Program Evaluation:

State Children's Health Insurance Program (SCHIP)

Prepared for the Committee on Legislative Research
by the Oversight Division

Jeanne Jarrett, CPA, Director

Evaluation Team:
Steve Shiery, CPA, Team Leader, Karla Strobel, CPA, Greg Beeks
Also contributing to this report were:
Mickey Wilson, CPA
Julie Miller, CPA
Maggie White, CPA
Paula McClanahan

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Table of Contents

COMMITTEE ON LEGISLATIVE RESEARCH i

LETTER OF TRANSMITTAL iii

EXECUTIVE SUMMARY iv

CHAPTER 1 1

CHAPTER 2 6

APPENDIX A

APPENDIX B

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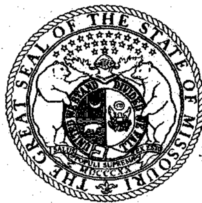

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September 12, 2001

Members of the General Assembly:

The Joint Committee on Legislative Research adopted a resolution in May, 2000, directing the Oversight Division to perform a program evaluation of State Children's Health Insurance Program (SCHIP) within the Department of Social Services to determine and evaluate program performance in accordance with program objectives, responsibilities, and duties as set forth by statute or regulation.

The accompanying report includes Oversight's comments on internal controls, compliance with legal requirements, management practices, program performance and related areas. We hope this information is helpful and can be used in a constructive manner for the betterment of the state program to which it relates.

Respectfully,

Senator Larry Rohrbach
Chairman

EXECUTIVE SUMMARY

In 1998, the Missouri General Assembly passed Senate Bill 632 which established the Children's Health Insurance Program within the Department of Social Services to pay for health care for uninsured children. The Department of Social Services (DOSS) refers to the program as MC+ for Kids. Designed to reach children from working families with incomes too high to qualify for Medicaid but too low to afford private insurance, the program was implemented in September, 1998 as an expansion to the existing Medicaid program. Program costs are funded 72% by the federal government and 28% by the state. The program has three levels based on available income as a percentage of the federal poverty level. Families with incomes of zero to 185% of the poverty level are eligible at no cost; families with income from 186% to 225% of the poverty level pay a $5 co-pay for professional visits; and families from 226% to 300% of the poverty level pay a $10 co-pay for professional visits and a monthly premium. A family of five could have income of $58,560 and qualify under the premium plan. As of June 30, 2000, 63,577 children were enrolled in MC+ for Kids. Of those, 79% were at the no-cost level, 17% were in the lowest co-pay level and 3% paid co-pays and premiums. Total state fiscal year 2000 expenditures for the program were $51,940,755.

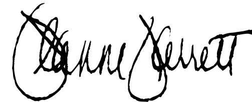
The Oversight Division has concluded DOSS does not collect enough information to ensure that only eligible applicants are accepted into the program. For example, DOSS has not obtained adequate information regarding other health care insurance available to applicants. Also, DOSS does not directly ask applicants if household members have had health insurance in the six months preceding application. These are key factors in determining eligibility. DOSS also fails to request that applicants list their assets, as suggested by a Senate Appropriations Sub-Committee in April, 1999. This would assist DOSS in determining an applicant's net worth, another factor in determining eligibility.

It appears the provisions of the law pertaining to the payment of monthly premiums for families at certain income levels has not been efficiently implemented. DOSS has charged premiums which are less than the Missouri Consolidated Health Care Plan rate required by SB 632. Also, DOSS has failed to implement a required family cost limit. From the onset, DOSS has chosen to out-source the collection of premiums. Only 3% of those in the program are required to pay a monthly premium. Due to the high fixed cost included in the vendor's contract, collecting premiums from a relatively small group of families has proven to be expensive. Collection costs exceeded total premium revenues for the first two fiscal years. Oversight recommends DOSS consider a more cost-efficient method of collecting premiums. Finally, DOSS does not adequately track client telephone numbers, eligibility fraud referrals, or program expenditures.

DOSS conducted outreach and enrollment efforts, shortened the application process, and attempted ro remove barriers to those who might apply in their effort to increase enrollment in the program. However, the number of children in the program still significantly lagged behind original estimates.

