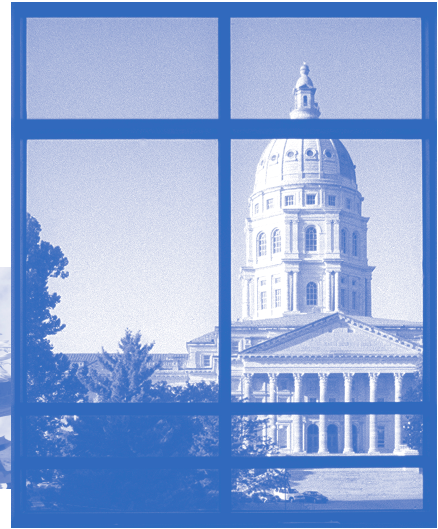


# Issue Brief



KANSAS  
HEALTH  
INSTITUTE



## Children's Enrollment in Kansas Public Health Insurance Programs Since the Introduction of HealthWave

*R. Andrew Allison, Ph.D.,  
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Robert F. St. Peter, M.D.*

*This is the first in a series of reports from the Kansas HealthWave Evaluation Project, a three-year evaluation of HealthWave, Kansas' State Children's Health Insurance Program (SCHIP) for low-income children.*

### Main Findings

- **Kansas has significantly increased the number of publicly insured children.** The number of children enrolled in HealthWave and Medicaid increased by 39,000 in the first 18 months of the HealthWave program.
- **Future enrollment gains are likely to be much smaller than early in the program.** Enrollment growth slowed in 2000 – the number of publicly insured children grew by 35,000 in 1999 compared to just 4,000 in the first half of 2000.
- **Despite legislative intent, many eligible children do not receive 12 months of continuous coverage.** About one out of every three children enrolling in HealthWave or Medicaid leaves the program within a year.
- **Low re-enrollment rates also impede enrollment growth.** Of those who are still in HealthWave after 12 months of coverage, 40 percent do not re-enroll for another year of coverage.
- **Coverage lapses may complicate low-income children's ability to receive health care and may impair the State's ability to monitor and meet their needs.**

### Background

This Issue Brief examines enrollment patterns of children in HealthWave and Medicaid during the first eighteen months of the new HealthWave program. The State of Kansas launched the HealthWave program on January 1, 1999, in an effort to provide health insurance to uninsured children whose family's income is too high to qualify for Medicaid but does not exceed 200 percent of poverty. At the same

time, the State took a number of steps to promote enrollment both in the new HealthWave program and in the longstanding Medicaid program. They initiated an unprecedented outreach campaign targeted at HealthWave- and Medicaid-eligible children, and designed and implemented a simple, four-page mail-in application that could be used by HealthWave and Medicaid

applicants alike. They also eliminated asset limits, reduced requirements for documenting income, and did away with monthly eligibility reviews by providing twelve months of continuous eligibility to children enrolling in HealthWave and Medicaid.

### Data

Data analyzed in this report consist of enrollment records from

## Kansas HealthWave Evaluation Project

This three-year, \$1.4 million evaluation of the new HealthWave program includes a survey of 1,500 HealthWave and Medicaid families, focus groups with HealthWave families, analysis of enrollment and other administrative data, and extensive discussions with program administrators and health care providers from around the State. The project runs through September 2002. KHI serves as the lead organization for the project, where Robert St. Peter, M.D., is the principal investigator and R. Andrew Allison, Ph.D., is the project manager and co-investigator.

### Collaborating Organizations

Kansas Health Institute  
Kansas Department of Social and Rehabilitation Services  
Kansas Department of Health and Environment  
University of Kansas: School of Social Welfare  
University of Kansas Medical Center:  
Department of Health Policy and Management;  
School of Nursing;  
Department of Preventive Medicine,  
School of Medicine-Wichita  
Kansas State University:  
Survey Research Laboratory  
Kansas Foundation for Medical Care

### Organizations Funding the Project

U.S. Agency for Healthcare Research and Quality  
U.S. Health Resources and Services Administration  
David and Lucile Packard Foundation  
Kansas Health Foundation  
United Methodist Health Ministry Fund  
Prime Health Foundation

the Kansas Department of Social and Rehabilitation Services (SRS) for all children in HealthWave and Medicaid who are under 19 years of age and are not disabled.

