

**CHIPRA Express Lane
Eligibility Evaluation**

**Case Study of New Jersey's Express
Lane Eligibility Processes**

Final Report

May 9, 2013

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Adam Swinburn



HEALTH MANAGEMENT ASSOCIATES

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EXECUTIVE SUMMARY

New Jersey was the first state to receive approval from the Centers for Medicare & Medicaid Services (CMS) to implement Express Lane Eligibility (ELE). This report summarizes findings from a case study of New Jersey’s ELE processes, conducted in January 2013. The state currently operates two separate ELE processes, which are approved for enrollment purposes only, in both Medicaid and the Children’s Health Insurance Program (CHIP): the first is an ELE partnership with the state’s Division of Taxation, which was implemented in May 2009; the second is an ELE partnership with the National School Lunch Program (NSLP), which has been implemented in phases, the latest of which was piloted beginning in September 2010. Preliminary counts indicate that about 9,000 children have been enrolled through the two processes from 2009 to 2012.

Operationally, both processes function as new outreach mechanisms and include no automatic enrollment or renewal functions. Table ES.1 highlights some key information about both processes.

Table ES.1. Key Facts About New Jersey’s ELE Processes

Policy Simplification Adopted?	ELE Partnership with Taxation	ELE Partnership with NSLP
Policy adopted in Medicaid, CHIP, or both?	Both	Both
Processes affected?	Enrollment only	Enrollment only
Implementation date?	May 2009; approved as ELE in June 2009	Implemented through a series of pilot projects, the latest of which began in September 2010; approved as ELE October 2011
Is the simplified process different from the perspective of the enrollee/applicant?	Yes; shorter application and no documentation required	Yes; shorter application and no documentation required
Faster time to coverage for applicants?	Yes; approximately 23 days faster compared with regular application process	Yes; approximately 22 days faster compared with regular application process
Any time savings for the state? ^a	Small time savings estimated to be worth about \$1,000 annually	Small time savings estimated to be worth about \$5,000 annually
Estimated cost to implement?	First-year information technology and tax form design costs: \$27,000 Training: 60 person-hours	Two pilots cost an estimated \$2 million ^b Training: 20 person-hours
Estimated ongoing annual net costs or savings? ^c	Net costs due to mailings: \$74,000 per year, about \$150 per child enrolled	Net costs due to mailings and data processing: \$97,000 per year, about \$50 per child enrolled

^a These savings are relative to the same number of applications being processed via the standard route, and occur because all ELE applications are done via a contractor, while some standard applications are processed via county boards of social services. Each ELE application processed by the contractor, in place of a standard application being processed by a county, represents a small saving to the public sector.

^b The state conducted two pilots preceding NSLP ELE implementation. The first of these pilots was state-funded and largely not an ELE process, but provided information to the state that helped with the design of the second pilot, which was federally funded.

^c The ongoing total net costs due to mailings for the Taxation ELE process presented are averages estimated over calendar years 2010 – 2012, and per-child enrolled costs for the Taxation ELE process are averages estimated over calendar years 2009 – 2012. Data from 2009 are not included for the total ongoing mailing costs because mailing costs in this year were uniquely high, at \$558,000 – five times as great as in the next most expensive year. For the NSLP ELE process, total and per-child ongoing costs presented are for calendar year 2012.

The rate of express applications returned from the Taxation ELE process is about 5 percent, but from the NSLP ELE process, the rate of express applications returned is about 13 percent. Although the preliminary counts of children ever enrolled through either ELE process represent a very small fraction of NJ FamilyCare program enrollment—about 1 percent—DHS officials view ELE as an important pursuit among the many so-called in-reach activities undertaken since 2008 that, taken together, have increased the number of children insured through NJ FamilyCare.

Some of the lessons learned from New Jersey's ELE experiences might be relevant to other states under health reform. For example, Department of Human Services (DHS) staff point to the value of pilot testing the NSLP ELE process as the key lesson learned from their ELE experiences. The state-funded NSLP pilot and the subsequent outreach pilot funded through a Children's Health Insurance Program Reauthorization Act (CHIPRA) outreach grant enabled them to work out partnership agreements and problems with system mechanics and to use those experiences to inform their eventual statewide implementation. The state's positive experiences with pilot testing could be relevant for the many new activities that have to happen under reform, although the timeline for pilot testing would be quite short.

New Jersey's experience with NSLP ELE provides some evidence that ELE outreach processes may be more effective than comparable non-ELE outreach processes. New Jersey mails standard application forms to families with school children believed to be uninsured but not eligible for free or reduced lunches – a non-ELE outreach process very similar to the ELE process. The major difference between the NSLP ELE process and this non-ELE process is that proof of income is not required of ELE applicants, while it is required of non-ELE applicants. The ELE application is also shorter. Only 8 percent of non-ELE applications sent out through this similar process are returned, compared to a 13 percent return rate for ELE applications, suggesting that ELE makes it easier for these families to enroll.

One caution from New Jersey's experience is that although an ELE program can operate as an outreach process, rather than an automated enrollment or renewal process, the reliance on returned mailings from families is an operational hurdle that impedes enrollment. This limits the effectiveness of the state's ELE processes in terms of generating enrollment. Moreover, the state's own analysis indicates that children enrolled through ELE are less likely to renew their coverage than children who enroll through the standard process. The most common reason for ELE applicants not being renewed is that they do not provide all the evidence needed. Though the reason for this is unknown, state staff speculate that the ease of NSLP ELE enrollment may diminish the value parents place on continuing health coverage, or that parents familiar with the annual enrollment process for NSLP may assume that their children can be more easily re-enrolled through the NSLP ELE process every year.

As states look to identify children they have otherwise been unable to enroll, New Jersey's experience suggests that using ELE as a targeted outreach method could be a promising method for doing so and could support the movement toward 100 percent coverage for children.

1. Introduction

The Children’s Health Insurance Program (CHIP), a landmark legislative initiative passed in 1997 to help close the health insurance coverage gap for low-income children, was reauthorized with bipartisan support in 2009. Although CHIP had helped to fuel a substantial increase in health insurance coverage among children, Congress remained concerned about the many children—estimated at 4.4 million in 2010—who are eligible for but not enrolled in coverage (Kenney et al. 2012). In the CHIP Reauthorization Act (CHIPRA) of 2009, Congress gave states new tools to address enrollment and retention shortfalls, along with new incentives to do so.

One of these new options is a policy called Express Lane Eligibility (ELE). With ELE, a state’s Medicaid and/or CHIP program can rely on another agency’s eligibility findings to qualify children for public health insurance coverage, even when programs use different methods to assess income or otherwise determine eligibility. ELE thus gives states another way to try to identify, enroll, and retain children who are eligible for Medicaid or CHIP but who remain uninsured. The concept of using data from existing government databases and other means-tested programs to expedite and simplify enrollment in CHIP and Medicaid has been promoted for more than a decade; before CHIPRA, however, federal law limited state reliance on information from other agencies by requiring such information to be cross-walked into the Medicaid and CHIP eligibility methodologies (Families USA 2010; The Children’s Partnership n.d.). To promote adoption of ELE, Congress made it one of the eight simplifications states could implement to qualify for performance bonus payments. These were new funds available to states that implemented five of the eight named simplifications and which also increased Medicaid enrollment (CHIPRA Section 104).

