

## *The Quorum Report*

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## **DIVINING MEANING OF ENROLLMENT DROPS IN CHILDREN'S MEDICAID**

### **Some question whether new call centers are the reason**

Enrollment in children's *Medicaid* has dropped by nearly 79,000 since November, paralleling a similar decline in the *Children's Health Insurance Program*.

The *Center for Public Policy Priorities* blamed the drop partly on a new eligibility system, which uses a private contractor to handle part of the application process. The center, which advocates on behalf of low-income Texans, published the numbers Tuesday.

In November, enrollment in children's *Medicaid* was 1,838,239. The *Health and Human Services Commission* recorded a decline every month since then, reaching 1,759,584 in February.

*CHIP* made headlines earlier this month when enrollment dipped below 300,000 for the first time since the program's infancy. The number of children in the low-cost insurance program is down more than 40 percent from September 2003 when a number of service cuts and added fees were ordered by the Legislature. Soon after the estimate for March 2006 enrollment was released, the state announced it would reinstate about 6,000 children, pushing the number to just more than 300,000.

According to *CPPP*, the twin declines were noteworthy because children's *Medicaid* has actually grown since September 2003. Some legislators have maintained that many of the *CHIP* enrollees migrated to *Medicaid* after being dropped from their former program, mitigating the impact of the *CHIP* cuts.

The *CPPP's Anne Dunkelberg* said the lawmakers' assertions were false and that the combined *CHIP* and children's *Medicaid* rolls are down about 70,000 from September 2003. "We are covering fewer kids than before and because we have more kids in the state, as a proportion, our rates are getting worse," she said.

New applications for *CHIP* and children's *Medicaid* are now being handled by the private contractor, *Accenture*. After the decline in *CHIP* numbers were published, news reports highlighted deficiencies in the new eligibility system, which caused many *CHIP* clients to be inadvertently dropped from the rolls.

*Dunkelberg* said those issues were probably causing problems with children's *Medicaid* clients as well. She also observed that Travis County registered a 10.6 percent decline in children's *Medicaid* enrollment, more than twice the rates in Tarrant, Dallas and Bexar Counties and nearly five times the rate in Cameron County.

Travis and Hays Counties are participating in a pilot program in which *Accenture* is handling initial eligibility inquiries for all social services, including *Medicaid* renewals. The new call center-based eligibility system is slated to roll out to the rest

of the state throughout 2006.

"Travis County is looking so much worse than the state average," **Dunkelberg** said. "In Travis, (**Accenture** is) processing **Medicaid** renewals as well. This suggests problems in not just new applications, but also renewals."

She added, "We've got an array of problems – system problems, staffing problems, training problems and outreach. A solution will probably involve all four of those things."

**HHSC** is looking into the reasons for the decline in children's **Medicaid** participation, but agency spokeswoman **Stephanie Goodman** noted that **Accenture** did not start processing **Medicaid** applications until January, "well after we began seeing these declines."

She said the lower numbers had more to do with workload and staffing issues at the state's eligibility offices. Many workers are leaving in advance of massive rounds of layoffs later this year. An estimated 2,900 state jobs will be trimmed as 99 eligibility offices are scheduled to close due to the new call centers.

The state must hire a large number of temporary workers to fill in those slots this year and training the new workers takes time. "We hope to see an improvement in enrollment as more work moves to the contractor and we can take the workload off our offices," she said.

While extra scrutiny of the new eligibility system should come as no surprise, **Mary Katherine Stout** of the free-market oriented **Texas Public Policy Foundation** warned against reading too much into the enrollment numbers.

A drop in enrollment and the use of a private contractor "may correlate, but it's not clear the relationship is causal," she said. Many other factors could lead to lower caseloads and "I would hesitate to characterize it as the result entirely of the new eligibility system."

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