

Covering Kids & Families Rhode Island is a health access initiative designed to:

- Reduce the number of uninsured children and parents.
- Enroll and retain eligible children and adults in RItE Care or RItE Share.
- Simplify enrollment and renewal processes.
- Coordinate existing health coverage programs.

Covering Kids & Families Rhode Island is part of a national health access initiative sponsored by The Robert Wood Johnson Foundation with direction and assistance provided by the Southern Institute on Children and Families.

# covering Kids & families

R H O D E I S L A N D



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## Why Medicaid Matters to Rhode Island

While the Medicaid Program is best known for the comprehensive health care coverage it provides to families, people with disabilities and seniors in Rhode Island, a recent report prepared by the Poverty Institute highlights the many ways that the Medicaid program supports Rhode Island's health care system, schools, cities and towns.

### Medicaid supports the health care delivery system.

Medicaid funding is a critical source of revenue for hospitals, nursing facilities, community mental health centers and community health centers. In 2005, Medicaid payments to hospital comprised 23.2% of patient revenue, including \$107 million in payments for uninsured patients. Community health centers and community

mental health centers serve thousands of Rhode Islanders each year, including hundreds of residents who are uninsured. Without Medicaid funding these safety-net

providers could not keep their doors open.

### Medicaid supports school districts, cities and towns.

Medicaid funding impacts cities and towns through at least two channels. First,

Medicaid improves the health care of local residents who are covered by the program. Second, federal Medicaid funds flow to local education agencies to help pay for school-based health services for Medicaid-covered children with special health care needs. School districts also receive Medicaid funding for the cost of administering these services.

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# Strategies that Work

## News from the Local Projects

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*Providing RItE Care trainings and outreach materials to OB-GYN providers, staff and pharmacists has been very successful. The health care professionals recognize the important role they play in providing RItE Care information to uninsured pregnant women, children and families and directing them to Family Resource Counselors for application assistance.*

### **RItE Care Training for Obstetricians**

In January 2005, Covering Kids & Families Rhode Island was awarded a grant from the **March of Dimes – Rhode Island Chapter** to increase access to health insurance for pregnant women and infants in the target communities of Newport, Pawtucket and Central Falls. Activities included trainings and presentations to medical providers and pharmacies in these communities.

Covering Kids & Families (CKF) conducted RItE Care trainings at five OB-GYN provider offices. CKF provided an overview of RItE Care eligibility, covered benefits

and how to refer patients to a local Family Resource Counselor (FRC) for application assistance. A local FRC also attended the Newport trainings so the office staff could meet the FRC and become more familiar with how FRCs can help pregnant women and families enroll in RItE Care and retain their health coverage.

Including the Family Resource Counselor in the RItE Care training for the OB-GYN offices was very successful. The training provided an opportunity for the office staff to meet a local FRC and become more familiar with how the FRC can help patients enroll and retain their health insurance.

The FRC reported that she received several referrals of uninsured patients from the OB-GYN office after the RItE Care trainings.

CKF provided each office with RItE Care outreach materials including RItE Care posters, RItE Care flyers specifically targeting pregnant women, RItE Care brochures with contact information for local Newport FRCs, *Common Myths about RItE Care* and *Five Tips to Keep Your RItE Care*. Materials were provided in English and Spanish. Each OB-GYN office appreciated receiving up-to-date information about RItE Care and discussing barriers that their clients face in accessing health care.

### **RItE Care Training for Pharmacists**

Families enrolled in RItE Care often realize they have lost their health care coverage when they try to fill a prescription at the pharmacy. Pharmacists play an important role in identifying cus-

tomers who are uninsured and helping direct them to local Family Resource Counselors for help in applying or reapplying for RItE Care.

CKF collaborated with **CVS/pharmacy** to provide RItE Care training to 20 regional pharmacy supervisors. Each supervisor oversees approximately 20 CVS pharmacies across Rhode Island and nearby Massachusetts. The training focused on RItE Care eligibility, how to refer customers to a local FRC for application assistance and covered benefits under RItE Care such as prescriptions and over-the-counter medications. The supervisors were particularly interested in being able to assist families having difficulty accessing or understanding the pharmacy benefit.

Covering Kids & Families also provided RItE Care outreach materials directly to pharmacies in the Newport, Pawtucket and Central Falls areas.

"The elimination of health coverage for undocumented immigrant children shifts care from the offices of primary care providers to the emergency room, the least cost-effective place to provide basic health care."

