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**FOCUS: HEALTH CARE**

## **Keeping kids from losing health care**

By Marion Davis, PBN Managing Editor

Gov. Donald L. Carcieri's budget for fiscal 2008 lists it as a key source of savings for the state: \$9.3 million in state funds from a 5,750-person reduction in the RIte Care rolls due to new federal citizenship and identity verification requirements.

Those are not, officials freely admit, people who were cheating the system and won't be able to get away with it anymore. They're just people who won't have the time, the willpower or the resources to meet the requirements, or who will be confused and won't even try.

Several other states have already implemented the provisions of the Deficit Reduction Act of 2005, so Rhode Island can learn from their experiences.

"They were seeing some large reductions in the first months, everywhere from 8 to 20 percent," said Murray Blitzer, associate director of the R.I. Department of Human Services. After about six months, he added, states report that there is a "leveling off."

"So our best estimate is we figure we'll lose on average ... about 5 percent of our caseload," he said. "We don't think this is permanent, although realistically, some people will not come back. That is just the reality of it. But we're hoping to get most people back eventually."

The new rules require that every Medicaid beneficiary provide proof of citizenship (or of legal residency) and proof of identity, which for most people means an original birth certificate and a driver's license, or a U.S. passport.

That may seem simple, but advocates and health care and social service providers say it can be daunting if you don't have all the papers to begin with. Plus you must show the originals. And if you need to get a birth certificate and a state ID for your child, that's \$15 per item, presuming your child was born in Rhode Island.

Moreover, said Linda Katz, director of policy at The Poverty Institute at Rhode Island College, "I think there may be a lot of confusion in the immigrant community," and even people whose children are U.S. citizens may think they're now ineligible.

The enrollment drop-off appears to have begun. In January and February – the first two months when the new rules were enforced – the RIte Care rolls declined by 3,437, to 112,636, DHS figures show, for an annualized drop-off rate of 17.8 percent.

Blitzer said historically, enrollment has often dropped in January, but not so sharply. DHS officials don't know how much of the drop was due to the new rules, he said, though "we suspect that a lot of that would be."

Acting DHS Director Gary Alexander noted that the state is allowing RIte Care beneficiaries to take up to 90 days to submit the newly required documents before losing coverage, and it's working on ways to make it easier for many people to comply.

Yet advocates for the poor and for children say that while DHS is trying to reduce the impact of the policy change, the state didn't do enough to prepare in the first place,

and they fear that thousands of families will lose their coverage for months, if not permanently.

So-called “churn” in RIte Care was already a major issue before the rules change. A study last year by The Commonwealth Fund, using data from Neighborhood Health Plan of Rhode Island and from DHS, found that one in four enrollees had a gap in coverage over a 12-month period; 60 percent re-enrolled within a year.

The problem is not unique to Rhode Island, though the same study found that Louisiana had managed to reduce the churn to 6 percent over two years.

And the consequences of churn, the report found, are severe on many levels: from needless paperwork and manpower costs for the state and the health plans, to the cost to providers of treating the temporarily uninsured, to disruptions in preventive and chronic care.

Elizabeth Burke Bryant, executive director of Rhode Island Kids Count, said research has shown uninsured children are more likely to have “irregular access” to health care, so problems often escalate into emergencies.

Such crises can cost the health care system thousands of dollars, she said, so any savings to RIte Care are more than offset by the cost of uncompensated care. Policy analyst Jill K. Beckwith noted that RIte Care costs, on average, about \$227 per month per person, and about \$125 per month for children, but an overnight hospital stay can cost \$1,200 or \$1,500. And in some cases, such as with untreated ear infections, the damage can be permanent, Beckwith said.

Michelle Desmarais has experienced this firsthand. She and her daughters, Danielle, now 14, and Noelle, now 12, first enrolled in RIte Care in the mid-1990s, when Desmarais was on welfare. When she stopped getting benefits, she lost coverage, though she eventually got it back. But she had to pay a premium, because she was working, and her income was higher.

(RIte Care requires families earning more than 150 percent of the federal poverty line, or \$25,755 for a family of three, to pay premiums on a sliding scale.)

In late 2005, through what Desmarais said was an error, her payment didn't go through. RIte Care drops non-payers after two missed payments and penalizes them with a 120-day lapse in coverage. When Desmarais tried to get RIte Care again, she was told her income was too high. Then, just before Christmas last year, she was laid off – and eligible for RIte Care again.

In the meantime, however, Danielle's asthma had gotten so bad that she had had to be hospitalized, even though Desmarais, who also has asthma, had skimped on her own medication to ensure Danielle got her Advair, Singulair and inhalers.

And Desmarais couldn't afford private insurance, either, she added, because her employer was a small business, and “they would've had to charge us hundreds of dollars a month.”

Desmarais is now treating her asthma again, but it's gotten so severe that last week she was hospitalized for several days.

Katie King, asthma case manager at Neighborhood, said coverage disruptions make it hard for her to help families get the problem under control, and “unfortunately, it feels

like the people who come off through churn are those folks who are really having a difficult time: Their asthma is very severe, and they've been hospitalized, and they're terminated."

DHS usually notifies Neighborhood when a member is about to lose coverage, and King calls the family and tries to prevent it from happening.

"Many times, that's when you see that the paperwork is so overwhelming, and now with all the new requirements, it's even more so," King said.

Some of the families she works with believe the new requirements are "part of a plan to not offer them health insurance," King said, and she's inclined to agree. But she urges them to fight back. "I tell them, let's not make it happen."

Providers, for their part, are worried that this drop-off in RIte Care enrollment will push them just over the edge. At Providence Community Health Centers, the share of uninsured patients has risen steadily, to 37 percent as of 2005, according to CEO Merrill Thomas; 30 percent is considered the maximum a center can handle.

In the first two months of the year, PCHC lost more than 400 RIte Care patients, Thomas said, and it has also seen its federal and state funding reduced in the last two years. So last December, Thomas laid off 18 workers, and last week, after a \$200,000 loss in two months, another 20.

"I think you're going to start seeing more community hospitals and other nonprofits" with the same problem, he said. "We're all getting hit at the same time. ... My message is the safety net is full. We can't take any more."

Blitzer, at DHS, said ongoing efforts should help ease the impact of the new rules. DHS and the R.I. Department of Health are working on a project to make birth records available directly to DHS, and that could be ready in 60 to 90 days, he said.

And though federal funds will drop this year that support family resource counselors, DHS' liaisons to RIte Care members at health centers, hospitals and other sites, the agency is making sure to add state funds so the resources won't be reduced, he said.

Still, Blitzer and Alexander acknowledged that they can only do so much.

"We keep getting more and more requirements from the federal government," Alexander said. "We struggle with this on a daily basis."