



Enrollment

# Fast-Track Medicaid Enrollment Saves States Money

It is clear from previous and current enrollment efforts that there can be significant challenges in getting consumers to enroll in health coverage, even when they are eligible for financial help.<sup>1</sup>

To make Medicaid enrollment easier and more streamlined, the Centers for Medicare and Medicaid Services (CMS) has offered states several options to “fast-track” and simplify the Medicaid enrollment process.<sup>2</sup> Although only six states have taken up these options,<sup>3</sup> **participating states have found that they are able to enroll large numbers of people with administrative simplicity, saving time and overhead costs.**

There are two key strategies for states to consider:

» **The first option (“SNAP option”)** allows states to use data from the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) to identify individuals with incomes below the state’s Medicaid income eligibility threshold. Using this data, states can identify individuals who are eligible for, but not enrolled in, Medicaid. Once these individuals give consent, they can be enrolled in Medicaid without completing a full Medicaid application or undergoing a separate eligibility determination.

» **The second option (“Parent/child option”)** allows states to use children’s Medicaid enrollment data to identify parents who are eligible for, but not enrolled in, Medicaid. Like the SNAP option, these parents would simply need to give consent, and would not have to complete a separate Medicaid application to enroll.

Because so many of the uninsured either are already receiving SNAP benefits or have children enrolled in Medicaid, using these strategies to streamline Medicaid outreach and enrollment could be among the most effective ways to reduce the number of uninsured. Approximately 24 percent of the uninsured across the country are currently enrolled in SNAP.<sup>4</sup> Furthermore, an estimated 37.1 million consumers enrolled in SNAP would likely be eligible for coverage if all states were to expand Medicaid (though not all of these consumers are uninsured).<sup>5</sup> An additional 4.7 million uninsured parents who are likely eligible for coverage under Medicaid expansion<sup>6</sup> already have a child enrolled in Medicaid.<sup>7</sup>

The states—Arkansas, California, Illinois, Oregon, and West Virginia<sup>8</sup>—that had implemented these strategies as of April 30, 2014, have used them to enroll more than 550,000 people in Medicaid.<sup>9</sup> This piece provides an overview of the administrative savings realized in two of those states—Illinois and West Virginia. Figure 1, below, shows how fast-track enrollment may work compared to the standard Medicaid application process.

Fast-track enrollment strategies do more than help people sign up for Medicaid—they save states money. These strategies speed up the eligibility process by allowing states to use information they already have on file from other public benefit programs.

By vastly reducing the time eligibility workers spend processing Medicaid applications, fast-track strategies can reduce administrative expenses. This brief examines the costs and savings of two states—West Virginia and Illinois—implementing fast-track enrollment in Medicaid.

