

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

Joint Committee on Children's Issues

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Adult Enrollment in HealthWave

Division of Health Care Policy

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Madam Chair and members of the Committee, I am Becky Ross, an administrator for Medicaid/Medical Policy in the Kansas Department of Social and Rehabilitation Services. I am here to respond to some questions raised about the coverage of adults under the HealthWave program.

The federal State Children's Health Insurance Program (SCHIP – Title XXI) was designed to provide free or low-cost insurance for children without health insurance. The SCHIP program was implemented in Kansas in January 1999 and was named the HealthWave program. The program provided health care coverage under the State Children's Health Insurance Program for children in families with incomes up to 200% of the federal poverty level who were not Medicaid-eligible. Under Kansas law, the program is a capitated managed care program, and the state entered into contracts with two managed care organizations to administer the program. The intent in planning for implementation of the new program was that the plan be as seamless as possible for families who also interacted with the Medicaid program. Initially, however, in order to implement the new program and provide beneficiary coverage as soon as possible, the Title XXI program was contracted out separately. This meant in some instances that families with children in the Medicaid managed care program and children in the Title XXI program might have different health plans and different providers, based on the age of the child.

In October, 2001, the Children's Health Insurance program was blended with the state's Medicaid Capitated Managed Care Program (Title XIX). This combined program then became known as HealthWave to help ensure a seamless product. HealthWave enables families with children who are eligible for Title XXI--SCHIP and Medicaid to have the same health plan and health provider for all family members. The HealthWave program not only serves SCHIP-eligible children, but also Medicaid-eligible adults and children in the Temporary Assistance to Families (TAF) and Poverty Level Eligible programs. Since its inception in 1995, the Medicaid-Title XIX capitated managed care program included children, pregnant women and TAF adults.

Currently, adults comprise 11% of the total HealthWave (Title XIX and Title XXI combined) population (91,952) and 17% of the Title XIX HealthWave population. There are approximately 9,000 adults in the TAF eligibility category under Medicaid who are enrolled in the HealthWave managed care program, approximately 1,400 pregnant women who are poverty-level eligible for Medicaid, and about 82,000 children (Medicaid and SCHIP) who are enrolled in the HealthWave program.

Including the larger population allowed a viable population base for a managed care provider. Excluding adults from this program would have required SRS to offer a separate capitated

managed care program for adults. Moreover, this would have meant that parents of children in the program who also receive coverage might have had to use different provider networks. Including the larger population allowed a viable population to sustain a managed care plan. In addition to making the program less seamless, contracting separately for these two populations would result in increased administrative expenses. Currently, we contract with only one capitated physical health provider, FirstGuard Health Plan Kansas.

It should be noted that although the combined program is known as HealthWave, each population group in HealthWave has its own eligibility. No expansion of eligibility for adults has occurred in conjunction with the initial implementation or blending of the HealthWave and Medicaid managed care programs. Specifically,

- Children have 12 months continuous eligibility in most circumstances.
- Pregnant women have eligibility from the time they are determined eligible until 2 months postpartum.
- TAF adults' eligibility is determined semi-annually based on their income eligibility. As long as the adults have TAF eligibility the medical coverage will continue.
- Eligibility for TAF adults under the Medicaid program is at 32% of the federal poverty level; eligibility for pregnant women and infants is at 150% of the federal poverty level; and children receive services up to 200% of the federal poverty level under the State Children's Health Insurance program.

Adults and children receive coverage for the same services, with one exception: dental care coverage. While children have routine dental coverage, adults receive only coverage for emergency extractions. By state law, the benefit package for the State Children's Health Insurance Program is the same as that for children under the Medicaid program.

Some questions were also raised as to whether we were overstating the number of children who have benefitted from the inception of the State Children's Health Insurance program. As detailed in our August testimony to this committee, more than 100,000 Kansas children who were uninsured at some point from Jan. 1999 - Sept. 2003 gained access to medical coverage. Approximately one-third of these children have been enrolled in SCHIP, while two thirds have been enrolled in Medicaid. These numbers reflect children added, and do not count adults who may be receiving services under the combined product known as HealthWave.

I would be happy to answer any questions from the committee.