



## Online Application for Medicaid and BadgerCare How Efficient Relative to Other Application Venues?

This Issue Brief summarizes the Institute's original research, published elsewhere as follows:

Leininger LJ, Friedsam D, Voskuil K, DeLeire T. The Target Efficiency of Online Medicaid/CHIP Enrollment: An Evaluation of Wisconsin's ACCESS Internet Portal. The Robert Wood Johnson Foundation. February 2011. Available at: <http://www.rwjf.org/files/research/71923.pdf>

Wisconsin has led states in building automated online processes to apply for health insurance coverage through Medicaid and BadgerCare and for other public programs. ACCESS, Wisconsin's online application system, has received attention for its reported success in enrolling users into programs, for its relative ease of use, and for its administrative simplifications.<sup>1,2</sup>

Most recently, Wisconsin has been awarded a federal Early Innovator grant, which will be used to further expand the ACCESS platform and apply it toward supporting participation in the planned health insurance purchasing exchanges.<sup>3</sup> At the same time, Governor Walker's proposed biennial budget eliminates county-based walk-in application and transfers administration of income maintenance programs, including eligibility determination for Medicaid and FoodShare, from counties and tribes to the state.

This consolidation is projected to reduce total income maintenance costs by \$48 million per year and decrease the number of overall staff in the program by an estimated 270 FTE positions.<sup>4</sup> Advocates challenge whether such centralization can achieve these efficiencies without eroding access to programs.<sup>5</sup>

Wisconsin's experience thus far holds lessons for further coverage reforms built on expanded online eligibility and enrollment systems. How effective are online systems, relative to other methods of application – walk-in, telephone, and mail-in -- at reaching various populations? And how efficient are various methods in attracting applications by those that are likely to complete the eligibility process, prove eligible, and become enrolled in a program?

### Key Findings

- ✓ **Online applicants, compared to users of walk-in, mail, and phone application methods:**
  - Relatively higher-income
  - More likely urban
  - More likely to be male
  - More likely to speak English as primary language
- ✓ **Online use strongly associated with application spillovers into FoodShare**
- ✓ **Online has lower target efficiency than other enrollment methods**
  - Smaller percentage of ACCESS applicants determined eligible for health insurance
  - Smaller percentage of ACCESS spillover applications for FoodShare determined eligible for the program
  - Target efficiency of ACCESS spillover applications improved over time, but remained lower than walk-in and phone methods



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## ACCESS Online

The ACCESS web-based, self-service tool allows applicants to find out whether they may be eligible for BadgerCare Plus as well as FoodShare (federal Supplemental Nutrition Assistance Program - SNAP) and other public benefits. ACCESS users can apply for benefits, check their benefits, renew their benefits or check their renewal date, and report changes to keep their eligibility current. The program is available in English and Spanish. The system's processes and functionality have been well-described in detail elsewhere.<sup>6</sup>

Wisconsin's Department of Health Services (DHS) reports that, as of December 2010, more than 60% of all BadgerCare Plus applications came through ACCESS. Childless adult applicants for the BadgerCare Plus Core Plan can only be made on ACCESS or by phone, and more than 80% of these applications were submitted via ACCESS. The ACCESS platform has been adopted by other states, including New York, Georgia, Colorado, New Mexico, and Michigan.

## Study Data and Methods

The UW Population Health Institute analyzed administrative data from BadgerCare Plus, Wisconsin's combined Medicaid/SCHIP program, using a representative sample of 33,569 BadgerCare Plus

applications for family coverage pulled by Deloitte, the DHS contracted management services vendor. (Note: This study focuses on family coverage recipients --i.e. low-income children and their caretakers -- and excludes applicants for childless adult coverage, elderly/blind/disabled coverage, and other state-funded coverage for special populations.)

Application data were merged with socioeconomic measures available in the Wisconsin CARES system, an administrative database. Data for the months January 2008 through November 2009 were pooled for the analysis. We examined the distribution of applicant income, gender, urban/rural residence, and primary language, stratified by four application methods: ACCESS, mail-in, telephone, and in-person. We also calculated the association between application method and the likelihood of successfully enrolling in BadgerCare Plus. We then calculated estimates of the enrollment spillover induced by each application method into FoodShare, the State's SNAP (food assistance) program, as detailed in the box below.

