Georgia DHR
Office of Child Support Enforcement

Medical Insurance Collaboration
Final Report

Version 5.0
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1.0 Introduction

The purpose of this document is to provide a final report concerning the medical insurance enrollment project conducted by the Georgia Department of Human Resources (DHR), Office of Child Support Enforcement (OCSE). The goal of the project was to increase the number of children in Georgia with private medical insurance coverage. This report will reflect that the goal identified has been met and the information has been submitted to the Georgia Department of Community Health (DCH).

The intended audience of this document includes:

- Office of the Governor
- DHR and DCH Commissioners
- DHR and DCH Program Managers
- Budget Analysts

2.0 Background

The Department of Human Resources (DHR), Office of Child Support Enforcement (OCSE), core business functions include the establishment and enforcement of child support and medical insurance orders for all children in the child support (IV-D) caseload. The medical insurance enrollment project sought to increase the number of children in the IV-D caseload with private medical insurance coverage. A secondary purpose of the project was to reduce the costs of public medical insurance provided by the DCH.

OCSE serves 478,000 children. Of this number 270,000 receive Title XIX Medicaid services and 31,776 receive PeachCare for Kids. OCSE transmits data from Support, Tracking, Accounting, Reporting System ($TARS), OCSE's automated computer system to the DCH. This transmission is a data file of all active child support participants. Currently there is no two-way interface with DCH.

2.1 Assumptions

The full scope of how the project was executed can be found in the Medical Insurance Project Plan version 4.0. There were assumptions made by the OCSE Project Team at the onset of the project and these are worth noting.

- Data provided by DCH is current participant data
- DCH is committed to the project
- DHR will remain committed to the process
- Private medical insurance for children will increase due to this effort

3.0 Findings

The findings as a result of this project have been divided into two categories: PeachCare for Kids and Medicaid.

3.1 PeachCare for Kids

The first step taken was to conduct a match of children receiving child support benefits that were also receiving PeachCare for Kids. DCH provided a data file of all children on PeachCare for Kids. OCSE compared this data file to the $TARS database. The original file contained 32,000 OCSE children that were also receiving PeachCare.

OCSE reviewed the information extracted from $TARS and found those that had insurance based on fields in $TARS. Based on selection criteria, OCSE project team members determined those most likely to have private medical insurance in affect. To verify the insurance OCSE randomly called 300 employers and found that 91% of those indicated with insurance in fact did have insurance in effect.

The list of children was provided to DCH on March 31, 2004. Upon reviewing the listing, DCH found some discrepancies in the information provided. DCH and OCSE met to determine the problem. The file provided by DCH and the data match conducted by $TARS was not up to date. After further discussion it was determined that another match would be needed and individual verification for each child would also be required to insure that no child was inadvertently taken off PeachCare without private insurance in place.

OCSE and DCH have agreed to work together on a plan to find private medical insurance for children receiving PeachCare.

3.2 Title XIX Medicaid

DCH provided a data file of Title XIX Medicaid children who had claims filed during the months of January and February 2004. OCSE matched this data file against $TARS to identify children that had medical support ordered and the NCP was currently employed. The extract identified 12,000 children who could potentially be enrolled in private medical insurance.

OCSE mailed 10,371 federally mandated National Medical Support Notices (NMSN) to over 7,000 employers on March 18, 2004.

The project provided 1,710 Medicaid children with private medical insurance coverage. A listing of the children was provided to DCH on April 30, 2004. DCH reviewed the data and found that the data elements mandated in the NMSN did not meet their requirements for considering the private insurance as a primary carrier. DCH and OCSE met to discuss the issues and determined that gathering the COB Resource data elements from employers in the detail needed by DCH and inputting the information into both DCH and OCSE systems is a very labor intensive process and could best be performed by a vendor experienced in this area. Hiring a vendor with this expertise will allow DCH and OCSE resources to continue to focus on the core business areas of their respective programs. This approach will allow for more efficient use of resources and reliable data for the computer systems of both agencies.

