

June 26, 2000

Dear State Health Official:

As part of our effort to improve the application and enrollment process for children eligible for Medicaid and the State Children's Health Insurance Program (SCHIP), the Health Care Financing Administration (HCFA) is soliciting applications from State Medicaid and SCHIP agencies for a new grant program, "Medicaid/SCHIP Eligibility Pilots." This grant program is designed to identify and test innovative ways to increase enrollment in Medicaid and SCHIP by simplifying the eligibility and enrollment process.

This grant program will furnish administrative funds to assist States in piloting and evaluating innovative approaches to simplifying the application and enrollment process. Specifically, the program is designed to support States in identifying models by implementing these models on a limited basis and evaluating their effectiveness. Ultimately, we will encourage States to incorporate successful models into Medicaid and SCHIP programs.

Under this one-year program, HCFA will make awards to approximately five States in the estimated amount of \$80,000. The enclosed grant announcement provides information regarding the goals and structure of the project, application procedures, eligibility requirements, and review criteria. **As indicated in the announcement, the deadline for submitting an application is August 10, 2000. Proposals sent by commercial carrier must be received in the HCFA grants office on or before August 10, 2000. If delivered by the U.S. Postal Service, the postmark on the submission must be on or before August 10, 2000.**

Grant funds may be used for administrative tasks, and States applying for this project will need to work in close collaboration with schools, community based organizations, advocates, and other parties relevant to the specific proposal submitted. Funds may not be used for payment of medical services provided to children enrolled in Medicaid or SCHIP. Medical services must be paid with funds from State Medicaid, SCHIP, or State-only programs.

If you have any questions regarding the HCFA grant announcement, please contact Candice Hall at (410) 786-4453 or CHall2@HCFA.GOV or your HCFA Regional Office. We look forward to receiving your application.

Sincerely,

/s/ Timothy W. Westmoreland Director Center for Medicaid and State Operations Enclosure

cc: All HCFA Regional Administrators All HCFA Associate Regional Administrators For

Medicaid and State Operations Lee Partridge, Director, Health Policy Unit

American Public Human Services Administration

Joy Wilson, Director, Health Committee National

Conference of State Legislatures Matt Salo,

Director of Health Legislation

National Governors' Association

MEDICAID AND STATE CHILDREN'S HEALTH INSURANCE PROGRAM ELIGIBILITY PILOTS

• Purpose

The Health Care Financing Administration (HCFA) is soliciting project proposals from State Medicaid agencies and agencies administering the State Children's Health Insurance Program (SCHIP). The purpose of this project is to identify new and effective ways to simplify the application and enrollment process by piloting and evaluating innovative efforts on a small scale. To this end, HCFA will award approximately five grants of approximately \$80,000 during this one-year demonstration project. Grant funds may be used for administrative tasks, including evaluation, and States applying for this project will

need to work in close collaboration with appropriate partners relevant to the specific proposal submitted (for example, schools, child care

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referral and information centers, community based organizations, child health advocates). Projects may potentially include, but are not required to include, linkages with other programs such as the Supplemental Nutrition Program for Women Infants and Children (WIC), the National School Lunch Program, Child Care Developmental Block Grant Programs, Head Start, Early Head Start, or other programs that serve families with children potentially eligible for Medicaid or SCHIP. Individual project periods up to one year may be defined by applicants. All projects must describe strategy implementation as well as an evaluative component.

- **Background**

According to United States census data, there are currently more than eleven million children under the age of eighteen who lack health insurance coverage in the United States, and over seven million of these children live in households with income below 200 percent of the Federal Poverty Level (FPL). Recently the Kaiser Commission on Medicaid and the Uninsured conducted a survey of families with children eligible for Medicaid but not enrolled in the program. The results indicate that 41% of these parents have postponed accessing health care for their children and 26% of these parents have been unable to fill a prescription for their child because it was unaffordable. Uninsured children are less likely to visit a doctor for routine and preventive care and suffer more frequently from treatable problems such as asthma, ear infections, and vision problems than children who have health insurance. When compared to their insured counterparts, uninsured adolescents are four times as likely to have unmet health needs and twice as likely to go without a physician contact during the course of the year. Additionally, uninsured children are absent from school more frequently than their peers. The lack of health insurance for millions of American children remains one of the great challenges facing the nation.