— Tanya Broder, Staff Attorney, National Immigration Law Center

## Leadership Council Meeting

On May 1, 2006, Covering Kids & Families welcomed Tanya Broder, Staff Attorney at the National Immigration Law Center, as speaker at the Leadership Council meeting. Ms. Broder spoke about the importance of continuing to provide health insurance coverage for

children regardless of their immigration status and shared lessons from the states. Ms. Broder noted, "Washington State's attempt to shift undocumented children to a more restrictive program in 2002 resulted in increased administrative costs and poor health outcomes that could have been avoided



Tanya Broder, Staff Attorney at the National Immigration Law Center, speaks at the Covering Kids & Families Leadership Council meeting.

by covering all children including undocumented children, can serve as a model for other states."

with access to preventive health care. Based on this experience, Washington restored Medicaid-like coverage to low-income undocumented children earlier this year. Rhode Island's continued success in protecting children's health

In the 2006 legislative session, the Rhode Island General Assembly eliminated RItE Care coverage for undocumented children if they are not enrolled on or before December 31, 2006.

## *ex parte* Renewal – A Strategy to Improve Retention

For the past several years Covering Kids & Families and its partners have been working to decrease the number of families who experience unnecessary gaps in RItE Care coverage. Many families enrolled in RItE Care lose their health care coverage for a short period of time, although they remain eligible. This phenomenon known as churning, often results in increased medical costs to the family, decreased

revenue for the medical providers, risk of poor health outcomes for the children and increased administrative burden to DHS and the health plans.

This year the General Assembly passed legislation that instructs DHS to follow the directive of the Center for Medicare and Medicaid Services (CMS) to conduct *ex parte* renewals for families enrolled in RItE Care.

During an *ex parte* renewal, DHS will use information it has on a household enrolled

in another program to renew the RItE Care, if that information is current. For example, families enrolled in the Food Stamp program must provide new income and family structure information every six months. By doing an *ex parte* renewal, this family's RItE Care eligibility would continue based on the information supplied to the Food Stamp program.

CMS supports *ex parte* renewals because it can lessen the administrative burden on States. Advocates

are also in support of this measure because it will result in a reduction in the number of families who lose coverage at renewal and increased continuity of care for children and families.

DHS will study how the process will work and when it will be implemented. A report on the implementation of *ex parte* renewals will be released by the end of the year.

Medicaid growth is a result of a combination of factors, including decreased access to employer-sponsored health insurance and increased costs associated with an aging population.

## Why Medicaid Matters

*(continued from cover)*

### **Medicaid provides comprehensive health insurance for more than one third of Rhode Island's children and almost one in five Rhode Islanders.**

Medicaid provides health insurance and access to quality health care for low-income children and parents, pregnant women, adults and children with disabilities, and senior citizens. Thirty-seven percent of children under 18 and 13% of adults in Rhode Island are covered by Medicaid. Rhode Island ranks second among states in having the

lowest number of uninsured children and sixth in health coverage for all residents.

### **Medicaid provides health care for adults and children with disabilities and the elderly.**

While the majority of Medicaid recipients are low-income children and parents covered through the RItE Care managed care program, the bulk of Medicaid dollars fund services for the elderly and for adults and children with disabilities. In FY 05, more than 45,000 adults with disabilities and elders were covered by Medicaid. In addition to providing primary and preventive care for 25,820 people with disabilities, Medicaid funds services that address the unique needs of

people with developmental disabilities, mental illness, physical and other disabilities. In FY 05, an average of 15,235 children with special health care needs were covered by Medicaid. These included disabled children on SSI, or enrolled in the Katie Beckett program, children in foster care, and children in the adoption subsidy program.

### **Medicaid supports a broad range of services.**

Medicaid expenditures pay for services through a number of state agencies in Rhode Island, including the Department of Human Services, Department of Children Youth and Families, the Department of Health, the Department of Elderly Affairs, and the

Department of Mental Health, Retardation and Hospitals. Medicaid dollars also flow to local educational authorities for health related special education services.

*Why Medicaid Matters to Rhode Island, a report written by the Poverty Institute, provides information about the breadth and scope of Medicaid funding in Rhode Island. Why Medicaid Matters to Rhode Island was released in January 2006 and cites the Rhode Island Medicaid Program Annual Report Fiscal Year 2004.*

*This article updates the data used in the report with information from the Rhode Island Medicaid Program Annual Report Fiscal Year 2005 released in March 2006.*

## Medicaid: Our Investment in a Healthy Future

A recent report by Community Catalyst, *Medicaid in Rhode Island: Our Investment for a Healthy Future*, provides a thorough analysis of the proposed FY07 budget cuts to the state's Medicaid program. This report offers alternative suggestions for budget savings other than shifting costs out of the state budget and onto residents, employers and the health care system.

