Presumptive Eligibility for North Carolina's Children

Eleven percent of North Carolina's children are uninsured, leaving almost 270,000 kids without affordable access to care in the state. Children living under 200 percent of the federal poverty line (FPL) and who have been residents of the U.S. for at least five years are eligible for NC Medicaid/Health Choice, and since 95 percent of North Carolina health center patients live below 200 percent FPL, nearly all of these children are eligible for public insurance. Uninsured children can access affordable care at a health center when in need, but specialty visits and prescription drugs may be out of their financial reach. Delaying care until NC Medicaid/Health Choice applications are processed may not be an option for sick children.

Presumptive eligibility gives qualified agencies the ability to expedite affordable care for likely eligible children in need of health services. North Carolina already permits this expedited process for pregnant women, and in 2014 hospitals across the country will have the ability to perform presumptive eligibility for all Medicaid eligible populations[1]. Allowing children to gain immediate coverage is the next natural step for the state.

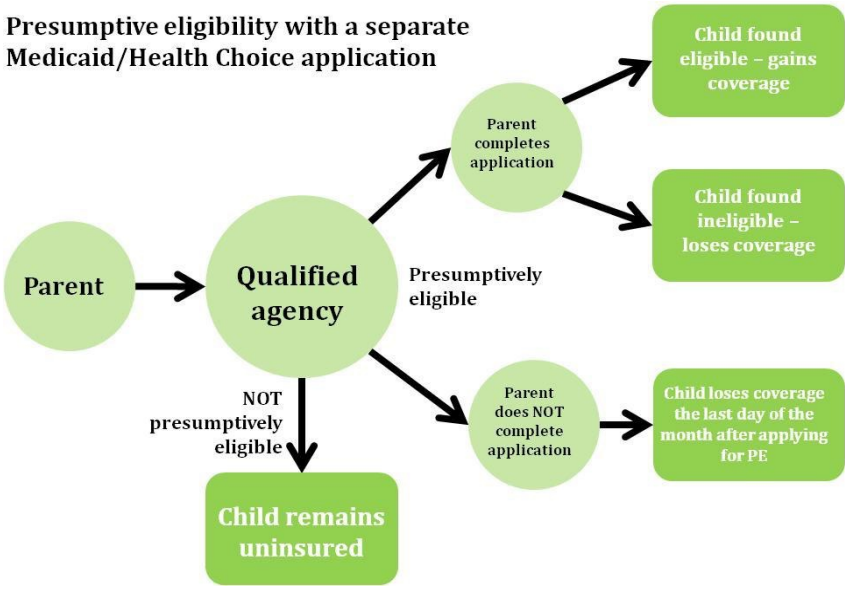
Background on presumptive eligibility for children

Congress began to allow states to use presumptive for eligibility for children when the State Children's Health Insurance Program (SCHIP) was created in 1997. Currently, 16 states allow presumptive eligibility for children. The program allows qualified agencies – which can include health centers and other healthcare providers, schools, and local eligibility agencies among others – to determine if a child may be presumptively eligible for Medicaid/CHIP based on self-attestation of income and household size. If the information provided meets the state's eligibility requirements, the child may use coverage for services immediately, and states receive the usual federal matching funds for those services. Parents must complete a full application for their child within a specified time frame, and those who fail to submit a complete the full application may risk losing coverage, and qualified agencies must assist the family with a complete application, make sure they understand the requirements, and notify the state Medicaid agency within five days of determining presumptive eligibility for that child to ensure a streamlined process[2].

In Missouri and Ohio, the state legislatures passed presumptive eligibility for children. Michigan's presumptive eligibility program, however, was established through the state Medicaid agency's statutory authority. In North Carolina, the Division of Medical Assistance (DMA) has the authority to implement presumptive eligibility without legislative approval[3].

States' presumptive eligibility processes

MISSOURI: Parents in Missouri are required to complete the full Medicaid/ CHIP application at the time of presumptive eligibility determination. This way the state is able to turn around applications for official eligibility determination more quickly, reducing the cost of services for potentially ineligible children. Parents are required to submit applications for all of their uninsured children at one time in order to encourage parents to take all children to the doctor.