Over the past several years, new options for expanding coverage to low-income children and their families have been established. As a part of reforming welfare, Congress provided States with broad flexibility under Section 1931 of the Social Security Act to expand Medicaid to cover more low-income families at their option. Under Section 1931, States can use less restrictive income and/or resource methodologies to determine

Medicaid eligibility than those in effect under the July 16, 1996, Aid to Families with Dependent Children State plan. As a result of regulations published in August 1998, States can expand coverage to more two-parent working families through Section 1931 as well. In 1997, President Clinton worked with Congress to create SCHIP, the single largest expansion of children's health insurance since the creation of Medicaid in the 1960's. Every State and Territory has responded to this opportunity by expanding health coverage to low-income children. As of September 1999, nearly two million children who would otherwise be without health insurance were enrolled in SCHIP-funded coverage and many more have also been enrolled in Medicaid as a result of increased outreach efforts and application simplification strategies.

Despite these successes, more needs to be done to promote participation in health coverage programs. According to a recent study by the Kaiser Commission on Medicaid and the Uninsured, over nine out of ten parents of uninsured Medicaid eligible children interviewed believe that

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having general health insurance coverage for their children is very important, but many children eligible for Medicaid or SCHIP have not been enrolled. One reason may be burdensome or complicated application and enrollment processes. Sixty-seven (67) percent of parents with eligible uninsured children who were interviewed had previously tried to enroll in Medicaid. Of those, 21% failed to complete the process, and 15% tried multiple times but failed to complete the process and were denied coverage. Seventy-two (72) percent of surveyed parents who did not complete their child's Medicaid enrollment process indicated that it was too difficult to obtain the required documentation. Fifty-two (52) percent of parents with Medicaid eligible children who have not tried to enroll their children indicated that it was because the application process is too long. These parents with eligible but not enrolled children, the majority of whom are working parents, indicated that they would be much more likely to enroll their child if the process were simplified. Sixty (60) percent of parents would be much more likely to enroll if they could do it by mail or phone, and 56% would be more likely to enroll their children if they could enroll them immediately and provide forms at a later date. Fifty-three (53) percent would be more likely to enroll their children if the enrollment form was shorter, and 51% would be more likely to enroll if they could enroll at school or a day care center.

To ensure that as many eligible children as possible are enrolled in Medicaid and SCHIP, the Federal government has provided States with a great deal of flexibility in designing and

simplifying application and enrollment processes, including presumptive eligibility and continuous eligibility. Under the presumptive eligibility option established in Section 1920 of the Social Security Act, at State option certain entities can determine, based upon preliminary information, whether the family income of a child is within the State's income eligibility limits for Medicaid. If it is, the child can be granted temporary eligibility for Medicaid and has until the end of the following month to submit a full Medicaid application, or the presumptive eligibility application can serve as the full Medicaid application. A similar approach may be used under SCHIP as well. Additionally, under Section 1902(e)(12) of the Social Security Act, States may grant continuous eligibility to children under age nineteen for up to twelve months, even if there is a change in family income, assets, or composition. States may also grant continuous eligibility under SCHIP. Many other options are also available to States to simplify the application and enrollment process. These options, outlined by HCFA in a letter to State Health Officials dated September 10, 1998, include but are not limited to creating shortened application forms, joint applications, allowing the use of mail in applications, reducing or eliminating verification and documentation requirements, such as income verification and assets tests, and speeding up the processing time of applications. HCFA continues to encourage and support States in adopting and evaluating the effectiveness of simplified application and enrollment process as well as specific simplification strategies.