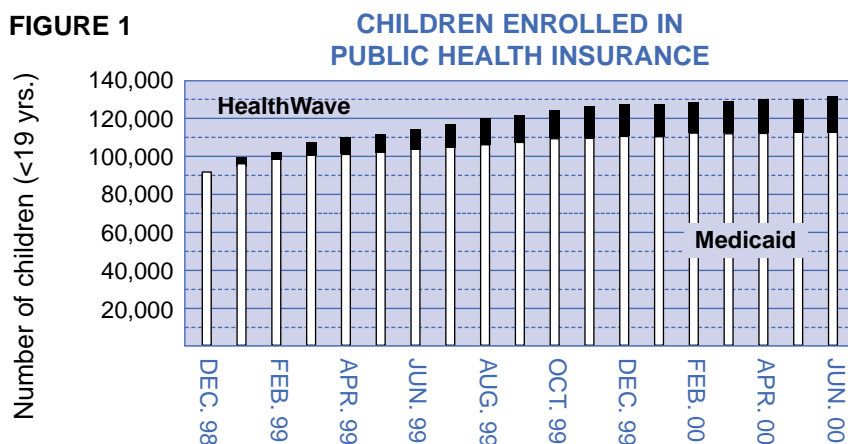
### Findings

*Enrollment growth.* The number of publicly insured children in Kansas grew substantially in the first eighteen months of the HealthWave program. Enrollment grew from 92,565 in December 1998, to 131,564 in June 2000, an increase of about 39,000

*Exit from the programs.* There were 17,317 children enrolled in HealthWave in June 2000. However, by that time an additional 10,000 children had enrolled in HealthWave at some point – but were no longer in the program (Figure 2).

Analysis of Medicaid enrollment data revealed a similar, if less pronounced, pattern of disenrollment. Altogether, while more than 60,500 Kansas children have enrolled in public health insurance since January

FIGURE 1



children (Figure 1). This growth can be attributed both to HealthWave, which had grown to 17,317 children, and to an increase in Medicaid enrollment of almost 22,000 children. However, the number of publicly insured children grew by 35,000 children in 1999 and only 4,000 children in the first half of 2000, indicating a significant slow down in enrollment.

Growth in enrollment is certainly one key indicator of success for HealthWave and Medicaid. One factor affecting this growth, however, is the tremendous number of children who move into and out of HealthWave and Medicaid each month.

1999, the overall increase in the number of children covered as of June 2000 was just 39,000.

These data suggest that disenrollment is a major impediment to continued growth in caseload for both HealthWave and Medicaid.

*Duration of enrollment.* One of the initiatives the State undertook in January 1999 was to provide twelve months of continuous coverage to Medicaid and HealthWave enrollees – eliminating the need for monthly eligibility reviews. The policy was meant to reduce disruptions in coverage, which can complicate both

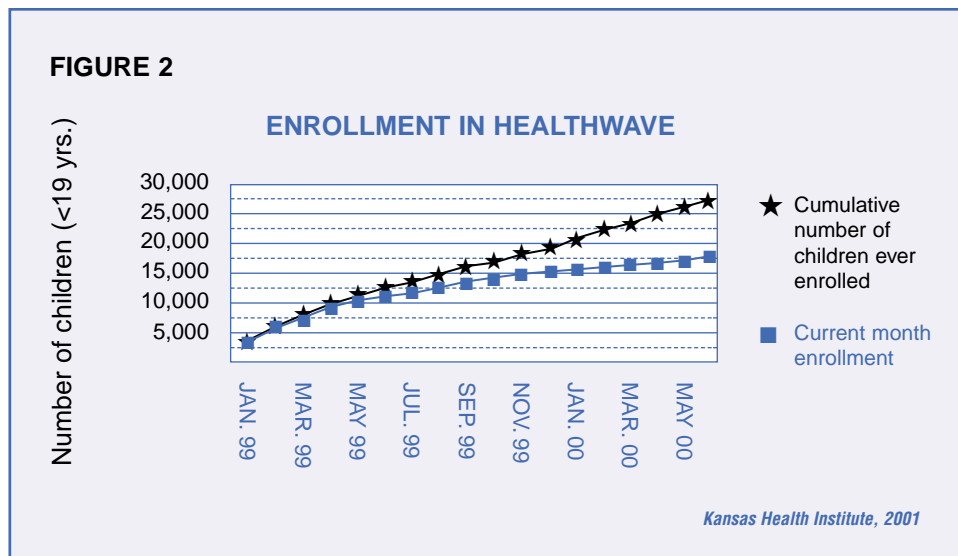
low-income children's ability to receive health care and the State's ability to monitor and meet their needs.

Figure 3 depicts the typical enrollment experience of new HealthWave and Medicaid enrollees. The lines represent the percentage of children that remain enrolled in the months following initial enrollment. If the continuous coverage policy were to have its intended effect, we would see very few children leaving the program over the first 12 months. Nevertheless, by the twelfth month approximately one-third of the children who enrolled are no longer in the program.