Oversight concluded that enough data does not yet exist to make an assessment of the reduction of the number of uninsured children in Missouri resulting from the MC+ for Kids program.

Oversight Division wishes to thank the Department of Social Services staff for their cooperation and assistance during the evaluation.



Jeanne Jarrett, CPA
Director, Oversight Division

CHAPTER 1 - INTRODUCTION

PURPOSE

The General Assembly has provided by law that the Committee on Legislative Research may have access to and obtain information concerning the needs, organization, functioning, efficiency and financial status of any departments of state government or of any institution that is supported in whole or in part by revenues of the State of Missouri. The General Assembly has further provided by law for the organization of an Oversight Division of the Committee on Legislative Research. Upon adoption of a resolution by the General Assembly or upon adoption of a resolution by the Committee on Legislative Research, the Oversight Division performs investigations into legislative and governmental institutions of this state to aid the General Assembly.

The Committee on Legislative Research directed the Oversight Division to perform a program evaluation and expenditure review of the State Children's Health Insurance Program (SCHIP) for the purpose of providing information to the General Assembly regarding proposed legislation and appropriation bills.

BACKGROUND

Congress passed the federal State Children's Health Insurance Program (SCHIP) under Title XXI of the Social Security Act. Federal allotments became available to states for the initiation of SCHIP on October 1, 1997. In 1998 the Missouri General Assembly passed Senate Bill 632 which established SCHIP within the Department of Social Services (DOSS) to pay for health care for uninsured children. The Department of Social Services has named the program MC+ For Kids. The program was implemented in Missouri in September, 1998 as an expansion of the existing Medicaid program. The program was designed to reach children from working families with incomes too high to qualify for Medicaid, but too low to afford private insurance. Missouri qualifies for federal reimbursement of approximately 72% of medical assistance payments since approval of the waiver filed with the Health Care Financing Administration (HCFA) under Section 1115 of the Social Security Act. By December, 1999 all fifty states had developed SCHIP plans which have been approved by HCFA. Eighteen percent of the states' SCHIP plans are combined Medicaid expansion and separate state programs, nineteen percent are Medicaid expansion programs and twenty-eight

percent are operated as separate SCHIP programs by the states.

Children are defined as persons up to nineteen years of age who have not had access to health care coverage for six months prior to application to the program. Senate Bill 632 authorized DOSS to pay for coverage of health care services for uninsured children whose parents or guardians have available income up to 300% of the federal poverty level (FPL). MC+ For Kids includes three levels of care based on available income as a percentage of the federal poverty level. Families with incomes from zero to 185% of the FPL are eligible at no cost. Families with incomes from 186% to 225% of the FPL must pay a $5 co-pay for professional visits. Families with incomes from 226% to 300% of the FPL must pay a $10 co-pay for professional visits, a $5 co-pay for each prescription and a monthly premium in order to participate in MC+ For Kids. For the period September 1, 1998 through June 30, 1999 the premium per family per month was $65. Beginning July 1, 1999 the premium per family per month is $68. The cost of premiums is adjusted based on the average cost of state employees' insurance. The following table summarizes the levels of care with the corresponding FPL, co-pays and premium payments based on maximum monthly income per family size.

Maximum Monthly Income Per Family Size

What Enrollee Pays	2	3	4	5
Level 1 (0 to 185% of FPL) No-Cost	$1,706	$2,140	$2,575	$3,010
Level 2 (186% to 225% of FPL) Co-Pay*	$2,074	$2,603	$3,132	$3,660
Level 3 (226% to 300% of FPL) Premium**	$2,765	$3,470	$4,175	$4,880

*$5 Visit and No-Cost Prescriptions
**68 Monthly, $10 Visit and $5 Prescriptions

As of June 30, 2000, a total of 63,577 children were enrolled in SCHIP. Of the total enrollees, 79% were enrolled in level of care one, 17% were in level of care two and 4% were in level of care three.

