

Health Policy Studies

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Enrollment Hits the Web: States Maximize Internet Technology in SCHIP and Medicaid*

Summary

States are maximizing new technology and the Internet to improve enrollment in the State Children's Health Insurance Program (SCHIP) and Medicaid. Since passage of the program in 1997, states have tried to make navigation of SCHIP as simple as possible, treating enrollees and their families as customers. Most SCHIP programs use joint applications for Medicaid and SCHIP enrollment as well as annual re-determination, and have eliminated asset tests and face-to-face interviews from the application process.^{1,2}

States have further improved the enrollment process by using technology with the goals of reducing program enrollment time, increasing access for applicants, and centralizing social service applications in state government.

Who is Using Online Systems?

A number of states are experimenting with electronic applications on a pilot or statewide basis, including:

- **Statewide Online Systems** that generally allow families to apply directly over the Internet for publicly funded health insurance. States using or implementing these systems include California, Georgia, Pennsylvania, Texas, and Washington.
- **Regional Web-Based Pilot Programs** that allow families in targeted areas to apply for publicly funded health insurance over the Internet, generally with staff assistance. States piloting these systems include Arizona, Florida, and Michigan. Most pilot programs likely will be implemented statewide this year.

"This Web site is very convenient. I work the night shift, and this was so much easier than picking up an application."
-GA Parent

Recommendations for States Considering Online Enrollment

States have some suggestions from their experiences with developing and implementing online enrollment systems.

- States often found organization between agencies the most difficult challenge. States should form development groups across agencies that have program authority or that must approve information technology projects to determine and address organizational difficulties.
- If statute permits, states should consider an application that either requires no signature or accepts an electronic signature.
- States developing pilot sites should choose test populations that are representative of the people who will be using the system.
- As Internet users expect a quick response, states should create an online system that can communicate with the state's eligibility system on an ongoing basis, rather than overnight or with a batch of applications.
- States transferring or storing applicant information electronically should be careful to create a secure system to protect the applicants' privacy.

Statewide Online Systems

Many states provide SCHIP and Medicaid applications on their Web sites. These applications must be printed out, filled out by hand, and mailed or faxed to the appropriate agency. However, a growing number of states are implementing online applications that can be completed on and even submitted through the Internet. (Web links are listed at the end of this paper under “Resources.”)

California

California’s Medi-Cal (Medicaid) and Healthy Families (SCHIP) programs have an online enrollment application first made available in San Diego County. The online application, called Health-e-App, allows enrollees to apply online with the assistance of Certified Application Assistants (CAA’s). CAA’s, working primarily at community-based agencies, currently help about 60 percent of Medi-Cal and Healthy Families applicants to enroll.

Health-e-App has been available in the San Diego area since January 2001 as a pilot. In February 2002, California began a statewide roll-out that is expected to be complete by September 2002.

Health-e-App began as part of a 1998 effort to simplify the process of applying to California’s Medicaid program. At that time, the California Department of Health Services shortened its application from 28 to 8 pages and stopped requiring face-to-face interviews with applicants. The next logical step seemed to be to allow online enrollment. The California Health Care Foundation developed a demonstration project to create an online enrollment program for Medi-Cal and Healthy Families.

The California Health Care Foundation used a competitive selection process to choose Deloitte Consulting LLC to design and build Health-e-App. Data processing components and the interfaces to the state and county systems were built by Electronic Data Systems (EDS), and GeoAccess provided the health plan and provider databases. Starting in December 2001, the Foundation licensed the Health-e-App system to the state at no cost.

California’s pilot program cost San Diego County \$50,800 in the start-up phase and an additional \$14,000 per year to operate. The state expects to spend several million dollars by the time Health-e-App is fully implemented.