Federal and state policymakers are keenly interested in understanding the full implications of ELE as a route to enrolling children, or keeping them enrolled, in public coverage. To that end, Congress mandated an evaluation of ELE in the CHIPRA legislation. In addition to reviewing states that implemented ELE, the evaluation provides an opportunity to study other methods of simplified or streamlined enrollment or renewal (termed “non-ELE strategies”) that states have pursued, and to assess the benefits and potential costs of these methods compared with those of ELE. Taken together, findings from the study will help Congress and the nation better understand and assess the value of ELE and related strategies.

This report summarizes findings from a case study of New Jersey’s ELE processes. After CHIPRA’s passage, New Jersey was the first state in the nation to receive approval from the Centers for Medicare & Medicaid Services (CMS) to implement ELE. The state currently operates two separate ELE processes, both of which are approved for enrollment purposes only: the first is an ELE partnership with the state’s Division of Taxation, which was implemented in May 2009; the second is an ELE partnership with the National School Lunch Program (NSLP), which has been implemented in phases, the largest phase of which piloted in September 2010.

To learn about both of these processes, staff from Mathematica Policy Research conducted a site visit in January 2013, interviewing 20 key informants over a three-day visit to the state. Key informants included state administrators and contracted staff who operate NJ FamilyCare, officials from the state’s ELE partner agencies, staff from school districts that participated in the NSLP

CHIPRA outreach grant pilot partnership, a legislator, and advocates. While on site, the research team held a focus group in Union City, and although confirmations for the group were high, turnout was low; only two parents shared their experiences.¹

2. State Context: Why Pursue ELE?

A confluence of factors led New Jersey to be the first state to implement ELE. New Jersey had long been a leader in children’s coverage: from the outset of CHIP, New Jersey had the most generous CHIP income thresholds in the nation, with an upper income limit of 350 percent of the federal poverty level (FPL), a level not surpassed by any state until 2009, when New York expanded to 400 percent of the FPL (Rosenbach 2007; Hoag et al. 2011). Even before CHIPRA encouraged states to simplify their Medicaid and CHIP programs, New Jersey already had a number of simplifications in place to promote children’s coverage, including presumptive eligibility and a joint application for Medicaid and CHIP, among others. Table 1 summarizes key facts about NJ FamilyCare—the name for children’s Medicaid and CHIP programs in New Jersey—as of January 2013.

Table 1. Key Facts About NJ FamilyCare

Name of Medicaid and CHIP Program for Children	NJ FamilyCare	
Medicaid upper income limit for children	100% FPL	
CHIP program type and upper income limits	Combination Program	
	Medicaid expansion CHIP: Infants from 101–185% FPL Children ages 1–19 from 101–133% FPL	Separate CHIP: Infants from 186–350% FPL Children ages 1–19 from 134–350% FPL; buy-in option available for children from families with income over 350% FPL
Delivery system	Risk-based managed care; fully integrated program, with the same plans serving both Medicaid and CHIP enrollees	
12 months continuous eligibility?	12 months of eligibility, but if families report a change in an eligibility factor such as increased income, child is disenrolled before the end of the 12-month period	
Presumptive eligibility for children?	Yes	
In-person interview required?	No	
Joint Medicaid and CHIP application and renewal forms?	Yes	
Premium support program?	Yes	
Adult coverage?	Yes; parents up to 133% of the FPL who are Medicaid-eligible	
Renewal processes?	Enrollees are mailed a renewal form two months before coverage expires; income documentation must be submitted with the renewal form	

Source: Site visit interviews; NJFamilyCare.org n.d.; Insurekidsnow.gov 2012.

Note: CHIPRA prohibits coverage of parents in CHIP; however, states that already offered parental coverage, like New Jersey had since 2001, were allowed to continue this coverage through waiver extensions.

CHIP = Children’s Health Insurance Program; FPL = federal poverty level.

¹ We held two other focus groups, in Weehawken and Paramus, and although confirmations were high for both, no recruited participants showed up at either focus group.

Dating back to 2004, New Jersey had been experimenting with new simplifications, some similar to ELE, to try to increase children's coverage. The first attempt at an ELE-like process began in June 2004, when the legislature passed a bill that directed the commissioners of Education and Human Services to establish a pilot program to facilitate enrollment of children into NJ FamilyCare in conjunction with the school lunch application process for the 2004–2005 school year (Gaboda et al. 2005). Modeled on a similar approach in California, New Jersey Department of Human Services (DHS) staff developed a one-page “express” application for the pilot; this standalone application form was distributed to all students at the start of the school year at 36 schools in 8 school districts that volunteered to participate. Results were disappointing: just 3.7 percent of the 27,000 distributed applications were returned, resulting in enrollment of just over 900 children (Gaboda et al. 2005). However, state administrators learned important lessons about the process. While this method was labor-intensive for school staff, representatives from the participating schools and other stakeholders agreed that schools are a good circulation point for reaching families with uninsured children. Stakeholders said the key achievement from this pilot was that it helped the state develop a one-page application, which would later be used under ELE.

Focus Group Findings: Parents Report Satisfaction with Coverage and Access

Both parents participating in the focus group said NJ FamilyCare coverage is good, as is access to providers. Both were satisfied with their health plan. Participants had accessed primary care, dental care, eye doctors, other specialists, and prescription drugs for their children through NJ FamilyCare. Both parents reported satisfaction with the care they received and their children's providers. One parent noted that the eyeglasses benefit should be expanded; in his view, one pair of eyeglasses per year is not enough for children.

The care is good. There are no co-pays for medicine, which is very good, and also for laboratory.

It was easy to see the provider I want, easy to get an appointment.

The medicine she needed was free. We go to CVS. The doctor sent the prescription by email to the pharmacist, so we just had to go in and pick it up.

My daughter has problems with allergies and needed to see a nutritionist, and NJ FamilyCare covers all of it.

The state could offer more coverage for glasses. My daughter breaks them all the time. My daughter has already gone through six pairs of glasses. I had to go to local places, and some of them will help you with the prices for new pairs.

As the decade continued, state leaders were frustrated that despite generous eligibility standards, a considerable proportion of children remained uninsured. In 2007, for instance, 13.3 percent of children in the state lacked health insurance coverage, the bulk of whom—an estimated 76 percent or roughly 224,000 children—were estimated to be eligible for NJ FamilyCare (Outreach, Enrollment and Retention Working Group 2009). To try to address the problem, in July 2008 then-Governor Jon Corzine signed the New Jersey Health Care Reform Act into law. This legislation mandated universal coverage for New Jersey's children although it was a soft mandate as there were no penalties associated with uninsurance. The law included a number of important reforms intended to find and enroll children eligible for NJ FamilyCare (New Jersey Senate Democrats 2008). A key reform was a new outreach initiative requiring families to indicate on state income tax returns whether the taxpayer's dependents had health insurance coverage; families for which that was not the case and which appeared to be eligible based on income were then sent an application for public coverage. This reform measure became the state's (and the country's) first approved ELE process with the state Division of Taxation.

The reform legislation also directed the commissioners of all state agencies to begin working together to increase NJ FamilyCare enrollment. Beginning in September 2008, the commissioners formed a work group with key health and child policy experts in the state to identify methods to

increase outreach for, and enrollment in, NJ FamilyCare. This initiated a series of new working relationships between state agencies focused on NJ FamilyCare that administrators termed “in-reach” – working with other state agencies already in contact with potentially eligible families. For example, the state’s early intervention services (EIS) added a set of insurance questions to the information it collects from each family that participates in EIS, and, with the family’s consent, shares that information with DHS (Outreach, Enrollment and Retention Working Group 2009). Also, the state’s Department of Children and Families (DCF) began providing training on the NJ FamilyCare application to its 37 Family Success Centers, which are one-stop shops providing wraparound resources and supports for families. Among other changes, DHS revised its existing memorandums of understanding (MOUs) with frequently used community partners to include outreach and referral to NJ FamilyCare as part of their job duties and also began working on the development of a single, web-based portal application for all human services and health programs. Finally, DHS began working with the Department of Education (DOE) to investigate how the schools and DHS could partner on the issue.

