13✓ No: 38
U.S.								
AL*	$254 / 21	$366 / 30		✓	✓	12		
AK	$1,208 / 79	$1,827 / 120		✓	✓	6	✓	
AZ	$641 / 53	$641 / 53	✓	N/A	✓	12	✓	✓
AR	$255 /21	$638 / 52		✓		12		
CA	$1,309 / 107	$1,826 /150			✓	12		
CO	$511 / 42	$511 / 42		✓	✓	12		
CT	$1,919 / 157	$1,919 / 157	✓	N/A	✓	12	✓	✓
DE	$1,491 / 122	$1491 / 122	✓	N/A	✓	12	✓	✓
DC	$2,438 / 200	$2,438 / 200	✓	N/A	✓	12		
FL	$806 / 66	$806 / 66			✓	12		
GA*	$756 / 62	$756 / 62			✓	6	✓	✓
HI[d]	$1,403/ 100	$1,403 / 100		✓	✓	12		
ID*	$407 / 33	$597 / 49		✓	✓	12		
IL	$686 / 56	$1,131 / 93	✓	N/A	✓	12		
IN	$378 / 31	$378 / 31			✓	12		
IA	$1,065 / 87	$1,065 / 87			✓			
KS	$493 / 40	$762 / 63		✓	✓	6		
KY*	$909 / 75	$909 / 75			✓[e]	12	✓	
LA	$264 / 22	$264 / 22				12		
ME	$1,919 / 157	$1,919 / 157		✓	✓	6	✓	
MD	$523/ 43	$523 / 43		✓	✓	12		
MA	$1,621/ 133	$1,621 /133	✓	N/A	✓	12		
MI	$774 / 63	$809 / 66		✓	✓	12	✓	
MN*	$942 / 77	$942 / 77		✓	✓	12		
MS*	$458 / 38	$672 / 55	✓	N/A	✓	12		✓
MO	$1,309 / 107	$1,309 /107	✓	N/A	✓	12	✓	✓
MT	$836/ 69	$836 / 69		✓	✓	12	✓	
NE	$669 / 55	$669 / 55		✓		12		✓
NV*	$1,097 / 90	$696 / 57		✓	✓	12	✓	
NH	$750 / 62	$1,200 / 98		✓			✓	

State	Section 1931 Medicaid Eligibility for 3-Person Family with Earnings Disregard: Maximum Monthly Earned Income in $$ and as Percent FPL		Eliminated Asset Test	Kept Asset Test But Disregards Entirely First Vehicle	Eliminated '100 Hour' Rule	Length of Review of Period (Months)	Uses 1931 Disregards or Other Policy to Meet TMA Rules	Effectively Extends Transitional Coverage[c]
	Applicant[a]	Recipient[b]	Yes: 16✓ No: 35	Yes: 18✓ No: 17	Yes: 42✓ No: 9		Yes: 19✓ No: 32	Yes: 13✓ No: 38
NJ	$1,711 / 140	$1,711 / 140	✓	N/A	✓	12	✓	✓
NM	$704 / 58	$704 / 58	✓	N/A	✓	12	✓	
NY	$667 / 55	$1,067 / 88			✓	12		
NC	$750 / 62	$750 / 62		✓	✓	12	✓	✓
ND*	$1,336 / 110	$1,336 / 110	✓	N/A	✓	12		
OH	$1,219 / 100	$1,219 / 100	✓	N/A	✓	6		
OK	$591 / 48	$591 / 48	✓	N/A	✓	6		
OR	$616 / 51	$616 / 51			✓	6		
PA	$677 / 56	$806 / 66	✓	N/A	✓	12		
RI	$2,345 / 192	$2,345 / 192	✓	N/A	✓	12		✓
SC*	$1,219 / 100	$1,219 / 100	✓	N/A	✓	12	✓	✓
SD	$796 / 65	$796 / 65		✓	✓	12		
TN	$990 / 81	$990 / 81				6		
TX	$485 / 40	$395 / 32			✓	6	✓	
UT*	$673 / 55	$995 / 82				12	✓	✓
VT	$1,301 / 107	$1,211/ 99		✓	✓	12		✓
VA*	$381 / 31	$557 / 46			✓	12		
WA	$1,092/ 90	$1,092 / 90			✓	12	✓	
WV	$343 / 28	$343 / 28				12		
WI*	$607 / 50	$896 / 73				12		
WY	$790 / 65	$790 / 65		✓	✓	6		

Source: Data were collected during Kaiser-supported study entitled *Making Medicaid Work for Low-Income Families* and are accurate to June 2001. For purposes of this table, data for Section 1931 were updated using the Federal Poverty Level for 2001 by Jocelyn Guyer, Kaiser Commission on Medicaid and the Uninsured and Liz Schott, consultant, Mathematica Policy Research, Inc.