According to this report, if the budget cuts that had been proposed for FY07 had taken effect, the state would have lost over \$757 million due to lost federal funds, productivity, economic activity, and tax revenue.

Cuts in health care for children and families result in poor health outcomes for the residents of Rhode Island. On a per person basis, the growth in Medicaid costs is slower than the growth in private insurance costs.

Medicaid growth is a result of a combination of factors, including decreased access to employer-sponsored insurance coverage and increased costs associated with an aging population.

Cuts to Medicaid are unlikely to save the state budget as much as projected and will ultimately cost the state more.

**For a copy of the full report, visit [www.communitycatalyst.org](http://www.communitycatalyst.org).**

# Changes to RIte Care in FY07 State Budget

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*The General Assembly maintained the RIte Care program, including the comprehensive benefits package and coverage for parents of eligible children up to 185% of the federal poverty guidelines. Changes to the program include the following:*

## **Coverage for Undocumented Children**

Beginning January 1, 2007, undocumented children will no longer be eligible for RIte Care if they were not enrolled prior to December 31, 2006. The approximately 2,400 undocumented children currently enrolled in the program will be "grandfathered," so that they can continue to be covered as long as they meet other eligibility guidelines.

## **Transitional Medical Assistance**

Beginning July 1, 2006, Transitional Medical Assistance

(TMA) will be available for a total of 12 months as opposed to the current 18 months. Families are enrolled in TMA when leave the Family Independence Program (FIP) or if they were below 100% of the federal poverty guidelines when they enrolled in RIte Care but have an increase in income due to employment. In order to support the transition to work, TMA exempts these very low-income families from paying premiums.

## **Asset Test**

As part of the eligibility guidelines, families who apply for RIte Care can not have more than \$10,000 in liquid resources. Liquid resources include bank accounts, cash, stocks, bonds and mutual funds but not educational savings accounts, retirement accounts or accounts held jointly with someone living outside the home (as long as the applicant can prove the funds do not belong to him/her). This new asset test does not apply to pregnant women and children eligible through the Katie Beckett provision (for disabled children).

# Katie Beckett

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**K**atie Beckett is a special eligibility process that allows certain children with long-term disabilities or complex medical needs to obtain Rhode Island Medical Assistance coverage. Children who may be eligible must meet a specific level of care criteria. Eligibility under the Katie Beckett provision of Medical Assistance enables children who meet the disability and level of care criteria to be cared for at home instead of in an institutional setting. Children eligible under 'Katie Beckett' are eligible for Medical

Assistance benefits.

A work group was convened in November 2005, to work with the Department of Human Services in clarifying the Level of Care criteria, and improve and enhance the application process that allows children with disabilities and complex medical needs to obtain Rhode Island Medical Assistance. This work group, comprised of families, providers, policymakers, legislators and others met on a weekly basis into January 2006 to work through some of the misconceptions and misin-

terpretations involving this mechanism of gaining Medicaid eligibility.

As a result of the work of this dedicated group of Rhode Islanders, guidelines have been drafted to more accurately define what is required to establish the level of care requirements for eligibility. The guidelines are being finalized and will be available in the near future. Another important outcome of this work is in the form of updated and improved application forms to specifically reflect the guidelines for establishing the level of care required to

care for a child in his or her home setting.

The group is also continuing their work in the development and implementation of an outreach and education plan to better inform families, providers, agencies, and organizations of the eligibility and enrollment process for this important benefit for vulnerable children and families.

For more information, visit the Rhode Island Department of Human Services website at [http://www.dhs.state.ri.us/dhs/famchild/katie\\_beckett.htm](http://www.dhs.state.ri.us/dhs/famchild/katie_beckett.htm).

# Hot Issues

## Deficit Reduction Act of 2005

In February 2006, President Bush signed into law the Deficit Reduction Act of 2005 (DRA) that includes many changes to Medicaid that affect children and families. The following provisions of DRA have direct impact on children and families.