Features

- The online application is available in English and Spanish and takes about 20 to 30 minutes to complete.
- Health-e-App has a “read aloud” version for users with limited vision.
- Applicants use an electronic signature pad to authorize their application.
- A fax cover sheet is generated by the system with a bar code. The bar code is used to match the faxed income and birth certificate documents with the rest of the application throughout the enrollment process.
- Once they are faxed, the documents are turned into digital images, so the application is fully electronic.
- An initial eligibility determination is determined in real time.
- Health-e-App is linked to an updated database of participating providers, so enrollees can select health plans and primary care providers more efficiently.
- Although Health-e-App can only process applications for children, it will be updated so that adults can apply as well. This will be accomplished by the time adults become eligible for Healthy Families.

- Health-e-App also has an accounting module for CAA's that allows them to track the number of applications submitted, whether the applications have been determined eligible, and whether the CAA has been paid the \$50 fee for completed applications that result in eligible enrollees.

Once the application is entered online, the "back-end" (the portion of the system that transfers information electronically to the appropriate office) of Health-e-App comes into play:

- If the child is eligible for Healthy Families, the Single Point of Entry (the entity that determines Healthy Families eligibility) will enroll the child in the program.
- If it appears that the individual might be eligible for Medi-Cal, a "back-end pipe" (a computer interface) will transmit the information from the Healthy Families administrative contractor to the applicant's county.
- Using the electronic application, the county determines eligibility.
- Even though all counties are developing the back-end interface, those that cannot receive an electronic application will receive a paper copy.

Results

The greatest benefits of the system are just now being realized. Administrative efficiency increases could be substantial if fewer applications have to be processed by the mail center, fewer require data entry and paper filing, and if tracking applications is made easier. Based on feedback surveys, consumers prefer the Health-e-App process because they get immediate information on their likely eligibility and confirmation that their application has been received. Benefits are expected to accrue throughout the enrollment system as Health-e-App is rolled out to more counties in the state.

A Lewin Group pilot evaluation showed that in the first month of operations in six sites in San Diego County, Health-e-App:

- Increased speed. The time between application submission and eligibility determination decreased by 21 percent.
- Improved data quality. Application errors were reduced by nearly 40 percent.
- Increased consumer satisfaction. 90 percent of applicants reported they would rather apply online using Health-e-App, and 95 percent of CAA's preferred using Health-e-App to the paper application.³

Georgia

PeachCare for Kids (SCHIP) launched an online enrollment system in April 2001 in order to enroll children more quickly. Implementation followed funding increases by the Governor and the General Assembly to cover children the first day in the month that they apply. In this new context, the online application eliminates mail delays, provides parents with a more convenient mechanism for applying, and gives instant feedback about likely eligibility to the applicant. A potentially eligible child can visit a provider, the parent can apply online in the provider's office, and the provider can give care to the child with a clear sense of the child's eligibility for PeachCare.

PeachCare Online Results

- 29,206 applications received as of 4/1/02
- 42% Medicaid Eligible (compared to only 25% Medicaid Eligible mail-in applications)
- 41% SCHIP Eligible

The new Web-based system coordinates with the program's eligibility system and was developed in less than four months—including planning, mapping, graphic development, writing, and testing. PeachCare staff and PeachCare's Third Party Administrator, DHACS, worked together to create the system. State sponsored children's health insurance is the only benefit for which application can be made with the system.

Georgia's system cost \$40,000 plus monthly telephone charges. The system was funded with money from a grant through the Robert Wood Johnson Foundation and the Southern Institute for Children and Families.

Features

- The online application takes 22 minutes to complete and is available in English and Spanish. Parents can log in and out to continue the application process.
- Premiums or documentation for immigration of non-citizen children can be submitted by mail within 45 days of the online application, if required.
- For Medicaid eligible children, the parent must submit a written signature prior to the six-month renewal in order for the child to maintain coverage.
- PeachCare for Kids uses passive renewal, which means that no additional material or application must be submitted for a child to remain enrolled as long as the child is eligible.
- Parents can use the Web site to update their addresses at any time.
- "Smart" software stops incomplete applications from advancing past key prompts and stops categorically ineligible applicants from submitting applications, such as non-Georgia residents or non-custodial parents.
- The server updates eligibility every two minutes at a minimum, providing application processing in almost real-time.
- Parents can log off the computer, call a toll-free number, and receive customer service from PeachCare staff who have complete access to their account.
- Data submitted through the Web site are protected with firewalls and encryption. The server that collects the applications does not retain any income or account information, and confidential information is moved continually to a secured internal server.