In addition to simplifying the application process, many opportunities exist to link SCHIP and Medicaid programs to other programs that serve families with potentially eligible children. A recent study by the Urban Institute suggests that almost three-quarters of all low-income uninsured children live in families that participate in the National School Lunch, WIC, Food Stamp, or Unemployment Compensation programs. The study also suggests that the National School Lunch Program, which serves approximately four million uninsured children in low-income families, may provide a particularly effective opportunity to reach children eligible for SCHIP or Medicaid coverage. HCFA continues to encourage and support States in linking outreach and enrollment efforts with programs such as these to effectively and efficiently identify children eligible for Medicaid and SCHIP.

- **The Project**

Project Structure and Use of Funds

This one-year grant project will provide States with administrative resources to implement and evaluate innovative ways of increasing and retaining enrollment in Medicaid and SCHIP by

simplifying the application and enrollment process for families. Grant funds of approximately \$80,000 will be available for the project period, to be identified by the applicant in the proposal. HCFA anticipates awarding five grants, although the actual number of grant awards may depend on the technical quality and budgetary estimates of proposals. States are not required to contribute any matching funds for this project, and grant funds will not affect any calculations of the 10% limit on administrative expenditures in SCHIP. However, States that wish to do so may contribute additional funds or seek further funding support for this project from other agencies and organizations to expand the scope of the proposal. A State may elect to contribute State funds to improve or expand the proposed project; if these expenditures meet requirements under Medicaid, SCHIP, or another Federal-State program, Federal matching funds may be available. States may elect to fund subcontractors or identify local community agencies or other stakeholders to execute and manage the proposed projects.

Grant funds may only be used for administrative tasks related to implementing the project such as development of applications and notices, training of staff or volunteers, data collection and analysis, and other costs related to implementing and evaluating the proposed strategy. Funds may not be used for existing activities or to obtain Federal matching funds under any Federal-State program.

Example.

Assume a State receives an \$80,000 grant, and the total administrative expenditures incurred under the project are \$90,000. In this example, \$10,000 (\$90,000 - \$80,000) represents the additional State expenditures under the project. The grant award of \$80,000 would be applied against the first \$80,000 of the incurred administrative expenditures, and the remaining \$10,000 may be claimable under Medicaid or SCHIP by the State at the appropriate Federal financial participation (FFP) for the type of administrative expenditures incurred.

Grant funds may not be used for payment of direct medical services. Such payment must be made from State Medicaid, SCHIP, or State-only programs. Waiver of Federal requirements may be needed if the project proposes changes to the existing statutory requirements of SCHIP or Medicaid. In addition, an amendment to the Medicaid State Plan or SCHIP plan may be necessary if the project does not require a waiver but proposes a change to the current State plan. Grantee States will be responsible for obtaining approval of any necessary waivers and State plan amendments. HCFA is committed to expedited review of such waivers or State plan amendments.

Project Goals

Applications should address, at least in part, each of the following goals.

1. Identify and implement (e.g., for a limited time or geographic area) innovative ways and/or settings to enroll eligible children into Medicaid and SCHIP through:
creating linkages with other public programs such as school lunch, WIC, child care subsidies, or State earned income tax credits, with relatively similar eligibility criteria, removing one or more steps of the application and/or enrollment process families would otherwise have to complete to enroll eligible children, and/or any other simplification of the application or enrollment process
- 1 Identify and establish effective partnerships with stakeholders potentially including but not limited to child health advocates, consumers, schools, State agencies, or other Federally-funded programs for purpose of enrolling eligible children into Medicaid and SCHIP.
- 2 Document and evaluate strategies adopted to simplify the application process for families seeking to enter Medicaid and SCHIP, including the success of the strategy, the feasibility of expanding the strategy statewide (if it is limited to a particular part of the State), and conditions under which it may be most effectively duplicated by other States.

Project Requirements

Selection of Intervention.

