



# MEDICAID AND CHIP ENROLLMENT GROWS OVER FIVE YEARS

*However, enrollment growth historically low during first year of KanCare*

## Introduction

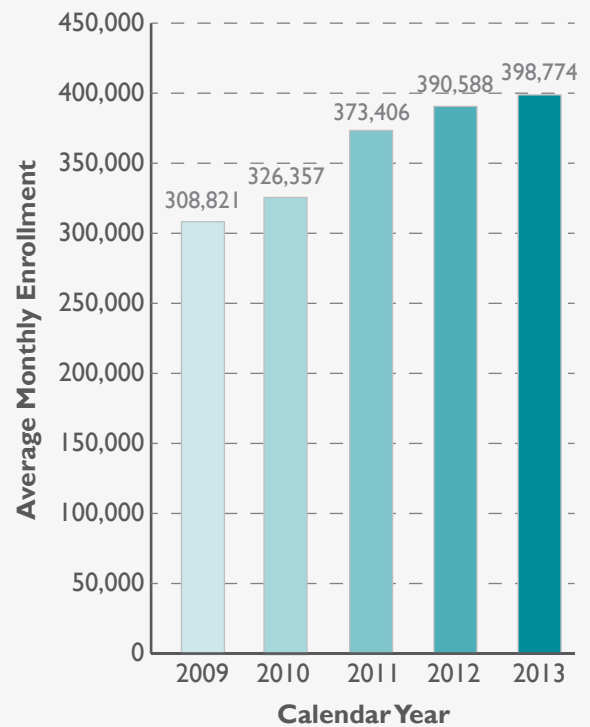
Medicaid and the Children’s Health Insurance Program (CHIP) serve nearly 400,000 Kansans and the state pays more than \$1.1 billion annually to operate these programs. In 2012, the Brownback administration sought to address growing costs by implementing comprehensive managed care through a new program called KanCare. KanCare was designed to control the cost of Medicaid and CHIP, while ensuring access to services and improving quality of care. This brief describes the enrollment trends leading up to and through the first year of the KanCare program.

## Looking Back: Medicaid and CHIP Enrollment, 2009–2013

Medicaid is a publicly financed source of health insurance and long-term care services. Those eligible for Medicaid are primarily children and families with low incomes, as well as people with disabilities and low-income seniors. CHIP is a related program providing health insurance to low-income children who are not eligible for Medicaid because their family income is above the Medicaid eligibility cutoff.

Over the last five years, enrollment in Kansas Medicaid and CHIP has increased from 308,821 to 398,774 (29.1 percent), as shown in *Figure 1*.

**Figure 1. Average Monthly Enrollment: Medicaid and CHIP, 2009–2013**



Note: The number of beneficiaries is the average monthly enrollment for the calendar year. All Medicaid and CHIP beneficiaries are included.

Source: KHI Analysis of Kansas Medical Assistance Reports, 2009–2014, from the Division of Health Care Finance, Kansas Department of Health and Environment.

## KEY POINTS

- Enrollment in Kansas Medicaid and the Children’s Health Insurance Program (CHIP) has grown by 29.1 percent over the last five years, from 308,821 in 2009 to 398,774 in 2013.
- During the first year (2013) of the state’s new Medicaid managed care program (called KanCare), enrollment grew only 2.1 percent, which is a historically low rate.
- Almost all enrollment growth during 2013 was from children eligible through CHIP. There was only a small increase in the number of people eligible for Medicaid.
- Implementation of KanCare is not a likely explanation for the low growth rate between 2012 and 2013. An improved economy and several state and federal policy changes could have been contributing factors.

Enrollment increased every year between 2009 and 2013, but the largest enrollment growth occurred between 2010 and 2011 (14.4 percent), as shown in *Figure 2*. This increase is likely attributed to several factors: CHIP income eligibility rules were changed in Kansas allowing more children to be eligible, enrollment procedures for children and families changed, and many applications for the program were backlogged for most of 2010.

*Figure 3* (page 3) shows children and families in Medicaid grew 38.6 percent (from 162,403 to 225,116) over the last five years. The CHIP program, which serves children up to 242.0 percent of the federal poverty level (\$56,991 for a family of four), saw increased enrollment of 39.4 percent over the same time period (from 39,132 to 54,536).