The following sections outline the details of the finds of this project and provide important data that can help DCH and OCSE increase the number of children with private medical insurance in effect.

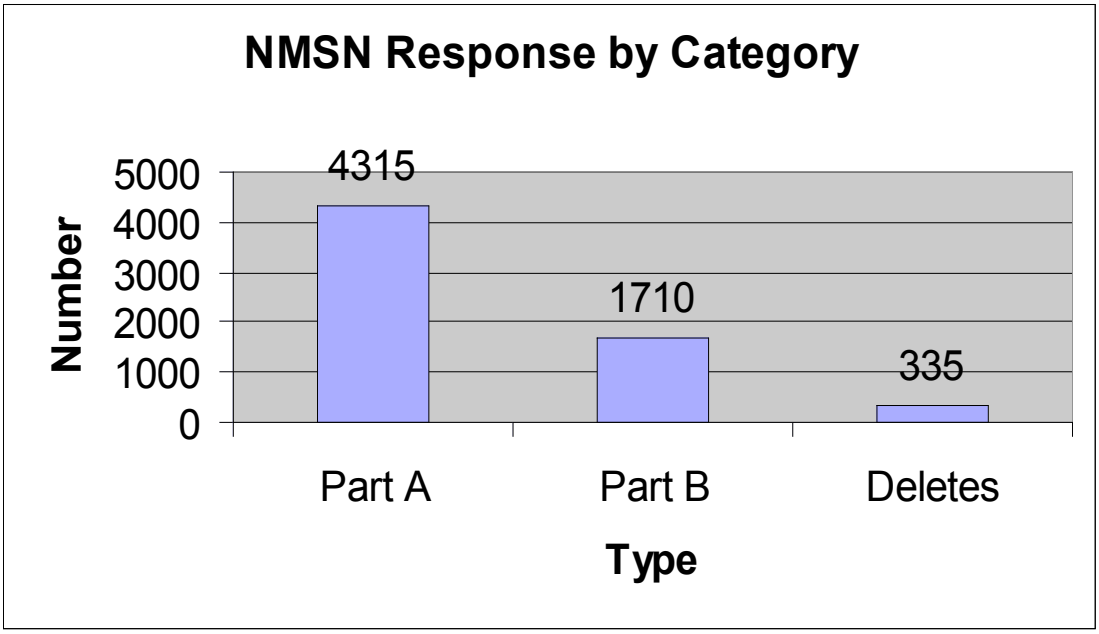
3.2.1 Employer Response

The employer response to the NMSN was overwhelmingly positive. As of May 20, 2004 there have been 7,136 responses from employers. This is an astounding 69% response rate, which is much greater than the 60% response reported by other states and vendors.

Although employers had 20 business days to either respond that insurance was not available, the employee terminated, did not qualify because the cost was unreasonable, or to transfer the NMSN to the appropriate group health plan, a huge majority of responses were returned within the first 14 calendar days.

The NMSN is broken down into two separate parts, A and B. Part A responses indicate that medical insurance is not available and Part B responses indicate that medical insurance is available. The project team made the assumption that for any given case, there should only be either Part A or Part B, not both. The "deletes" category is made up of cases where the NCP is receiving social security disability, unemployment, workers' compensation, NMSN issued in error, etc. Chart 1 categorizes the responses received from the employers.

Chart 1



The cut-off date for data reporting purposes is May 26, 2004. The OCSE continues to receive responses from employers. Although not included in the counts in this report, the OCSE will continue to provide new information to the DCH.

