



How Well Did Maryland Identify and Enroll Uninsured Children Who Are Potentially Eligible for Medicaid or CHIP?

Evaluating the success of Maryland's Kids First Act outreach at identifying and enrolling uninsured eligible children in Medicaid or CHIP

SUMMARY

Between December 2008 and May 2012, researchers at [The Hilltop Institute](#) at the University of Maryland, Baltimore County (UMBC)¹ evaluated the implementation of Maryland's Kids First Act of 2008, a tax-based outreach initiative designed to identify and enroll uninsured eligible children in Medicaid or the Children's Health Insurance Program (CHIP).

Maryland's Kids First Act required Maryland's tax agency (the Comptroller of Maryland) to revise the state's income tax forms to include a question asking taxpayers to report the health insurance status of dependent children. The Act then required the Comptroller to mail a notice regarding eligibility for Medicaid or CHIP, as well as instructions on how to apply for these programs, to taxpayers with potentially eligible children.

Key Results

- Researchers identified several factors that facilitated the enactment and implementation of the Kids First Act, including a conducive political climate, incentives for low-income households to file state tax returns, and the collection of useful data from state tax forms.
- The researchers' findings during the course of the project led to annual changes in Maryland's tax forms that enabled better targeting of households with Medicaid- or CHIP-eligible children and led to the enactment of new legislation that facilitates data

¹ The Hilltop Institute is a nonpartisan health research organization with an expertise in Medicaid and in improving publicly financed health care systems. Hilltop has a longstanding partnership with the Maryland Department of Health and Mental Hygiene to provide evaluation, research, and policy support for its public programs.

sharing between the Comptroller of Maryland and the Maryland Department of Health and Mental Hygiene (DHMH), Maryland’s Medicaid and CHIP agency.

- Researchers initially identified 140 children and 47 adults who enrolled in Medicaid or CHIP for tax year 2010.

Funding

The Robert Wood Johnson Foundation (RWJF) awarded \$183,664 to DHMH, in part, to fund an evaluation of the project by researchers at Hilltop.

The Maryland project was one of several funded through *State Health Access Reform Evaluation (SHARE)*, a national program of RWJF that supports research and evaluation of state health reform initiatives. (See [Program Results](#) on *SHARE* for links to reports on other projects funded through the program.)

CONTEXT

Despite innovative outreach efforts by states, many children eligible for Medicaid or CHIP have not been enrolled in either one.² States, having exhausted the potential of traditional methods of outreach, searched for new methods to identify and enroll children eligible for—but not enrolled in—Medicaid or CHIP. One such method was the use of state income tax data to find low-income families with uninsured children who may be eligible for Medicaid or CHIP.

RWJF’s Interest in This Area

The goal of the RWJF Coverage Team has been to achieve stable, affordable health insurance coverage for 95 percent of Americans by 2020. Prior to passage of the Affordable Care Act (ACA) of 2010, states took the lead in developing and implementing policies designed to reduce the number of uninsured Americans. In 2006 for example, RWJF authorized its Coverage Team to establish the *State Health Access Reform Evaluation program (SHARE)* to:

- Support the rigorous evaluation of state health care reforms
- Disseminate meaningful, user-friendly findings for state and national policy-makers and researchers

² Reported in Dubay L, Holahan J and Cook A. “The Uninsured and the Affordability of Health Insurance Coverage.” *Health Affairs*, 26(1): w22–w30, 2007. Available [online](#).

Projects supported through this program encouraged evaluators to enter into partnerships with state policy-makers to increase access to data and build connections with the program’s intended audience.

In September 2010, the program shifted its focus to health reform issues as they relate to state implementation of the ACA.

THE PROJECT

A Hilltop research team, led by Project Director David Idala, MA, evaluated the implementation of Maryland’s tax-based outreach initiative, the Kids First Act of 2008, and how well the state achieved its goal of identifying and enrolling uninsured children who are eligible for Medicaid or CHIP. The evaluation sought to glean lessons not only for Maryland but also for other states.

Maryland’s Kids First Act required Maryland’s tax agency (the Comptroller of Maryland) to revise the Maryland state income tax forms to include a question asking taxpayers to report the health insurance status of dependent children. The act then required the comptroller to mail a notice regarding eligibility, as well as instructions on how to apply, for Medicaid or CHIP to taxpayers with potentially eligible children.

(See the [Appendix](#) for more information about the Kids First Act.)

Stakeholder Interviews

To understand factors that facilitated and challenged the initiative, researchers conducted interviews with 14 key stakeholders. The interviews addressed the policy decisions and key considerations of leadership in designing and implementing the initiative, as well as the processes needed for implementation from an operational perspective. Some informants were re-interviewed to address changes made to the outreach efforts over the course of the project.

