

# Reaching New Families



*Many people who are eligible for Medicaid do not know about the program or do not think they are eligible. Others could become eligible if your state took full advantage of the ability to expand Medicaid to more low-income parents. Below are some questions to ask about how your state has attempted to educate families about Medicaid eligibility and how it has simplified the process of getting and keeping Medicaid for working families.*

## Is this a problem?

### STATE HAS NOT EXPANDED ELIGIBILITY UNDER SECTION 1931

When states determine whether a family is eligible for Medicaid, certain kinds and amounts of income and assets are not counted. In most states, these rules are left over from the old AFDC program. Section 1931 allows states to effectively expand Medicaid to more low-income families by increasing such “disregards” of income and assets. States can disregard a *flat amount* of income (such as the first \$500 per month), a *variable amount* (such as 50 percent of the federal poverty level), or *kinds* of income and assets (such as the value of one car per family or welfare diversion grants). States can implement these expansions without a waiver from the federal government, and they may make the disregards permanent or time-limited (e.g., they may disregard all income for the first three months in order to make sure families qualify for Transitional Medicaid).

Some states have used this flexibility to expand eligibility for Section 1931 Medicaid to more low-income families. Others have used it to extend Transitional Medicaid, raise Medicaid eligibility levels for parents to meet those of children in the poverty-level Medicaid or CHIP categories, or eliminate the resource test for families (see examples below). This expansion of eligibility can help families currently receiving Medicaid who get jobs as well as new families who have not previously qualified for Medicaid. However, most states have not taken advantage of this opportunity.

- Does your state have lower eligibility levels for parents and children in the family Medicaid category than for children in child-only Medicaid?
- Has your state extended Transitional Medicaid coverage beyond the minimum federal requirement of six to 12 months?
- Does your state have an asset test for families in family Medicaid, but not for children in child-only Medicaid?

## Then do this:

### URGE YOUR STATE TO INCREASE DISREGARDS

Urge your state to increase income and asset disregards for Section 1931 family Medicaid, in order to raise eligibility levels for parents and simplify eligibility for children and parents. Some changes that states have made to provide Medicaid to more working families include:

- In Washington, DC, families are now eligible for Medicaid until they earn over 200 percent of poverty. In Connecticut, Rhode Island, and Wisconsin, families up to 185 percent of poverty are eligible for Medicaid. California, Ohio, and Missouri extended Medicaid eligibility for parents up to 100 percent of poverty.
- In North Carolina and South Carolina, families who leave welfare due to increased earnings now receive 12 months of “extended” Medicaid without income reporting requirements before they receive Transitional Medicaid.
- Other states and the District of Columbia are eliminating resource limits for families with children. These include CT, DE, MA, MS, IL, MO, OH, OK, PA, RI, and WI.

While the above is not an exhaustive list of actions states are taking to extend Medicaid eligibility to more low-income families, it is a good example of some policies you can urge your state to adopt. There are federal funds available to assist states with the administrative and outreach costs associated with Section 1931. (See the box at the end of this piece for more information.)

### Is this a problem?

#### **FAMILIES DO NOT KNOW THAT THEY MAY BE ELIGIBLE FOR MEDICAID**

Whether or not your state has expanded Medicaid eligibility for families, there are many people who are currently eligible for Medicaid but are not enrolled. There are several reforms states can make that will help get the word about Medicaid out to low-income families. Your state has probably already adopted most of them to inform families about CHIP. Encourage your state to “piggy-back” on these efforts to help get more parents, as well as kids, covered by Medicaid.

- Has your state conducted outreach for families as it has for non-Medicaid CHIP?
- Has your state adopted “presumptive eligibility” (coverage during the determination period) for pregnant women and children?
- Does your state provide community locations and convenient hours for applications?

### Then do this:

#### **ENCOURAGE YOUR STATE TO INCREASE MEDICAID OUTREACH TO FAMILIES**

Almost every state has a major effort under way to inform families about the new CHIP programs. These information campaigns are targeted to low-income families, many of whom may be eligible for regular Medicaid. In some states, the outreach is geared almost completely to new non-Medicaid child health programs, ignoring Medicaid. Urge your state to include information about both children and parents’ eligibility for Medicaid in their CHIP campaigns. The \$500 million De-Linking Fund can be used to fund outreach efforts that include information about parents’ eligibility for Medicaid. (See box at the end of this piece.)

### And do this:

#### **URGE YOUR STATE TO ADOPT PRESUMPTIVE ELIGIBILITY FOR CHILDREN**

Presumptive eligibility means that children who appear to be eligible for Medicaid can be temporarily covered until a complete determination is made by an eligibility worker. During the presumptive eligibility period, Medicaid covers any services a child receives. The Balanced Budget Act of 1997 allows states to adopt presumptive eligibility for children in Medicaid, and states can also adopt presumptive eligibility in separate CHIP programs. Presumptive eligibility can help children get enrolled in Medicaid by introducing them to Medicaid through their health care provider (or other qualified party).

### And do this:

#### **URGE YOUR STATE TO OUTSTATION MORE ELIGIBILITY WORKERS**

States are required to outstation eligibility workers who can distribute and process Medicaid applications for children and pregnant women at health centers and hospitals that serve large numbers of low-income people. States may choose to outstation workers at other locations where children and pregnant women seek services. Encourage your state to provide more outstationed eligibility workers at more community locations and to make them available during nontraditional work hours, in order to accommodate parents who work during the day. Although outstation sites are required specifically for children and pregnant women, there is nothing preventing outstationed workers

from accepting regular Medicaid applications as well. Community-based outstation sites can work in coordination with community outreach efforts and provide a local place where parents can get assistance filling out Medicaid applications for their families. Outstationing workers who assist with family Medicaid applications can be funded using the \$500 million De-Linking Fund. (See the box below.)

**\$500 MILLION DE-LINKING FUND:  
FEDERAL FUNDS AVAILABLE TO HELP YOUR STATE**

In 1996, Congress set aside a \$500 million fund to assist states with the administrative and outreach costs associated with de-linking welfare and Medicaid. The funds are available to states at a very favorable matching rate of 90/10 for most activities (75/25 for some activities), yet most states have used little or none of their allocations to date. This money can be used to address a variety of problems identified in this kit. To find out whether your state has used its allotment, check out our Web site: [www.familiesusa.org/tanf\\_500.htm](http://www.familiesusa.org/tanf_500.htm).

While the fund originally had an expiration date of September 30, 2000, *recent legislation eliminated this sunset date*. The money is now available to states until they spend their entire

allotment. On January 6, 2000, the Health Care Financing Administration (HCFA) issued a letter to state Medicaid directors explaining the new legislation, and the allowable uses of the fund. A copy of the letter is available on HCFA's Web site: [www.hcfa.gov/Medicaid/wrd11600.htm](http://www.hcfa.gov/Medicaid/wrd11600.htm). The letter further encourages states to "devise new systems and strategies to ensure that de-linking is implemented properly and to develop other effective enrollment strategies." Urge your state to use its \$500 million De-Linking Fund allotment to increase enrollment of families in Medicaid, to simplify eligibility systems, and to expand coverage to more low-income families.