The workgroup meetings overlapped with CHIPRA’s passage in February 2009, by which point New Jersey’s initial tax outreach process was already in place (though not yet approved as ELE). Given the possibility of winning CHIPRA performance bonuses for implementing it, New Jersey decided to pursue ELE approval.

3. Planning and Design: What Was Needed to Develop the Policy?

Taxation ELE Partnership. As noted, the ELE partnership between DHS and the Division of Taxation (Taxation) was promulgated by the 2008 New Jersey Health Care Reform Act. DHS staff and Taxation began actively working together in July 2008 after the law’s passage. They were under a tight time constraint: Taxation must send state tax return forms to its printer in August each year to have them back in time for mailing to residents the following January. As a result, DHS and Taxation had to develop an MOU for how they would share data and come to an agreement on what question(s) would be added to the state tax returns in roughly six weeks time (Table 2 reviews the timeline for the Taxation ELE process).

Table 2. Taxation ELE Policy Development Timeline

Date	Activity
July 2008	New Jersey Health Care Reform Act passes; governor signs it into law on July 8, 2008. The legislation mandates that Taxation begin asking whether dependents have health insurance coverage and that applications for public coverage to dependents with no insurance should be sent out.
July – December 2008	DHS and Taxation work to develop an MOU between the agencies, decide how data sharing will work, and agree on the new question to be added to the state tax return; Taxation sends return forms to its printer for publication; Taxation readies its data systems to accept the new question, program the system, and create coding instructions to do the referral to DHS’s contractor, Xerox; Xerox readies its internal team.
January 2009	First state tax returns with new health insurance question for dependents are released.
May 2009	First referral from Taxation to DHS’s contractor with names and addresses of families that indicate a dependent does not have health insurance.

DHS initially hoped to implement a process whereby information from Taxation would be used by DHS to determine a person’s eligibility. However, the process did not work as planned and instead evolved to be something more akin to outreach than automatic enrollment. DHS had envisioned that Taxation could ask families on the annual state income tax return whether there were uninsured dependent children in the household; if so, Taxation would use data such as income,

child's age, and parent names from the return to prepopulate the state's one-page express application, which would then be sent to the family for signature. DHS wanted Taxation to send the express application because it expected families would be more likely to open mail from Taxation than from DHS. However, Taxation was not able to share all of this information with DHS or even to send it back to families as DHS proposed. In addition to privacy rules governing information submitted on returns, state policies prohibited Taxation from sharing information from the returns other than for tax enforcement purposes. Moreover, Taxation staff pointed out that the information submitted on the tax return was not always correct, which would be problematic for NJ FamilyCare eligibility determination purposes. Finally, Taxation was unwilling to send express applications for DHS because of concerns that its call center would be overburdened if it sent the mailings.²

Ultimately, the agencies agreed that the ELE partnership with Taxation would serve as a new outreach method to identify children potentially eligible for NJ FamilyCare, rather than a process that uses information from one program to automatically enroll children in Medicaid or CHIP. They agreed that a question would be added to the tax form for 2008 (which residents filed in 2009) asking, "Does dependent have health insurance?" with both "yes" and "no" options available to answer the question. For any return in which the response was "no," Taxation would check the birth year to determine potential eligibility for NJ FamilyCare, since only children ages 18 and younger are eligible for this coverage.³ Any return indicating the presence of a dependent under age 18 without coverage was referred to DHS's eligibility vendor, Xerox, which then mailed a one-page express application to the family.⁴

Once DHS and Taxation agreed on the question to be placed on the tax return, Taxation staff had to implement the policy. Taxation's data processing unit had to first understand the new field and then change the file layout in their system to add the question on insurance coverage and change the keying instructions, with numerous programming steps taking place along the way. In addition, this unit had to program new coding instructions to create the monthly data extract sent to Xerox. To prepare for questions that might arise from consumers or tax preparers about any issue on the returns, Taxation provided training to its customer service staff, adding this to the normal annual training, not just to accommodate the new question. On the NJ FamilyCare side, Xerox formed an ELE Team, a core group of 15 Xerox employees who would handle all ELE referrals from Taxation. DHS also revised its instruction manual to accommodate the new process and provided training to the Xerox ELE Team on how the process would work.

NSLP ELE Partnership. Since the state's experiment partnering with schools in the 2004–2005 school year and the 2008 legislation directing all state agencies to work to improve enrollment in NJ FamilyCare, DHS administrators had wanted to put a permanent referral process with the

² During the policy development period, DHS also considered trying to identify children who might be eligible for coverage if their parents filed for the earned income tax credit (EITC), a credit available for low- and moderate-income working families on the grounds that children from families who qualify for EITC would likely qualify on the basis of income for NJ FamilyCare. However, Taxation pointed out that when a family files a return, the family is only making a claim for EITC; Taxation hasn't assessed whether the family is eligible for EITC. Thus, Taxation staff felt this method would not be workable for identifying families eligible for NJ FamilyCare.

³ Birth year was already collected on the form in prior tax years and did not need to be added.

⁴ At the time, the eligibility vendor was known as ACS, but that company was subsequently purchased by Xerox.

schools in place. Like Taxation, DOE had been working with DHS to assess how DOE could support NJ FamilyCare outreach and enrollment. DHS focused on identifying children through the NSLP because it seemed the easiest program to target, as children who qualify for income reasons for the free or reduced lunch programs would also qualify for income reasons for NJ FamilyCare.⁵ Conversations on this subject needed to involve the New Jersey Department of Agriculture (DOA), the NSLP program administrator in New Jersey.⁶

Through the efforts of the leadership of each partner agency, DOE, DOA, and DHS signed an MOU that committed DOA to incorporate language regarding the NJ FamilyCare enrollment process in the instruction letter to parents and guardians used by local school districts when distributing NSLP applications (Outreach, Enrollment and Retention Working Group 2009). After the MOU was signed, as interagency meetings continued into early 2009, DOE and DOA stakeholders raised a number of concerns about whether and how the partnership would work. DOE's and DOA's primary concerns involved data sharing, but they were also concerned about whether district superintendents would participate in the program—there are 590 districts in the state, and many superintendents already felt burdened by various requirements placed on them.

To try to alleviate these concerns and to test an approach using NSLP data, DHS allocated \$1 million in state money to launch a pilot program in 2009 (key dates are highlighted in Table 3). For the pilot, DHS focused on 16 poor districts where it expected to be able to identify eligible children. Although stakeholders hoped that the DOE or DOA could make a direct electronic referral to DHS, neither agency maintains individual-level data on NSLP enrollees. Therefore, the parties agreed to use a paper process. Beginning in September 2009, families in the 16 participating districts were sent an NSLP application, as they always were, with an added disclosure form that permitted families to opt out of having their NSLP information shared with NJ FamilyCare. Anyone who did not opt out could be referred to DHS, and DHS's contractor, Xerox, mailed applications to these families. In 15 of the districts, Xerox mailed a standard application form, but in the 16th district, Newark, Xerox mailed an express application to test this method. Express applications are not pre-populated, but the form is shorter than the standard form and requires no income documentation, because data from the NSLP is used to establish income eligibility. In January 2010, the first children were enrolled in NJ FamilyCare as a result of this pilot process.