Footnotes:

[a]These columns reflect the earnings thresholds that apply to parents in the first month that they have earnings with the exception that they do not take into account the policies used by a few states of disregarding all earnings for an extremely time-limited period (i.e., 1 to 3 months) aimed at helping families qualify for TMA.

[b]Twelve states marked with an asterisk have time-limited increased earnings disregard for recipients. The entries in the column reflect the eligibility levels before the disregard has ended. The eligibility cut-offs (income/percent of poverty) after the disregard has ended are as follows: AL: $254/21; GA: $514/42; ID: $407/33; KY: $616/51; MN: $638/52; MS: $638/38; NV: $438/36; ND: $892/73; SC: $710/58; UT: $673/55; VA: $381/31 ; WI: $607/50. These columns do not take into account the policies used by a few states of disregarding all earnings for a period of 12 months or more that are aimed at expanding the effective life of transitional coverage.

[c]Under Section 1931, states have the option to disregard all earnings for a period of time at the point where a family would lose eligibility for Medicaid due to an increase in earnings and before the family enters TMA, thus effectively extending their transitional coverage. Some states, however, have extended the duration of TMA through AFDC or Section 1115 waivers; these waivers will all expire by the end of 2005.

[d]Hawaii does not have a Section 1931 eligibility category, families are covered under the 1115 waiver program, QUEST.

[e]Kentucky has eliminated the '100 hour' rule for recipient families, but not for applicant families.

TABLE B-2

CHILDREN'S MEDICAID AND SCHIP ELIGIBILITY AS A PERCENTAGE OF POVERTY

	Medicaid Coverage for Children Including Medicaid Expansion & SCHIP Medicaid Expansion						Separate State SCHIP		
State	Up to 1 Year	1 to 5 Years	6 to 17 Years	18 to 19 Years	Eliminated Asset Test	Continuous Eligibility	Up to 19 Years	Eliminated Asset Test	Continuous Eligibility
AL	133	133	100	100	v	v	200	v	v
AK	200	200	200	200	v		----	----	----
AZ	140	133	100	100	v		200	v	
AR	200	200	200	200	v		----	----	----
CA	200	133	100	100	v	v	250	v	v
CO	133	133	100	43			185	v	v
CT	185	185	185	185	v	v	300	v	v
DE	200	133	100	100	v		200	v	v
DC	200	200	200	200	v		----	----	----
FL	200	133	100	100	v	v	200	v	
GA	235	133	100	100	v		235	v	
HI	200	200	200	200	v		----	----	----
ID	150	150	150	150		v	----	----	----
IL	200	133	133	133	v	v	185	v	v
IN	150	150	150	150	v	v	200	v	v
IA	200	133	133	133	v		200	v	v
KS	150	133	100	100	v	v	200	v	v
KY	185	150	150	150	v		200	v	
LA	200	200	200	200	v	v	----	----	----
ME	200	150	150	150	v	v	200	v	v
MD	200	200	200	200	v		300	v	
MA[a]	200	150	150	150	v		200/400	v	
MI	185	150	150	150	v		200	v	v
MN[b]	280	275	275	275	v		----	----	----
MS	185	133	100	100	v	v	200	v	v
MO	300	300	300	300	v		----	----	----
MT	133	133	100	71			150	v	v
NE	185	185	185	185	v	v	----	----	----
NV	133	133	100	78			200	v	v
NH	300	185	185	185	v		300	v	
NJ[c]	200	133	133	133	v		350	v	
NM	235	235	235	235	v	v	----	----	----
NY	185	133	100	100	v	v	250	v	
NC	185	133	100	100	v	v	200	v	v

State	Medicaid Coverage for Children Including Medicaid Expansion & SCHIP Medicaid Expansion						Separate State SCHIP		
	Up to 1 Year	1 to 5 Years	6 to 17 Years	18 to 19 Years	Eliminated Asset Test	Continuous Eligibility	Up to 19 Years	Eliminated Asset Test	Continuous Eligibility
ND	133	133	100	100	v		140	v	v
OH	200	200	200	200	v		----	----	----
OK	185	185	185	185	v		----	----	----
OR	133	133	100	100	v		170		
PA[a]	185	133	100	46	v		200/235	v	v
RI[d]	250	250	250	250	v		----	----	----
SC	185	150	150	150	v	v	----	----	----
SD	140	140	140	140	v		200		
TN[e]	---	---	---	---	v		----	----	----
TX	185	133	100	100			200	v	v
UT	133	133	100	100			200	v	v
VT	300	300	300	300	v		300		
VA	133	133	100	100	v		200	v	
WA	200	200	200	200	v	v	250	v	v
WV	150	150	100	100	v	v	200	v	v
WI[f]	185	185	185	185	v		----	----	----
WY	133	133	100	100	v	v	133	v	v