## Administrative Benefits of Implementing Fast-Track Enrollment Strategies

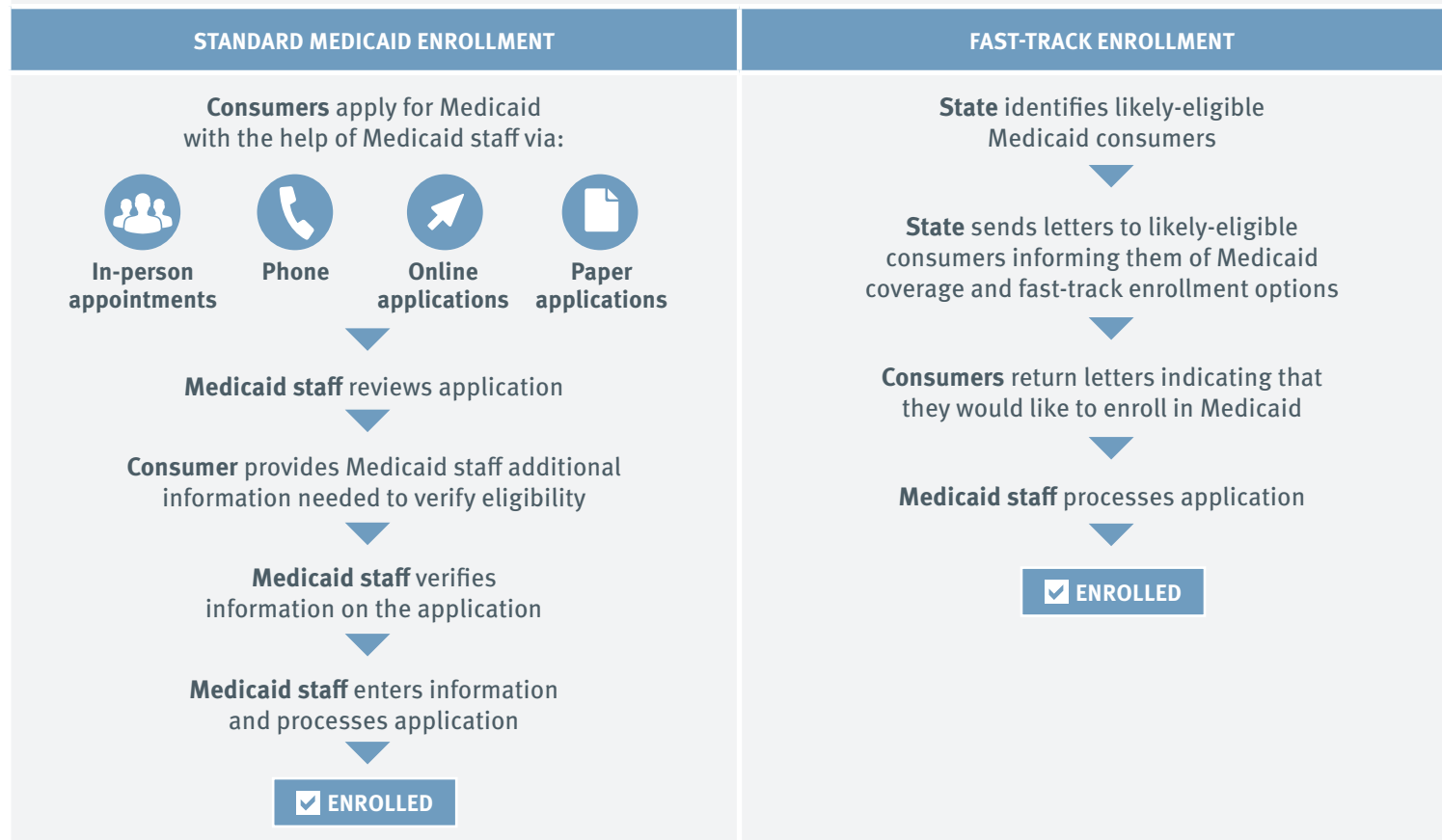
### Reduced Application Processing Time

Fast-track strategies enable Medicaid eligibility staff to save valuable time and resources by reducing the time needed for eligibility workers to process

incoming applications. Instead of spending time managing applications for individuals who already have information verified by the state (and are thus known to qualify for Medicaid), these eligibility workers can instead focus on handling applications from those who still need to have information verified.

Implementing fast-track enrollment saves a significant amount of time. In West Virginia, each application

Figure 1: Comparison of Steps Required to Process Medicaid Enrollment



## Express Lane Eligibility (ELE): An Important Comparison

This is not the first time states have been allowed to “fast-track” Medicaid eligibility based on eligibility for other public programs. Since 2009, states have been permitted to enroll children who are eligible for certain other programs, such as SNAP or Head Start, in Medicaid and the Children’s Health Insurance Program (CHIP). These programs have shown similar results, saving significant time processing applications, and thus, reducing administrative costs for enrolling children.<sup>10</sup> With a large number of incoming applications to process—especially in states expanding Medicaid—savings will significantly outweigh the costs of initial investments.

submitted through fast-track enrollment saved about 28 minutes compared to the standard application process.<sup>11</sup> The fast-track applications took about two minutes of staff time to process, compared to about 30 minutes to process a standard application.<sup>12</sup> Similarly, Illinois officials estimate that the fast-track applications took about three minutes to process, compared to about a 30-minute processing time for the standard application processes.<sup>13</sup> As shown in Figure 1, above, the difference in processing time is largely due to the fact that workers do not need to verify information for consumers enrolling via fast-track enrollment, since it has already been verified.