One limitation to this state-funded pilot was that DHS could not identify children who lacked health insurance because the NSLP opt-out form was not a DHS form, and was never designed to include a question about insurance coverage. Recognizing an opportunity to introduce a targeted NSLP ELE process, New Jersey DHS applied for and won a CHIPRA outreach grant to test it. CMS awarded the grant for \$988,177 to DHS on September 30, 2009 (Medicaid.gov n.d.). Based on DHS's experience with the state-funded pilot, it developed three criteria for selecting school districts for the CHIPRA outreach program: districts had (1) to have more than half of their students in the school lunch program; (2) to offer English as a second language (ESL) programs; and (3) to have at least 2,000 students. Each of the nine districts selected for the revised program received a \$76,000

⁵ For free lunch, a child qualifies if the annual income is less than 130 percent of the FPL; for reduced price lunches, a child qualifies if the annual income is less than 185 percent of the FPL (Federal Register 2013).

⁶ New Jersey is one of only three states in the nation where the state's DOE does not administer NSLP.

grant from DHS to support a staff person at the school who could help families sign up for NJ FamilyCare using the one-page express application. DHS also required participating schools to partner with a community group that could help a family complete an application if the family did not want to work with school staff.

Districts participating in the CHIPRA grant program used a process modified from that employed in the state-funded pilot: in addition to distributing the NSLP application with the opt-out disclosure form attached, the school emergency card was modified to ask whether the child named on the card had health insurance, and if not, whether the school had permission to release the family's name and address to NJ FamilyCare. These key pieces of information (NSLP status, health insurance status, and parental permissions) were then entered into the school's student information system, which the school could extract and send to DHS through a web-based portal developed for the program. This method gave DHS the needed information about whether NSLP children were uninsured or not, permitting better targeting of those children who would receive the express application. In addition, this process widened the pool of data DHS would receive, as DHS could theoretically identify all uninsured students in the school, not just those who qualified for NSLP, from the emergency card, and these additional uninsured children could then be sent regular NJ Family Care applications. Much like the Taxation ELE process, the NSLP ELE process is therefore an outreach-focused ELE process.

Table 3. NSLP ELE Policy Development Timeline

Date	Activity
2004–2005	DHS administers a pilot process to partner with schools in 8 districts to distribute a one-page express application through the schools.
July 2008	New Jersey Health Care Reform Act passes; governor signs it into law on July 8, 2008. The legislation requires all agency commissioners begin working together to increase enrollment of eligible children into NJ FamilyCare. Workgroup forms, initiating a working relationship between DHS and DOE focused on this issue.
December 2008 – July 2009	State funds \$1 million in outreach, directed to a pilot program to do schools-based outreach; 16 low-income school districts are selected to participate. Students in one district (Newark) receive express applications because income findings from NSLP are used to target those students; students in the other districts are sent standard NJ FamilyCare applications.
September 2009	State-funded pilot begins in 16 selected districts.
September 30, 2009	DHS wins CHIPRA outreach grant to test an ELE process.
January 2010	First enrollments into NJ FamilyCare begin as a result of the state-funded pilot in 16 districts.
January – June 2010	For CHIPRA outreach grant, DHS plans a new process whereby NSLP information will be combined with new data from the student emergency card about whether student is uninsured; school districts apply for and are selected for CHIPRA outreach grants project; trainings for staff from the 9 selected districts occurs.
September 2010	CHIPRA outreach grant-funded ELE pilot begins in 9 selected districts.

4. Implementation: What Happened?

Taxation ELE Partnership. In January 2009, less than six months after the state legislature passed the law requiring DHS and Taxation to work together to identify and enroll children in NJ FamilyCare, the state began distributing the new tax returns. The first referrals through the tax process began in May 2009, when Taxation began sending a file monthly to Xerox with the names and addresses of families who said a dependent under age 18 did not have insurance. No other information was provided to DHS by Taxation at this point; for example, Taxation did not share income, social security numbers, birth dates, or other data that could be used to start an application

for NJ FamilyCare. Also, Taxation did not screen the child for income eligibility for NJ FamilyCare; the referral was based solely on the response to the insurance question and the dependent's age. Xerox sent all referred families the one-page express application for NJ FamilyCare, using a bright yellow envelope to try and draw attention to the mailing with the words "NJ FamilyCare Express Application for Health Insurance" printed in capital letters underneath the name and address label. The express application used was the shortened application developed in the 2004 schools experiment, modified to include language saying the signer gives permission to DHS to use their tax records to verify income. Families that received the express application did not need to submit any documentation with their application, but the application required them to report the child's name, social security number, and citizenship status and to state whether that child had other insurance. In addition, parents had to provide the social security number of the tax filer and sign the form authorizing DHS to obtain income data from Taxation (Sullivan and Parisi 2011).

When the express application was returned to Xerox, Xerox staff initiated the eligibility verification process using available databases; income eligibility was established by a match against Taxation's database using the tax filer's social security number, while the Social Security administration database was used to corroborate citizenship status. When eligibility was determined, the family was sent an identification card for the child.⁷ In 2009, there were 300,121 NJ FamilyCare express application mailings sent at an estimated cost of \$558,000 for printing, postage, and assembly of the mailings.

Just after the tax process began, CHIPRA passed in February 2009. DHS quickly contacted CMS about submitting a state plan amendment (SPA) for ELE, hoping to qualify the already initiated process as ELE. DHS had already consulted with key CMS staff in prior years about putting ELE-like processes in place, and CMS was eager to have a state implement ELE, so approval of the SPA was relatively easy and quick. Between March and June 2009, two or three key DHS staffers participated in several conference calls with CMS, and shared documents with CMS and Taxation staff; the ELE SPA partnership with Taxation was approved in June 2009. New Jersey was approved only for enrollment through this process (and not renewal as well).

Focus Group Findings: Renewing NJ FamilyCare Coverage is Easy, but Requires Substantial Documentation

Everyone in NJ FamilyCare goes through the same renewal process; there is no ELE for renewal in New Jersey. One parent was in the midst of the renewal process for his two children at the time of the focus group. He reported that the process was not hard, although the paperwork was lengthy and required a lot of documentation; but he agreed it was worth doing.

I got the renewal application by mail but I filled in the online form instead of the paper form. There were six steps, it was very long. They wanted to know social security number, if I was a resident or citizen, proof of address, doctor's name, income or if I was unemployed. I had to send in copies of everything. Then they sent me the ID for another year of coverage. It was very fast, I got the ID card maybe two or three weeks after I submitted all my documents. She needed her physical and immunizations to be able to go to school again, so it was worth it. If my daughter didn't have NJ FamilyCare it would be an issue... I couldn't afford to take her to the doctor without it.

