

# Update: Lessons from HHSC CHIP and Medicaid Data

for  
Children's Defense Fund, Texas

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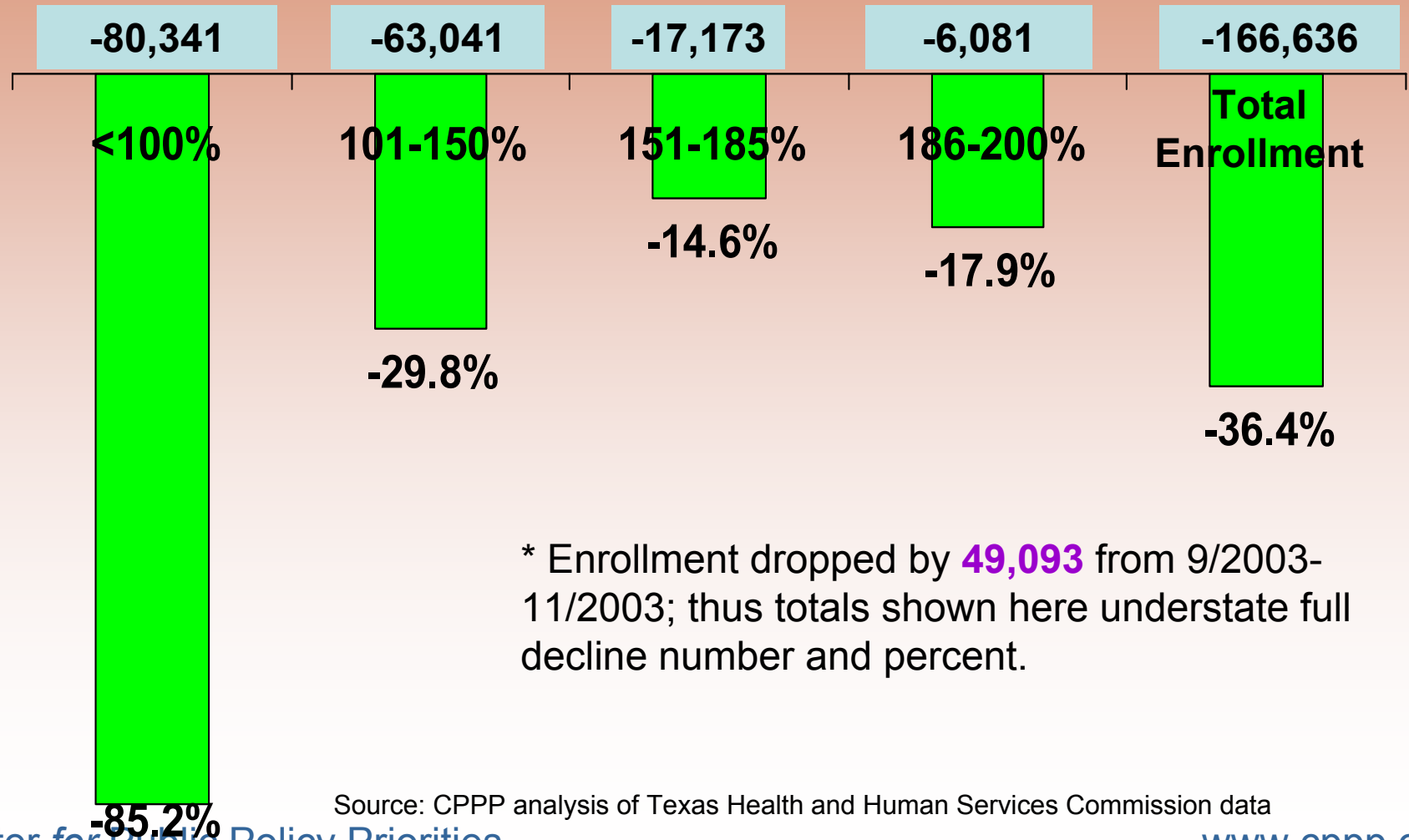
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# CHIP Enrollment by Income Group:

