

## for Child and Family Advocates

---

March 26, 2010

### *Priorities for the Fiscal Year 2011 State Budget:*

#### **Using “Express Lane Eligibility” To Ensure Health Coverage for All Kids**

##### **Background:**

Currently, there are approximately 150,000 uninsured children in Michigan, or 6.2 percent of all children. While this is below the national average of 11 percent, it has increased significantly over a short period of time. From 2006 to 2007, the percentage of uninsured children in Michigan grew from 4.7 percent to 6.2 percent. Even more disturbing was the increase for young children (0 to 5 years old) from 4.6 percent in 2006 to 7.8 percent in 2007.

As Michigan continues to lose jobs and employer paid health care, caseload estimates are expected to rise. Approximately 1 million children are now enrolled in MICHild (the State’s Children’s Health Insurance Program) and Medicaid (Healthy Kids). From 1999 to 2009, Medicaid caseloads increased by 50 percent, outpacing the national average of 31 percent. However, MICHild caseloads have remained relatively flat since 2002 when outreach services were cut from the state budget.

It is believed that many of the state’s uninsured children are eligible for either MICHild or Medicaid, but are not enrolled. Without the necessary outreach being performed in communities, the number of uninsured children will likely continue to increase, especially as the need grows.

Unfortunately, in the current budget year Michigan turned away approximately \$100 million in potential new federal funding because it chose not to invest—or raise the needed revenue—25 cents to generate one dollar for health care coverage for low-income children. In addition, barriers remain to enrolling eligible, uninsured children that must be addressed. Michigan needs healthy children—our economy and future rests in their hands as the workforce and leaders of tomorrow.

##### **Recommendations for Fiscal Year 2011:**

***Insert language requiring the DCH to implement “Express Lane Eligibility”:*** In February of 2009, the reauthorization of the Children’s Health Insurance Program (CHIPRA) was signed into law. The Act included many new tools to expand outreach and enrollment to cover all of the state’s uninsured children and improve access to high quality health care services.

One of the options given to states is to provide children with “express lane eligibility,” by allowing eligibility requirements for MICHild and Medicaid to be satisfied based on findings by other government agencies. For example, in New Jersey a question on its state’s income tax return determines if there are uninsured children in the household. Once the Treasury Department determines that the family meets the income eligibility guidelines, information is

shared with the Human Services Department, which sends an “express” application (1-page versus 14-pages) to the family. Another “express lane” method that can be used is automatically determining children who receive Food Stamps or free school lunches as eligible for MICHild or Medicaid.

The Michigan House of Representatives inserted language in the fiscal year 2010 Community Health budget requiring the automatic enrollment in MICHild of children meeting the income eligibility criteria for free breakfast, lunch, or milk as determined under the National School Lunch Act. This language was not included in the Senate original budget or the final version signed by the Governor.

Michigan’s Children urges legislators to include this language in the fiscal year 2011 DCH budget, modified to include enrollments in Medicaid as well. We believe that all children should be guaranteed coverage and access to affordable, high quality health care. By reaching out to children and families in a place that is trusted, like their schools, the number of uninsured children will decrease.

The DCH recently received \$3.7 million in CHIPRA Performance Bonus payments from the federal government for its performance in enrolling children in MICHild; these funds could be used to help cover any costs associated with implementing “express lane” enrollment. “Express lane” enrollment procedures will ensure that Michigan continues to be a leader and model for the country in prioritizing children’s health needs. Healthy children will lead to a strong Michigan economy and future.