In summer 2009, DHS and Taxation also began reflecting on their first year experience. Once again, any changes to the tax form had to be in place by August, when the tax forms were due to be

⁷ For non-ELE applicants, information from Taxation is used to verify income that has already been provided after the applicants have been enrolled. This is done for program integrity purposes, not for enrollment purposes.

received by Taxation’s printer. The state had sent out many more express applications in the first year than it had anticipated sending—more than the estimate of the number of uninsured children in the state. Although the instructions about the new question seemed clear—instructing the filer to indicate whether each named dependent had health insurance as of the date of the filing—in retrospect, it was determined that the new question was confusing to individuals and tax preparers alike. Reportedly, people were confused about which types of insurance coverage counted in answering the question and may not have understood that it included public coverage like Medicaid and CHIP as well as employer sponsored insurance (Sullivan and Parisi 2011). After conducting an analysis, Xerox verified it had sent express applications to children already enrolled in NJ FamilyCare, confirming the confusion about whether the question included public coverage. In addition, state officials later learned that electronic tax software programs (such as TurboTax and H&R Block) were programmed to default to the “no” response, meaning that the family would receive an ELE application for NJ FamilyCare. Taxation fielded many calls on its customer service line, from both individuals and tax preparers, about the new question and how to answer it.

Some New Jersey families submitted their state tax returns in January, February, and March, but the first NJ FamilyCare applications were not sent until May, when Taxation made the first referrals. DHS administrators think this time lag may have contributed to the low return rate for this effort; families did not see the connection between what they reported on the return and receipt of the express application. Although more than 300,000 applications were sent out, only 3,986 children were enrolled in 2009 through this process from a little over 16,000 returned applications (Table 4).

Table 4. NJ Taxation ELE Applications and Enrollments, 2009 - 2012

	2009	2010	2011	2012
Applications Distributed – Taxation ELE Process	300,121	63,475	40,679	28,652
Applications Returned – Taxation ELE Process (Rate of Return)	16,393 (5.5%)	2,846 (4.5%)	2,000 (4.9%)	1,108 (3.9%)
Preliminary Enrollment Counts from ELE-Taxation Process	3,986	466	474	211

Source: NJ FamilyCare.

Note: On average, an ELE express application covers two children.

As a result of the 2009 experience, several changes were made to the Taxation ELE process for subsequent years. First, DHS staff and Taxation reworded the insurance question. Beginning with the following year’s returns (for 2009 income filed in 2010), filers have been instructed to fill out a single oval “if the dependent does not have health insurance, including NJ FamilyCare, Medicaid, Medicare, private or other” insurance. Second, beginning in 2010, Taxation conducted outreach to tax preparers like Turbo Tax and H&R Block about correctly answering the ELE question on state returns. On the DHS side, Xerox modified its process so that when a referral is received from Taxation, the information is screened to assess whether the referred cases are already enrolled in NJ FamilyCare. Finally, referrals began to occur monthly, not just after the final filing income tax date in April to reduce the timing disconnect between individuals providing the information on their return and receiving the express application. Taken together, these modifications have reduced the number of express applications distributed substantially since the first year. Even with these changes, this outreach has not led to substantial enrollment (Table 4).

NSLP ELE Partnership. The first pilot process with NSLP began in September 2009, at the start of the 2009–2010 school year, nearly a year after the beginning of the planning process mandated by the 2008 state reform legislation. The first enrollments from this pilot partnership with NSLP in 16 districts began in January 2010. As noted earlier, there were problems with this initial approach, such as not knowing which children eligible for NSLP already had coverage; in fact, NSLP information was only used in one of the districts (Newark) to establish income.

The following school year (2010–2011), the schools in the 9 districts that received CHIPRA outreach grants sent one NSLP application and a disclosure form permitting the family to opt out of sharing their NSLP information with DHS to each household (as they previously had each year). For the first time, the question asking whether the child had health insurance was added to each of the 9 districts' emergency cards (these cards are non-standard in New Jersey and are developed by each district), which were distributed at the same time.⁸

Staff from districts participating in the CHIPRA grant reported that the requirements for the new process were straightforward and that it was not difficult to either input the data or to upload it to DHS. In fact, the process did not require much more work by the district's data entry person than before the process was in place: one district employee estimated it took just a few extra seconds to record the permissions in the student information system; that it took between 10 and 15 minutes to upload the data initially to DHS; and then it took just a few minutes to update that file and re-submit it later in the school year (in the 2010–2011 school year, data was initially uploaded in November and updated in January). School staff from districts interviewed for this study reported that they used the format that DHS prescribed for the data (DHS did not share an Excel template but provided a paper document showing the column headings needed).

A key requirement of the CHIPRA outreach grant was that someone be available to help families complete applications at the schools; the job typically was given to the data analyst for the school's student information system. DHS viewed this person as critical to the project: "It could not be an extra role for the school nurse or football coach," but had to be a staff person hired specifically for this task. This person would not just process data, but was assigned to do outreach. He or she could identify if a child's file was incomplete or possibly inconsistent and follow up with the family for information, such as a family that identified the child as uninsured on the emergency card but opted out of sharing information with NJ FamilyCare. If families contacted the school for help completing the application, the outreach coordinator could also track those cases and monitor whether the child obtained coverage. Overall, this job was challenging as schools could not force parents to complete the forms.

School district staff tried many different outreach efforts to contact families that did not submit either the NSLP or the emergency forms or submitted incomplete forms, but the impact of the outreach coordinator was hard to measure. Staff from two districts interviewed for this study said that for the most part, families did not seek help, so they generally never knew who applied and who did not apply.

⁸ All other districts in the state were given standard NJ FamilyCare applications to distribute with other back-to-school materials.

DHS viewed the NSLP process as a worthwhile effort to try to find uninsured children, but it was more labor intensive for DHS than anticipated. The school districts uploaded files directly to a DHS portal. “It is basically a full time job [for six months] for someone to clean that file,” according to one administrator, and then quarter-time work for a staff person for the rest of the year. DHS gave districts written instructions, telling them which data elements were needed, but districts could submit the data in the format they chose—putting columns in different order; formatting names (first name, last name or last name, first name) as they chose; sometimes leaving needed fields blank; or, an administrator said, “using their own school’s shorthand,” among other problems.

Focus Group Findings: Applying for Coverage is Easy

Both parents who participated in the Union City focus group had children that had been enrolled through the NSLP ELE process; they did not find the application process difficult. One parent commented how the standard process is not difficult either if you do it online.

It cuts a lot of corners that you don't have to provide the information twice [once already to NSLP and again to NJ FamilyCare]. Union City High School sent home one page letting me know what programs my child is approved for, and I just signed it.

I went through the standard process for myself because I lost my job and I need insurance. It wasn't burdensome to apply. I did it online, because if you apply at the county welfare office, you just sit there all day.

The state handles the paperwork quickly. You find out quick if your child is enrolled.

Once the file was cleaned and properly formatted, DHS sent all the cases in which insurance status was unknown (because it was missing from emergency card data) to its third party liability (TPL) contractor. The TPL contractor matched these children to insurance databases using available demographic information (districts did not provide the children’s Social Security numbers) and sent DHS a file indicating all children with an unknown insurance status who appeared to be uninsured. DHS combined this information with the clean file of cases known to be uninsured, and the resulting file was sent to Xerox. Based on the information in the file as to whether the child qualified for free or reduced lunch, the family was sent the express application.⁹ Families that did not qualify for free or reduced lunch, or when it was not known if they qualified (for example, if they opted out of sharing their NSLP data or do not qualify for NSLP but submitted the emergency card data indicating the child was uninsured) were sent a regular NJ FamilyCare application.