States should propose strategies for simplifying and/or linking the application and/or enrollment process to other public programs serving potentially eligible children. Proposed strategies should remove at least one step of the application and/or enrollment process that families applying for Medicaid or SCHIP would otherwise have to complete to enroll their children. Project proposals should consist only of new activities. Current or existing simplification efforts will not be considered.

Example.

Assume a State requires families to provide three months of income verification for children applying for SCHIP or Medicaid. The State may wish to implement self-declaration of income on a limited basis or for a limited time to determine how this policy can be implemented while preserving the integrity of the eligibility process. By implementing and evaluating self-declaration on a limited basis, the State is removing a

potentially burdensome step of the application process families would otherwise have to complete.

Example.

Assume a State requires families to provide three months of income verification for children applying for SCHIP or Medicaid. The State may wish to propose a new strategy of linking the application process with the WIC application process and accepting the income verification required for WIC as sufficient for Medicaid/SCHIP. By implementing and evaluating this program linkage on a limited basis, the State is simplifying the application process for families applying for both programs and removing a step of the application process families would otherwise have to complete.

Collaboration with Other Stakeholders.

States should describe how appropriate stakeholders will be included in the project. To achieve this, States may partner with other entities or agencies, subcontract, or identify appropriate stakeholders or entities to manage the project.

Example.

A State may propose to link the Medicaid/SCHIP application process with the National School Lunch Program through the use of supplemental applications or systems linkages. The State may believe it to be most appropriate to train school staff on the application process and then provide them with appropriate applications, allow them to distribute the applications, and conduct appropriate outreach and follow-up to assist families in completing the application.

Example.

A State may propose to implement and evaluate presumptive eligibility through child care and Head Start programs. The State may wish to subcontract or develop an agreement with another stakeholder such as a community based organization to pilot new applications, conduct appropriate training, and

evaluate the success of the simplification effort.

Data Collection and Analysis.

States should describe how appropriate data will be collected and/or used to evaluate the success of the program, reasons for the success or lack of success, the feasibility of implementing the strategy on a statewide basis, and the conditions under which the strategy might be most effectively replicated in other States. States should describe methodologies to be used in their analysis.

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Example.

In addition to administrative data, States may propose a variety of innovative or creative data collection and analysis methodologies. Examples may include but are not limited to pre-testing, focus testing, surveys, and budgetary impact analysis.

Evaluation and Reports.

State grantees will be required to evaluate the effectiveness of their project and provide HCFA with an appropriate report no later than ninety days after the end of the project period. Thus, applicants will want to ensure that adequate time for the collection and analysis of data are included in proposals. The report should include the following elements.

Section I: Background

- Description of the SCHIP and/or Medicaid eligibility guidelines and application and enrollment process at the beginning of the project
- Number of children in the State believed to be eligible for SCHIP and/or Medicaid
- Number of children enrolled in SCHIP and/or Medicaid at the beginning of the project
- Barriers in the application and enrollment process the project was intended to address
- Other pertinent background information

Section II: Project Description and Scope

- Population targeted by the project, including any available demographic information as well as number of potentially eligible children affected

- Partners involved in the project and their roles
- Specific ways the project simplified the application and/or enrollment process for families with potentially eligible children
- Specific strategies used to assist families in completing applications, including follow-up activities
- Other pertinent information

Section III: Findings

- Number of applications submitted as a result of the project
- Number of applications approved as a result of the project
- Most common denial reasons for applications submitted as a result of the project but not approved
- Results of other evaluative activities such as focus groups, pre-testing activities, surveys, budgetary impact analysis, etc.
- Other pertinent findings

Section IV: Recommendations

- Feasibility of statewide and/or permanent implementation
- Feasibility of implementation by other States, including any particular circumstances under which implementation may be most effective
- Other recommendations

Section V: Conclusions

- Was the project successful? If so, why? If not, why not?
- What best practices can be shared?
- Was the grant program effective?
- Other conclusions

Appropriate materials potentially including but not limited to sample applications and survey instruments should be included as appendices to the report. However, all key details should be included in the body of the report with the appendices included as supporting documentation.