Who is Applying Online?
Results of voluntary PeachCare online applicant survey:

- Average applicant lives in family at 120% FPL
- 14% of parents are college graduates (higher than state average)
- 49% of parents have some college education
- 32% of parents are high school graduates

After completing the application, parents are given a message that they are either potentially eligible or the reasons they are not eligible. Applications are forwarded to Medicaid as appropriate. Applicants are also provided a list of primary care providers close to their home. Applications are checked against a list of Medicaid beneficiaries as well as against the State Health Benefit Plan for state employee matches. PeachCare staff thinks they were able to provide this level of security and adaptability largely because their Third Party Administrator "built" the system rather than purchasing it from a vendor.

Results

As of April 2002, 29,206 applications had been received online. Initial feedback from applicants has been positive. About half of the applicants elect to complete a survey, which has provided comments lauding the system's convenience and accessible information. Parents working nightshifts or long hours expressed appreciation for means of applying that fit their busy schedules since picking up applications or placing

telephone calls during normal business hours was a hardship. Surprisingly, about half of the online applicants that qualified for benefits were Medicaid eligible; only 25 percent of applicants using the paper application are Medicaid eligible.

Twenty-three percent of parents reported that they would not have applied for PeachCare that day, if at all, if not for the online application. Most online applicants were referred to the Web site by PeachCare staff with friends and family providing the second highest number of referrals, and most submitted their applications from a home computer.

Pennsylvania

Pennsylvania created COMPASS (the Commonwealth of Pennsylvania Application for Social Services) as part of its initiative to make government services more electronically accessible. The Department of Public Welfare (DPW) joined with the Insurance Department to create the multi-stage online application system. COMPASS ultimately will provide online applications for almost all services covered by DPW, including health insurance, food stamps, cash assistance, day care, the Low Income Energy Assistance Program (LIEAP), Long Term Care, Work Supports, and Mental Health and Mental Retardation Services. However, an online application for children to apply for Medicaid and PaCHIP (SCHIP) was the first to be developed and was released in fall 2001.

While SCHIP and Medicaid are distinct programs, these applications contained the same basic elements, making it possible to craft an online system suitable for both programs. DPW hired Deloitte Consulting LLC to develop the system. The application for children's health insurance took 10 months to develop and implement.

Features

- The online application takes about 30 minutes to complete and is available in English and Spanish.
- Parents are advised of the necessary materials to answer the questions successfully.
- Families have up to thirty days to complete the application and can log in and out of the system.
- The eligibility worker receives an e-mail when the application is submitted online.
- Pennsylvania does not accept electronic signatures and requires verification of income to be submitted by mail. Families can either print off the form and send it in or wait for the application to be returned to them in the mail.

COMPASS Results
<ul style="list-style-type: none">• 718 complete applications submitted as of 1/02/02• 112 applications pending• 89% Medicaid Eligible• 11% SCHIP Eligible

Results

As of January 2002, 718 complete applications had been submitted online. Initial feedback was received from community organizations involved in the implementation of the system. According to PaCHIP staff, this feedback was helpful in addressing the readability of the software. Administrative cost savings were not an objective of the initiative and have not been measured. No significant increase in enrollment was anticipated nor has one occurred.

Most applications are submitted by individuals rather than by outreach organizations submitting applications for individual applicants. No survey has been made of the individual applicants so far.

Community organizations have been assigned identification numbers so the program staff will be able to give information to these groups about the number of applications that they submit.

Texas

In September 2001, Texas launched an online application that provided a more interactive application process and gave applicants a tentative eligibility determination for SCHIP or Medicaid. The system was developed by the Medicaid and SCHIP Division of the Texas Health and Human Services Commission, ACS-Birch & Davis (SCHIP Administrative Services Contractor), and Foris Solutions (Administrative Services sub-contractor). The administrative contractor and sub-contractor were largely responsible for the system's creation.