The following table summarizes enrollment growth from the beginning of the program through June 30, 2000:

MC+ For Kids Enrollment

Date	Enrollment
Sept. 30, 1998	9,537
Oct. 31, 1998	15,987
Nov. 30, 1998	20,338
Dec. 31, 1998	23,998
Jan. 31, 1999	26,212
Feb. 28, 1999	29,810
Mar. 31, 1999	34,172
Apr. 30, 1999	36,894
May 31, 1999	39,690
June 30, 1999	42,251
July 31, 1999	44,606
Aug. 31, 1999	46,618
Sept. 30, 1999	49,374
Oct. 31, 1999	51,198
Nov. 30, 1999	52,833
Dec. 31, 1999	54,306
Jan. 31, 2000	55,210
Feb. 29, 2000	56,673
Mar. 31, 2000	56,928
Apr. 30, 2000	58,284
May 31, 2000	59,408
June 30, 2000	63,577

MC+ For Kids operates as a managed care program in three regions of Missouri: the Western Region, Central Region, and Eastern Region. The remainder of the state operates as a fee-for-service plan. DOSS contracts with managed care plans, and payments to the plans are based on capitation rates. Managed care plans require enrollees to utilize a primary care physician to act as a "gatekeeper" for services. Under fee-for-service plans, DOSS reimburses providers as the services are performed based on a fee schedule.

The following summary identifies the number of children enrolled in managed care plans in each region as of June 30, 2000, with the remaining number of total enrollees in fee-for-service areas:

Eastern Region Enrollment =		12,137
Central Region Enrollment =		6,225
Western Region Enrollment =		11,123
Total Managed Care Enrollment =	29,485	

The remaining population enrolled in MC+ For Kids is in the fee-for-service area of the state. The number of children enrolled in fee-for-service areas is 34,092.

DOSS has identified three specific barriers to enrollment which they have been trying to overcome. These include the application process, language barriers and premium payments. The previous application for Medicaid was twenty-one pages long. Many potential enrollees were discouraged from applying due to the lengthy application. DOSS' solution to this barrier was to shorten the application for MC+ For Kids to two pages. To aid in the application process, the Department has established telephone centers where people can call to apply for MC+ For Kids.

The language barrier has expanded in Missouri with the recent influx of non-English speaking immigrants. Many potential enrollees from this population have not been exposed to MC+ For Kids because materials are normally printed in English. DOSS has recently revised the application and some of its marketing material to include Spanish. Additionally, the staff at DOSS has attempted to hire Spanish-speaking caseworkers to act as a liaison between the state and the applicant.

Another barrier to enrollment and participation in MC+ For Kids is the payment of the $68 premium. In a telephone survey of 2,414 MC+ members, 324, or 16% of the total sample, indicated that having to pay a portion of the premium and co-payment would prevent them from seeking health services. Two-hundred-sixty-four (over 13%) reported that at some point having to make a co-payment prevented them from going to the doctor.

Outreach activities conducted by DOSS to promote MC+ For Kids include promotional materials, radio and television advertisements, toll-free hotlines, a web site, and stationing Division of Family Service caseworkers at sites with targeted populations. Information is placed at local doctor's offices, county health offices and hospitals.

State expenditures for state fiscal year 2000 are included in the following table:

MC+ For Kids FY 2000 Expenditures

Type of Expenditure	Amount
Medical Assistance Payments*	$50,479,223
Outreach	292,339
Enrollment	256,141
Premium Collection Fees	720,828
Contracted Study	192,224
TOTAL	$51,940,755

*72.31% was reimbursed through the Federal Medical Assistance Percentage (FMAP) for SCHIP.

OBJECTIVES

The objectives of the Oversight Division's evaluation of the State Children's Health Insurance Program included determining state and federal SCHIP spending, determining the number of children enrolled, analyzing the enrollment process, comparing fiscal note estimates to actual results, and obtaining information from other states.

SCOPE

The scope of the evaluation included the time period from September, 1998 through June 30, 2000. This period includes the beginning of Missouri's Children's Health Insurance Program through the end of the most recent state fiscal year.

METHODOLOGY

To satisfy the objectives of the program evaluation, the Oversight Division interviewed DOSS staff, examined federal reports, compiled SCHIP expenditures, examined SCHIP client files and surveyed other states.

CHAPTER 2 - COMMENTS AND RECOMMENDATIONS

Section A - Eligibility Determination

Comment #1

The Department of Social Services has not adequately documented information on other health care benefit programs available to program participants.