## Favored Application Venues

Slightly less than two-thirds (62%) of sample BadgerCare Plus applicants applied via ACCESS, while approximately 17% applied by mail-in or walk-in methods, and 4% applied by phone. The choice of application method varied significantly according

### Calculating Enrollment Spillovers Between BadgerCare Plus and FoodShare

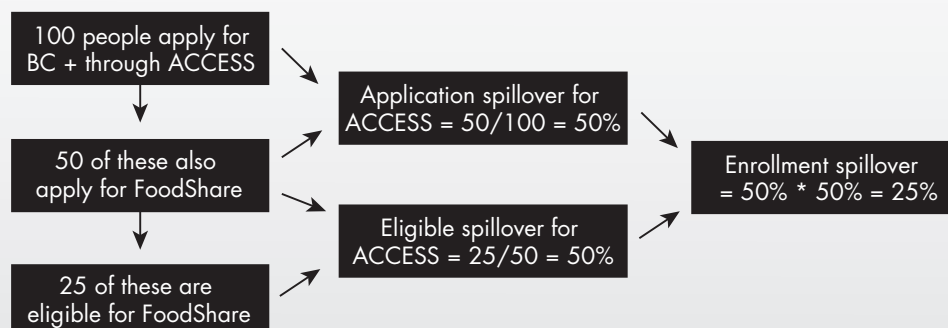
**Application spillover:** the percentage of all BadgerCare Plus applicants who also *apply* for FoodShare. Application spillover reflects the extent to which a method promotes multi-program application.

**Eligible spillover:** the percentage of application spillover that is ultimately determined to be *eligible* for FoodShare. Eligible Spillover reflects the quality of the application spillover induced by a method.

**Enrollment spillover:** the percentage of all BadgerCare Plus applicants who both apply for and are ultimately enrolled in FoodShare – the product of application spillover and eligible spillover.

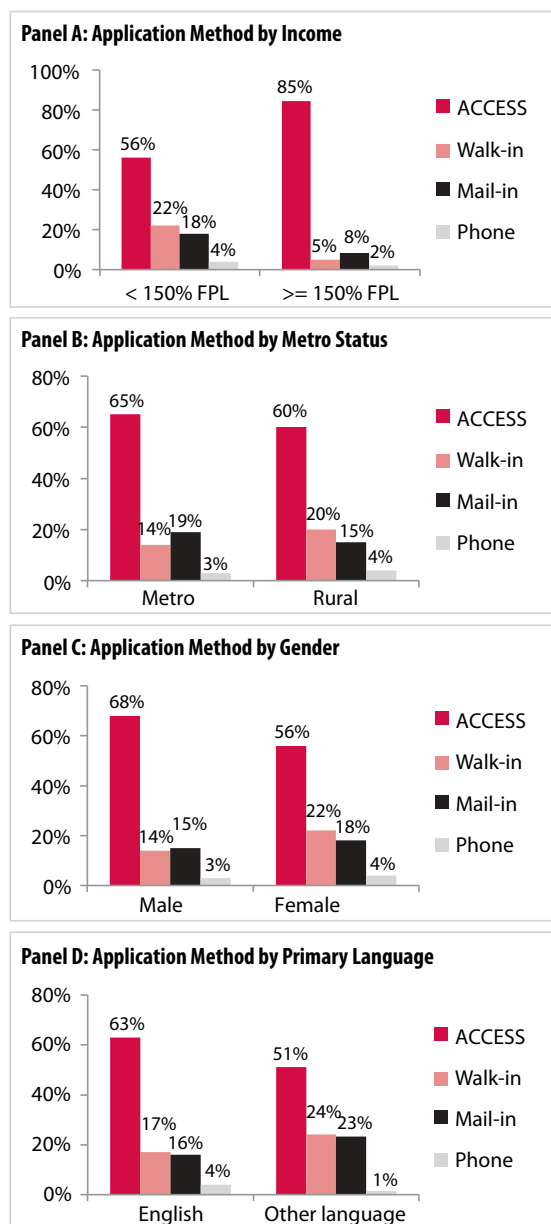
$$\text{Enrollment Spillover} = \text{Application Spillover} * \text{Eligible Spillover}$$

Example:



to various demographic characteristics. **Figure 1** (Panels A-D) displays socioeconomic characteristics of BadgerCare Plus applicants by application method.