## Ability to Bypass the Full Medicaid or Marketplace Application

Fast-track enrollment strategies enable states to process more applications more quickly, which alleviates the burden on eligibility workers. Many states are receiving a higher volume of applications now than they did before the launch of health insurance marketplaces. Illinois, for example, had a significant backlog of Medicaid applications<sup>14</sup> and opted to use data from their SNAP system to fast-track these enrollments. Rather than processing Medicaid applications through traditional means, the state used information on Medicaid applications to find those who were receiving SNAP benefits in Illinois. It then used the already-verified data in their SNAP system to determine whether the individual was eligible for Medicaid.<sup>15</sup>

Fast-track enrollment can also allow applicants to bypass the process of applying for coverage through their health insurance marketplace. During the first open enrollment period, many states struggled with efficiently enrolling Medicaid-eligible individuals who applied for coverage through their marketplace. This was due, in part, to faulty account transfers from state and federal marketplaces to Medicaid agencies.<sup>16</sup> These problematic file transfers caused delays in Medicaid eligibility determinations, and thus, delays in Medicaid enrollment. Fast-track enrollment can mitigate these problems by simply enrolling eligible consumers in coverage before they even apply for coverage through their marketplaces.

In West Virginia, fast-track applications took about two minutes of staff time to process, compared to about 30 minutes to process a standard application.



## Streamlined Renewals

States can use fast-track strategies for renewals as well as for the initial enrollment process. Simplifying the Medicaid renewal process is critical because many people enrolled in Medicaid lose coverage at renewal time due to burdensome administrative processes.<sup>17</sup> Making the renewal process more straightforward would help consumers maintain coverage while also generating administrative savings for state Medicaid agencies. Although data on how fast-track enrollment has affected Medicaid renewals are not yet available, examples from Express Lane Eligibility (ELE) for children offer insight. Louisiana, for example, was able to save 21 minutes per renewal by using ELE in 2010 and 2011. Over the course of a year, that led to over \$1.8 million in savings for the state.<sup>18</sup> States looking to increase efficiency even further should look to incorporate Medicaid fast-track strategies into the renewal process.

## Initial Costs Involved with Implementing Fast-Track Strategies

While fast-track enrollment generates significant savings, there are costs associated with implementing these strategies that states should consider. Both states found that one-time initial investments were made worthwhile by the savings generated through fast-track enrollment.

## Investing in Information Technology (IT)

In order to begin implementing fast-track strategies, eligibility systems must be able to share data with one another. For example, states taking up the SNAP option need to be able to mine their SNAP database to identify those who are enrolled and likely also eligible for Medicaid but not yet covered. This information-sharing may require system changes.

West Virginia used the same vendor that upgraded its Medicaid eligibility system to query the SNAP database for SNAP beneficiaries who were not enrolled in Medicaid. Overall, West Virginia paid their vendor approximately \$200,000 for its services. Illinois' approach did not require systems upgrades because its SNAP and Medicaid programs were already integrated. While Illinois' approach did not require an outside vendor, state IT staff spent roughly 870 hours building a new interface to the legacy system and preparing mailings to facilitate fast-track enrollment.

## Federal Matching Funds

In many cases, the federal government will pay 90 percent of the expenses related to improving Medicaid systems. This funding is available through 2015, and one of the requirements is that these funds must, in part, be used to allow better sharing of information between Medicaid and other state systems and programs.<sup>19</sup> This funding can allow states to take advantage of these fast-track options without spending as much state money to get the policy

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implemented. After 2015, when states are no longer able to take advantage of the 90 percent match rate, they still have the option to receive a 75 percent federal match rate for maintenance and operations of systems that were created with the 90 percent match rate.<sup>20</sup> West Virginia used the 75 percent match rate because the state already completed its proposed IT upgrades. However, many states may still have enhanced-match available, which can serve to make fast-track enrollment strategies more appealing.

### Staff Training

Staff need to be trained on the new application processes. Support staff in West Virginia, for example, had to be trained to scan bar codes into the system from the fast-track applications that had been returned. However, once staff were trained, the scanning process for fast-track applications required less time than the process for regular Medicaid applications. Illinois trained specific staff on processing incoming fast-track applications. The Illinois training took about one hour and was directed towards supervisors, who then trained their staff.

### Reaching Out to Consumers

Identifying, reaching, and following up with eligible consumers also requires state resources. These costs include creating and mailing letters to eligible consumers to notify them of the option to fast-track their enrollment into Medicaid. Following up with consumers who do not respond to the initial contact—which is not required but increases the likelihood of a consumer enrolling in coverage—presents an additional cost. However, because

all of these efforts—identifying, reaching, and following up with consumers—are more targeted, they can be more cost-effective than traditional outreach efforts.