The Texas legislature authorized development of an online application in the 1999 law that enabled SCHIP. The total cost of development and implementation was approximately \$550,000-\$600,000 and took four months to complete.

Features

- Families can complete the application online, available in English and Spanish, without any outside assistance.
- After all required fields are complete, the system will give the applicant a tentative eligibility determination.
- No eligibility determination is entered into the state system until the completed application is received and processed, and no data are stored in the online system.
- The applicant must print out the application, sign it, and mail it to the address provided.
- Families must also submit income verification and/or proof of legal permanent residency status for non-citizen children.
- Renewal is done completely by mail.

Results

Initial results show a higher number of complete applications submitted using the online application—90 percent compared to 60 percent with the paper application. In February 2002, 4,600 online applications were received. While the state is happy with the results thus far, particularly with higher-income, SCHIP-eligible applicants, it hopes to increase the system's utilization among applicants to between 100 and 150 percent of the Federal Poverty Level (FPL).

Washington

Washington state developed an online application for general benefits to provide citizens another avenue of access to services. The state developed a related version of the site specifically for children's medical benefits. A pilot version of the application became available in early 2001, and the statewide version was implemented in July 2001. Applicants can apply for multiple benefits, including Medicaid, SCHIP, food stamps, and cash assistance.

How Much Did it Cost?

- **California's** pilot program cost San Diego County \$50,800 in start-up costs and an additional \$14,000 per year to operate. California expects to have spent several million dollars by the time Health-e-App is fully implemented.
- **Georgia's** system cost \$40,000 plus monthly telephone charges. (Funded from part of a grant through the Robert Wood Johnson Foundation and the Southern Institute for Children and Families).
- In **Texas**, the total cost of development and implementation was about \$550,000-\$600,000.
- In **Washington** state, the children's health component of the system's cost was under \$50,000.

The Department of Social and Health Services (DSHS) Medical Assistance Administration worked closely with the DSHS Community Services Division and staff from a community college to develop the children's health insurance application. Initial concerns included obtaining institutional support for the system. Development took a year and a half to complete. While technical challenges proved straightforward, program staff found the most difficult challenges were organizational. The children's health component of the system's cost was under \$50,000.

Features

- Currently, the application is available in English only, but other translations will likely be added.
- Most applications for medical programs can be processed without submission of additional materials, except for citizenship documentation.
- Families submit the application online, and the eligibility worker receives it via e-mail, prints out the application, and enters the application into the system. The state plans to modify its eligibility system so that the application data will go directly to an electronic "queue." Once the worker approves the application, the eligibility system will accept the data.
- Eligibility can be renewed online as well.

Results

One hundred applications for children's health insurance are received each month. The state has not publicized the online application because it is waiting for completion of certain modifications. The overall impact on enrollment has been marginal, with less than one thousand applications received in the past year. Most applications are received from outreach workers and other community helpers who have found the system a useful tool for their enrollment efforts. These groups also have provided helpful feedback on possible improvements to the system.

Regional Web-Based Pilot Programs

A number of states are beginning pilot online programs in targeted and diverse locations to test the effectiveness of new online applications. These states are experimenting with a range of tools, but the tools often require program staff to provide guidance.

Arizona planned to launch a pilot of the Health-e-App system in spring 2002. Seven member organizations in 35 sites are to test Health-App. The pilot represents a partnership between the Community Health Centers Collaborative Ventures, Inc. (CHCCV), Arizona's Health Care Cost Containment System, and Arizona's Department of Economic Security.⁴

Florida

The Florida Healthy Kids Corporation (FHKC), which provides health insurance benefits for children 5 years old and over, and serves as the central processor for Florida KidCare applications, began exploring an online application in spring 2001. Florida KidCare is the umbrella that includes MediKids, Medicaid, Healthy Kids, and the Children's Medical Services Network. In August 2001, a pilot project was launched in five diverse sites across the state. The goals of the project include expediting enrollment and providing another avenue of application and enrollment.