**Figure 1**



Specific findings include:

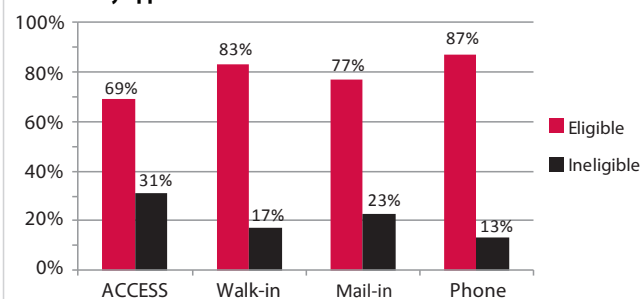
- Lower-income applicants are much less likely to utilize ACCESS. Over 80% of applicants above 150% of the federal poverty level (FPL) submitted via ACCESS, while only 56% of those in the lower-income group did so.
- Applicants in metropolitan areas used ACCESS more often (65% of the time) than did applicants in rural areas (where ACCESS accounted for 60% of applications).

- Women use ACCESS less often as an application method than do men, with 56% of female applicants using ACCESS, compared with 68% of male applicants.
- Those who do not speak English as a primary language use ACCESS less often (50% of the time) than do applicants who speak English as a primary language (who use ACCESS 63% of the time).

## How Many Actually Enroll?

The target efficiency of ACCESS –i.e., the proportion enrolled relative to the proportion of those who *applied* – was lower than that of other methods (**Figure 2**). Across enrollment modes, ACCESS applicants were the least likely to be determined eligible for coverage: Sixty-nine percent of ACCESS applicants were approved, compared with 87% of phone applicants, 83% of walk-in applicants, and 77% of mail-in applicants.

**Figure 2: Percent of BC+ Applicants Determined Eligible for Health Insurance by Application Method**



It is important to note that the discrepancy between application and enrollment may reflect the actual eligibility status of an applicant, or it may reflect a glitch in the application process that impedes the recognition of eligibility. Indeed, beyond an applicant’s income and insurance status, a number of factors affect the rate of approval of BadgerCare Plus applications via any method. Approval depends on: the provision of needed documentation from the applicant, the submission of premium payments, and proper system verification of supplied information.

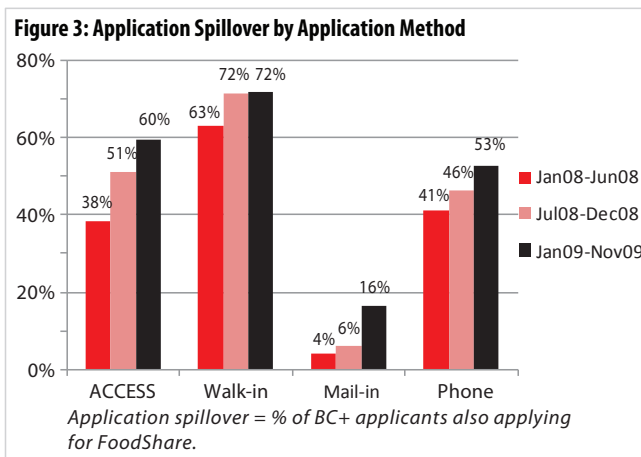
The Wisconsin DHS reports, for example, that online applications are twice as likely as other applications to be denied for lack of verification. Verification poses at least two special challenges to online application systems. First, many verification requirements involve the manual transfer of a paper document, which is a significant departure from the ease and convenience of applying online. In addition, the system does not know at the time of application exactly which items must be verified; the precise verification needs can only be identified once a state worker has reviewed and begun processing the electronic application.

Our data did not permit drawing a distinction between an incomplete application and a complete-but-ineligible application. This study simply indicates that ACCESS applications are less likely than other application methods to result in an approval for benefits.

### Other Program Eligibility?

We analyzed the effect that various application venues have on connecting people with another program for which they may be eligible.

Figure 3 demonstrates the growth in application “spillover” across methods over the study period.