- » **Illinois** reports that the only explicit costs the state incurred were from mailing the initial letters. State staff estimate these costs to be around \$60,000. Illinois did not include return-postage or return-envelopes in their mailings as some other states implementing fast-track enrollment have done. While including return-postage and return-envelopes can increase the cost for states and is not required, it also likely increases the likelihood of consumers enrolling in coverage. The state also did not conduct any follow-up with consumers who received the initial letter.
- » **West Virginia's** program also reached consumers through the mail. These mailing costs were included in the approximately \$200,000 paid to their contractor (outlined above). West Virginia, unlike Illinois, did conduct follow-up with those who received the initial letters. There, in-person assisters followed up with consumers who did not respond to initial mailings. This activity fulfilled their larger outreach goals by reminding consumers of their Medicaid eligibility and ability to enroll through a fast-track pathway. Using this mechanism allows Medicaid agencies to work collaboratively with other enrollment partners to achieve the mutual goal of getting consumers enrolled in coverage while also saving the agency money.

## Administrative Savings

Figure 2 provides a comparison of West Virginia's standard application process and the fast-track enrollment process. This estimate considers the time Medicaid eligibility workers were able to save when processing fast-track applications compared to processing standard Medicaid applications, as well as the average wage for these eligibility workers.<sup>21</sup> The fast-track enrollments, on average, cost West Virginia about \$6.50 less than would a full Medicaid application.

Figure 3 shows how those individual savings lead to overall savings for West Virginia. In total, West Virginia saved over \$469,000 by fast-tracking Medicaid enrollment. Even after accounting for the state's initial \$200,000 investment, West Virginia was able to generate significant savings. Illinois did not provide enough data to make similar comparisons.

## Conclusion

Medicaid fast-track strategies have the potential to reach large numbers of consumers and increase the likelihood that those consumers get enrolled in coverage. Their implementation simultaneously makes the administration of public benefits more efficient and streamlined. Using these strategies requires states to invest time and resources, but historical insights from ELE and the current experiences of West Virginia and Illinois demonstrate that, once implemented, these strategies can generate significant administrative savings.

Figure 2: Comparison of Costs per Medicaid Application Through Fast-Track and Traditional Processes in West Virginia

	Fast-Track Enrollment	Traditional Application Process
Average time per application	2 minutes	30 minutes
Wage of eligibility staff	\$14/per hour	\$14/per hour
Total cost per application	\$0.47	\$7
	Average savings of \$6.53 per fast-track application	

Figure 3: Total Savings for West Virginia

Number of Fast-Track Applications and Enrollments <sup>22</sup>	71,860
Average savings per application	\$6.53
Savings	\$469,485
Expenses	\$200,000
Net savings	\$269,485

## Endnotes

1 Genevieve Kenney, Victoria Lynch, Allison Cook, and Samantha Phong, *Who and Where are the Children Yet to Enroll in Medicaid and the Children's Health Insurance Program?*, October 2010, available online at: <http://content.healthaffairs.org/content/29/10/1920.full>.

2 Centers for Medicare and Medicaid Services, *Facilitating Medicaid and CHIP Enrollment and Renewal in 2014*, May 17, 2013, available online at: <http://www.medicaid.gov/Federal-Policy-Guidance/downloads/SHO-13-003.pdf>.

3 Centers for Medicare and Medicaid Services, *Targeted Enrollment Strategies*, March 5, 2014, available online at: <http://medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Targeted-Enrollment-Strategies/targeted-enrollment-strategies.html>.

4 Enroll American and Families' USA conducted an analysis of data from the Centers for Medicare and Medicaid Services (CMS) and the Office of the Assistant Secretary of Planning and Evaluation (ASPE). CMS and ASPE used data from the Census Bureau's 2011 American Community Survey for their estimates of eligible uninsured. This data is available online at: <http://marketplace.cms.gov/explorerresearch/census-data.html>.

5 This figure assumes that all states expand Medicaid. It is taken from Center on Budget and Policy Priorities, *A Technical Assessment of SNAP and Medicaid Financial Eligibility Under the Affordable Care Act (ACA)*, June 6 2013, available online at: <http://www.cbpp.org/cms/?fa=view&id=3939>.

6 This figure assumes that all states expand Medicaid.

7 Georgetown University Health Policy Institute Center for Children and Families, *Medicaid Coverage for Parents Under the Affordable Care Act*, June 2012, available online at: <http://ccf.georgetown.edu/wp-content/uploads/2012/08/Medicaid-Coverage-for-Parents.pdf>.