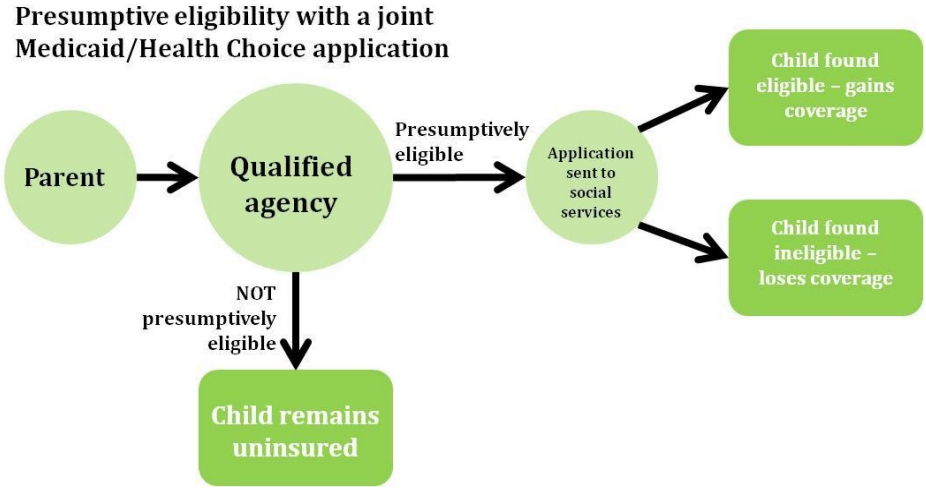


[1] § 2202 *Patient Protection and Affordable Care Act*, 2010

[2] 42 USC § 1396R–1A *PRESUMPTIVE ELIGIBILITY FOR CHILDREN*

[3] § 108A-54, *Authorization of Medical Assistance Program*

OHIO: The presumptive eligibility application in Ohio is a brief, five-question form. The parent must follow-up with the complete Medicaid/CHIP application at a later date. The qualified agency, as mandated federally, is required to assist the parent with the full application or at least connect them to an eligibility agency for assistance.



MICHIGAN: Michigan requires the full Medicaid/CHIP application to be completed at the time of presumptive eligibility determination. The state audits about ten percent of applications, and very few children (less than five percent) are found to be ineligible for coverage. Children found to be presumptively eligible, however, do not receive any documentation to carry to providers that promises reimbursement. They therefore face significant obstacles to using their presumptive eligibility anywhere other than the qualified agency at which they applied.

Providing children with expedited access to care: Benefits of presumptive eligibility in North Carolina

Families near the poverty line, who represent the health center patient base, are more likely to experience delayed or forgone health care[4]. Enrolling a child in health insurance decreases the likelihood of delayed or forgone care by 41 percentage points[5]. Delayed care can be dangerous as well as expensive - it results in significantly higher hospitalization costs[6], whereas covering a child through Medicaid/CHIP for the maximum of two months he or she could be presumptively eligible would only cost an average of $670[7]. Generally less than five percent of children are found ineligible for Medicaid/CHIP after the period of presumptive eligibility. The cost of covering those ineligible children for a maximum of two months is negligible compared to the benefits of providing eligible children with access to a primary care home and reducing the likelihood of hospitalization.

Perhaps the most important benefit of presumptive eligibility for children is that sick yet eligible children can access affordable care no matter their insurance status. Covering children improves health outcomes and reduces health disparities[8]. Children with Medicaid are more likely to have a usual source of care (96 percent versus 74 percent of uninsured children). They are also less likely to have unmet health needs (2 percent versus 6 percent of uninsured children)[9]. Presumptive eligibility is an effective way to ensure that parents can access affordable care for their children when it is most needed.

Presumptive eligibility is a cost-effective way to provide eligible children with the care they urgently need and to get children's health needs under control prior to 2014 when the primary care system will likely be inundated with sick individuals who have access to insurance for the first time. In the long-term, insuring children and preventing delayed or forgone care is financially wise and good for the health of North Carolinians.

---

[4] Huang, Kogan, Yu, & Strickland, 2005

[5] Lave, 1998

[6] Kraft et al., 2009

[7] "Kaiser Family Foundation State Health Facts: North Carolina: Medicaid & CHIP"

[8] Girod, Meerschaert, & Muller, 2011

[9] Newacheck, 1998