● **General Provisions**

Although applicants have considerable flexibility in developing demonstration projects under this solicitation, proposals for the Medicaid/SCHIP Eligibility Pilots must comply with the following:

Waivers

States are not required to submit proposals that will require a waiver. However, if a State submits a proposal that necessitates a waiver of Federal provisions, the State should identify what requirements will need to be waived in order to carry out the demonstration project. HCFA will assist States in considering whether and what waivers may be needed. States that propose grant projects that will require a waiver are not required to submit a waiver application as part of the grant proposal but will be required to secure waiver approval before implementing the grant project. All applicable required demonstrations of cost-neutrality, cost-effectiveness, or budget neutrality remain in effect should any of the above-noted waiver authorities be sought under this project.

Civil Rights

All grantees receiving awards under this grant program must meet all applicable Civil Rights requirements. States are encouraged to contact the Office of Civil Rights, DHHS, at (202)6190403 for technical assistance in developing a grant proposal that meets all the requirements of the civil rights and disability laws.

Intergovernmental Review of Federal Programs

This program is not covered by Executive Order 12372, "Intergovernment Review of Federal Programs." Executive Order 12372 provides for a State Clearinghouse in each State to review Federal Programs. Research grants are exempt from this review.

● **Applying for a Grant**

Eligible Applicants

Applicants must be State Medicaid or SCHIP agencies. State Medicaid and SCHIP agencies are strongly encouraged to work with each other, advocates, schools, community based organizations, consumers, provider organizations, or other applicable entities in planning proposals, developing applications, and implementing projects.

Proposed Format

A complete proposal consists of the narrative application plus the required material noted below. Additional documentation may be appended but should be limited to information relevant to the specific scope and purpose of the grant. Do not include critical details in an Appendix. Application materials should be organized in the following manner.

Cover letter from the Medicaid or SCHIP Director.

An authorized individual should sign a cover letter on behalf of the lead organization that contains the following information.

- Project title
- Name of the lead organization
- Principal contact person
- Amount of funding requested
- Amount of any State matching funds committed for the project
- Names of all organizations collaborating in the effort

Project Abstract.

A project abstract should be included that does not exceed one single-spaced page using a font size of at least 12 and includes the following information.

- Description of the target audience and number of potentially eligible children affected
- Succinct description of the proposed strategy
- Succinct description of how the strategy will be implemented
- Description of how the strategy will be evaluated

Narrative Application.

The narrative application should provide a concise and complete description of the proposed project. The narrative body of the application must not exceed 30 double-spaced pages using a font size of at least 12. Please do not rely on appendices to describe key details. This narrative should contain the information necessary for reviewers to fully understand the project being proposed and should be further organized as follows.

Section 1:

Provide background information about the SCHIP and/or Medicaid program in the State including the following elements.

- Eligibility guidelines
- Current application and/or enrollment processes
- Number of children thought to be eligible
- Number of children enrolled
- Specific steps the State has taken to simplify the application and/or enrollment process
- Any barriers identified related to the application and/or enrollment process that may prevent eligible children from enrolling
- Other pertinent background information

Section 2:

Describe the proposed project including all of the elements listed below. While planning for some areas may be incomplete, please include as much detail about the proposed project components as possible.

- Simplification strategy
- Target population
- Partnerships
- Any need for waivers or State plan amendments
- Other pertinent project descriptions

Section 3:

Describe the proposed evaluation strategy including the following elements.

- Quantitative data to be collected
- Qualitative data to be collected
- Methodologies to be used in data analysis
- Assurance that an appropriate report will be provided upon completing the project
- Other pertinent information about evaluation efforts

Section 4:

Discuss the program budget including the following elements.