State law and program regulations require the Department to determine if other health care programs are available to applicants, since the program is only available to participants who do not have access to health care insurance at a reasonable cost. It did not appear the Department collected adequate information to allow its employees to make this critical decision.

We reviewed a sample of program participants who were paying premiums for their childrens' health care benefits. We noted that documentation of alternative providers' rates was not consistently available in the participant files. We initially selected 30 participant files for review but the Department could only provide 25 of the selected files. One file the Department provided was missing the section with health care information. Of the 25 files we reviewed, 44% had no information available for other health care plans available. Of the remaining files, 36% had an indication that an employer-sponsored health care plan was available and 12% had an indication that other plans were available. Only 8% of the files we reviewed were former Medicaid clients.

The information regarding other health care plans available in the files we reviewed was limited to notes on department forms, which appeared to have been recorded in an interview with the applicant or completed by the applicant. None of the files we reviewed had written quotes from insurance agencies for health insurance. None of the files with estimated cost for employer-sponsored health care plans had the employee information documentation which employers provide to new employees.

We noted that the level of effort expended by Department staff to obtain this information varied by location. We noted a few counties used a worksheet to document rate quotes obtained from applicants, while most of the counties only recorded quotes on the Department intake/interview worksheet. We even noted one instance where a county used a checklist to itemize the information required from applicants, but the checklist did not address the need for health care insurance quotes.

Recommendation

The Oversight Division recommends the Department develop a system for documenting the cost of alternative health insurance programs in SCHIP applicant files. The system could include worksheets, example documents including quotes, and instructions for social service workers.

Comment #2

The Department of Social Services does not ask applicants if they have been insured for six months prior to application.

The eligibility requirements for MC+ For Kids include not having access to employer-subsidized health insurance or other health care coverage for six months prior to application for MC+ For Kids. The purpose of the six-month waiting period is to address concerns regarding the effect of the program on private insurance. The MC+/Medicaid application asks if anyone in the household has lost insurance coverage in the last six months and if health insurance is available for any family member through an employer or other group membership. But the application does not directly ask if the household members have had health insurance in the six months preceding application. Oversight was unable to determine what percentage of current enrollees would have been ineligible for coverage due to the six-month provision in the law.

Recommendation

The Oversight Division recommends DOSS consider rewording the Medicaid/MC+ For Kids application to ask directly whether the persons for whom coverage is requested have had access to affordable health coverage in the six months preceding application. DOSS may also consider obtaining a release from the applicant authorizing DOSS to contact their physician’s office and employer or prior employer to verify the lack of insurance for six months.

Comment #3

The Department of Social Services has not required a list of assets be included with the MC+ For Kids application.

In April of 1999, the Appropriations Sub-Committee recommended that the Department of Social Services add a list of assets to the MC+ application in order to help applicants determine whether their net worth is greater than $250,000. Net worth is the value of everything a person owns minus any debt. A listing of assets would allow applicants to understand how to determine their net worth and would allow DOSS staff to review eligibility easily.

The MC+ For Kids application asks one question: "Is your net worth: less than $50,000, $50,000 to $100,000, $100,000 to $150,000, $150,000 to $200,000, $200,000 to $250,000, or above $250,000?" The application asks the person to list their assets such as bank accounts, stocks, vehicles, home, real and personal property, etc., but it does not mention any related debt examples.

The Department agreed in a response to the sub-committee that they needed to improve their verification of an applicant's assets. They also agreed to include this change in their application. However, the Department does not verify assets of the applicant and has not added a list of assets to the application.

Recommendation

The Oversight Division recommends the Department of Social Services, Division of Family Services, include a list of assets and related debt. It would enable DOSS to determine whether an applicant could possibly exceed the $250,000 net worth limit.

Section B - Program Administration

Comment #4

The process for setting MC+ for Kids premiums is inconsistent and does not comply with statutory requirements.

Senate Bill 632 makes parents of children enrolled in the program who have adequate incomes responsible for a premium equal to the average premium for the Missouri Consolidated Health Care Plan (MCHCP). The Department has failed to charge premiums consistent with MCHCP rates, as set forth in the law. The Department created regulations for setting MC+ for Kids premium rates that provided monthly premiums be calculated yearly in March with an effective date of July 1 of that same calendar year. There are no provisions for changing the premium at any other time. As shown below, the Department changed the premium as of February 2, 2000.