### First Year of KanCare: Enrollment Changes from 2012 to 2013

Overall, Kansas Medicaid and CHIP enrollment growth slowed to 2.1 percent during KanCare's first year. This is a historically low rate of growth for these programs in Kansas. National data for the Medicaid and CHIP program show a 1.3 percent growth rate during this same period. While the Kansas trend is consistent with national data, KanCare enrollment should be separated into eligibility categories for Medicaid and CHIP in order to understand the trend.

#### Children and Families

Nearly all KanCare enrollment increases in 2013 can be attributed to higher CHIP enrollment. CHIP added 6,500 children last year, increasing enrollment by 13.6 percent from 2012, as shown in *Figures 3 and 4* (pages 3 and 4). CHIP's annual growth ranged from 0.0 percent to 15.8 percent between 2009 and 2012.

Unlike previous years, Kansas Medicaid saw essentially no growth (0.1 percent) in the number of children and families enrolled between 2012 and 2013. The annual enrollment growth for this group ranged from 6.1 to 20.6 percent between 2009 and 2012.

#### Disabled Population

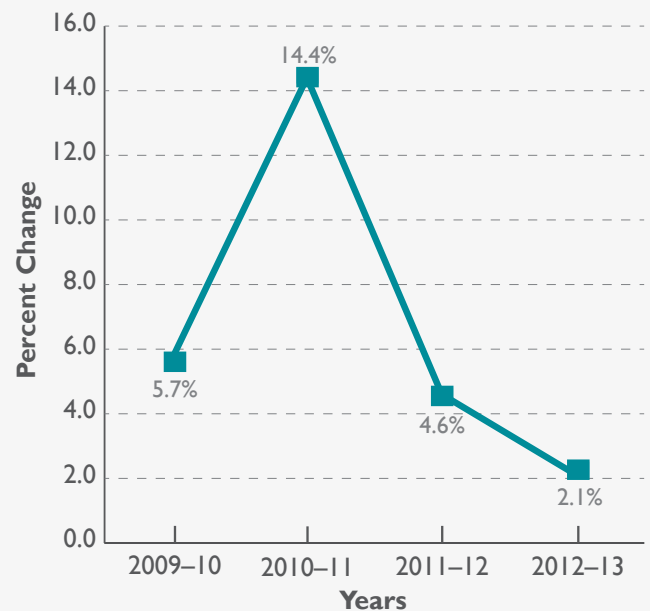
Enrollment was also essentially flat (-0.1 percent) for individuals with disabilities during the first year of KanCare. While individuals with disabilities received health care services through KanCare in 2013, home and community services for people with developmental disabilities were "carved out" until January 1, 2014.

Annual enrollment growth for individuals with disabilities ranged from -0.4 to 3.2 percent between 2009 and 2012.

#### Seniors

Low-income individuals age 65 or older are eligible for coverage under both Medicaid and Medicare (a federal health insurance program for this age group). This population grew 3.5 percent between 2012 and 2013 — slightly lower than historical growth trends which ranged from 3.7 to 6.8 percent between 2009 and 2012.

