

Your State's Computer System



Potential problems

Even if your state has good Medicaid eligibility policies on paper, computerized eligibility systems play a large role in how well those policies are implemented. Computer problems were part of the reason Medicaid rolls declined in Maryland, Pennsylvania, and Washington. The problems differed in each state. In Maryland, computers failed to automatically assess whether families with earnings were eligible for Transitional Medicaid or whether children remained eligible for Medicaid when their parents lost eligibility. In Pennsylvania, computers required workers to close cases when families lost TANF and then, essentially, to manually reopen their Medicaid cases. In Washington, when workers closed TANF cases for reasons such as voluntary withdrawals or failure to submit periodic income reports, computers simultaneously closed Medicaid cases. Workers had to override automatic cutoffs.

A recent study of Medicaid enrollment problems in five states showed that in each, administrators complained about inadequate eligibility systems. In Florida, the state Medicaid agency issued 95 written instructions in the last few years about how workers can manually work around various computer problems. The risk of errors is very high when workers must keep track of complex eligibility criteria and manually intervene.*

Does your state have similar problems? To find out, you might want to conduct a review.

How to learn about Medicaid computer problems

State Medicaid agencies generally use two types of computer systems. One system processes and stores information about consumers' eligibility for Medicaid. This system probably also processes eligibility for public assistance and food stamp programs. The other system (called Medicaid Management and Information System, or MMIS) stores and processes information about Medicaid claims and expenditures. For this project, it is the eligibility system that you will want to review. Eligibility systems are individually tailored to states' needs. The systems ACES (Automated Client Eligibility System) and CARES (Client Assistance Resource Eligibility System) are each used by several states, but many states have other systems with unique names.

Advocates have successfully approached computer reviews in several ways. In some cases, they have directly asked state administrators to demonstrate how their computer eligibility system handles cases. Depending on where you have the strongest relationships, you might request a computer demonstration through the office of information systems at your human services or public assistance department, the chief Medicaid eligibility supervisor, your Medicaid director, or the Medicaid agency staff responsible for eligibility policy.

In other cases, advocates have discovered computer problems indirectly. Advocates in Maryland requested eligibility worker training manuals under the Freedom of Information Act and learned from the manuals which steps were automated and how workers had to interact with the computer. In Washington, advocates did not look at their computer system themselves, but instead looked at the state's data on Medicaid terminations and reasons for the terminations. They met with policy analysts in their Medicaid agency who agreed that terminations for certain reasons (such as "other" and "voluntarily withdrew") were too high, and they then followed up with computer systems specialists to learn why.

* Marilyn Ellwood, *The Medicaid Eligibility Maze: Coverage Expands, But Enrollment Problems Persist*, Henry J. Kaiser Family Foundation, September 1999.

A CLOSER LOOK

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Whether you look at computer screens directly, examine worker manuals, or interview state administrators, find out how the computer handles a few sample cases, such as the following. (See “Problems & Solutions: Getting Medicaid” in this kit for more information about these problems.)

- A family applies for both Medicaid and TANF. The family submits all of the information necessary for the Medicaid application but is missing information or verification needed for the TANF application. Does the computer automatically process the Medicaid portion of the application?
- A member of a family that has both Medicaid and TANF goes back to work and reports new earnings. What steps does the computer take automatically and what does it rely on workers to do to extend Medicaid benefits when the person is no longer eligible for TANF? Does the computer automatically process six months of extended eligibility when a person returning to work exceeds Medicaid income guidelines?
- A family voluntarily terminates its TANF assistance. What steps does the worker need to take to maintain the family's Medicaid assistance? Does the computer terminate Medicaid with TANF?
- A family with earned income fails to submit monthly reports of earnings that are required under the state's TANF program. What happens to its Medicaid?
- A family loses eligibility for Transitional Medicaid. Does the computer automatically check each family member's eligibility under other categories? For example, does the computer check each child's eligibility for Medicaid against the higher income guidelines that apply to children?
- What notices are automatically generated at different stages of an application or when Medicaid is denied?

Solutions

The computer system that your state is using is likely to be very expensive and not very user-friendly. States may have invested in their computers years ago, before much of today's friendly personal computer technology was available. Workers may need to know various codes applicable to different client situations. Insist that your state fix anything that is wrong in the way computers process Medicaid applications. Normally, the federal government pays 50 percent of the cost of upgrading eligibility systems. By using the \$500 million De-linking Fund (see “What Does *That* Mean?” in this kit), states can claim federal matching funds of 75 or 90 percent for eligibility systems changes that enable them to properly process Medicaid postwelfare reform.

When steps are not wrong but do involve a lot of worker knowledge, find out if your state can either automate more steps or add narrative prompts that will help workers take the correct action. Some states, such as Delaware, have added new Windows-based personal computers to eligibility workers' desks that interface with the state's mainframe computers. Delaware's computer screens lead workers to enter income and household information, but the computer automatically determines eligibility according to myriad different possible program rules (e.g., those that apply to Transitional Medicaid, CHIP, and poverty-related Medicaid).

As you find problems, you might also want to find out how other states have corrected their computer systems. Ask people at your state agency which system they use, whether they know other states that use a similar system, and if there is a consultant that works with them on computer technology. Then you can contact these other states or consultants to find out what they know about the problems you have noted. The American Public Human Services Association's Information Systems Management affiliate (www.apwa-ism.org) has a bulletin board on which states can post queries about other states' best practices.

Successful state advocacy efforts

State agencies and advocates have worked to overcome computer problems in several states. In both of the following examples, the computer changes were part of a strategy to improve eligibility determinations that also includes worker training, and benefits were restored to people who had been incorrectly terminated from Medicaid:

- **Maryland:** The Family Investment Program Legal Clinic, University of Maryland School of Law, found that thousands of families were not receiving Transitional Medicaid benefits due in part to problems with CARES computers. In response to advocacy, Maryland reprogrammed computers to automatically test families for Medicaid eligibility in the two most likely categories, family eligibility and child-only eligibility, when families lost cash assistance.
- **Washington:** Children's Alliance, Columbia Legal Services, and the Welfare Rights Organizing Coalition found that the ACES computer automatically terminated Medicaid for most people leaving TANF. Washington agreed to manually review cases until computer corrections can be completed. Eventually, computers will be reprogrammed to keep Medicaid open when TANF is terminated unless the worker affirmatively acts to close the Medicaid case.