Covering Alabama Kids & Families State Summit

Montgomery, Alabama
October 19, 2005

Keynote Address by Sarah C. Shuptrine
President and CEO, Southern Institute on Children and Families
Director, *Covering Kids & Families* National Program Office

It's great to be here with Gayle, Ava, Dr. Williamson, Rosemary, Lee and Gretel and all of you who have done so much to help reduce the number of uninsured children in Alabama. I'm particularly pleased to be part of the Covering Alabama Kids & Families State Summit.

I'd like to take a moment to recognize Judi Cramer, the *Covering Kids & Families* Southern Regional Coordinator. Judi does a terrific job for us and I'm glad she could join me here today.

The primary topic of this Summit is health coverage. I'd like to preface my health coverage remarks by looking at the broader issues that southern states face in attempting to improve opportunities for lower-income families and children.

The southern region of the United States is challenged by some of our nation's most difficult and entrenched economic, health and social problems. The South is plagued by high rates of child poverty, high rates of uninsured children, high rates of infant deaths and disabilities, unacceptable rates of students failing to graduate from high school and high rates of children whose lower-income working parents cannot afford safe, quality child care.

Alabama knows all too well the challenges faced by lower-income families. Nearly 16 percent (15.5%) of all Alabama citizens live in poverty, which means that Alabama ranks 12th among the 17 southern states and the District of Columbia for citizens living in poverty.

More than 24 percent (24.2%) of children under the age of 18 in Alabama are living in poverty, which places Alabama 16th among the 17 southern states and the District of Columbia for children in poverty.

In Alabama or any other state, a parent who works full-time, all year round at minimum wage earns only $10,712 annual income, which is well below the federal poverty level. Families in this economic situation face daily struggles in attempting to pay for housing, groceries, utilities, child care, health care coverage and other necessities. 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.

I founded the Southern Institute on Children and Families 15 years ago because there was a need to work across the southern states to collect and analyze data and communicate in compelling terms the conditions of children and families in the South. It was also important to identify solutions and create public/private partnerships that can make things happen in states across our region.

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 and nutrition services so that families earning low wages can better provide for their children.

In 1997, the Robert Wood Johnson Foundation asked the Southern Institute to serve as the National Program Office to direct *Covering Kids.* From 1998-2001, *Covering Kids* played a significant role in the decline of the number of uninsured children. Together we contributed to a national movement that increased awareness of coverage opportunities and reduced barriers to

the enrollment and retention of eligible children in Medicaid and the State Children's Health Insurance Program.

In 2001 the Robert Wood Johnson Foundation made the decision to fund a second phase and allocated support for *Covering Kids & Families*, a $55 million initiative that would build upon the successes of *Covering Kids* by expanding the focus to include uninsured adults as well as children.

As you are well aware, *Covering Kids & Families* promotes three broad strategies that have been shown to reduce the number of uninsured children and adults who are eligible for Medicaid and SCHIP, but are not enrolled. These strategies are:

- Simplification of burdensome eligibility policies and practices;
- Coordination of eligibility policies and procedures among different coverage programs; and
- Outreach to eligible uninsured children and adults.

Our challenges and our opportunities are very clear. Nationally there are 8.4 million uninsured children in the United States, and most of them are eligible for low-cost or free health care coverage through Medicaid and SCHIP.

In 2002, more than eight in 10 uninsured Americans came from working families. And nearly 70 percent of the uninsured were in families with one or more full-time workers. For those workers fortunate enough to be offered health insurance through their employer, many still cannot afford to pay for it.

Alabama has worked hard to insure its eligible children and adults, which is evident in the fact that Alabama has lower percent of uninsured citizens than the nation as a whole.

Approximately 14 percent (13.5%) of Alabama citizens are without health insurance, compared with 15.5% nationally.

It is also to your credit that six percent (5.7%) of Alabama's children under 19 years of age who are at or below 200% of the Federal Poverty Level are uninsured, compared with 7.3% nationally.

That's quite an accomplishment! I would like for you to join me in giving yourselves a round of applause!

Your wisdom in using Medicaid and SCHIP funding as a major strategy to reduce the number of uninsured children has paid off. I know you realize, however, that there is more that can be accomplished in that many of the remaining uninsured children in Alabama are likely eligible for health care coverage through Medicaid or ALL Kids.

Because of your commitment, Alabama's children have greater opportunities to access the preventive and primary care they need and you will reap both short term and long term benefits as a result. Without health care coverage, children are at a greater risk of consequences for being uninsured. For example:

- 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.

Among low-income uninsured children, whose family income makes them likely to be eligible for Medicaid or SCHIP, half (52%) have not had a well-child visit in the past year and almost one-third (31%) do not have a usual source of care. These children are going needlessly without health care coverage and most certainly are suffering the consequences of not having it.

