

OHIO FAMILY MEDICAL PROJECT

Final Report

December 2003

This final report documents the Ohio Family Medical Project through August 16, 2002 and replaces the preliminary report completed in April 2001. Questions about this report may be directed to The Bureau of Consumer and Program Support, Office of Ohio Health Plans, Ohio Department of Job and Family Services.

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OHIO FAMILY MEDICAL PROJECT BACKGROUND

On July 16, 1996, Congress passed the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L 104-193 (PRWORA). This legislation eliminated the AFDC cash assistance program and replaced it with a block grant program called Temporary Assistance for Needy Families (TANF). Although PRWORA severed the automatic entitlement to Medicaid for recipients of AFDC, the bill enacted Section 1931 of the Social Security Act which requires that all families who would formerly have qualified for Medicaid under a state's AFDC program would remain eligible for Medicaid. The law also made it easier for states to expand Medicaid eligibility to more working families under Section 1931 and included \$500 million in enhanced matching funds for states to support the systems changes and outreach necessary to determine Medicaid eligibility separate from welfare. In addition, the law also modified Section 1925 of the Social Security Act to require states to cover families for at least six months of Transitional Medicaid if they lose Section 1931 eligibility due to earnings from work (formerly Transitional Medicaid eligibility was linked to loss of AFDC cash assistance due to increased earnings or increased hours of work).

The net effect of the above Welfare Reform legislative changes was to require a major paradigm shift on the part of federal, state and local agencies; consumers; and stakeholders about Medicaid coverage for low income families. The Aid to Families with Dependent Children (AFDC) program conferred automatic Medicaid eligibility to all families who received cash assistance. Conversely, if a family was not eligible for AFDC cash assistance, then the parents in the family were almost always not eligible for Medicaid. Welfare reform required states to create and run separate eligibility processes for cash assistance and Medicaid in order to support the diverging policies of these separately-administered programs. Welfare reform also brought an existing Medicaid policy to the forefront: federal Medicaid regulations require that the state Medicaid administrative agency conduct an *ex parte* review prior to terminating Medicaid assistance to all individual losing eligibility under their current category of coverage.

The implementation of welfare reform was followed by significant declines in states' Medicaid caseloads in spite of the safeguards imposed by PWRORA. These declines raised a number of concerns from the federal to local levels that this decline might have been a result of confusion about the delinkage of cash assistance from Medicaid (e.g. families not understanding that they could receive Medicaid even if not receiving cash) or implementation difficulties (state agency and stakeholder confusion around in policy, systems designs reprogramming, etc).

In the fall of 1999, President Clinton issued an executive order directing the Centers for Medicare and Medicaid Services (CMS) to conduct a 50 state review of the impact of welfare reform on Medicaid enrollment. The CMS review included state regulation and case record reviews as well as interviews with state policy staff, local agency administrators and caseworkers, and advocates. The review team findings indicated that Ohio's post-welfare reform Medicaid policies were largely compliant, but CMS expressed concerns regarding inconsistent implementation and oversight of the above-referenced *ex parte* review process (their concerns included lack of controls to mandate enrollment into Transitional Medicaid as a part of *ex parte* review activities). Ohio did formally implement an integrated *ex parte* predetermination policy

in November, 1999. The CMS review coincided with Ohio's MEQC negative case review findings of an unacceptably high error rate for Medicaid terminations.

On April 7, 2000, after a preliminary analysis of the 50 state review, CMS mailed a letter to state Medicaid directors requiring states to review their computer systems and eligibility rules and processes to ensure that all families that are eligible for Medicaid benefits keep them. The letter also directed states to review their records to be sure that everyone who is eligible for Medicaid keeps it, and to reinstate anyone who may have been improperly terminated from the program.

Staff from the ODJFS directors office and OHP had already begun conversations, prior to the April, 2000 CMS letter, with various advocates and stakeholders about declines in caseload, *ex parte* review implementation, and local agency issues around welfare reform impacts on Medicaid and Food Stamps eligibility processes. The CMS letter did serve as a catalyst to moving discussions into a formalized collection of activities called the Ohio Family Medical Project (OFMP). The OFMP was part compliance response and part proactive activity which coordinated with other related outreach, training, and policy and process redefinition activities.

The OFMP was specifically structured to identify a class of individuals who lost Medicaid subsequent to welfare reform and who may have not received benefit of an *ex parte* review for continuing Medicaid benefits. These individuals were reinstated for a three month period of Medicaid coverage, during which period they were actively encouraged to submit an application for ongoing health coverage.

This report describes the parameters of the project, the project timeline and activities, and final results of the OFMP.