3.2.1.1 NMSN Part A Response

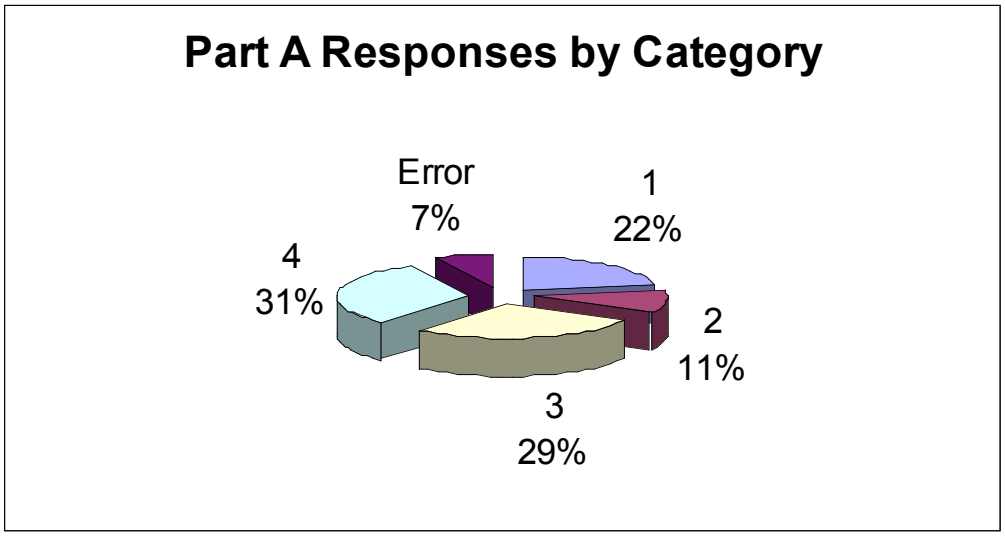
Employers are responsible for completing Part A. There were 5,276 Part A responses received. The NMSN, Part A, has four options:

1. Employer does not maintain or contribute to plans providing dependent or family health care coverage.
2. The employee is among a class of employees (for example, part-time or non-union) that are not eligible for family health coverage under any group health plan maintained by the employer or to which the employer contributes.
3. Health care coverage is not available because the employer no longer employs employee.
4. State or Federal withholding limitations and/or prioritization prevent the withholding from the employee's income of the amount required to obtain coverage under the terms of the plan.

Most employers knew how to respond if it was 1, 2 or 3. However, response option 4 provided the project team many telephone calls. The project team assisted the employer in calculating the project's 5% reasonableness rate and, if appropriate, the 50% CCPA limit.

As Chart 2 clearly identifies on the following page, the main reason that the NCP does not have his/her children covered by private medical insurance is that it is not available to him/her through employment. Part A responses 1 and 2 are variations of insurance not being offered by the employer and both of these categories together equal 33% of the total responses.

Chart 2



In 29% of the responses the NCP had terminated employment. The majority of terminations were not within the previous 2-3 months. The terminations (60%) occurred prior to January 1, 2004. This is a significant finding; OCSE must find solutions to avoid the inefficiency of sending out inaccurate notices.

The most significant finding of this section is the overwhelming number of children who are not eligible for private medical insurance due to it not being offered or the cost is prohibitive. Seventy-four percent (74%) of the responses indicate that the children do not have insurance available to them due to it being unavailable or unreasonable in cost.

3.2.1.2 NMSN Part B Responses

There were 1,724 Part B responses indicating that medical insurance would be provided for the listed child.

Once a determination is made that insurance is available, the employer must forward Part B to the Plan Administrator. (NOTE: In smaller organizations, the same person is responsible for Part A and Part B.) The Plan Administrator has 40 business days from the day the NMSN is issued to respond to OCSE. Again, the rate of response was remarkable. The NMSN, Part B, also has four options:

1. The participant (employee) and alternate recipient(s) (child(ren)) are to be enrolled in the following family coverage.
2. There is more than one option available under the plan and the participant is not enrolled.
3. The participant is subject to a waiting period that expires __/__/__ (more than 90 days from the date of receipt of this Notice), or has not completed a waiting period, which is determined by some measure other than the passage of time….
4. This Notice does not constitute a “Qualified Medical Child Support Order”.