Florida developed a system that uses existing relationships with its Web site designers. The system is managed by the central application processing unit for Florida KidCare and is maintained by FHKC's third party administrator, DHACS. There is one Florida KidCare application, and applicants are screened for eligibility for the appropriate KidCare component.

Features

- The application is completed online at five designated locations by a trained volunteer and with a parent present.
- Access to the system requires a password.
- The application is transmitted electronically to DHACS for processing.
- The application requires a signature, so it must be printed, signed by the applicant, and mailed to the Florida Healthy Kids office. Coverage cannot begin until the signed application is received. No other paperwork is required.

Florida made a conscious decision to select a system that required trained individuals in controlled situations to access the applications rather than making an online system directly available to applicants. The system will be evaluated later in the year for potential modifications. While administrative cost savings weren't the objective of the project, eventually program staff would like to see some savings from reductions in the cost of processing the paper application.

Michigan

Healthy Kids (Medicaid) and MICHild (SCHIP) developed an online application to make enrollment in their programs easier, faster, and more user friendly. On February 4, 2002, Michigan began using seven pilot sites to test the system. The system likely will be implemented statewide in early or mid-2002.

Accelio, Michigan's contractor on similar projects, and Maximus, Michigan's administrative contractor, each developed portions of the system. Development began in June of 2001. The greatest challenge to program staff has been to assure that the two systems developed could communicate effectively and efficiently.

Features

- The application takes about 25 minutes to complete, and will be available to anyone with access to the Internet.
- Eligibility is determined in two to three minutes real-time, provided the information entered is complete.
- Michigan requires a signature to be submitted, so applicants must print the signature page and mail it to the program within five days of completing the online application.
- The state will provide presumptive eligibility to applicants for two months. If the child is screened to be MICHild eligible, the premium payment to continue eligibility must be received.
- Additional paperwork requirements may be necessary for applicants determined to be eligible for Healthy Kids, such as alien registration cards.
- Families cannot renew online. As MICHild has a passive renewal process, program staff print out information for current beneficiaries and send this information to the families for verification.
- Healthy Kids beneficiaries must submit a new paper application for re-determination.

Results

While the program is a pilot, the ease of use, availability, and quick turn-around time show great promise at pilot sites. Early feedback demonstrates the interest of local health departments and other community agencies in this application format. Although no specific amount of administrative cost savings are anticipated, savings are likely as the application process is streamlined.

Conclusion

States are using a variety of Web- and software-based tools to enroll children in SCHIP and Medicaid. The goals of the states and requirements of the programs largely affect the type of system chosen. In general, states that have implemented online applications were not anticipating large administrative cost savings and have not experienced substantial enrollment increases. State officials agree that the impact on enrollment would depend on how widely the system was implemented and whether there was a media campaign accompanying the roll-out. Major objectives included reducing the time necessary to enroll children in a program, streamlining application processing, providing an additional avenue of access for applicants, and centralizing applications for available social services in state government. Early evidence shows that these goals are being achieved.

Resources

State	Web Site Address
CA	http://www.healthapp.org
GA	http://www.peachcare.org/DE03.asp
PA	http://www.compass.state.pa.us
TX	http://www.texcarepartnership.com
WA	https://wvs2.wa.gov/dshs/onlineapp/introduction_1.asp https://wvs2.wa.gov/dshs/onlineapp/maa_intro.asp

¹ Pernice C. et al., *Charting SCHIP: Report of the Second National Survey of the State Children's Health Insurance Program* (Portland, ME: National Academy for State Health Policy, July 2001).

² Kaye N. et al., *How States Have Expanded Medicaid and SCHIP Eligibility* (Portland, ME: National Academy for State Health Policy, January 2002).

³ <http://www.healthapp.org>

⁴ http://www.healthapp.org/az_update.asp

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