

Kansas Department of

# **Social and Rehabilitation Services**

Janet Schalansky, Secretary

**Joint Committee on Children's Issues**

October 30, 2003

**Continued Use of Monthly Eligibility Cards**

**Division of Health Care Policy**

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Madam Chair and committee members, my name is Amanda Reichard. I am with Health Care Policy/Medical Policy within S.R.S. Thank you for the opportunity to discuss medical cards in the Kansas Medical Assistance Program.

The HealthWave program encompasses two separately funded, but complementary, public health insurance programs: Medicaid (Title XIX) and the State Children's Health Insurance Program (SCHIP) (Title XXI). Like beneficiaries of all types of insurance programs, the beneficiaries of Medicaid and SCHIP receive medical identification cards so that they may demonstrate eligibility for services. Unlike private commercial health insurance programs, however, not all HealthWave beneficiaries receive annual plastic cards. Currently, although all beneficiaries in the SCHIP program receive yearly plastic medical cards, Medicaid beneficiaries receive monthly paper medical identification cards.

Since 1997, the State has had as a goal the elimination of monthly medical cards, primarily to reduce the cost and logistical components of such frequent production. A transition to plastic cards is also desirable because when beneficiaries have plastic cards similar to those issued by private insurance companies, it helps reduce the stigma associated with Medicaid.

Efforts toward this end have had little success, primarily as a result of the overwhelming negative reaction from the provider communities. Although SRS attempted to implement this change when Medicaid and SCHIP were combined into the HealthWave program, numerous provider complaints forced the program to revert back to the monthly paper cards. Providers expressed concern that the yearly card created a liability to their offices because the card lacked important beneficiary-specific information, including assigned Managed Care provider, office visit limitations, other insurance coverages, and more. Despite having other avenues to access this information, providers view the additional effort required to access it as administratively and economically burdensome.

To address this concern and others, staff from Medicaid's fiscal agent, EDS, will conduct a thorough study of the issues surrounding a transition from monthly to yearly cards. This study will include the following, at a minimum: (1) A thorough review of others states' use of yearly cards for similar services and (2) A survey of providers concerning how this change affects each type: hospitals, clinics, physicians, pharmacies, and especially less conventional providers such as transportation providers, providers of home health services and Women, Infants and Children (WIC) clinics.

Following the study, no later than the spring of 2004, EDS staff will develop and submit to SRS, a document summarizing the findings of their study. In this document they will also make recommendations for mitigating any foreseeable negative effects on providers, and proposed processes for implementing yearly medical cards.

While SRS is committed to a transition to a yearly card, doing so will require careful planning to ensure that providers are not overburdened in the process, and as a result choose to discontinue serving Medicaid beneficiaries. This concludes my testimony on medical cards. If you have any questions, I will be happy to answer them.