Sixty-three percent of all respondents marked #2. Only 7% were in a waiting period until they became eligible to participate in the company’s health insurance plan. Of the 1,724 responses received, 745 required follow up with the insurer to obtain the insurance details such as name of the insurance company, policy number, etc. This is a strong indicator that the NMSN is difficult to follow. The NMSN does not contain all the data elements needed by DCH, however, federal mandates to not allow the document to be modified. A detailed cover sheet will need to be included in any packet designed for future project in order to obtain the needed data.

3.3 OCSE Policy and Systems

Federal and state regulations require all IV-D cases to have language covering medical support. If an order, civil or administrative, is absent in medical support language, the court must be petitioned, “to include health insurance that is available to the non-custodial parent (NCP) at reasonable cost….” For the purpose of this project, Georgia OCSE defined reasonable to mean the cost cannot exceed 5% of the NCP’s gross wages. The reason the reasonableness was defined at 5% is due to the many Judicial Circuits across the state that have entered blanket orders stating that insurance is only reasonable if it does not exceed 5% of gross earnings. Due to the short timeframe of this project, it was not feasible to review each court order to determine if it were in a county with this restriction. Additionally we took the opportunity to use this as one of the items to track in the project.

Based on findings from this project, 5% reasonable threshold is too low for middle income families. The project team broke the calculations into sections: those that are 5% or below; those that are

above 5% but less than or equal to 10%; those that are over 10% but less than or equal to 15%; and, those above 15%.

The following two charts provide the breakdown in percentages. Chart 3 is from employer representatives that used the on-line calculator to determine reasonableness. While only 12% of calculations fell into the “reasonable” category, 33% of insurance cost calculations on-line were between 5 and 10% of the NCP’s gross wages.

Chart 3

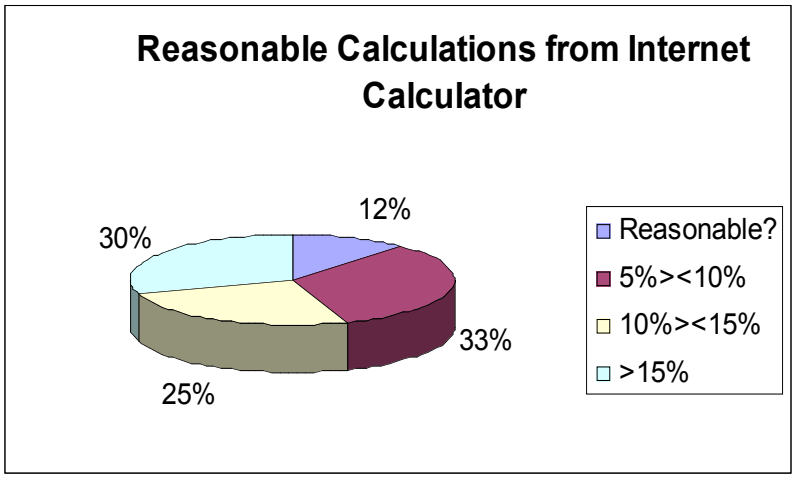
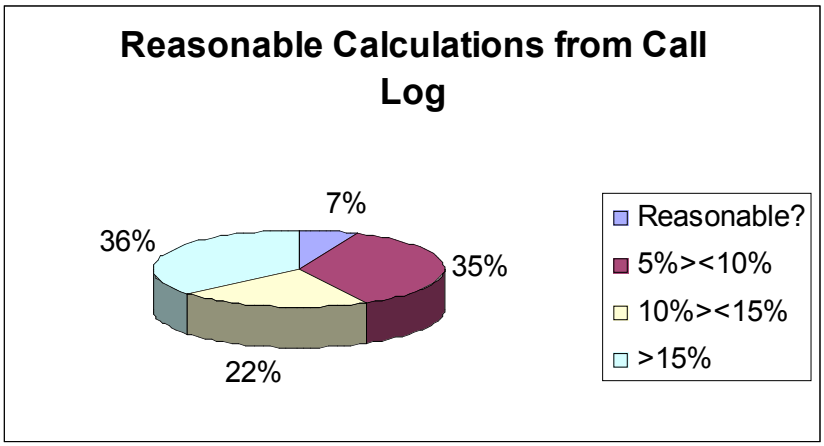


Chart 4 is from data captured by the project team when employer representatives called requesting assistance. The percentages did not vary much. The number of calculations conducted where the cost was determined “reasonable” under current policy decreased to 7%. An increase to 35% was seen for calculations where the cost of the insurance fell between 5 and 10% of the NCP’s gross wages.