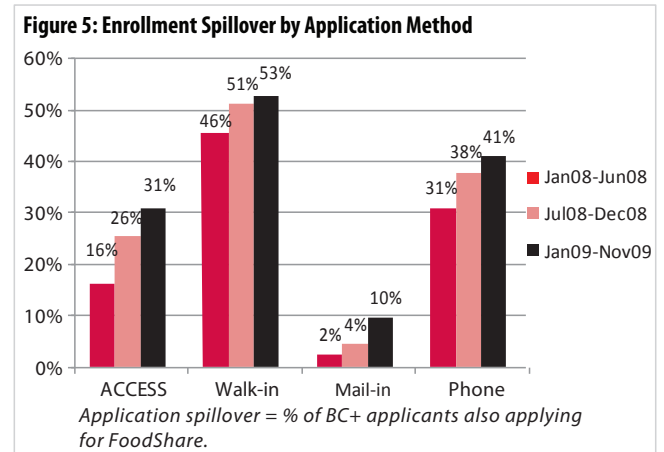
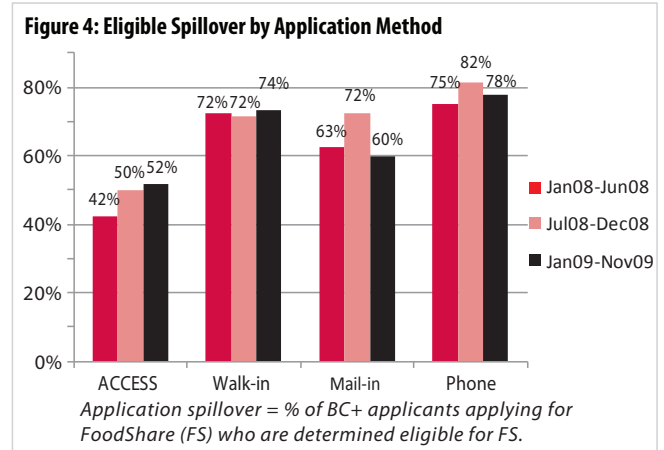


We calculated spillover for three distinct time periods:

- (1) January 2008 through June 2008, during which major eligibility expansions and targeted outreach initiatives were launched;
- (2) July 2008 through December 2008, during which the economy entered into sharp recession; and
- (3) January 2009 through November 2009, during which the effects of the economic downturn continued to grow.

Among application methods, walk-in consistently had the highest levels of application spillover (72% from January 2009 through November 2009), with ACCESS and phone also experiencing substantial spillover (60% and 53% from January 2009 through November 2009, respectively). In contrast, there was very little application spillover for mail-in applications (16% from January 2009 through November 2009). Application spillover grew over the study period for all enrollment methods, with ACCESS users showing the most marked increase.

ACCESS appears to attract many applicants who are not ultimately determined eligible for benefits (Figure 4). ACCESS has effectively increased FoodShare applications while decreasing the “quality” of applications in terms of eligibility criteria, resulting in low levels of eligible spillover. At the end of the study period, fewer BadgerCare Plus applicants using ACCESS were ultimately enrolled in FoodShare relative to walk-in applicants or phone applicants (31% versus 53% and 41 percent, respectively; estimates displayed in Figure 5). Enrollment spillover did, however, increase greatly over the study period for ACCESS users.

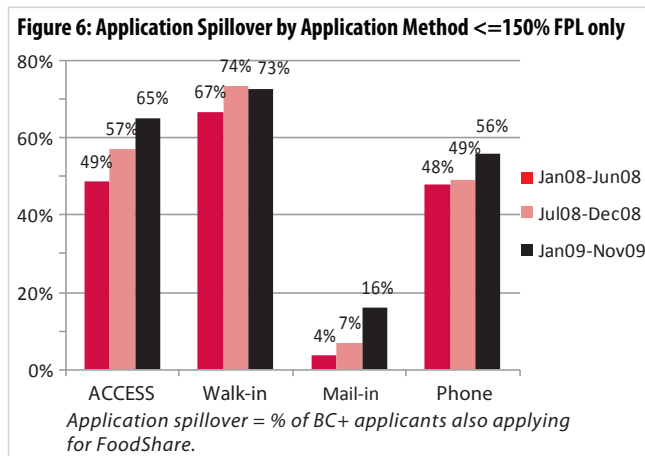


### Target Efficiency?

The results in the above figures demonstrate that ACCESS attracts more ineligible applicants than other methods, which leads to lower target efficiency. However, it may remain the case that ACCESS facilitates a higher level of enrollment spillover among applicants who are indeed eligible for the FoodShare program. Thus, our final analysis examined the following question: Does ACCESS increase enrollment spillover among seemingly income-eligible applicants?