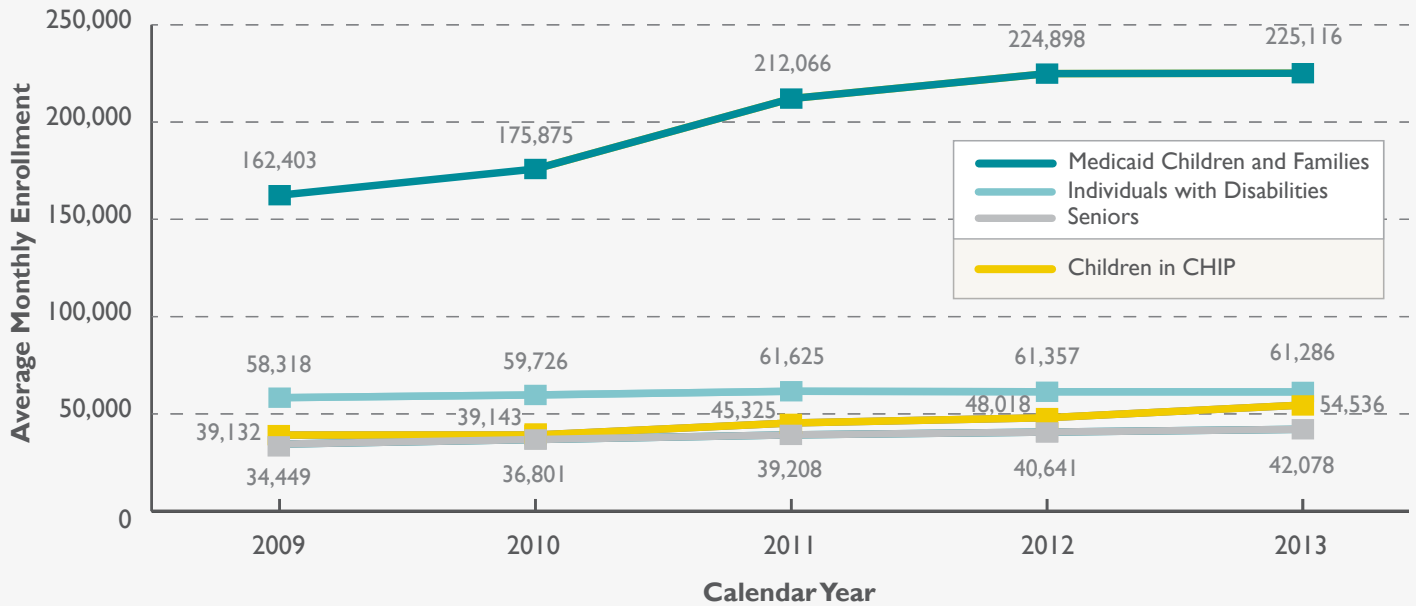
**Figure 2. Annual Change in Enrollment: Medicaid and CHIP, 2009–2013**



Note: The number of beneficiaries is the average monthly enrollment for the calendar year. All Medicaid and CHIP beneficiaries are included.

Source: KHI Analysis of Kansas Medical Assistance Reports, 2009–2014, from the Division of Health Care Finance, Kansas Department of Health and Environment.

Figure 3. Average Monthly Enrollment: Medicaid and CHIP, by Population Group, 2009–2013



Note: The number of beneficiaries is the average monthly enrollment for the calendar year. Numbers do not include the following populations: foster care/adoption, refugees, special tuberculosis, breast and cervical cancer; the Sixth Budget Reconciliation Act (SOBRA) program and the AIDS Drug Assistance Program. The population grouping used in Figure 3 is consistent with the grouping used in *Kansas Medicaid: A Primer 2014*.

Source: KHI Analysis of Kansas Medical Assistance Reports, 2009–2014, from the Division of Health Care Finance, Kansas Department of Health and Environment.

## Impact of Economy and Policy

The shift to KanCare did not change eligibility rules for Medicaid or CHIP. Therefore, the new program is not likely the cause of the lower enrollment growth in Medicaid, nor for the significant increase in CHIP enrollment. Economic conditions and policy changes are two factors more likely to have affected how many people enrolled in Medicaid and CHIP during this time.