OHIO FAMILY MEDICAL PROJECT PARAMETERS

OFMP Universe

The universe of individuals identified for inclusion in the OFMP contains individuals terminated from section 1931 coverage from November 1, 1997 through April 30, 2000. The only exception was those individuals whose termination reason codes were identified as not potentially inappropriate. The ODJFS identified 209,894 individuals meeting the established criteria.

This universe was subdivided into two groups: those eligible in August of 2000, and those not eligible in August of 2000. Those individuals who were eligible for Medicaid in August of 2000 were determined to have already reestablished a connection with the Medicaid program and therefore were not included in the reinstatement component of the OFMP, but were included in the Past Medical Expense (PME) component of the OFMP. Those individuals not eligible for Medicaid in August of 2000 were determined to have not reestablished connection with the Medicaid program, and were included in both the reinstatement and past medical expense components of the OFMP. There were 50,962 individuals in the PME only group, and there were 158,944 individuals in the Reinstatement and PME group.

Look Back Period for the OFMP

The look back period chosen for this project determines the time period over which ODJFS identified potentially inappropriately terminated individuals from Section 1931 Medicaid. The selected period was from November 1, 1997 to April 30, 2000. This period begins when Ohio's welfare reform policies went into effect and ends six months after the introduction of Ohio's ex parte (pre-termination review or PTR) policy. The six month window serves as a transitional period for the implementation of this new policy.

Reinstatement Period

The majority of individuals in the Reinstatement and PME group were reinstated to Medicaid eligibility for a three month period: January through March 2001. These individuals were provided a streamlined mail-in application form and were encouraged to apply to have their eligibility redetermined for on-going Medicaid coverage. During the reinstatement period, individuals were issued an OFMP Medicaid card, allowing them to access Medicaid covered services. Individuals with OFMP eligibility were not enrolled in Medicaid managed care plans; all services for OFMP were through the fee-for-service delivery system.

Past Medical Expenses

All 158,944 individuals in the Reinstatement group and the 50,962 individuals in the PME only group received information on how to apply for reimbursement of or payment for past medical expenses incurred following Medicaid termination. Only the Medicaid eligible person could initiate reimbursement or payment. If the individual paid a health care bill, and it was determined from the PME application that they were in the OFMP universe and would have been eligible at the time the service was received, the ODJFS reimbursed him or her for the amount paid to the health care provider. If the individual owed money to a health care provider, and it was determined from the PME application that they were in the OFMP universe and would have been

eligible at the time the service was received, ODJFS reimbursed the provider in the amount of the Medicaid fee schedule for that service. Services paid or reimbursed through the PME process had to be medically necessary Medicaid covered services.

OHIO FAMILY MEDICAL PROJECT TIME LINE

This time line defines how the total number of individuals were identified for the OFMP. Individuals originally unlocatable, but subsequently located, were sent notices along the same periodicity but later in 2001.

November 2000

- Initial Notice sent (attachment A)
The initial notice was sent to 158,944 individuals informing of the project so that when they received subsequent information, they would know what the project was about. Individuals had the opportunity to update addresses, or opt out of the project. Undeliverable mail was tracked so that those individuals whom we could not contact via the process would be able to present themselves at a later date (in calendar year 2001).

December 2000

- Medicaid Card and Application Packet sent (attachments B & C)
After removing individuals who opted out (1,037) or who were undeliverable based on the first notice (24,607) there remained 133,287 individuals in the OFMP reinstatement universe. A Medicaid card was issued to these individuals as well as an application packet. The OFMP Medicaid card was good for three months (Jan/Feb/March 2001). Individuals were encouraged to use the application provided to apply for ongoing health coverage. A business reply envelope (postage paid) was provided for people to return the applications. Instructions indicated that individuals should call the OFMP call center to request a separate application for consideration of payment of past medical expenses (attachment D).
- OFMP Call Center Established
The Ohio Family Medical Project call center began operations in order to field questions about the OFMP Medicaid cards and applications. This call center also fielded and fulfilled requests for PME applications. The call center provided a toll free number for OFMP individuals to contact.

January 2001

- Reminder Notice sent (attachment E)
A reminder notice was sent to the 133,287 individuals in the Reinstatement group in January to remind them to complete and return the application for ongoing health coverage. This notice stressed the importance of returning the application soon so that it

could be processed in time for there to be no lapse in coverage.