As with Taxation ELE applicants, the NSLP express application required the child’s name, social security number, and citizenship status and asked whether the child had other insurance. Families had to send the express application back to Xerox, but were not required to provide any documentation. Xerox temporarily enrolled children in NJ FamilyCare on the basis that NSLP status establishes their income level; those who qualify for free lunches were enrolled in the Medicaid-funded portion of NJ FamilyCare while those qualifying for reduced lunches were enrolled in the

⁹ For ease of tracking, the state actually developed two express applications for this process, which are currently in use: families with children who qualify for free lunch receive an “A” express application, which enrolls them into the Medicaid-funded portion of NJ FamilyCare; families with children that qualify for reduced price lunch receive a “B” express application, which enrolls them into the CHIP-funded portion of NJ FamilyCare.

CHIP-funded portion of the program.¹⁰ After children were enrolled, Xerox checked income levels against information from Taxation and the state wages database and checked citizenship status against the Social Security Administration database. Key informants estimated that well over 90 percent of NSLP express applicants did not require any documentation to make an eligibility decision; in a small number of cases, Xerox needed to contact an applicant because there was self-employment income reported or a mismatch between self-reported income and the state wages database or Taxation data. If an income match could not be made, but the child otherwise qualified, self-declaration was accepted. In 2012, 18,500 express applications were sent at a cost of \$31,000 for mailing, and an additional \$71,000 to obtain data from the schools.

Districts participating in the CHIPRA outreach grant pilot had to submit monthly reports during the grant period, discussing progress and any challenges encountered. District staff interviewed for this study appreciated that DHS accepted feedback about how the program was working and were willing to modify the process as problems arose. One challenge many districts identified was the requirement that the schools partner with a community group. In theory, the community partner was required so that a family could get help outside the school setting if desired; DHS officials thought that some families might not want the school to know their immigration status but would still need help with the application. In practice, district administrators said the community partner was not needed; because of privacy rules, districts could not share with the partner the identities of students who qualified for NSLP, so the partner could conduct outreach to those families. Moreover, administrators said that it would be highly unlikely for a family that received the express application to contact someone outside the school community for help, unless they directly contacted DHS with questions. As a result of this feedback, DHS refined the grant agreements to remove the community partner requirement.

In the 2011–2012 and 2012–2013 school years, all districts in the state were invited to participate, although participation was (and remains) voluntary. Stakeholders said about half of the state’s 590 districts participated as of January 2013, but report that this had grown to over 75 percent by April 2013.¹¹ However, since the CHIPRA outreach grant ended, the outreach component of the process ended as well; schools just performed the data upload with no outreach to families. Some minor operational tweaks were also made after the end of the grant. For example, DHS worked with DOE to modify the reminder messages sent to districts about the process; in the 2010–2011 school

¹⁰ To satisfy the CHIP “screen and enroll” requirements, which dictate that children do not qualify for CHIP unless they have been screened for Medicaid and found ineligible, states adopting ELE can set a screening threshold 30 percentage points (or more) above the highest Medicaid eligibility threshold. Children with family income at or below the threshold, as found by the Express Lane agency, are considered to have met the Medicaid eligibility income test for the purpose of complying with the Title XXI screen and enroll requirements. For children with family income above this threshold, states must assess whether these children are income-eligible for CHIP, based on the Express Lane agency findings, but they need not be screened for Medicaid eligibility (Center for Medicaid and State Operations 2010). Alternatively, states can temporarily enroll children in CHIP if the child appears CHIP-eligible using the Express Lane agency findings; however, during the temporary enrollment period, states must conduct a full eligibility determination to establish either Medicaid or CHIP eligibility. Even for children ultimately found Medicaid-eligible, states can claim Title XXI matching funds for the temporary CHIP enrollment period; this is an advantage for states, because the Federal government matching rate is higher in CHIP than in Medicaid.

¹¹ To encourage school districts to participate, DOE made compliance with this process a requirement for earning the status of being a high-performing school district.

year (under the CHIPRA outreach grants), reminders were sent to districts in August with all other back-to-school reminders. Because many districts enroll new kindergarteners annually in June, DOE agreed to change to two reminders, one in June and one in August, to try to catch new families enrolling a child for the first time as well as established families.

Table 5. NJ-NSLP ELE Applications and Enrollments, 2010 - 2012

	2010	2011	2012
Applications Distributed – NSLP ELE Process	NA	20,956	18,485
Applications Returned – NSLP ELE Process	247	2,176	2,993
(Rate of Return)	(NA)	(10.4%)	(16.2%)
Preliminary Enrollment Counts from NSLP ELE Process	215	1,557	2,071

Source: NJ FamilyCare.

Note: On average, an ELE express application covers two children.

NA=Not available.

To move the project from pilot to statewide implementation, DHS needed to obtain an ELE SPA for its NSLP partnership. Work to establish that SPA began in June 2011; it was approved in October 2011, effective retroactively to October 2010. This second SPA took more time to develop than the Taxation ELE SPA, but there were no significant sticking points in negotiating the final details with CMS. As with the Taxation ELE SPA, NJ was approved to use ELE with NSLP for enrollment only.

5. Outcomes: What Are the Observed Outcomes?

Since the Taxation and NSLP ELE processes have been in place in New Jersey, various outcomes have been observed:

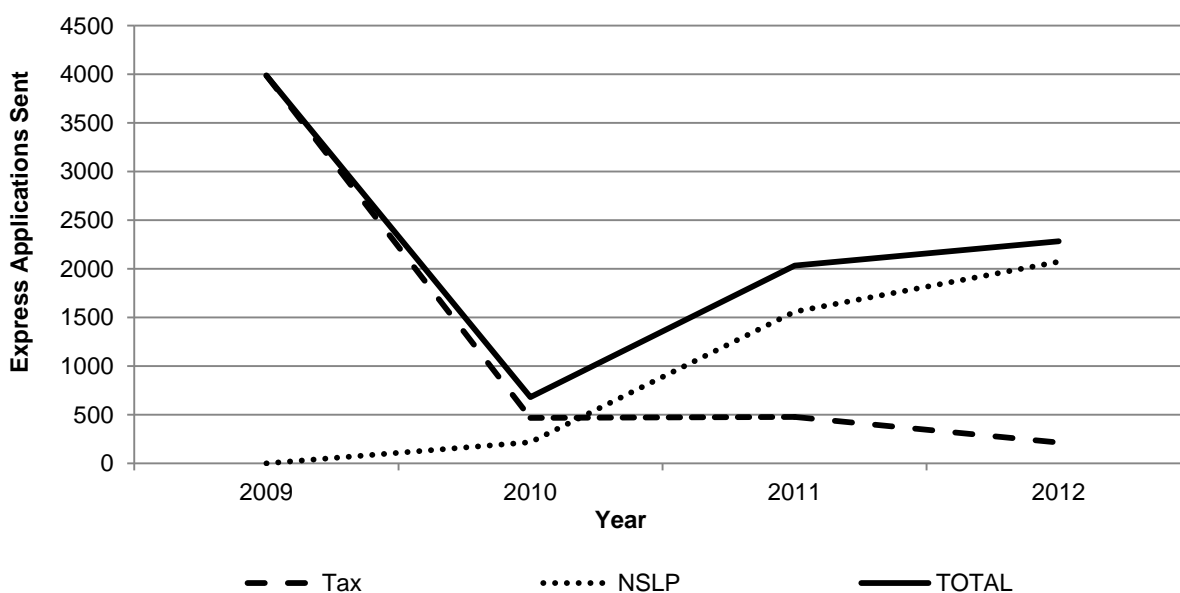
- **ELE permits faster eligibility decisions compared to the standard process.** ELE applications are processed more quickly than regular applications, getting applicants coverage sooner than through standard processes. State administrators estimate that the time between application receipt and the beginning of CHIP coverage is about 7 days through the Taxation ELE process compared to about 30 days through the standard process. For those coming through the NSLP ELE partnership, the average number of days to process an application was 7 days for children who qualified on the basis of reduced lunch receipt and 9 days for those who qualify on the basis of free lunches.
- **ELE applicants have to do less paperwork than standard applicants.** ELE applicants are not required to submit any documentation with their express application. By comparison, those who apply through the standard process must submit proof of income for the most recent month, proof of U.S. citizenship or, in the case of noncitizens, a copy of the resident alien or other documentation; and proof of other health insurance or proof that any other health insurance has been terminated.¹² Finally,

¹² Coverage may still be provided through NJ FamilyCare if the child has other insurance that is considered noncomprehensive.

the express application itself is shorter than a standard application, so families likely can complete it more quickly than a standard application.