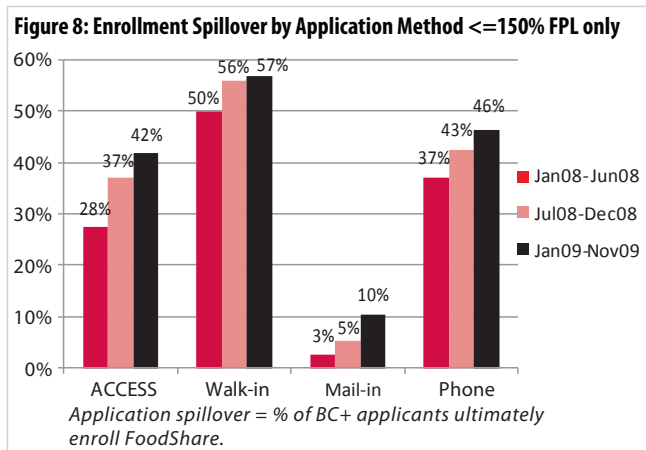
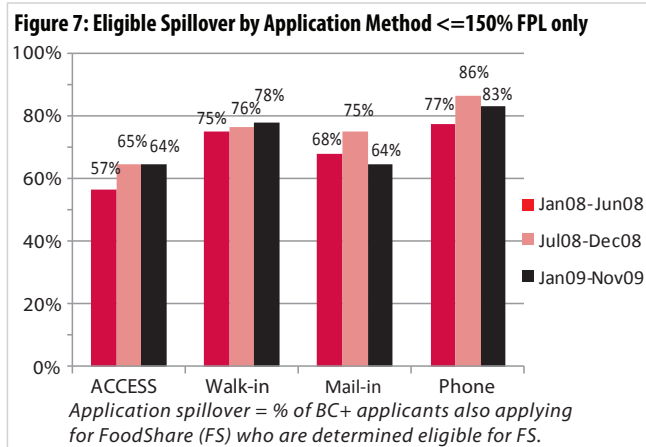
We estimated application, eligible, and enrollment spillover among the subset of applicants who have incomes below 150% FPL. This pool of applicants was the most likely to be determined eligible for FoodShare, which has a gross income threshold of 200% FPL and a net income threshold of 100% FPL.

Figures 6 through 8 display the results of this analysis. ACCESS and walk-in methods elicited the highest application spillover from the low-income subgroup (65% and 73% from January 2009 through November 2009, respectively), with phone applicants also exhibiting high levels of application spillover into FoodShare (56% from January 2009 through November 2009). Low-income applicants using the mail system had very low levels of applying for FoodShare (16% from January 2009 through November 2009). Beyond the burdens associated with mail-in methods, the low spillover for FoodShare among mail-in applicants could reflect lack of awareness about the FoodShare program.



Eligible spillover from ACCESS was much higher for the lower-income subgroup than it was for the entire applicant population, as would be expected given the FoodShare income thresholds (Figure 7). However, it is still lower than that exhibited by walk-in and phone. Here again, some of this variance may arise from across-method differences in adherence to reporting and verification requirements.

Similar to the case of the aggregate population, enrollment spillover was highest among low-income applicants who walk-in (60% from January 2009 through November 2009; Figure 8). Phone and ACCESS exhibited comparable levels of enrollment spillover for this subpopulation (46% and 42% from January 2009 through November 2009, respectively), while mail-in exhibited considerably lower levels (10% from January 2009 through November 2009).



## Potential and Challenges

ACCESS demonstrates that a well-designed, easily accessible online enrollment system can encourage high program take-up, particularly when promoted as the preferred enrollment mechanism. The Robert Wood Johnson Foundation's MaxEnroll initiative has identified both the strengths of Wisconsin's existing outreach and enrollment efforts, as well as the challenges that remain.

The adoption of online application mechanisms remains uneven across demographic subgroups, with the lowest-income, rural, and non-English-speaking populations least likely to choose an online method. Recent survey data support this finding, suggesting that walk-in is the preferred method among Medicaid-eligible populations, with online enrollment lagging considerably behind. A recent study in California reports considerable increases in Medicaid take-up associated with technology-based enrollment systems, while suggesting that non-technological approaches may help identify harder-to-reach populations.

Target efficiency – the proportion of system users that actually become enrolled – also remains a challenge. The easing of application and administrative burdens, through technology or other methods, often leads to reduced target efficiency.

Ultimately, the policy concerns associated with the relatively lower target efficiency of online systems depend upon the marginal costs associated with processing additional applications. If most online applications can be handled inexpensively through automated systems, then the decline in target efficiency is likely to be offset by the gains from easing and increasing take-up and application spillover to other programs. If, however, the marginal cost associated with each ineligible applicant raises the overall average costs per enrolled case, system adjustments may be merited.

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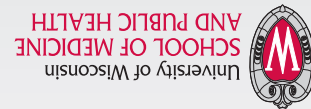
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## Issue Brief

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