- Past Medical Expense Notice (attachment F)
The 50,962 individuals in the OFMP universe, but who had reestablished connection with the Medicaid program, were sent a notice in January to inform them that they may be eligible for payment or reimbursement of past medical expenses. The notice instructed them to contact the OFMP call center to request a PME application.
- Intake & Triage of Health Coverage Applications
Beginning in January 2001, the Ohio Family Medical Project Center managed the intake and triage of completed applications. Individuals were instructed to complete the application and return it using a business reply envelope. The OFMP Center collected mail from the post office every other day. All completed applications were tracked into the database and triaged to the appropriate county agency. The OFMP Center issued a receipt (attachment G) for each application informing the applicant that his or her application had been received and was triaged to the local county department of job and family services. Additionally, the OFMP Center managed and tracked the undeliverable items from the mailing of the Medicaid cards. An additional 16,113 individuals were marked as undeliverable in the database. As was true with the individuals marked as undeliverable from the first notice, if these individuals (unlocatables) presented themselves at any point in calendar year 2001, ODJFS issued them a temporary OFMP Medicaid card and provided the unlocatables with the OFMP application packet.
- Intake and Triage of Past Medical Expense Applications
Beginning in January, completed PME applications were returned to the OFMP Center.

February 2001

- Intake & Triage of Health Coverage Applications
Continuing in February 2001, the Ohio Family Medical Project Center managed the intake and triage of completed applications to the appropriate local county department of job and family services; and updated the database to reflect undeliverable mail.
- Intake and Triage of Past Medical Expense Applications
Continuing in February, completed PME applications were returned to the OFMP Center.

March 2001

- Intake & Triage of Health Coverage Applications
Continuing in March 2001, the Ohio Family Medical Project Center managed the intake and triage of completed applications to the appropriate local county department of job and family services; and updated the database to reflect undeliverable mail.
- Intake and Triage of Past Medical Expense Applications
Continuing in March, completed PME applications were returned to the OFMP Center.

- Reminder/End Notice with Hearing Rights sent (attachment H)
In March, a reminder/end notice was sent to the 133,287 individuals. The notice reminded families to apply if they had not already, and reiterated to them that coverage under the project ends March 31, 2001. The notice also informed them of their state hearing rights. Any hearing requested within 10 days entitled the individual to continued coverage until the hearing was held and decision issued. Hearing requests after the 10 days were granted a hearing, but not entitled to coverage pending the outcome of the hearing.
- Preparation for Hearing Summaries
The OFMP Center prepared hearing summaries for all hearing requests received by the Bureau of State Hearings related to the OFMP.

Additional Efforts To Locate Potential OFMP Eligibles

In addition to the individuals originally reinstated during January, February, and March of 2001, the Office of Ohio Health Plans collaborated with the Office of Child Support and the Office of Unemployment Compensation in an effort to identify those individuals who were unlocatable from initial contacts.

Data matches were run with Child Support, Unemployment Compensation, and children on SSI in an attempt to contact those individuals whom were previously listed as unlocatable. When a match occurred, notices were then sent to the potentially eligible individuals. These individuals were given the opportunity to receive three months of OFMP/Medicaid coverage upon responding to the notice. A total of 623 individuals received coverage through this effort.

OHIO FAMILY MEDICAL PROJECT- THE NUMBERS

Breakdown of the Ohio Family Medical Project Universe

Total OFMP Universe	209,906
Reinstatement Population	158,944
PME Only Population	50,962

Breakdown of the Reinstatement Population

A. Total Reinstatement Population	158,944
B. Number of individuals who opted out with 1st notice	1,037
C. Number of individuals undeliverable with 1 st notice	24,607
D. Unlocatables from 1 st notice as a % of total reinstatement population C divided by A = D	15.5%
E. Number of people reinstated A - (B+C) = E	133,287
F. Number of individuals undeliverable with Medicaid card	16,113
G. Total Undeliverables (unlocatables) C + F = G	40,720
H. Unlocatables as a % of total reinstatement population G divided by A = H	25.6%
I. % of the total reinstatement population to receive Medicaid cards {A-(B+C+F)} divided by A = I	73.7%

Summary of Ohio Family Medical Project Call Center Activity- *Through August 16, 2002*

Past Medical Expense Application Requests	3,800
General Questions	10,670
Duplicate Cards (replacing lost cards)	880
People originally unlocatable who contacted ODJFS	363
Total Calls	15,713

Summary of Ohio Family Medical Project Center Activity- Through August 16, 2002

A. Address Changes in Phase II	1,711
B. Applications received and forwarded to CDJFS	9,745
C. Number of People Represented on Applications B x 2.5 = C	24,363
D. Hearing Requests	360

Summary of Additional Efforts to Locate OFMP Eligibles

Type of match	Located through match/Notices sent	# of individuals requesting OFMP coverage	% of total requesting OFMP coverage
Child Support	7,114	300	4.2%
Unemployment Compensation	2,500	308	12.3%
SSI Children	400	15	3.8%
Total	10,014	623	6.2%