- **ELE has generated enrollments.** Both ELE processes have generated enrollments in NJ FamilyCare (Figure 1). Preliminary enrollment counts from the state indicate that Taxation-related ELE enrollments have been in decline since the tax ELE process began, partly because far fewer applications were sent after the first year, while preliminary counts indicate NSLP-related ELE enrollments have grown, as expected once the NSLP process spread throughout more of the state (about half of districts participated as of the end of 2012, and state officials reported that over three quarters of districts were participating by April 2013).

Figure 1. Preliminary Counts of ELE Enrollments in NJ FamilyCare, 2009–2012



Source: NJ FamilyCare.

- **A larger proportion of Taxation ELE related enrollees are teenagers compared to those enrolled through the standard application process.** Analysis of aggregate data from the state's Taxation ELE partnership compared to regular (non-ELE) enrollees for the period from June 2009 to December 2011 indicates that 35 percent of the ELE enrollees were ages 13 to 18 compared to 27 percent of non-ELE enrollees (Hoag et al. 2012). Given that teenagers are traditionally the most likely age group to be uninsured, ELE may be a promising route to reaching and enrolling older children.¹³

¹³ In a future phase of this study, researchers will reexamine ELE versus non-ELE enrollees by age and other demographic differences, including children who entered through the NSLP ELE process through the end of 2012.

- **Children enrolled through the NSLP ELE process are less likely to renew coverage than standard route enrollees.**¹⁴ Neither ELE process replaces the NJ FamilyCare renewal processes—standard applicants and ELE applicants follow the same renewal processes in effect before initiation of either ELE process (submitting a renewal form sent to the family, and documenting income and residency). However, when DHS examined renewal rates for those children enrolled through the NSLP ELE process as part of their assessment of the CHIPRA outreach grant project, DHS found that about 90 percent of standard (non-ELE) enrollees renew NJ FamilyCare coverage annually. In the 15-month period when the NSLP ELE CHIPRA outreach grant schools operated the ELE process, the renewal rate of NSLP ELE enrollees from the 9 districts administering the program was only about 12 percent. Our preliminary analyses of NSLP ELE data across a longer time period suggest a much higher renewal rate—fewer than ten percentage points below non-ELE renewal rates.¹⁵

The most common reason for ELE applicants not being renewed is that they do not provide all the information needed to renew. Though the reason for this is unknown (the state has not surveyed this population), some stakeholders theorized that the ease of NSLP ELE enrollment may diminish the value parents place on maintaining health coverage through renewals; or that it could be related to the NSLP process, which has no renewal process; families apply to NSLP each year as though they are new to the system. Families that enrolled through the NSLP ELE matching and outreach process might expect paperwork to come back through the school to re-enroll in NJ FamilyCare, as happens with NSLP.

- **Neither ELE partnership is automated, resulting in more work for the state; as a result, ELE has been costly to administer.** Both ELE processes involve new tasks for the state—such as cleaning the uploaded data files from school districts in the NSLP ELE partnership and sending mailings to families with children identified through both ELE processes. In the first year of the Taxation partnership (2009), mailings alone cost the state \$558,000—about \$140 in mailing costs per child enrolled through ELE. Total mailing costs were lower in subsequent years — around \$74,000 on average — when far fewer Taxation express applications were sent, but on average, mailing costs per enrolled child were higher — over \$190 — in subsequent years. For the NSLP process, ELE mailings cost \$31,000 in 2012, and using data from schools cost another \$71,000, resulting in a cost of around \$50 per child enrolled through this ELE process. However, having ELE has added to the simplifications in place in the state’s Medicaid and CHIP programs, and New Jersey has been awarded CHIPRA performance bonuses annually since the bonus program began. New Jersey had five out of the eight simplifications required to qualify for the bonus and exceeded the targets for state Medicaid enrollment by more than 10 percent (as CHIPRA bonus rules require). This earned New Jersey nearly \$52 million over fiscal years 2009 through 2012.

¹⁴ New Jersey has not analyzed whether children referred to NJ FamilyCare through the Taxation ELE partnership are more or less likely to renew coverage than those enrolled through standard routes.

¹⁵ A more extensive analysis of renewal rates will be included in the final Express Lane Eligibility Evaluation Report to Congress, due to be published in December 2013.

- **ELE may improve outreach mailing response rates.** New Jersey mails standard application forms to families with school children believed to be uninsured but not eligible for free or reduced lunches—a non-ELE outreach process very similar to the ELE process. The major difference between the NSLP ELE process and this non-ELE process is that proof of income is not required of ELE applicants (because the state can use NSLP income findings), while it is required of non-ELE applicants being sent a standard application form. The ELE application is shorter, and ELE applicants avoid having to provide paper documentation. ELE mailings have a 13 percent return rate while only 8 percent of non-ELE applications sent out through this schools-based process are returned, suggesting that the easier ELE process is making a difference.
- **A small program integrity assessment showed ELE rules are applied properly in the NSLP partnership.** DHS conducted a quality control study to assess the level of error (if any) introduced using the NSLP ELE process, assessing applications that came from districts that participated in the CHIPRA outreach grants. DHS checked income for 25 ELE parents whose Social Security number was available. The assessment found that even though the poverty levels between NSLP and Medicaid and CHIP do not perfectly align, DHS had applied the ELE rules properly, resulting in children being assigned correctly to the Medicaid or CHIP portions of the NJ FamilyCare program.

Some stakeholders interviewed said that New Jersey's ELE processes have also had some unexpected effects on NJ FamilyCare operations and some benefits for non-ELE enrollees. For example, Xerox now conducts a weekly match with Taxation data, which serves as an income verification for non-ELE applicants. This relationship also supports Xerox's program integrity efforts, giving DHS a source to verify income data submitted. Simplifications made to the express application used in ELE processes, such as streamlined presentation of the managed care plan options, were also carried over to standard applications, which benefits applicants (Hoag et al. 2012).

While administrators in some other states sometimes report that ELE can change agency culture—by focusing agency staff on what can be done to simplify processes and relying less on bureaucratic customs focused on minimizing error and maximizes verification--this does not appear to be the case in New Jersey. This may be because the push for culture change preceded ELE, through the 2008 reform law that directed all agencies in the state to begin working together on the problem of eligible but uninsured children. Informants said that the reform law was a significant step for state agencies; and while mandated, most if not all agency commissioners were motivated to understand how their agency could help NJ FamilyCare. For the most part, partner agencies were willing to sit down and talk about what was possible and then spend their own agency resources to achieve that. Likewise, DHS was willing to scale back their expectations about how partner data could be used, and what partner agency data they could have access to, to make ELE work. Although partner buy-in at the agency level has occurred, it has taken longer to get district-level buy-in from schools, presumably because schools view it as an unfunded constraint (each would have to modify its emergency cards, include new data fields in their student information system, and upload data to DHS). DHS staff are encouraged the number of participating school districts continued to increase each year, even though it is a voluntary process.

