

Kansas Department of

Social and Rehabilitation Services

Janet Schalansky, Secretary

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Joint Committee on Children's Issues

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HealthWave

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HealthWave

Madam Chair and members of the Committee, thank you for the opportunity to appear before you today to provide information about HealthWave. My name is Laura Howard, and I am the Deputy Secretary for the Division of Health Care Policy at SRS.

Background

The State Children's Health Insurance Program (SCHIP) is designed to provide free or low-cost insurance for children with out health insurance. The SCHIP program (Title XXI) was implemented in Kansas in January 1999, and in the spring of 2002 it was blended with the state's Medicaid Capitated Managed Care Program (Title XIX) in order to provide a seamless managed health care option for families. This combined program is called HealthWave. HealthWave enables families with children who are eligible for SCHIP and Medicaid to have the same health plan for all family members. The HealthWave program not only serves SCHIP-eligible children, but also many Medicaid-eligible adults and children in the Temporary Assistance to Families and Poverty Level Eligible programs.

As of July 2003 HealthWave was available in 62 counties for Title XIX beneficiaries and in 105 counties for Title XXI SCHIP beneficiaries. SRS projects that between January 1999 and September 2003 over 100,000 Kansas children who were uninsured at some point during this period gained access to physical and mental health and dental coverage. Approximately one third of these children have been enrolled in SCHIP, while the remaining two thirds have enrolled in Title XIX Medicaid.

SRS pays HealthWave contracted managed care organizations a capitated rate for each person enrolled in the plan. Persons enrolled in HealthWave have a primary care physician to coordinate their health care service needs. The use of managed care in the HealthWave program creates an incentive to provide more aggressive preventive health care services such as:

- Increasing the numbers of child health assessments;
- Increasing immunization rates;
- Providing more assertive approaches to prenatal care; and
- Utilizing the emerging health care practice of disease management for persons with chronic diseases like asthma.

Outreach

As the program has evolved, outreach strategies have changed. MAXIMUS, Inc. (MAXIMUS) is responsible for marketing the HealthWave program, including delivering public service announcements, media advertisements, mass production of applications, brochures, and posters.

MAXIMUS also develops premium marketing items used by SRS outreach workers. Premium items includes back to school supply packets, pencils, pens, plastic stadium cups, all of which display to HealthWave logo and toll free phone number. MAXIMUS maintains the HealthWave website where program information and applications may be downloaded.

The SRS Area Offices play a key role in the HealthWave outreach activities. Each SRS Area Office focuses its local outreach on activities that can best reach people who are potentially eligible for HealthWave and Medicaid. Outreach includes a variety of activities, such as speaking engagements, on site presence at school enrollments and WIC clinics, outreach to employers who may not offer family health insurance coverage for their employees, and enrollment booths sponsored by human resource departments experiencing lay offs. SRS Area Offices coordinate outreach activities in their area with community based groups that have necessary infrastructures in place to reach targeted populations.

SRS' targeted HealthWave outreach efforts also include stationing SRS staff at six Wichita health clinics. These clinics serve low-income and uninsured patients. The staff members perform two important outreach services: (1) inform the public about SRS programs, and (2) assist people with the HealthWave application process. In addition to these clinic sites, there is one staff who is stationed at Catholic Charities Emergency Services Center, where applications for a wide range of SRS programs that include HealthWave and Medicaid are accepted.

Enrollment and Eligibility

SRS has reorganized the Eligibility and Enrollment process for the Kansas Medical Assistance programs. Contracts were awarded to MAXIMUS and Electronic Data Systems (EDS) to perform these functions. As of October 2003, EDS will become the enrollment broker for all Medical Programs, while the Clearinghouse at MAXIMUS will conduct eligibility screening for all medical programs and premium collection for all Title XXI families with incomes above 150% of the federal poverty level. SRS has effectively streamlined the application/eligibility process using the clearinghouse model. SRS has worked diligently with the Area Offices to centralize this process to increase efficiency and improve customer service. These administrative steps will further support families in obtaining and keeping quality health care.

Evaluation and Future Plans

The Centers for Medicare and Medicaid Services (CMS) performed an on site review of the HealthWave Program in June of 2002. In summarizing the results of their review, CMS provided the following comments: "The State of Kansas met their overall objective to decrease the number of uninsured low-income children." CMS commended the state for "the extensive efforts to streamline the HealthWave and Medicaid programs into a seamless, blended program." CMS also lauded Kansas for "making improvements in the eligibility and enrollment system to ensure that applications and future correspondence are sent in the beneficiary preferred language." HealthWave has also met all Balanced Budget Act compliance requirements. CMS has approved all contracts SRS was required to revise as a result of this federal law. Kansas is one of the few states whose entire medical programs division met the compliance deadline.

All states' medical assistance programs are being evaluated this year by the Department of Health and Human Services Office of Inspector General, (HHS/OIG). This evaluation is mandated by Section 703 of the Balanced Budget Act of 1999 which instructs the OIG to determine the number, if any, of State Children's Health Insurance Program (SCHIP) Title XXI enrollees which are eligible for Medicaid Services under Title XIX. The purpose of this evaluation is to determine whether states are enrolling Medicaid eligible children in their SCHIP, and to assess states' efforts to ensure children are enrolled in the proper program.

SRS also completes an annual, federally-mandated, written evaluation of the SCHIP program utilizing a template by the National Association of State Health Policy (NASHP). SRS continues its relationship with the Kansas Health Institute which provides independent evaluation of the Title XXI portion of the HealthWave Program.

Recent Events

Due to the state's fiscal challenges, the premium rates paid by families required to pay premiums were increased temporarily. Rates were increased from \$10.00 and \$15.00 per month to \$30.00 and \$45.00 per month from February of 2003 until July of 2003. In July, the premiums were decreased to \$20.00 and \$30.00 per month per family. There are currently 5,878 families who pay premiums in the Title XXI program. This is approximately 32.5% of total Title XXI families enrolled.

To further enhance the HealthWave program, SRS has extended Administrative Service Organization contractual agreements to The Consortium, Inc and Doral Dental to provide services to meet the mental and dental health needs of our beneficiaries. These agreements promote continuity of service between Title XIX and Title XXI portions of HealthWave.

Conclusion

The HealthWave program has been very successful during its four years of operation. Approximately one in eight Kansas children has gained access to health insurance as a result of this program. As it has each year since 1998, Congress has reallocated and redistributed funds to the states with SCHIP programs. These funds were reallocated and redistributed from funds that were not utilized by states within the three year time period permitted for expenditure. In 2003, Kansas' SCHIP program received a redistribution of an additional \$21 million in federal funds from unutilized federal fiscal year 2000 allocations, thereby extending the life of the federal funding stream for the HealthWave program. It is critical for Kansas children that sufficient funding remain in place to ensure they have access to the physical, dental and mental health services they need so they can grow up to be healthy, happy, productive citizens.

This concludes my testimony, but I would be happy to answer any questions from the Committee.