County Breakdown of OFMP Reinstatement Numbers– *through August 16, 2002*

County	# of people reinstated	Number of Apps received	# of people represented on apps- est.	# of people applying as a % of total reinstate group
Adams	476	32	80	17%
Allen	1,890	102	255	13%
Ashland	297	18	45	15%
Ashtabula	1,407	120	300	21%
Athens	759	51	128	17%
Auglaize	267	17	43	16%
Belmont	1,023	75	188	18%
Brown	590	33	83	14%
Butler	3,425	160	400	12%
Carroll	369	24	60	16%
Champaign	408	23	58	14%
Clark	2,536	122	305	12%
Clermont	1,738	89	223	13%
Clinton	408	28	70	17%
Columbiana	1,358	104	260	19%
Coshocton	352	22	55	16%
Crawford	683	34	85	12%
Cuyahoga	24,742	1,768	4,420	18%
Darke	382	25	63	16%
Defiance	470	23	58	12%
Delaware	520	21	53	10%
Erie	844	42	105	12%
Fairfield	882	59	148	17%

County	# of people reinstated	Number of Apps received	# of people represented on apps- est.	# of people applying as a % of total reinstate group
Fayette	342	32	80	23%
Franklin	16,907	940	2,350	14%
Fulton	253	23	58	23%
Gallia	678	41	103	15%
Geauga	296	10	25	8%
Greene	1,294	64	160	12%
Guernsey	551	51	128	23%
Hamilton	13,131	712	1,780	14%
Hancock	620	20	50	8%
Hardin	347	14	35	10%
Harrison	213	20	50	23%
Henry	277	15	38	14%
Highland	510	36	90	18%
Hocking	426	26	65	15%
Holmes	164	14	35	21%
Huron	839	41	103	12%
Jackson	627	47	118	19%
Jefferson	1,210	101	253	21%
Knox	459	37	93	20%
Lake	1,472	87	218	15%
Lawrence	1,814	96	240	13%
Licking	1,510	94	235	16%
Logan	537	36	90	17%
Lorain	4,344	222	555	13%

County	# of people reinstated	Number of Apps received	# of people represented on apps- est.	# of people applying as a % of total reinstate group
Lucas	9,968	521	1,303	13%
Madison	374	29	73	19%
Mahoning	4,149	389	973	23%
Marion	4,031	54	135	13%
Medina	712	56	140	20%
Monroe	112	13	33	29%
Montgomery	9,546	572	1,430	15%
Morgan	196	18	45	23%
Morrow	432	22	55	13%
Muskingum	1,212	73	183	15%
Noble	88	11	28	31%
Ottawa	338	23	58	17%
Paulding	231	18	45	19%
Perry	763	53	133	17%
Pickaway	553	38	95	17%
Pike	719	49	123	17%
Portage	1,528	98	245	16%
Preble	476	23	58	12%
Putnam	244	16	40	16%
Richland	1,945	123	308	16%
Ross	920	72	180	20%
Sandusky	1,086	39	98	9%
Scioto	1,964	125	313	16%
Seneca	700	39	98	14%

County	# of people reinstated	Number of Apps received	# of people represented on apps- est.	# of people applying as a % of total reinstate group
Shelby	457	24	60	13%
Stark	5,281	323	808	15%
Summit	8,817	539	1,348	15%
Trumbull	3,162	206	515	16%
Tuscarawas	885	54	135	15%
Union	284	8	20	7%
Vanwert	179	11	28	15%
Vinton	299	27	68	23%
Warren	861	44	110	13%
Washington	858	60	150	17%
Wayne	847	47	118	14%
Williams	366	29	73	20%
Wood	846	45	113	13%
Wyandot	149	9	23	15%
State	161,895	9,780	24,450	15%

Breakdown of PME Requests and Applications- Through August 16, 2002

Past Medical Expense Application Requests	3, 800
Past Medical Expense Applications Received	1,289

Breakdown of Hearings- Through August 16, 2002

Total Hearings Requests	360
Hearings Requests by 3/21/01 (aid pending)	260
Hearings Held	198
Disposition of Hearings Held	177 Dismissed (abandoned hearing) 10 Overruled 11 Sustained 21 Withdrawn

Breakdown of Costs for OFMP from 01/01/01 through 08/31/02

The Ohio Family Medical Project compiled all medical claims and costs of medical claims paid to providers during the life of the project. Over 160,454 claims were processed during this project for those individuals who qualified for the OFMP. Expenditures were broken down for each of the following areas: Inpatient hospital, Outpatient hospital, Physicians visits, Dental visits, Vision, Independent labs, and Pharmacy.

Type of Claim	Dollar Amount of Claims
Inpatient Hospital	\$ 5,628,510
Outpatient Hospital	\$ 5,022,455
Physician Visits	\$ 3,353,349
Dental Visits	\$ 2,300,924
Vision	\$ 515,288
Independent Labs	\$ 149,766
Pharmacy	\$ 4,621,846
Total Cost of OFMP	\$ 21,592,088