6. Looking Forward: Future Prospects for Using ELE Under Reform

While the preliminary counts of children ever enrolled through either ELE process represent a very small fraction of NJ FamilyCare program enrollment—about 1 percent—DHS officials view ELE as an important pursuit among the many “in-reach” activities undertaken since 2008 that, taken together, have increased the number of children insured through NJ FamilyCare. DHS officials are planning to continue both ELE processes for the foreseeable future; at the time of our visit, they were pleased that permission to use ELE had just been extended to the end federal fiscal year (FFY) 2014 (it had previously been slated to end after FFY 2013). State officials feel that they have invested so much in building the new infrastructure needed for ELE that losing it could cause NJ FamilyCare to lose some momentum in adding children to coverage.

However, DHS staff acknowledged that the Affordable Care Act creates uncertainty about how various aspects of ELE processes will work in 2014. For example, Section 1413 of the Affordable Care Act directs the U.S. Department of Health and Human Services (HHS) to develop a single, streamlined application that will be used to apply for Medicaid, CHIP, and qualified plans under the exchanges (Centers for Medicare & Medicaid Services 2012). States must use either this new application or a modified version if they have HHS approval. At the time of our visit, state officials were uncertain how the express application used in ELE would be affected by this mandate or if they would be permitted to continue its use. Officials speculated that perhaps ELE express applications could continue, being matched

in the future against income reported through the federal data hub required under the Affordable Care Act (instead of the current income matching process with state wage and tax databases). Another possibility is that both ELE processes would continue to be used to identify families, but that families would then be directed to using the single streamlined application. At the time of our visit, state officials were still awaiting federal direction as to whether and how this would work. Because final regulations based on the Affordable Care Act have not been issued, ELE’s future in New Jersey beyond 2014 is unknown.

DHS does not consider an automatic ELE enrollment process to be likely in the future. Primarily, this is because DHS staff consider it necessary to have a signature from Medicaid enrollees signifying their understanding of, and agreement to be bound by, Medicaid rules before enrollment. Providing Medicaid rights and responsibilities information on the NSLP form would drastically lengthen the form, which is primarily supposed to be for the school lunch program. For the Taxation ELE process, getting the state tax agency to agree to the use of data for automatic enrollment is unlikely to occur, given Taxation rules about using data only for tax purposes.

Focus Group Findings: Parents Look Forward to Health Reform for Coverage for Themselves

Neither parent participating in the focus group had health insurance for themselves. One parent had lost her job where she had coverage; she had applied for herself to NJ FamilyCare (which covers parents up to 133 percent of the FPL) and was told she would learn within 30 days if she was covered. The other parent was waiting to get coverage through his job; he had to work a certain number of months before he was eligible for health insurance benefits. Both had heard about reform and were looking forward to it.

Health care is expensive. Months ago I needed to do a blood test but I didn't have insurance. I went to a community clinic, and they could do it but I still needed to pay \$65. It's expensive. If I need a mammogram or sonogram, it's important but it's expensive. I worked five years, paid my taxes every year, but I got laid off. I just need temporary help until I'm working again... I am looking forward to health reform.

Definitely I'm looking forward to it.

7. Lessons Learned

DHS staff point to the value of pilot-testing the NSLP ELE process as the key lesson learned from their ELE experiences. The state-funded NSLP pilot and the subsequent CHIPRA outreach pilot allowed them to work out partnership agreements and problems with system mechanics and to use those experiences to inform their SPA and its implementation. DHS staff noted that any state can pilot ELE processes; a SPA is only needed to take ELE statewide. This lesson might be particularly relevant for states considering using NSLP as their ELE partner. Many Medicaid and CHIP officials in other states interviewed by this research team in the past year cite NSLP as the most desired ELE partner because it is a probable source of finding children who would likely qualify for coverage, but they have reported hurdles that have prevented them from implementing an NSLP ELE process. These barriers include the sheer number of school districts in the state; district use of different NSLP forms; maintenance of data in different formats (on paper or within a data system); and data sharing concerns, among other problems. Also, one state secured an SPA for NSLP only to find out after seeking federal approval that it could not implement the process; that state is in the process of implementing an ELE process with other partner agencies instead. New Jersey's experience doesn't dispel the complexities surrounding the use of NSLP as an ELE partner, yet its positive experiences with pilot-testing could be relevant for the many new activities that have to happen under reform, although the timeline for pilot testing would be quite narrow.

While several states have tried to implement an NSLP ELE process, only New Jersey has taken this to scale, as other states have run into data sharing obstacles. New Jersey's success comes at a relatively small price—around \$71,000 in data processing costs in 2012—funds that are required to support obtaining and processing the data (the state must obtain data from school districts directly, and many districts have provided data in a format different from that requested by the state). Manual data processing work could be reduced if school districts can be encouraged to stick with a standard format. One option for encouraging this could be to provide an excel template for the desired data file for schools to populate, though this option has not been tested.

New Jersey's Taxation ELE experience also offer lessons about the mechanics of a mailings-based ELE process. In the first year of Taxation ELE in New Jersey cost the state much more than subsequent years, largely because the state did not carefully target mailings. To control costs, program administrators improved the language on tax returns, to clarify the definition of uninsured. Additionally, the state worked with tax preparation companies to ensure they understood how to answer the ELE question. New Jersey also now checks whether an individual is enrolled in NJ FamilyCare before mailing an ELE application form, avoiding unnecessary mailings. These steps have helped reduce the number of mailings sent out each year, which has lowered costs. Such an iterative approach could be applied to almost any simplification adopted to try to improve enrollment and/or renewal processes.

New Jersey's NSLP ELE experiences indicate that ELE may make a difference. The rate of return from families receiving standard NJ FamilyCare applications through New Jersey's non-ELE school-based outreach process was lower than the rate of return from families receiving ELE applications through the same mechanism. This suggests the shorter application, and lack of a requirement to provide paper income documentation under ELE, may influence the return rate, although confounding factors may exist. For example, families receiving standard applications are families not known to be in the school lunch program, so they may have higher incomes, on average, than ELE families. That could help to explain the difference in response rates if wealthier families are less willing to apply for public health insurance, or see less of a need. Notably, while both of the state's ELE processes are outreach-based, the mailing response rate for the NSLP ELE

process is higher (at 13 percent) than the ELE mailing response rate for the Taxation ELE process (at 5 percent), as well as being less expensive on a per-enrollee basis. Although these results do not permit firm conclusions that one type of ELE process is better than another, other states might consider these findings when deciding what kind of ELE process to implement.

One caution from New Jersey's experience is that although an ELE program can operate as an outreach process, rather than an automated enrollment or renewal process, the reliance on returned mailings from families is an operational hurdle that impedes enrollment. This limits the effectiveness of the state's ELE process in terms of generating enrollment. Moreover, the state's own analysis indicates that children enrolled through ELE are less likely to renew their coverage than children who enroll through the standard process. At least in the first years, the NSLP ELE process more narrowly targeted those likely to be eligible, whereas the Taxation ELE process cast a wider net trying to find eligible uninsured children. As states look to identify children they have otherwise been unable to enroll, New Jersey's experience suggests that using ELE as a targeted outreach method could be a promising method for doing so and could support the movement toward 100 percent coverage for children.

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