12-Month Continuous Eligibility in Medicaid: Impact on Service Utilization

Shana Alex Lavarreda, PhD, MPP
Director of Health Insurance Studies and Research Scientist

Academy Health Annual Research Meeting
Seattle, WA
6/14/11
**Why Should We Care About 12-Month Continuous Eligibility in Medicaid?**

The 2010 Patient Protection and Affordable Care Act (ACA) mandates that, effective January 1, 2014, states implement an expansion of the Medicaid program.

- Includes everyone with household incomes below 133% of the Federal Poverty Level (FPL), both those with and without dependent children in the home.
- Estimated to increase the population in Medicaid by nearly 16 million people by 2019 (Congressional Budget Office, 2010).

As of December 2009, only 22 states used 12-month continuous eligibility in their Medicaid programs.

- Those 22 will remain, despite budget pressures, due to MOE requirements.
- California has faced numerous attempts to eliminate 12-month continuous eligibility as a means to reduce the state budget deficit through attrition.
  - Currently, only children have 12-month continuous eligibility. Adults are deemed eligible for only 6 months.
Background

What is “12-month continuous eligibility” in Medicaid?
- A method for reducing barriers for retaining coverage.
- Allows enrollees to remain in Medicaid without reapplying for the next twelve months.

In January 2001, California implemented 12-month continuous eligibility in Medi-Cal.
- After the first year, enrollment increased by 13.5%.
- By December 2002, enrollment had increased an additional 20.3%.

Our main research question: What is the connection between 12-month continuous eligibility and children’s access to care?
Data and Methods

Study will determine:

- Changes in health care utilization for children with continuous coverage before and after implementation of continuous eligibility
- Changes in utilization for children with discontinuous coverage before and after the policy change
- Magnitude of the difference in the change in utilization rates

Data:

- Medi-Cal eligibility files and claims data, at the individual-level
- Monthly files from years 2000 and 2001, including managed care and fee-for-service enrollees

Methods:

- T-tests on unadjusted utilization rates by insurance status.
- Multivariate logistic regression controlling for available demographics.
- Compares health services utilization rates before and after implementation of continuous eligibility.
If 12-month continuous eligibility had operated in the real world as well as in theory, then the number of children with discontinuous coverage would have been close to zero.

In 2001, over 447,000 children with discontinuous Medi-Cal coverage.

- Represents a drop in the number of children with discontinuous coverage by ¼.
**Multivariate Regression Findings**

**Multivariate regression results:**
- In 2001, children were more likely to have any use of the health care system, both for ER visit (OR=1.019, p<0.001) and for any doctor visit (OR=1.024, p<0.001).
  - Odds of having a child well check was lower in 2001 than in 2000 (OR=0.809, p<0.001).
- Controlled for insurance status, gender, race/ethnicity, age group, language spoken at home, and region (including managed care vs. fee-for-service).

**Unexpected results indicate limitations of the analysis**
- Only have data on children with care paid for by Medi-Cal and cannot capture their health system use that was not paid for by Medi-Cal.
- Limitations of data capacity did not allow for analyzing data from additional years before and after the intervention.
- Other unmeasured factors (such as household income, health status, etc.) may have influenced utilization patterns.
Conclusions

- A clear public health benefit of 12-month continuous eligibility:
  - More children gain continuous coverage.
    - Did reduce the number of discontinuously enrolled children by ¼.
    - Have a higher likelihood of seeing a doctor during the year as per recommended guidelines from the American Academy of Pediatrics.

- Continuously enrolled children also tend to use emergency rooms more, which may indicate avoidance of any medical care by discontinuously insured children.
  - Represents an avenue for improvement in Medicaid, as parents will use emergency departments less when there is adequate access to a doctor’s office.
Where Do We Go From Here?

- ACA folds eligibility determination for Medicaid into the new web-based Exchanges, and the law suggests presumption of 12-month continuous eligibility.
  - Major shift in focus to federal policy goal of *keeping* coverage for all.

- Unclear if future HHS regulations will require states to have 12-month continuous eligibility for the new expansion population.

- Remaining issues for clarification in every state:
  - Will 12-month continuous eligibility exist in the Exchange and their Medicaid program?
  - Will it be used for retention of both children *and* their parents?
  - Will it be used for retention of single, childless adults?