

**Delaware CKF Recognition Event  
Dover, Delaware  
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**Keynote Address by Sarah Shuptrine  
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Director, *Covering Kids & Families* National Program Office**

Good morning. Thank you, Mark Meister and Betsy Wheeler for inviting me to be part of the Delaware statewide *Covering Kids & Families* Recognition Event. It is great to be with you and to participate in your “recognition event” to honor the many people in Delaware who have contributed to the *Covering Kids & Families* initiative. I especially want to recognize the Medical Society of Delaware for their leadership in the CKF initiative over the past four years.

*Covering Kids & Families* has been the nation’s largest single effort to find and enroll eligible children and adults in Medicaid and SCHIP. Delaware has been a part of this national initiative and because of your commitment, many more of Delaware’s children have greater opportunities to access the preventive and primary care they need in their developing years. Without health coverage, children are at greater risk of consequences for being uninsured.

- Uninsured children are less likely to receive medical care for childhood illnesses such as sore throats, earaches and asthma.
- Only 45.5 percent of uninsured children received one or more well-child visits in the past year, compared with more than 70 percent of privately or publicly insured children.
- Uninsured children are nine times more likely than insured children to lack a regular source of medical care, such as a pediatrician or family doctor.

Leadership has and will make the difference in improving the well-being of our children, especially children who are economically disadvantaged. We need leadership at all levels to address the multiple issues that impede the healthy development of our children

I founded the Southern Institute on Children and Families 16 years ago, because there was a need to collect and analyze data and communicate in compelling terms the conditions placing children at risk – calling on leaders to take action. Since 1990 the Southern Institute has conducted research and directed local, state, regional and national initiatives designed to improve access to public health coverage, child care subsidies, nutrition services and other public benefits that support families earning low wages. Families need this assistance so they can better provide for the basic needs of their children.

In 1997, the Robert Wood Johnson Foundation asked me to serve as the National Program Director of the *Covering Kids* Initiative. The National Program Office grant was awarded to the Southern Institute and from 1998-2001, we were pleased to support the efforts of grantees in all states and the District of Columbia. While it was by no means the only child health coverage initiative, there is little doubt that *Covering Kids*, through its statewide and local projects and state partners, played a significant role in the decline in the number of uninsured children across our nation. This occurred at a time when the total number of uninsured was increasing in the United States.

In 2001 the Robert Wood Johnson Foundation made the decision to fund a second phase and subsequently allocated \$55 million for *Covering Kids & Families*, an initiative that would build on the successes of *Covering Kids* by expanding the focus to include uninsured adults as well as children. Our mantra continued to be to focus on children and adults who were eligible for, but not enrolled in Medicaid and SCHIP. This focus was difficult at times because the Southern Institute and many of the grantees were committed to *expanding* eligibility levels in addition to enrolling

already eligible children and adults, but it was imperative that we stayed true to the focus of removing eligibility barriers for those eligible under existing criteria.

There were millions of these eligible but not enrolled children and adults and we would be making a significant contribution in reducing the number of uninsured if we simply enrolled those who were eligible for Medicaid and SCHIP. The fact was and remains that most uninsured children are eligible for, but not enrolled in low-cost or free health care coverage through Medicaid and SCHIP. That means they are unnecessarily uninsured.

Most of these uninsured children are in working families. Nationally, approximately 70 percent of uninsured children are in families with one or more full-time workers. For those workers fortunate enough to be offered insurance through their employer, many still cannot afford to pay for family coverage so they remain uninsured.

As in other parts of the country, living in poverty does not mean that the head of the household is not working. A parent can work full-time, all year round at minimum wage and earn only \$10,712 annual income, which is well below the federal poverty level. According to 2005 Census Bureau data, 14.5% of children under the age of 18 and 7.6% of families are living below the poverty level in Delaware. Families in this economic situation face daily struggles in attempting to pay for housing, groceries, utilities, child care, health care coverage and other necessities. They simply can't make ends meet on their earnings alone. It is unconscionable that in the United States, the richest country in the world, we allow families who are working to be in this situation.

Let's look back to 1997 – the year *Covering Kids* was envisioned by the Robert Wood Johnson Foundation and the Southern Institute on Children and Families became the National Program Office. Together, we have made a remarkable journey over the past several years.

When *Covering Kids* was initiated, 11 million American children were estimated to be uninsured. Five million of them were estimated to be eligible for Medicaid. The question often posed was: “Why are they not enrolled?”

Prior to 1997, it was typical for lower-income families to be unaware that Medicaid was available to children in working families. It was also typical for community organizations and providers to think that families had to be on welfare in order to access Medicaid coverage for their children. The application process was not what you would refer to as “family-friendly.” Families frequently described the Medicaid application process as “demeaning.”

During the Southern Institute’s pioneering research on eligibility barriers, many families said that the eligibility process made them feel like “less than a person.” There were little to no outreach and awareness activities, and it was rare to find outreach materials with welcoming messages, understandable text and attractive appearances.

In 1997, state and local eligibility agencies were directed to focus primarily on reducing eligibility errors that resulted in ineligible individuals receiving Medicaid coverage. Minimal attention was given to inappropriate denials and closures that resulted in eligible families being denied coverage.

In 1997, eligibility was the province of government, and there was very little application assistance being conducted by non-government organizations. Few individuals outside of government had a working knowledge of eligibility barriers and strategies to remove them.

The burden was placed on the applicant to produce all information requested by an eligibility worker – I used to describe it as a “You go and get it and bring it to me system.”

In 1997, 22 states had a face-to-face requirement at application. Fifteen states had an asset test for child health coverage. An asset test is particularly counterproductive public policy because

it penalizes families who have managed to build the assets they need to get and keep jobs, access health care and be prepared for an economic downturn or national emergency.