## Did Policy Changes Affect Lowest Income Groups Most?

- The elimination of income disregards in CHIP was applied to all enrollees effective November 2003. This had the effect of “shifting” many children from one category, up to the next higher category (and “shifted” about 17,000 children out of CHIP that month).
- To take the shift into account, we use November 2003 as a benchmark for comparing how the income distribution continued to change **AFTER** that shift.
- The change from 11/2003 to the present is “real”, that is, it is due to other factors than the income disregard change.
  - Increased cost sharing and decreased benefits
  - No offsetting outreach message from the state
- As the next slide shows, All groups have declined since 11/2003:
  - **below-poverty group saw the largest decline (-80,282↓; an 85% drop, and about half the total decline)**
  - 185-200% FPL group dropped 17%, probably due to asset test
  - 100-150% FPL group dropped 28.5%; but number is large (-60,445 ↓ ) because this is where enrollment was, and still is, concentrated.

# Change in Texas CHIP Enrollment, by Income (as percentage of Federal Poverty income Level) November 2003\* – September 2006



Source: CPPP analysis of Texas Health and Human Services Commission data

# Did the Children Leaving CHIP All Go to Medicaid? Well, No.....<sup>4</sup>

- Tracking movement between CHIP and Medicaid has never been easy, because the programs used very different data systems
- HHSC did special analysis back In 12/2004 (but not released until 2/2005) of the movement between programs in 2000-2004.
- The report looked at children who left Medicaid or CHIP, and checked to see if they had either shifted to the other program, or re-enrolled in the original program, during the following 12 months
  - FY 2004 report findings on “migration” were not 100% complete, because a full 12 months had not passed since many children had left the programs.

# Kids Leaving CHIP

Migration during the 12 months after leaving CHIP

	Children Leaving	Back to CHIP		To Medicaid		Neither
<b>FY 00</b>	1,698	578	34.0%	1,218	71.7%	16.4%, 279
<b>FY 01</b>	53,524	13,923	26.0%	24,362	45.5%	37.1%, 19,881
<b>FY 02</b>	269,091	76,543	28.4%	114,272	42.5%	36.2% 97,358
<b>FY 03</b>	303,337	82,124	27.1%	138,679	45.7%	35.4%, 107,242
<b>FY 04</b>	<b>379,00</b>	73,980	19.5%	158,378	<b>41.8%</b>	<b>44.6%</b> <b>169,223</b>

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Source: HHSC Center for Strategic Decision Support, 12/2004

# Kids Leaving Medicaid

Migration during the 12 months after leaving CHIP

	Children Leaving	Back to Medicaid		To CHIP		Neither
<b>FY 00</b>	743,422	318,932	42.9%	48,207	6.5%	385,109 (51.8%)
<b>FY 01</b>	750,862	349,144	46.5%	105,245	14.0%	321,867 (42.9%)
<b>FY 02</b>	667,514	341,061	51.1%	82,708	12.4%	267,022 (40.8%)
<b>FY 03</b>	771,901	404,093	52.4%	75,385	9.8%	315,240 (40.8%)
<b>FY 04</b>	887,224	364,526	41.1%	91,090	10.3%	<b>451,188</b> <b>(50.9%)</b>