8 New Jersey has also taken up the option of fast-tracking Medicaid applications, but as of March had not implemented yet.

9 New Jersey had approved but not implemented fast-track strategies by April 2014. Centers for Medicare and Medicaid Services, *Medicaid and CHIP: April 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report*, June 4, 2014, available online at: <http://www.medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/Downloads/April-2014-Enrollment-Report.pdf>.

10 Mathematica Policy Research, *CHIPRA Mandated Evaluation of Express Lane Eligibility: First Year Findings* (December 2012), available online at: [http://www.mathematica-mpr.com/publications/PDFs/health/ELE\\_fnlrpt.pdf](http://www.mathematica-mpr.com/publications/PDFs/health/ELE_fnlrpt.pdf).

11 This variation is due to the multiple ways in which consumers can apply for Medicaid (via internet or phone, or in person) and the corresponding time each process takes.

12 Interview with Martha Bowling, Senior Health and Human Resources Specialist, West Virginia Department of Health and Human Resources, and Jeff Wiseman, Executive Assistant, West Virginia Department of Health and Human Resources.

13 Interview with Jennifer Wagner, Associate Director of Illinois Department of Human Services, and Jan Freeman, Illinois SNAP Director.

14 Illinois Department of Human Services, IDHS Medicaid, *SNAP and Cash Assistance Application Update*, February 19, 2014, available online at: <http://www.dhs.state.il.us/page.aspx?item=69862>.

15 Illinois Department of Human Services, *Phase 3 Express Enrollment for Medicaid-One Person Category 09 SNAP Households*, May 8, 2014, available online at: <http://www.dhs.state.il.us/page.aspx?item=70499>.

16 National Association of Medicaid Directors, *NAMD ACA Implementation Snapshot-Open Enrollment, Week 9*, November 25, 2013, available online at: [http://medicaiddirectors.org/sites/medicaiddirectors.org/files/public/snapshot\\_week\\_9\\_final.pdf](http://medicaiddirectors.org/sites/medicaiddirectors.org/files/public/snapshot_week_9_final.pdf).

17 Benjamin Sommers, *Loss of Health Insurance Among Non-elderly adults in Medicaid*, January 2009, available online at: <http://www.ncbi.nlm.nih.gov/pmc/articles/PMC2607511/>.

18 Mathematica Policy Research, *CHIPRA Mandated Evaluation of Express Lane Eligibility: First Year Findings* (December 2012), available online at: [http://www.mathematica-mpr.com/publications/PDFs/health/ELE\\_fnlrpt.pdf](http://www.mathematica-mpr.com/publications/PDFs/health/ELE_fnlrpt.pdf).

19 Center for Medicaid and CHIP Services, *Medicaid and CHIP FAQs: Enhanced Funding for Eligibility and Enrollment Systems (90/10)*, originally released November 2012, available online at: <http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-Implementation/Downloads/FAQs-by-Topic-E-and-E-systems-90-10.pdf>.

20 Center for Medicaid and CHIP Services, *Medicaid and CHIP FAQs: Enhanced Funding for Eligibility and Enrollment Systems (90/10)*, originally released November 2012, available online at: <http://www.medicaid.gov/State-Resource-Center/FAQ-Medicaid-and-CHIP-Affordable-Care-Act-Implementation/Downloads/FAQs-by-Topic-E-and-E-systems-90-10.pdf>.

21 Information about total enrollments and hourly wage were obtained from interviews with West Virginia Medicaid staff. State administrators report that the hourly wage for an eligibility worker varies from \$11.41 - \$21.10, with the higher wages reserved for the more advanced staff. We calculated a weighted average of application time based on a break-down of where applications were received for Medicaid in 2013 (via phone, mail, online, or in person).

22 Due to technological barriers, West Virginia sent separate enrollment forms to each individual in a household, rather than one enrollment form per household. The number of applications forms submitted and the number of enrollments completed is the same.



A selected list of relevant publications to date:

*States Have Low-Cost Options to Fast-Track Medicaid Enrollment and Retention*, Families USA

*Using SNAP (The Supplemental Nutrition Assistance Program) to Enroll Adults in Medicaid*, Families USA

*How States Can Accelerate Their Enrollment Efforts*, Enroll America

For a more current list of Families USA publications, visit: [www.familiesusa.org/publications](http://www.familiesusa.org/publications)

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