Near the end of their first year in the programs, families are asked to fill out and send in a re-enrollment form so that eligibility may be re-determined. However, about 40 percent of those still in HealthWave at the end of the first year were not re-enrolled for additional coverage either because they did not complete the re-enrollment process, or they were found to be ineligible. Similarly, a somewhat lower proportion of Medicaid enrollees, 25 percent, did not re-enroll.

## Assessment of Findings

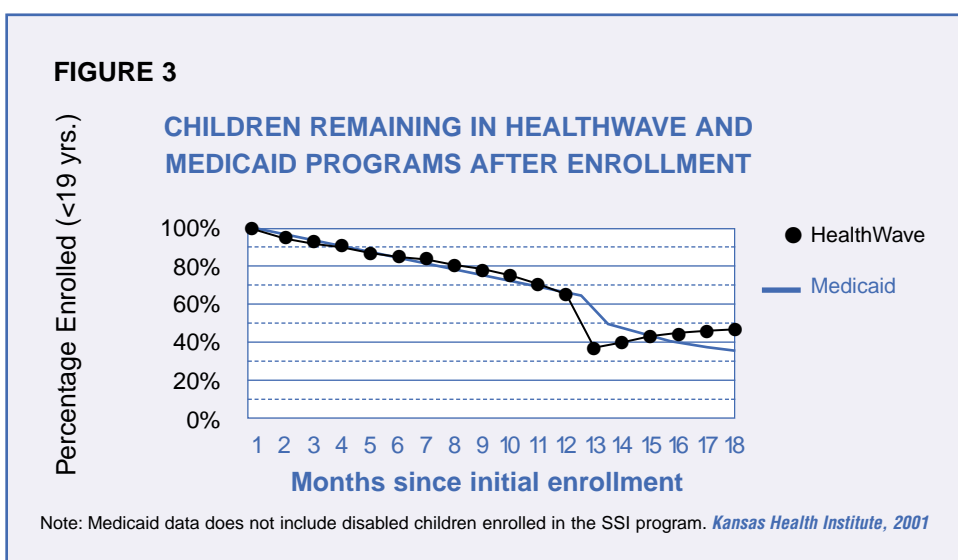
The findings presented show that many children do not remain in HealthWave or Medicaid for a full year as intended, and many of those who do remain for a full year do not return for a second year of coverage. The findings also indicate that many thousands of children were successfully enrolled in HealthWave and Medicaid between January 1999 and June 2000 – including many previously un-served children – and program caseload grew substantially. However, caseload growth



has slowed and drop-out has emerged as a significant policy concern.

Currently available data do not fully explain why so many children leave HealthWave and Medicaid after a brief period of coverage. Data show that some children leave one program and immediately enter the other. We also know that some children return after a brief lapse in insurance coverage. Other reasons are more difficult to document: some families may choose to leave the program because they have found private coverage for their children; others may leave because they have moved out of

state; some may be dis-enrolled due to changes in eligibility; and others may simply choose to leave the program even though their children become uninsured. Parents in this latter category might, for example, choose to leave HealthWave or Medicaid if the benefits of remaining (e.g., increased access to health care for their children at little or no financial cost) do not outweigh other factors (e.g., the potential stigma of a public program, frustrations with the enrollment process or difficulties in gaining access to health care providers, etc.).



## **“Caseload growth has slowed and drop-out has emerged as a significant policy concern.”**

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The Kansas Health Institute is an independent, non-profit health policy and research organization based in Topeka, Kansas. Established in 1995 with a multi-year grant from the Kansas Health Foundation, the Kansas Health Institute conducts research and policy analysis on issues that affect the health of Kansans.

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Efforts to increase retention should focus both on keeping children in the program during their first year of enrollment and increasing rates of re-enrollment at the end of the first year. Such efforts might include ensuring that administrative procedures support the policy of 12-month continuous coverage, focusing efforts on and streamlining the re-enrollment process, and consideration of a “passive” re-enrollment process, where the child is presumed to remain eligible at the end of the first year and is automatically re-enrolled for a second year unless the family notifies SRS of a change in status.

*The contents of this report are solely the  
responsibility of the authors and do not  
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### **Future Issue Briefs**

*will address the high turnover  
and significant overlap  
between the HealthWave and  
Medicaid populations; discuss  
realistic expectations of future  
growth in these programs; and  
describe the health care  
experiences of families prior  
to enrolling in HealthWave.*