- Breakdown of all costs
- Any portion of the project funded by dollars from a source other than the grant, if a State chooses to pursue such resources
- Other relevant budgetary information

Application Forms

In addition to the application, applicants must submit completed application forms included with this package: "Application for Federal Assistance (Standard Form 424)," "Budget Information (Standard Form 424A)," "Assurances (Standard Form 424B)," and "Disclosure of Lobbying Activities (Standard Form LLL)." These forms are also available at <http://www.hcfa.gov/ord/Grantop.htm> on the Internet. On Standard Form 424, Section 10, insert 93-779 for the "Catalog of Federal Assistance Number," and in Section 11, insert "Medicaid/SCHIP Eligibility Pilots" as the descriptive title.

Deadline for Submission

The closing date for proposals submitted under this solicitation is August 10, 2000.

If the proposal is sent by a commercial delivery service, it must be received in HCFA's grant office on or before August 10, 2000. If the proposal is mailed through the U.S. Postal Service, it must be postmarked on or before August 10, 2000. A proposal delivered by the U.S. Postal Service and postmarked after the closing date will be considered late. Late proposals will not be considered for an award.

An original proposal with two (2) copies should be sent to:

Attn: Mrs. Linda Bianco

Health Care Financing Administration

AGG, Grants Management Staff

Mail Stop C2-21-15

7500 Security Boulevard

Baltimore, MD 21244-1850

Phone: (410) 786-7080

E-Mail: LBianco@HCFA.GOV

● **Application Review**

Proposals will be reviewed by HCFA. A three person review panel will rate the proposals based upon the criteria specified below, rank all applicants, and develop a written assessment for each proposal. HCFA reserves the right to conduct site visits to those States receiving the highest ratings from the review panel. The number of States who may receive site visits will be determined based on the number of submissions and the number of proposals scored as technically acceptable by the review panel.

Final award decisions will be made by HCFA after considering the comments and recommendations of the review panel, comments and recommendations of the site visit teams (if conducted), and availability of funds. Decisions are expected to be announced in September 2000, and awards will be made by September 30, 2000. States will receive written notification of the final award decision.

Review Criteria

Extent of Simplification

(30 points) Proposals must remove at least one step of the application and/or enrollment process that families would otherwise have to complete to enroll their children in Medicaid or SCHIP. Preference will be given to proposals that maximize flexibility under current law (or waiver authority if the State intends to apply for a waiver) to simplify the eligibility determination process.

Innovation

(20 points) Proposals must include new strategies that are not currently being utilized by the State. Preference will be given to proposals that maximize flexibility under current law (or waiver authority if the State intends to apply for a waiver) to use non-traditional venues and/or methods of enrolling eligible children.

Collaboration

(20 points) Proposals must include descriptions of partnerships and/or other collaborative strategies utilized to plan, implement, and evaluate proposed activities. Preference will be given to proposals that maximize the utilization of partnerships and collaborations with schools, community based organizations, other State agencies, or other potential partners

relevant to the individual project.

Evaluation Strategy

(30 points) Proposals must include provisions for the collection and analysis of appropriate data to evaluate the success of the program, reasons for the success or lack of success, the feasibility of implementing the strategy on a statewide or permanent basis, and any special conditions under which the strategy would be most effectively replicated. Preference will be given to proposals that include complete and thorough evaluative components that are based upon quantitative data as well as qualitative data.

• **Additional Information**

For additional information regarding this solicitation, please contact:

Candice Hall, Project Officer

Center for Medicaid and State Operations

Health Care Financing Administration

Mail Stop: S2-08-12

7500 Security Boulevard

Baltimore, Maryland 21244-1850

Telephone: (410) 786-4453

E-mail: CHall2@HCFA.GOV

• **Authority**

Section 1110, 1115(a) of the Social Security Act, As Amended (Catalogue of Federal Domestic Assistance Program Number 93.779, Health Financing Research Demonstrations and

Experiments)