I take great pleasure in commending you for your work to reduce the number of uninsured children and adults. The partnership fostered between Medicaid and ALL Kids in Alabama has made and will continue to make a significant difference in improving access to public health coverage.

You have worked together to improve coordination between the programs, thus making enrollment and renewal processes more manageable for families as well as eligibility workers. One good example of these coordination efforts is development and implementation of the electronic application that links the two separate data systems of the Alabama Medicaid Agency and the Alabama Department of Public Health.

Your implementation of the pre-populated renewal forms for All Kids enrollees makes the renewal process easier for families because it prevents them from having to supply the same information multiple times.

Your efforts to focus attention on outreach to special populations including Hispanic, Native American and Asian communities are very progressive. Disparities exist in health care coverage for minority groups, and Alabama's efforts to find and enroll children and adults that belong to these populations are an important step in eliminating these disparities.

A recent study released by the Robert Wood Johnson Foundation as part of the *Covering Kids & Families* annual Back-to-School campaign indicated that since 1998, the uninsurance

rates for African-Americans and Hispanic children fell significantly more than the rates for white children. The research also indicated that:

- One out of every five Hispanic children under age 18 lacks health insurance.
- Uninsured Hispanic children are 10 times more likely not to receive needed medical care than Hispanic children with insurance. (6.1% vs 0.6 %)
- During 2003 more than 40 percent of uninsured Hispanic children did not receive ANY medical care, compared with just 18 percent of insured Hispanic children.
- For uninsured African American children, nearly 30% did not receive any medical care during 2003.
- While African Americans and Hispanics make up less than 36 percent of the population, more than half of uninsured children are Hispanic or African American.
- It is important to note that the decreases in the number of uninsured African American and Hispanic children were in contrast to increases in the number of uninsured African American and Hispanic parents, thanks to Medicaid and SCHIP.

Alabama, as well as the rest of the nation, has come a long way since 1997 when SCHIP was enacted. At the *Covering Kids & Families* Annual Meeting held in Washington, DC in September, I presented some "then" and "now" comparisons, and I wanted to share this information with you today.

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 the "You go and get it and bring it to me system."

In 1997, 15 states had an asset test for child health coverage. An asset test is particularly counterproductive public policy. An asset test penalizes families who have managed to have assets like cars that they need to get and keep jobs, get to education and training, access health care and be prepared for an economic downturn or national emergency, as we just witnessed with Katrina when the people in New Orleans who had resources were able to escape and the people who did not have resources were trapped.

In 1997, 22 states had a face-to-face requirement at application.

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 and thus they were needlessly uninsured.

The passage of the SCHIP in 1997 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.

CKF statewide and local grantees, Medicaid and SCHIP officials and CKF coalitions all made significant contributions to the accomplishments achieved since 1997. It took this kind of major commitment and collaboration on a national scale to achieve the significant reforms we have seen over the last seven years.

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.

Today, 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.

The application process is far more accessible today. Applications are available at many more community sites. States are allowing applications to be filed by mail and many allow applications online. Most states have made similar improvements to the renewal process.

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.

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 has been reduced to five. And in 2005, only six states require 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.

And most important, the number of uninsured children in America has decreased by nearly 2 million since 1998, largely due to children being enrolled in Medicaid and SCHIP. This decrease in uninsured children occurred despite an overall increase in uninsured Americans.

In seven years we have come a long way, but the reality is that there is still a long way to go. The Southern Institute has shared some thoughts with the Alabama *Covering Kids & Families* coalition regarding opportunities to further improve access to Medicaid and ALL Kids. I would like to mention some of those opportunities.

- Coordinating the Free and Reduced School Lunch program with Medicaid enrollments will improve access.
- Studying enrollment and retention rates, the reasons for denial and closure and the transition between Medicaid and All Kids will help you develop additional strategies to remove barriers.
- Discontinuing the interview requirement for Medicaid enrollment is an important strategy for your consideration. Alabama still has an interview requirement and this requirement sends a message to families that Medicaid is different from ALL Kids since ALL Kids does not have an interview requirement. An interview requirement is often considered an indicator of a "welfare program," and that causes some families to avoid it regardless of their need.
- Continuing to align and coordinate Medicaid and ALL Kids enrollment requirements also is important. Some major steps would be to:

  -provide pre-populated renewal forms and allowing self-declaration of income for Medicaid; and

  -dropping the waiting period for ALL Kids.

Again, you have made remarkable progress and we look forward to hearing more great things from Alabama!

I can't go without mentioning the new challenges brought on by the devastation and aftermath of Hurricane Katrina. I know you have been working tirelessly to serve your Medicaid and SCHIP populations as well as hurricane victims from other states and they are fortunate to have caring and effective Alabama Medicaid and SCHIP officials working on their behalf.

There is no doubt that the children of Alabama have benefited from your commitment. They will continue to need your powerful voices and your persistent efforts to make their future brighter.

Thank you for inviting me to be a part of your Summit.