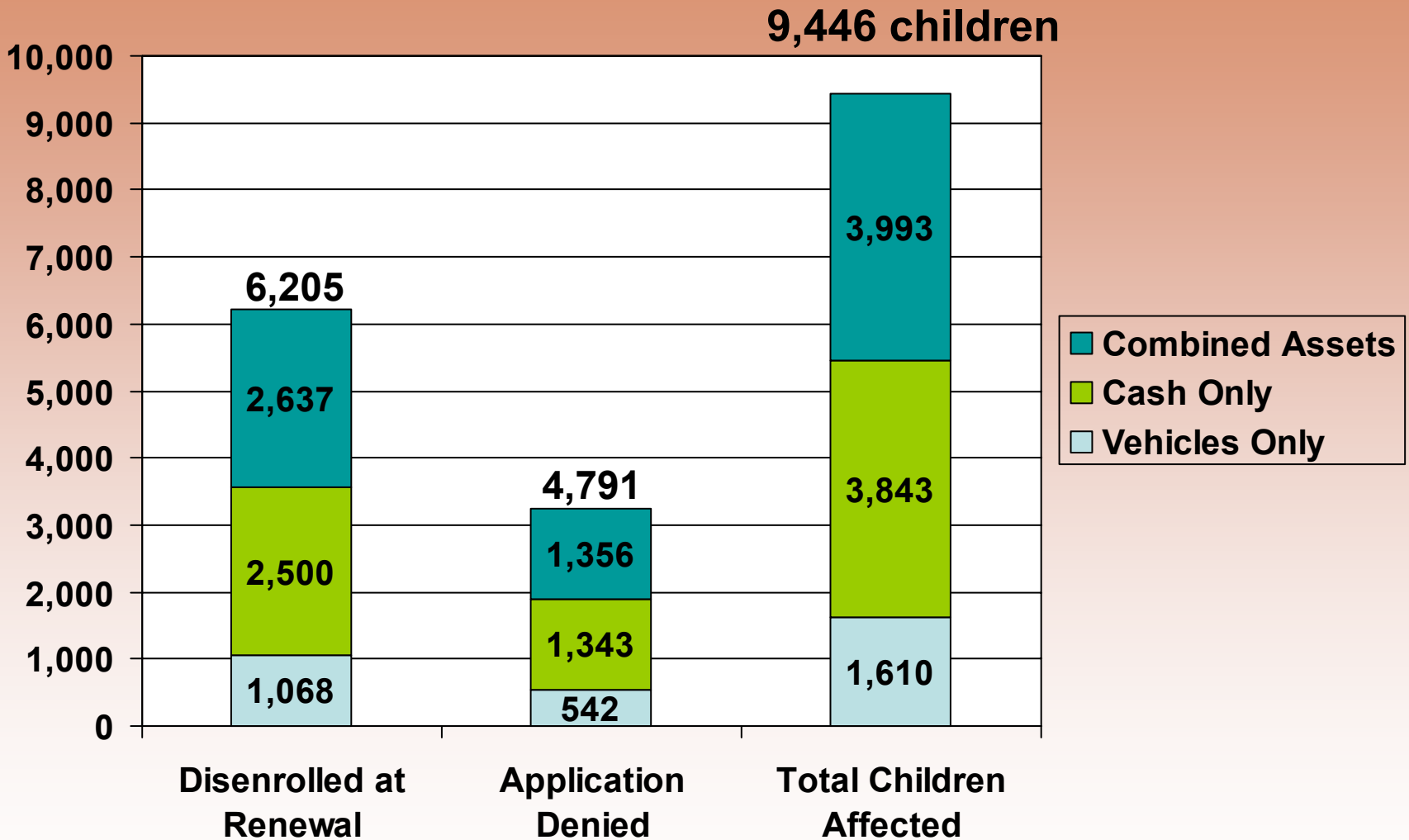
Source: HHSC Center for Strategic Decision Support, 12/2004

# Did the Children Leaving CHIP All Go to Medicaid? Well, No.....

## Key Findings:

- There was NO increase in the rate of transfer to Medicaid in FY 2004 to offset CHIP decline. In fact, the transfer rate is much LOWER, though an updated final report might show a higher %.
  - This is also evidenced by the greatly-REDUCED growth rate in children's Medicaid; Medicaid growth would have INCREASED if CHIP children were shifting there in greater proportions.
- Also shows a higher percentage of children NOT returning to either program in FY 2004;
  - the independent ICHP disenrollment report (12/2004) found 52% of kids leaving CHIP remained uninsured.
  - And found that of the 47% who got coverage later, 31% went to Medicaid and only 11% got employer-sponsored insurance (ESI)

# Texas CHIP Asset Test, 8/2004-10/2005



Source: THHSC; latest data available as of 9/29/06

# CHIP Asset Test: Lessons & Questions

## Lessons

- Cash savings alone more likely to disqualify a child than vehicle alone.
- Vehicle values contribute to 60% of total denials, but only 17% are due to vehicles ALONE
- Asset test accounted for about 7% of all denials at renewal during this period.

## Questions

- Does the “hassle factor” related to documenting assets add to these numbers?
  - (E.g., make, model, and year not enough: must also provide the “style code”.)
  - Are more parents failing to complete applications because of these requirements? Cases like that would NOT be reflected in these statistics.
- What share of denied applications were due to assets? (HHSC has never reported stats on numbers of CHIP applications received.)

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