	SCHIP Premium	MCHCP Premium
September 1, 1998 to December 31, 1998	$65	$68
January 1, 1999 to June 30, 1999	$65	$68
July 1, 1999 to January 31, 2000	$68	$68
February 2, 2000 to June 30, 2000	$80	$142

If the Department had properly charged the 1631 families enrolled and in premium payment status as of June 30, 2000, an additional $62 per month per family would have been collected, for a total of $1,213,464 for calendar year 2000.

The Department has not provided a way to ensure families do not pay more than 5% of their income for health insurance premiums and copay, as required by statute. Because of the low rates charged, this omission would appear to have a minimal effect on the program. However, as rates increase the importance of adhering to this provision of the statute will also increase. Any potential reduction in premium income for this provision is not included in the estimated additional premiums computed above.

Recommendation

The Oversight Division recommends the Department adopt a premium setting process which ensures compliance with statutory and requirements. The Department should provide the required maximum-cost provision in its premium process, and the Department could consider adopting the MCHCP premium by reference.

Comment #5

Collection costs exceeded premiums collected the first two program years.

Section 208.185, RSMo, requires families qualifying for SCHIP under level three coverage (incomes between 226% and 300% of the federal poverty level) to pay a monthly premium equal to the average premium required for the Missouri Consolidated Health Care Plan. As of June 30, 2000 approximately 3% of total SCHIP enrollees were in level three coverage, which totaled 1631 cases.

Premium revenues for FY 1999 were $224,433, and the contracted costs of collection were $600,690. Therefore, the collection of premiums resulted in a net loss to the state of $376,257 for FY 1999.

Premium revenues for FY 2000 were $727,771, and the contracted costs of collection were $720,828. Therefore, the collection of premiums resulted in net revenues over expenditures of only $6,943 in FY 2000.

Fiscal Year	**1999**	**2000**
Premium Revenues	$224,443	$727,771
Premium Collection Expenditures	($600,690)	($720,828)
Revenues Over (Under) Expenditures	($376,257)	$6,943

The contracted costs of collection are not based on the number of enrollees in the program. The costs are a fixed $60,069 per month regardless of the number of documents processed or amount of money collected. The cost of collecting a $68 monthly premium payment ranged from an estimated high of $158 to the current amount of $24. As the number of enrollees paying premiums increases, the cost of collection per payment decreases.

Recommendations

The Oversight Division recommends the Department of Social Services consider a more cost-efficient method of collecting premiums.

Comment #6

The telephone numbers in the computer system for MC+ eligibles are not necessarily accurate.

The DOSS computer field which contains the telephone number for clients is not an updatable field unless the case is closed and reopened. Therefore, as phone numbers change during the coverage period, the client information in the system is not updated. The most recent phone number would only be located in the paper file located at the regional office.

The health benefits manager (HBM) may need to contact the client during the initial enrollment or annual open registration period for MC+ For Kids clients. If the enrollment packet is not deliverable or if the HBM needs to contact the client, then it would be helpful if the most recent telephone number would be available in the computer system to contact the client or prospective client.

Recommendation

The Oversight Division recommends DOSS make system changes allowing the telephone number field to be updated.

Comment #7

The DOSS Division of Family Services does not separately track MC+ For Kids eligibility fraud referrals made to the DOSS Welfare Investigation Unit (WIU).

The DOSS Division of Family Services does not separately track MC+ For Kids eligibility fraud referrals made to the DOSS Welfare Investigation Unit (WIU).

Tracking MC+ For Kids referrals to the Welfare Investigation Unit would enable the Division of Family Services (DFS) to Monitor the reasons for the referrals. Monitoring reasons for MC+ For Kids referral to the WIU would inform the Division of potential problems with applicants and allow the Division of Family Services to revise their verification process, if necessary.

DFS enters MC+ For Kids overpayments with all other Medicaid overpayments. Therefore, it is not known how many, if any, MC+ For Kids referrals have been made to the Welfare Investigation Unit.

Recommendation

The Oversight Division recommends the Division of Family Services (DFS) track MC+ For Kids referrals made to the WIU. Oversight also recommends DFS verify the eligibility criteria of a sample of enrollees annually to determine the amount of potential eligibility fraud.