The *good news* in 1997 was the passage of the State Children's Health Insurance Program, which provided much needed additional resources to allow states to cover more uninsured children in working families.

The eligibility environment today is far different than in 1997. It is not an exaggeration to say that a sea change has taken place. Today, there is a cadre of people across the nation with knowledge and skills to be effective at identifying and removing Medicaid and SCHIP application and renewal barriers. Many public and private entities are involved in assisting Medicaid and SCHIP applicants – enrollment is no longer just a government responsibility. State eligibility agencies have become valuable partners in efforts to reduce the number of uninsured children who are eligible for but not enrolled in Medicaid and SCHIP.

There are state 1-800 numbers, as well as the national toll free 1-877-KIDS-NOW number that routes callers to their state of residence for eligibility information and assistance. The application process is far more accessible. Applications are available at many more community sites. States are allowing applications to be filed by mail and many allow applications online. And most states have made similar improvements to the renewal process. For the most part, families experience a more dignified application and renewal process, a goal that required a reduction in the verification requirements that were unnecessary for determination of health coverage eligibility.

In 2005, the number of states with an asset test had been reduced to five. And only six states required a face-to-face interview, which is a big help to working families, many of whom would lose wages if they had to take off work to come to the eligibility office. Although there is some debate going on regarding the impact of reduced verifications on error rates, it should be

noted that several studies show that the reductions in verification have not significantly contributed to higher error rates. It would be a major step backward to return to the old system.

Most important is the fact that the number of uninsured children in America decreased by nearly 2 million since 1998, largely due to children being enrolled in Medicaid and SCHIP. I want to point out that this decrease in uninsured children occurred despite an overall increase in uninsured Americans. Also, it's important to note the decrease in the numbers of uninsured African American and Hispanic children were in contrast to increases in the number of uninsured African American and Hispanic parents.

Delaware is recognized for its efforts to simplify and improve the enrollment and renewal processes for Diamond State Health Plan and the Delaware Healthy Children Program by implementing and maintaining the following progressive policies and practices:

- 1) A simplified joint application;
- 2) Mail-in applications;
- 3) No face-to-face interview;
- 4) No asset test;
- 5) Ex Parte renewals;
- 6) Preprinted renewal forms
- 7) Telephone applications and renewals
- 6) A seamless transition between the Diamond State Health Plan (Medicaid) and the Delaware Healthy Children Program;
- 7) Presumptive eligibility for pregnant women up to 200% of FPL
- 8) An electronic application, ASSIST, which was launched in the spring of 2006
- 9) A "no wrong door" system within the Department of Health and Social Services.

Through your own initiative and your participation in the *Covering Kids* and *Covering Kids & Families* initiatives, you have been and continue to be part of something important – a movement to change the old mindset of restricting access to public health coverage. Today, helping eligible children and adults gain access to Medicaid or SCHIP is recognized as "good public policy." It is cost effective, it promotes child development, it opens opportunities for children to perform better in school and it supports working parents who don't earn enough to pay for coverage on their own.

The resources provided by the Robert Wood Johnson Foundation and your hard work and commitment have made a big difference in the lives of thousands of children in Delaware. We can and should celebrate these achievements, but the reality is that so much more needs to be done – 8.3 million children remain uninsured nationally and 24,500 of Delaware’s children remain uninsured, a 0.9% increase from previous years data, according to Urban Institute and Kaiser Commission estimates based on Census Bureau 2005 and 2006 Current Population Survey. It bears repeating that most of these uninsured children are eligible for Diamond State Health Plan (Medicaid) or the Delaware Healthy Children (SCHIP) Program.

We now know that African American and Hispanic children make up a disproportionate share of uninsured children. Research conducted for Back-to-School in 2005 found that 40% of uninsured Hispanic children had not seen a physician in over a year and the same was true of 30% of uninsured African American children. Making health coverage, and thus preventive and primary care accessible to all eligible children will go a long way in reducing the health disparities in our nation.

In the eight years of the *Covering Kids* and *Covering Kids & Families* initiatives, we have come such a long way, but we must continue the momentum built during these years and fight retrenchment that threatens to do away with many of the gains we have achieved.

A new challenge all states are facing in this regard is the implementation of the Deficit Reduction Act, known as the DRA. The citizenship and identify requirements of the DRA have added significant complexity for both families and eligibility agencies. Early reports indicate that the DRA requirements are presenting serious workload issues at eligibility offices, as well as increased administrative costs for states and counties. There are also reports of cases where health services have been jeopardized for persons who are unable to produce the required verification of citizenship and identity.

The question is to what extent the DRA requirements are meeting the intent and goal of the Act to not grant Medicaid benefits to non-citizens. The DRA is being carried out in a prescriptive manner and states know they are at risk if they veer from the specified procedures and that leaves little room for state leadership, which is never a good thing. The dilemma is that no state or federal official wants to grant Medicaid eligibility to persons who are not eligible for whatever reason, but it is strongly felt that the provisions of the DRA will deny needed benefits to persons who are eligible simply because of the complex requirements being placed on citizens to prove they are citizens.

I want to close by saying how wonderful it is that you are continuing your *Covering Kids & Families* Statewide Coalition and your state efforts to reduce the number of uninsured children and adults who are eligible for but not enrolled in Diamond State Health Plan and the Delaware Healthy Children Program. There is no doubt that the children of Delaware have benefited and will continue to benefit from your commitment. Thank you for all you've done to help Delaware's lower-income children have the health coverage they need to thrive. I appreciate the invitation to be a part of your "recognition event" and I expect I will continue to hear great things coming out of Delaware in the future.

Thank you!