### Citizenship and Identification Requirement for U.S. Citizens

Starting July 1, 2006 the Department of Human Services is required to obtain proof of citizenship and identification from anyone who declares, at application for or renewal of Medicaid, to be a U.S. citizen. This provision will impact all recipients of Medicaid excluding individuals on SSI, adults with disabilities, and the elderly. Children in Foster care are not exempt and must also meet this new requirement.

For the first time states must have proof of citizenship for all citizen Medicaid applicants and recipients, as

opposed to the previous policy of self-declaration. Although the law does not change who is eligible for Medicaid, it adds a greater burden on individuals who declare to be US citizens.

Advocates are concerned with the implementation of this new requirement and the added burden on families to provide more documentation. It is believed that many eligible people will not be able, due to financial constraints, disabilities or age, to meet the new requirement and will lose Medicaid coverage. Concerns include: families may not have passports or birth certificates and will now incur monetary expenses for getting one. Also, birth certificates are issued, for those born in Rhode Island, by the Department of Health. Anyone born in another state must contact that state for a birth certificate.

On June 6, CMS issued interim final guidelines for states to implement this new

requirement. The final guidance is more stringent than the law requires, and places more of the burden on individuals. In previous drafts, CMS gave states the option of meeting the requirement through electronic matches with the Social Security administration, Medicare or any other system that kept citizenship information. In the letter to the State Medicaid Directors, CMS lists the documents accepted for establishing citizenship and identification, effective date, and reasonable opportunity timelines for applicants and recipients.

Important details of the letter include:

- All documents must be original.
- Individuals will only need to provide the documentation once.
- Citizenship documentation will be a requirement of eligibility for an initial application.
- Individuals renewing the Medicaid coverage should be given reasonable time to collect this documentation.

The Rhode Island Department of Human Services has not issued final regulations, but accepted comments at a public hearing on May 30.

Comments mirrored the concerns listed above with strong emphasis on utilization of supportive systems to establishing citizenship and identification. The federal regulations do give states the option of conducting electronic matches with state vital statistics to obtain birth certificate information.

### Cost-Sharing for Formerly Exempt Groups

Under the DRA, States can now impose cost-sharing in form of monthly premiums, prescription co-pays and service co-pays to populations formerly exempt from cost-sharing. States now have the flexibility to require cost-sharing for children without applying for a waiver to the State's Medicaid plan. Experience has shown that increased cost-sharing for low-income families can result in loss of coverage. Even minimal increases in the cost of care can have detrimental effects for children.

For more information visit [cms.gov](http://cms.gov).

"RtIe Care covers thousands of Rhode Islanders who aren't offered health insurance on the job, and that means fewer sick days, better health outcomes and better access to good medical care."

— Mark Reynolds, Chief Executive Officer, Neighborhood Health Plan of Rhode Island, *Providence Business News*, vol. 21, number 6

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*RI Department of Human Services*

# RItE Smiles

## Dental Benefits Manager Program

Rhode Island has a new dental program for young children called **RItE Smiles**. Children will be eligible for the RItE Smiles Program if they have RItE Care, RItE Share or Medical Assistance fee-for-service coverage and if they were born on or after May 1, 2000. The dental benefits package available to children in RItE Smiles is the same as the dental benefits in Medical Assistance fee-for-service. Older children who have Medical Assistance coverage and who were born on or before April 30, 2000 will not be enrolled in RItE Smiles, but will continue to be eligible for dental services through Medical Assistance fee-for-service.

RItE Smiles is designed to increase access to dental care for children on Medical Assistance and help prevent serious oral health problems as children get older. The Department of Human Services is contracting with a dental ben-

efit manager company: *UnitedHealthcare Dental – Let's Smile*. This new dental plan will develop a network of dental providers, process claims, and provide member and provider services.

The Department of Human Services (DHS) will begin to enroll eligible children into the dental plan on September 1, 2006. There are currently 30,000 children who are eligible for RItE Smiles. Enrollment of eligible children will occur over several months. This time frame will

allow the newly formed dental plan to establish a network of dental providers. Initial funding for the development and launch of the RItE Smiles Program was provided by a grant from the Robert Wood Johnson Foundation. For more information on RItE Smiles, see [www.dhs.ri.gov](http://www.dhs.ri.gov) under 'Dental Services' or call the DHS Info Line at (401) 462-5300.



## Thank You!

*Covering Kids & Families Rhode Island thanks all of our funders for their generous support of our efforts to ensure that Rhode Island's children and families have access to affordable, quality health insurance.*

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UnitedHealthcare of New England  
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