Comment #8

The Department of Social Services does not adequately track program expenditures.

Recorded expenditures for the MC+ For Kids program include medical assistance, outreach, and contracted services. These expenditures totaled approximately $52 million in FY 2000.

Reports from DOSS to the Health Care Financing Administration include medical assistance payments of approximately $50 million in FY 2000.

A. Outreach expenditures of approximately $292,000 in FY 2000 were paid through the Department's state budget, and records are maintained by the Outreach Coordinator. We found additional outreach costs of approximately $300,000 in FY 2000 from the Robert Wood Johnson Foundation grant were paid by an outside organization on the Department's behalf, and were not included in the Department's budget or the related financial records.

B. Contract service expenditures are maintained by Information Systems personnel for enrollment and premium collections with the health benefits manager. However, MC+ For Kids payments to the health benefits manager (HBM) are not accounted for separately from the other Medicaid populations served by the HBM. The Oversight Division calculated the payments to the HBM for MC+ For Kids. Enrollment expenditures were approximately $256,141 for FY 2000. Premium collection expenditures were approximately $720,828 for FY 2000.

   Management Services personnel maintain the contract service expenditures for an MC+ For Kids study which totaled $192,224 in FY 2000.

Because all of the program revenues and expenditures are not maintained in the Department's budget system and related financial records, budgeting, monitoring, and accounting for the program are more complex than necessary. Further, allowing expenditures related to the program to be made by outside organizations from donated funds could be considered a circumvention of the appropriation process.

Recommendation

The Oversight Division recommends the Department process all revenues and expenditures related to the program through its state appropriated budget funds. Oversight also recommends all program records be maintained by managers for this program. Program revenues and expenditures which must be managed by staff outside this program should be reported to managers for this program so that total revenues and expenditures are easily determined.

Section C - Program Effectiveness

Comment #9

Data does not yet exist to make an assessment of the reduction of the number of uninsured children in Missouri resulting from the MC+ For Kids program.

The SCHIP program in Missouri began serving clients in September of 1998. The latest data on the numbers of uninsured Missourians (estimates from the Census Bureau's Current Population Survey) are as of the end of calendar year 1998, three months after MC+ For Kids began offering services. While the estimates of the percentage of uninsured children as of the end of 1998 (9.1%, about 131,000 children) were lower than the estimates derived from the 1996 survey (12.3%, about 185,000 children), three months seems to be a short time for the MC+ For Kids program to have made a difference.

The results of the Current Population Reports based on the survey for 1999 should be available later this year.

Recommendation

The Oversight Division recommends a follow-up evaluation be performed on the MC+ For Kids program when more data is available.

Comment #10

Department of Social Services (DOSS) had not reached the estimated enrollment of 68,476 included in the fiscal note for SB 632.

Department of Social Services (DOSS) had not reached the original estimated enrollment of 68,476 for FY 1999 included in the fiscal note for SB 632. As of June 30, 1999, DOSS actually had 42,251 children enrolled in SCHIP. As of June 30, 2000, DOSS had 63,577 children enrolled. Therefore, as of June 30, 2000, DOSS still had not reached the original estimate of enrollment included in the fiscal note.

The estimated costs included in the fiscal note for SB 632 were based on the Current Population Survey (CPS) of uninsured children in Missouri of 91,301. DOSS estimated in the fiscal note that they would have 68,476 children enrolled in state fiscal year 1999, which is 75% of 91,301.

The costs included in the fiscal note for medical assistance payments were overstated because medical assistance payments were based on the number of enrollees. Medical assistance payments included in the fiscal note for FY 1999 were $58,901,384, and actual costs for FY 1999 were $17,780,479 (difference of $41,120,905). Medical assistance payments included in the fiscal note for FY 2000 were $81,615,082, and actual costs were $50,479,223 (difference of $31,135,859).

Recommendation

The Oversight Division recommends DOSS consider the rate at which a new program will grow when preparing fiscal note estimates.

Comment #11

The estimates of the numbers of uninsured children by county have no statistical validity.

The Department of Social Services publishes lists of the number of uninsured children in each county of Missouri and the number of children in each county enrolled in MC+ For Kids. However, there is no statistical validity for the estimates of the numbers of uninsured children by county.

