FOR IMMEDIATE RELEASE: CONTACT: Lynsey Kluever, 512-320-0222, X112
March 7, 2006   kluever@cppp.org

CHIP IS NOT ALONE: CHILDREN'S MEDICAID NUMBERS ALSO DROP STATEWIDE

Texans have learned in recent days that Children's Health Insurance Program (CHIP) rolls have seen sharp drops since December, despite the fact that the 2005 Texas Legislature approved funding to restore CHIP benefits and increase enrollment. HHSC officials have attributed the decline largely to new CHIP policies, but advocates and community groups that work directly with affected families report that the problems go beyond the policy changes and also involve problems with the state's new partially-privatized benefit eligibility system.

CPPP's analysis of new official Medicaid enrollment figures shows that problems with the new system are not limited to CHIP. Statewide, the number of children insured by Medicaid dropped for an unprecedented three consecutive months from November to February. The magnitude of the drop is also unprecedented, with nearly 79,000 fewer children enrolled in February 2006 than in November 2005. The state's new benefit eligibility contractor assumed responsibility for processing new children's Medicaid applications, along with CHIP, in November 2005.

Additional information about the Medicaid decline:

- Children's Medicaid enrollment had grown steadily since CHIP outreach first began in 2000. Occasionally, a month of reduced enrollment occurred, usually followed by a rebound month in which the enrollment set-back is "made up."
- This is the only 3-month decline ever since May 2000.
- In three earlier instances since 2000 when there were two consecutive months of decline, the largest 2-month combined decline was 22,500. In contrast, the decline for December 2005 alone was over 29,000 and the 3-month total is 78,655.
- Very large enrollment numbers in March, April and May will have to occur if enrollment is to rebound from the current disruption.
- With the current set-backs in coverage, Texas is now covering more than 70,000 fewer children in Medicaid and CHIP as of February 2006, compared to September 2003.
- Medicaid covers about 2.7 million Texans on any given day, and about 1.8 million (or two-thirds) of those are children. Total program enrollment declined by 85,100 from November to February, indicating that coverage of adults (over 78% of whom are elderly or disabled clients) has also declined slightly.
- Enrollment of children dropped 4.3% statewide from November 2005 to February 2006, and is not limited to any one part of the state. However, Travis county enrollment has dropped at a higher rate than the state average.
- Children's Medicaid applications and renewals are processed by both the old eligibility system and the new contractor (new applications for CHIP and children's Medicaid go through the new contractor, while Medicaid renewals outside Travis county are currently still processed at state eligibility offices). Problems with both systems may be contributing to the decline, and

the higher rate of decline in Travis county suggests that multiple issues are affecting enrollment.

Official Review Is Needed

Problems will of course arise in any transition to a new system. What we are calling on state officials to do is give top priority to ensuring that those problems do not result in low-income children or elderly and disabled clients going without the medical benefits they are eligible for.

This will require adding needed staff to promptly process both new applications and benefit renewals. It will also require a commitment to rapidly fix system problems like those we have seen in CHIP. New policies should be delayed and re-examined if they seem to be disrupting coverage.

Finally, the state must invest in a vigorous outreach and community education campaign in partnership with community-based organizations, health care providers, and businesses, to explain the kinds of help that are available and all the changes that are being made in the new system.

State officials should carefully examine these unplanned and unprecedented drops in enrollment, and make sure that all of the causes are isolated and corrected before taking the new eligibility system to its next stage, which is currently scheduled for April 2006.

Children's Medicaid and CHIP Enrollment Data

	Children's Medicaid	Medicaid Change from prev. mo.	CHIP	CHIP Change from prev. mo.		Combined Children Covered
Aug-03	1,643,284		506,068			2,149,352
Sep-03	1,633,488	-9,796	507,259			2,140,747
Oct-05	1,836,291	32,612	323,343	-3,214	-0.98%	2,159,634
Nov-05	1,838,239	1,948	321,562	-1,781	-0.55%	2,159,801
Dec-05	1,809,164	**-29,075**	322,898	1,336	0.42%	2,132,062
Jan-06	1,790,369	**-18,795**	316,679	-6,219	-1.93%	2,107,048
Feb-06	1,759,584	**-30,785**	311,091	-5,588	-1.76%	2,070,675
Mar-06			295,000*	-16,091	-5.17%	
Medicaid decline, 11/05-2/06		**-78,655**				

Source: All data from Texas Health and Human Services Commission.
*3/06 CHIP is HHSC preliminary estimate; HHSC announced 3/3/06 intention to restore CHIP to about 6,000 children; this would increase March estimate to 301,000.

Complete monthly children's Medicaid and CHIP enrollment detail from May 2000 through March 2006 available as excel spreadsheet from CPPP on request.

Children's Medicaid enrollment in Selected Counties

	October 2005	November 2005	December 2005	January 2006	February 2006	Change, Nov. to Feb.	
Bexar	138,782	139,682	137,460	135,916	133,270	-6,412	-4.6%
Cameron	64,486	64,339	63,715	63,356	62,896	-1,443	-2.2%
Dallas	183,428	182,954	177,587	176,832	174,268	-8,686	-4.7%
El Paso	97,965	98,319	97,839	96,886	95,545	-2,774	-2.8%
Harris	310,482	316,896	316,243	315,912	308,389	-8,507	-2.7%
Tarrant	98,368	97,908	95,174	94,555	93,179	-4,729	-4.8%
Travis	53,859	52,667	51,061	49,533	47,068	-5,599	-10.6%
State totals	1,836,291	1,838,239	1,809,164	1,790,369	1,759,584	-78,655	-4.3%

Source: All data from Texas Health and Human Services Commission.