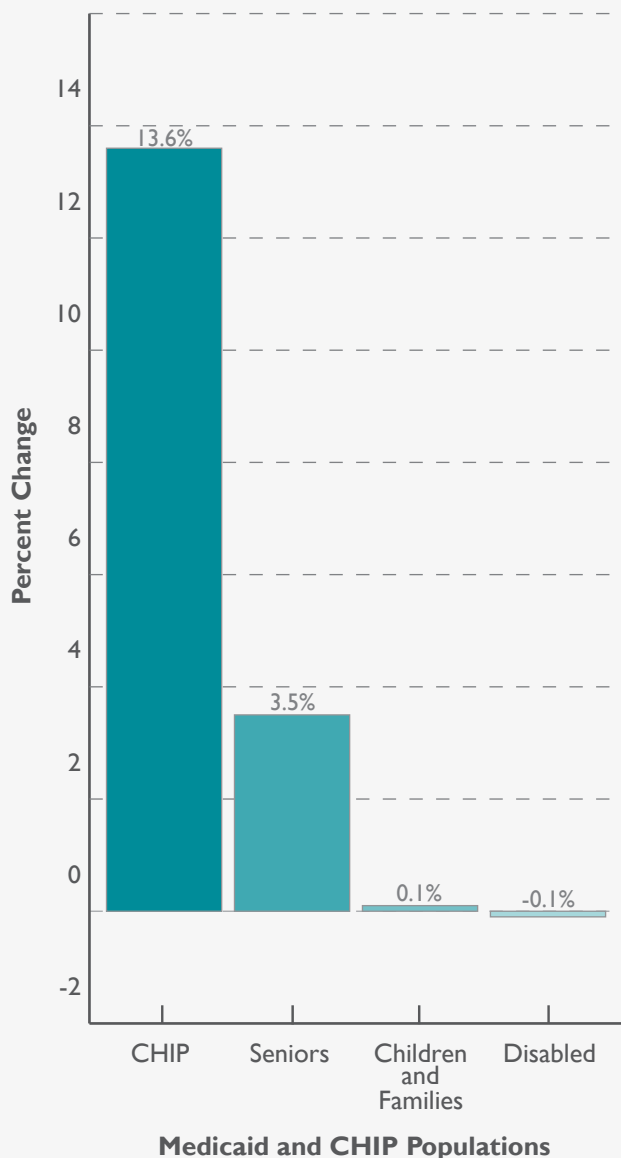
The Kansas economy has continued to improve since the 2008 recession. Unemployment rates declined between December 2012 and December 2013 (6.5 percent to 5.7 percent) and personal income levels in Kansas increased by 2.3 percent in 2013. These economic trends generally result in slower enrollment growth, as fewer people are eligible for programs like Medicaid and CHIP.

Enrollment also was affected when Kansas Medicaid underwent several significant policy changes.

Elements of the Affordable Care Act (ACA) began impacting Medicaid in late 2013. The federal government increased awareness of health insurance options and created mechanisms to reach out to Kansans about available options through the ACA. In October, open enrollment began through the health insurance marketplaces created by the ACA. As part of the enrollment process, the marketplaces screen applicants for eligibility for tax credits to help them purchase health insurance and also for eligibility for Medicaid or CHIP.

While the rollout of the online marketplaces was riddled with technical problems, the Centers for Medicare and Medicaid Services report the marketplaces identified 5,508 Kansans who were eligible for Medicaid or CHIP through December 2013. Therefore, the marketplace rollout likely should have increased enrollment in KanCare.

**Figure 4. Change in Enrollment: Medicaid and CHIP, by Population Group, 2012–2013**



Note: The percentages represent the change in average monthly enrollment between calendar years 2012 and 2013. All Medicaid and CHIP beneficiaries are included.

Source: KHI Analysis of Kansas Medical Assistance Reports, 2012–2014, from the Division of Health Care Finance, Kansas Department of Health and Environment.

The ACA further impacted Medicaid enrollment by requiring states to align their Medicaid and CHIP application process with the marketplaces’ process, as a “no wrong door” approach for low-income families.

The state implemented an online application portal in 2012 as an alternative to paper processing, which may have made it easier for some families to apply. All of these efforts would be expected to increase enrollment in KanCare.

Although Medicaid’s online application tool may have been helpful to some applicants, there may have been added confusion with the troubled rollout of the ACA’s marketplace website. All of these issues, along with other state policy or administrative factors, may have affected KanCare enrollment.

### Conclusions

The rate of growth in the Medicaid and CHIP population during the first year of KanCare was 2.1 percent. This is a historically low rate of growth compared to the previous four years in Kansas.

An improved economy, along with increased awareness of insurance options due to the ACA, may be contributing factors. Because the shift to KanCare did not change eligibility rules or the application process, it is unlikely the program influenced the lower growth rates.

It will be important to continue monitoring enrollment, particularly for children and families in Medicaid. Most researchers expect to see increased enrollment for these populations in 2014 as the ACA heightens awareness of the Medicaid and CHIP programs.

### About the Issue Brief

This brief is based on work done by Scott C. Brunner, M.A. It is available online at [www.khi.org/KanCareEnrollment2014](http://www.khi.org/KanCareEnrollment2014).

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