Source: Center on Budget and Policy Priorities, survey of state Medicaid and SCHIP enrollment and renewal procedures for the Kaiser Commission on Medicaid and the Uninsured, forthcoming 2002.

Footnotes:

[a]Massachusetts and Pennsylvania provide state-financed coverage for children with incomes above SCHIP levels up to 400% FPL and 235% FPL respectively.
[b]Minnesota does have a very small separate state SCHIP for 275 to 280% FPL, but, due to its small size, this program is not routinely shown in KCMU materials. Minnesota covers children under age 2 up to 280% FPL.
[c]New Jersey covers parents with incomes up to 200% FPL using SCHIP funds.
[d]Rhode Island covers parents with income up to 185% FPL using SCHIP funds.
[e]Under Tennessee's waiver, eligibility is based on the child's lack of health insurance. There is no upper income limit.
[f]Wisconsin covers applicants parents with incomes between 100% and 185% FPL using SCHIP funds, and recipient parents up to 200% FPL.

TABLE B-3

PERCENT OF HOUSEHOLDS WITH SHORT FOOD STAMP CERTIFICATION PERIODS IN FY 2000 BY STATE

State	All Households	All Households with Children	All Households with Children and Earnings
Alabama	2.8%	2.6%	0.4%
Alaska	1.1%	0.0%	0.0%
Arizona	53.8%	65.5%	18.2%
Arkansas	1.8%	1.4%	0.3%
California	1.1%	0.8%	1.1%
Colorado	27.4%	46.2%	53.8%
Connecticut	1.9%	1.8%	1.1%
Delaware	30.3%	40.0%	19.1%
District of Columbia	0.7%	0.2%	0.0%
Florida	23.0%	37.9%	48.2%
Georgia	36.1%	51.7%	82.5%
Hawaii	0.1%	0.2%	0.0%
Idaho	9.1%	13.5%	11.6%
Illinois	4.1%	3.5%	2.3%
Indiana	12.2%	16.4%	27.1%
Iowa	1.1%	0.2%	0.4%
Kansas	0.3%	0.2%	0.4%
Kentucky	29.2%	40.6%	62.4%
Louisiana	42.4%	55.8%	76.1%
Maine	26.6%	52.3%	90.5%
Maryland	6.3%	8.1%	13.1%
Massachusetts	19.1%	25.5%	61.5%
Michigan	19.6%	29.2%	49.1%
Minnesota	0.1%	0.0%	0.0%
Mississippi	2.5%	1.4%	1.1%
Missouri	52.4%	76.3%	89.5%
Montana	1.0%	1.2%	0.0%
Nebraska	29.1%	50.3%	59.3%
Nevada	24.4%	36.7%	37.7%
New Hampshire	12.4%	15.7%	23.6%
New Jersey	5.0%	5.7%	10.1%
New Mexico	47.9%	64.5%	78.3%
New York	2.7%	2.6%	4.0%
North Carolina	40.6%	63.4%	79.6%
North Dakota	11.1%	14.2%	13.6%
Ohio	19.6%	34.0%	67.5%
Oklahoma	45.1%	70.1%	86.6%

State	All Households	All Households with Children	All Households with Children and Earnings
Oregon	10.5%	13.1%	17.8%
Pennsylvania	2.1%	2.0%	2.6%
Rhode Island	0.3%	0.3%	0.0%
South Carolina	0.3%	0.6%	0.8%
South Dakota	0.3%	0.0%	0.0%
Tennessee	39.2%	61.1%	82.6%
Texas	39.1%	45.7%	55.3%
Utah	34.0%	50.2%	71.1%
Vermont	1.9%	0.6%	1.6%
Virginia	28.8%	42.8%	57.8%
Washington	36.3%	51.2%	51.9%
West Virginia	28.9%	45.5%	84.5%
Wisconsin	44.1%	65.9%	74.6%
Wyoming	47.7%	62.4%	69.3%
Total	18.5%	26.0%	37.8%

Source: Center on Budget and Policy Priorities Analysis of USDA Quality Control Data for FY 2000.