Interviewed stakeholders included:

- Staff from the comptroller’s office
- Staff from the Maryland Department of Health and Mental Hygiene (DHMH)
- Maryland legislators
- County officials

Document Review

Researchers reviewed key state documents, legislation, and other literature related to the initiative to understand the context within which the Kids First Act was implemented.

These included:

- Federal and Maryland statutes and regulations pertaining to the Kids First Act, interagency data-sharing, and the Kids First Express Lane Eligibility Act, which allowed individuals to agree to share their personal income tax information with DHMH by checking a box on the tax return
- Maryland documents and reports, including the Maryland personal income tax form, the Kids First Act mailings to taxpayers with potentially Medicaid/CHIP-eligible children, and the Comptroller of Maryland's annual reports
- Evaluation findings on similar initiatives in other states

Data Analysis

Project staff analyzed the comptroller's data on the mailings and subsequent Medicaid and CHIP enrollment to determine how successful the initiative was in enrolling uninsured children. The analysis considered data from tax years 2007 through 2010:

- For tax years 2007 through 2009, the comptroller provided aggregated data and project staff compared these numbers with overall Medicaid enrollment.
- For tax year 2010, the comptroller provided person-level data on taxpayers who opted to share their data with DHMH. Researchers then linked the taxpayer data with Medicaid and CHIP enrollment data to analyze whether these taxpayers enrolled subsequent to receiving the Kids First Act mailing.

Challenges

Project Director David Idala described the following challenges in an issue brief he co-authored entitled *Lessons from the Implementation of the Maryland Kids First Act*:

- Existing state law initially prohibited the comptroller from sharing personal income tax information with DHMH, so there was no means of determining Medicaid or CHIP enrollment as a result of the Kids First Act.

The Kids First Express Lane Eligibility Act of 2010, which allowed individuals to agree to share their income tax information with the health department by checking a box on the tax return, provided some resolution to this problem. (See [Experience with the Implementation of the Kids First Act](#).) However, the SHARE grant ended before many of these individuals could have applied for and received an eligibility determination.

- The comptroller did not send notices to potential Medicaid or CHIP applicants based on tax year 2010 filings until March and April 2012. The tax filers' income, insurance status, and addresses could have changed during that period. As a result, some may not have received the notices or may no longer have had children who were eligible for Medicaid or CHIP.
- By the end of the grant period, Maryland had not yet devised a system to track the specific Medicaid or CHIP applications that were submitted as a result of the Kids First Act notice.

Other Funding

In addition to the RWJF funding, DHMH supported this project with federal Medicaid administrative matching funds of \$226,286.

RESULTS

The research team reported the following results in an issue brief titled *Lessons from the Implementation of the Maryland Kids First Act*:

Factors Facilitating the Enactment of the Kid's First Legislation

Researchers identified several factors that expedited legislative enactment and contributed to the statute's potential efficacy.

- **Maryland's political climate was conducive to the enactment and implementation of the Kids First Act.**
 - The act had a key sponsor in the General Assembly and there was already precedence for using state income tax data for outreach for a county-funded health program.
 - The act had buy-in from the state administration and it complemented other state initiatives to improve access to care.
- **Maryland offers a state-based earned income tax credit to low-income households, so many low-income Maryland households that are not legally obligated to do so choose to file state income tax returns.**
- **Data captured on Maryland's tax form were sufficient to calculate the federal poverty level of households, which was used to estimate potential Medicaid and CHIP eligibility and to link with Medicaid eligibility data.**
- **The Kids First Act had the flexibility to make changes over time.**

Experience with the Implementation of the Kids First Act

The researchers' findings during the course of the project led to changes in Maryland's tax forms that enabled more targeted mailings and the enactment of new legislation that facilitates data sharing. These implementation refinements included:

- **The Comptroller of Maryland revised the 2008 Maryland income tax forms to ask taxpayers to indicate whether their dependent children had health care.**³ Adding the health care coverage question in 2008 resulted in a more targeted outreach, with 294,000 fewer notices mailed than in 2007.
- **The Comptroller of Maryland modified the tax form again for tax year 2009 to address three concerns about the 2008 form.** These changes allowed the comptroller to send notices to a population more likely to benefit from the notifications. The 2009 form:
 - Replaced the term “health care” with “health insurance”
 - Asked whether the child had insurance “now” (at the time of filing)
 - Asked whether a dependent child was “under age 19” (the 2008 form did not request the age of the dependent child)
- **The Maryland General Assembly enacted the Kids First Express Lane Eligibility Act in April 2010.** The act lifted the prohibition on the Comptroller of Maryland from sharing taxpayer data with DHMH for the purpose of Medicaid and CHIP eligibility determination, and included the following requirement:
 - The act required the Comptroller of Maryland to include a check box on the tax form for individuals to opt in to participate in the data-sharing.