The estimates of the number of uninsured children eligible for MC+ For Kids in Missouri were based on the Current Population Survey (CPS) carried out by the federal Census Bureau of the Department of the Treasury. The Missouri sample was not large enough to project to any substate area with any statistical validity.The estimates made by DOSS assumed that the distribution of children eligible for MC+ For Kids would be the same as the distribution of traditional Medicaid-eligible children. Besides the fact that the CPS sample of Missouri households was

not large enough to project to substate areas, the household incomes of families eligible for MC+ For Kids is not the same as households eligible for traditional Medicaid. Therefore, the success of the MC+ For Kids program in reaching eligible children by county is being evaluated on the basis of invalid data.

Recommendation

The Oversight Division recommends the following:

- DOSS should discontinue publishing lists by county which contain invalid estimates of the numbers of children eligible for MC+ For Kids.
- DOSS should publish lists with the numbers of MC+ For Kids enrollees. This list could include historical data showing how the number of enrollees per county has increased or decreased.
- The General Assembly and the Department of Social Services should consider whether it would be cost-effective to conduct or contract for a Missouri survey which would provide a sample resulting in valid estimates of uninsured children eligible for MC+ For Kids by county.

Comment #12

The State Children's Health Insurance Program lacks an adequate number of dental providers to serve the eligible children.

The Children's Dental Health Project surveyed Medicaid reports from 15 states. A summary of their results for these states provided reasons why dentists do not participate in Medicaid. The reasons include low reimbursement rates in a health care environment with high overhead, the perception of administrative problems with Medicaid, and patients who do not fit the expectations of the dentist.

According to information included in DOSS' FY 2000 budget request, an evaluation of the Missouri Medicaid Dental Program was conducted by researchers at the University of Missouri-Kansas City School of Dentistry and the University of Iowa Public Policy Center and College of Dentistry. In their report dated March, 1999, the major problem encountered in getting dentists to participate in the Missouri Medicaid program is low reimbursement rates. However, Missouri only has one dental school, University of Missouri, Kansas City, which graduates only sixty-five to eighty dentists annually. According to information from the Missouri Dental Board, the number of licensed dentists in Missouri has decreased from 3,926 in fiscal year 1990 to 3,144 in fiscal year 2000. This represents a 20% decrease.

MC+ For Kids enrollees use the same dental providers as other MC+ participants. Based on data from the Department of Social Services, the ratio of MC+ enrollees to participating dentists is as follows:

Eastern Region – Dentists to enrollee ratio = 1:356
Central Region – Dentists to enrollee ratio = 1:504
Western Region – Dentists to enrollee ratio = 1:179

The number of MC+ enrollees to actively participating dentists statewide is 1:480 for FY 1999 and 1:468 for FY 2000. However, this ratio does not reflect the total patient population of a particular dentist that is competing for services along with the MC+ enrollees.

A report from the National Conference of State Legislatures titled, "Insuring More Kids", dated August, 1999 includes reforms used by states to improve access to dental care for children eligible for Medicaid and SCHIP. The reforms include "increasing reimbursement rates, simplifying administrative tasks, expanding the scope of practice for dental hygienists, creating school-based dental clinics, and forgiving loans for new dentists".

The Missouri General Assembly gave the Department of Social Services $6.3 million in FY 1999 to increase reimbursement rates as part of a three-year plan to bring the rates from an average of 44% to 75% of dentists' charges. The FY 1999 increase brought the reimbursement rates to 54% of usual, customary and reasonable charges (UCR). Reimbursement rates for other services are 40% to 50% of the Medicare rate (which is a lower rate than UCR) for physicians, 67% to 78% of UCR for psychologists and 84% of UCR for optometrists.

Recommendation

The General Assembly should consider options to increase the number of dentists participating in the program to improve access to dental care for children eligible for MC+ For Kids.

APPENDIX A

State	Plan Implemented	Age	% FPL	Plan Type	SCHIP Eligible Children*	SCHIP enrollees FFY 1999	% Uninsured Enrolled
Alabama	2/1/98	18	200	C	154,000	38,980	25.31%
Alaska	3/1/99	18	200	M	11,000	8,033	73.03%
Arizona	11/1/98	15	200	S	190,000	26,807	14.11%
Arkansas	10/1/98	18	200	M	92,000	913	0.99%
California	3/1/98	18	250	C	1,281,000	222,531	17.37%
Colorado	4/22/98	18	185	S	72,000	24,116	33.49%
Connecticut	7/1/98	18	300	C	53,000	9,912	18.70%
Delaware	2/1/99	18	200	S	13,000	2,433	18.72%
DC	10/1/98	18	200	M	16,000	3,029	18.93%
Florida	4/1/98	18	200	C**	444,000	154,594	34.82%
Georgia	11/1/98	18	200	S	214,000	47,581	22.23%
Hawaii	7/1/00	18	100	M	13,000	0	0.00%
Idaho	10/1/97	18	150	M	31,000	8,482	27.36%
Illinois	1/5/98	18	185	M	211,000	42,699	20.24%
Indiana	10/1/97	18	200	C	131,000	31,246	23.85%
Iowa	7/1/98	18	185	C	67,000	9,795	14.62%
Kansas	1/1/99	18	200	S	60,000	14,443	24.07%
Kentucky	7/1/98	18	200	C	93,000	18,579	19.98%
Louisiana	11/1/98	18	150	M	194,000	21,580	11.12%
Maine	7/1/98	18	200	C	24,000	13,657	56.90%
Maryland	7/1/98	18	200	M	100,000	18,072	18.07%
Massachusetts	10/1/97	18	200	C	69,000	67,852	98.34%
Michigan	5/1/98	18	200	C	156,000	26,652	17.08%
Minnesota	10/1/98	18	275	M	50,000	21	0.04%
Mississippi	7/1/98	18	200	C	110,000	13,218	12.02%
Missouri	9/1/98	18	300	M	97,000	49,529	51.06%
Montana	1/1/99	18	150	S	24,000	1,019	4.25%
Nebraska	5/1/98	18	185	M	30,000	9,713	32.38%
Nevada	10/1/98	18	200	S	43,000	7,802	18.14%

New Hampshire	5/1/98	18	300	C	20,000	4,554	22.77%
New Jersey	3/1/98	18	350	C	134,000	75,652	56.46%
New Mexico	3/31/99	18	235	M	117,000	4,500	3.85%
New York	4/15/98	18	230	C**	399,000	521,301	130.65%
North Carolina	10/1/98	18	200	S	138,000	57,300	41.52%
North Dakota	10/1/98	18	140	C	10,000	266	2.66%
Ohio	1/1/98	18	150	M	205,000	83,688	40.82%
Oklahoma	12/1/97	18	185	M	170,000	40,196	23.64%
Oregon	7/1/98	18	170	S	67,000	27,285	40.72%
Pennsylvania	5/28/98	18	235	S**	200,000	81,758	40.88%
Rhode Island	10/1/97	18	250	M	19,000	7,288	38.36%
South Carolina	10/1/97	18	150	M	110,000	45,737	41.58%
South Dakota	7/1/98	18	140	M	17,000	3,191	18.77%
Tennessee	10/1/97	18	400	M	115,000	9,732	8.46%
Texas	7/1/98	18	100	C	1,031,000	50,878	4.93%
Utah	8/3/98	18	200	S	46,000	13,040	28.35%
Vermont	10/1/98	18	300	C	7,000	2,055	29.36%
Virginia	10/22/98	18	185	S	118,000	16,895	14.32%
Washington	2/1/00	18	250	S	85,000		0.00%
West Virginia	7/1/98	18	150	C	45,000	7,957	17.68%
Wisconsin	4/1/99	18	185	M	75,000	12,949	17.27%
Wyoming	12/1/99	18	133	S	15,000	0	0.00%
TOTAL					7,186,000	1,959,510	27.27%

FPL - Federal Poverty Level
FFY - Federal Fiscal Year (October 1 through September 30)
C - Combined Medicaid Expansion and Separate State Program (35%)
M - Medicaid Expansion (37%)
S - Separate State Program (28%)
*Estimates for federal allotments.
**State program started before federal SCHIP

Source: Health Care Financing Administration (HCFA)

APPENDIX B