Medicaid and CHIP Enrollment Resulting From Tax-Based Outreach

Researchers analyzed the small subset of taxpayers who both received the mailing and consented to share their data with DHMH to determine if any subsequently enrolled themselves or their children in Medicaid or CHIP. The researchers' analysis resulted in the following finding:

- **Researchers initially identified 140 children and 47 adults who enrolled in Medicaid or CHIP subsequent to the Comptroller of Maryland's mailing for tax year 2010.**

³ In the first year of the initiative (tax year 2007), the Kids First Act directed the Comptroller of Maryland to mail notices to any taxpayer with a dependent child if the taxpayer's reported income did not exceed the highest income eligibility standard for Medicaid or CHIP.

Limitations

Idala noted the following limitations to the analysis of Medicaid and CHIP enrollment in a report to RWJF.

- The enrollment number is likely an underestimate for the following reasons:
 - This analysis could only be performed on a small subset of households that received the mailing. Of the 137,577 households that were sent a Kids First Act notice, only 4,753 (3%) consented to share their data with DHMH.
 - Little time elapsed between the mailing (March and April 2012) and the end of the RWJF grant period (May 2012) to allow for applications and eligibility determinations. Subsequent analyses will likely obtain additional enrollment.
- There is no way to determine that the observed enrollment was expressly due to the mailing and not some other factor. In an interview, Idala recommended the addition of “a new question on the Medicaid application asking how the individual learned about the program.”

Communications Results

Idala reported the following communications results to RWJF:

- **Researchers prepared three issue briefs and electronically distributed each brief to more than 2,000 recipients.** Recipients included policy-makers; researchers; federal, state, and local officials; foundations; community leaders; and other stakeholders with an interest in health policy and related issues. See the [Bibliography](#) for details.
- **Researchers presented project findings at five national conferences:** two AcademyHealth meetings (State Health Research Policy Interest Group Meeting in 2009 and Annual Research Meeting in 2011) and at annual meetings of RWJF’s *SHARE* program (2009 and 2010) and the Foundation’s *State Coverage Initiatives* (2009).

LESSONS LEARNED

1. **Involve key stakeholders in the evaluation process.** Information gleaned from key informants and shared among stakeholders resulted in initiative improvements such as the enactment of the Kids First Express Lane Eligibility Act that alleviated data-sharing challenges between the Comptroller of Maryland and DHMH. (Project Director Idala)
2. **Work collaboratively with the state agency responsible for the program.** Hilltop’s partnership with DHMH provided an opportunity to continuously improve the quality of the evaluation and the outreach of the initiative. (Project Director Idala)

3. **Be flexible.** Multiple tax form revisions enabled better targeting of mailings to the individuals most likely to qualify for Medicaid or CHIP. Researchers modified the evaluation approach when the initiative overcame data-sharing challenges. (Project Director Idala)

AFTERWARD

The Kids First outreach is expected to continue in Maryland at least through tax year 2012. Throughout its duration, DHMH will monitor the program and Hilltop researchers will evaluate Medicaid/CHIP enrollment as a result of this outreach initiative.

Prepared by: Darl Rastorfer

Reviewed by: Mary B. Geisz and Molly McKaughan

Program Officer: Katherine Hempstead

Program Area: Coverage

Grant ID#: 65635

Project Director: David Idala (410) 455-6296; didala@hilltop.umbc.edu

APPENDIX

The Kids First Act

In March 2008, Maryland's House of Delegates passed the Kids First Act (HB 1391), legislation that uses the state's personal income tax system to target outreach efforts to children who may be eligible for Medicaid or Maryland's Children's Health Insurance Program (CHIP). The law was enacted in May 2008. The goal of this legislation is to decrease the number of children in Maryland without health insurance coverage.

The legislation's implementation involved two phases.

- Phase I required the Comptroller of Maryland to send a notice regarding eligibility for these health insurance programs, as well as instructions on how to apply, to all taxpayers with a dependent child if the income they reported on their 2007 tax return did not exceed the highest income eligibility standard for these programs. In Phase I (2007 tax return), taxpayers were *not* asked about the health care coverage status of their dependent children. The notice was developed by the Maryland Department of Health and Mental Hygiene.
- In phase II, taxpayers *were* asked to report the health care coverage status for each dependent child on their 2008 state income tax return. Subsequently, the Comptroller sent Medicaid or CHIP applications and enrollment instructions to families who met applicable income standards *and* who indicated (on the 2008 return) that one or more of their children were uninsured.

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