Chart 4



The OCSE Project Team recommends that Federal regulations be revised to set a standard for reasonableness other than "medical insurance is deemed reasonable if it is available through an employer". This project found that more than 50% of the insurance available through employers costs more than 10% of gross earnings and of this over 20% costs more than 15% of gross earnings. Additionally the custodial parent's situation should be included in the decision. If the custodian carries private medical insurance then the NCP should not be required to provide coverage. Using calculations employers entered on the OCSE website and from calls taken by the project team, the average income of NCP's was $2,156.41monthly. The average monthly cost of medical insurance was $242.18, which is 11% of the average income.

The Policy QTF should consider adding language for seasonal employment in relation to health insurance.

One area that this project did not address is the absence of information concerning whether or not the custodian has insurance coverage. $TARS has fields for this information but we have not stressed the need to have the fields updated. OCSE must work harder in this area.

3.3.1 $TARS

The project found that data integrity must be improved. Over 300 NMSN's returned where the address for an employer currently on $TARS was no longer valid. The project team re-mailed the returned NMSN's. New employers were found on the Locate Employer page and wage withholdings were not currently issued. Some of the NMSN's returned had a wage withholding in place but the employer submitting the payments were not identified in any sequence on the NCP Employer page. Therefore, an NMSN was issued to an invalid employer.

We also found multiple ways an employer name could be spelled. For example, the project team printed NMSN's for DHR with the following spellings:

DHR

GA DHR

Georgia DHR

GA Dept of Human Resource

Department of Human Resources

Georgia Dept of HR

The OCSE Project Team recommends the creation of an employer database. The concept created by PSI in maintaining the new hire reporting database should be considered. Data is keyed to the Federal Employer Identification Number (EIN). The Systems Improvement Group would control the FEIN database. If the EIN were known, the agent would enter the EIN. The name and address for that EIN would then populate $TARS.

Other changes are needed to $TARS to insure data integrity and worker efficiency. The following sequence is suggested to provide the integrity and efficiency when the NCP is receiving Social Security disability.

> An Agent would access the NCP Employer page. Click the Add Employer button. The screen employer name and address information goes blank. However, if the “Health” or “Unemployment Benefits” fields have a valid entry, this information carries forward to the new entry. The agent would need to select “None Selected”. Proceed to the Other Income Types field. Click on the drop-down box and select SSI Benefits. Click Submit. The agent now has a true reflection of the current income status for this NCP.

The same steps can be followed to identify the NCP is receiving unemployment compensation and workers’ compensation benefits.

The NCP Insurance page is not connected to the NCP Employer page and a worker has to access four different pages in order to update medical information. Insurance related information should be accessible from one page to increase data integrity and worker efficiency.

The $TARS insurance page only allows one type of insurance coverage to be reported. Many of the NMSN’s returned as new enrollments showed not only medical insurance but dental, prescription and vision coverage as well. OCSE cannot effectively report all insurance types to the DCH at this time. Also, the NCP Insurance page should only be used to capture insurance company and policy information. Staff currently indicate on this page that the cost of the insurance exceeds 5% in the Insurance Company name field. The Case Action Log should be used to capture this type of data.

The Support Order page in $TARS must also be updated each time an agent is informed insurance is or is not in place. The purpose of the Support Order page is to replicate the items addressed in the support order. A more efficient use of the Support Order page would be to reflect whether insurance is ordered or not and by whom. Some possible selections are:

> NCP ordered to carry medical insurance

> CP ordered to carry medical insurance

Medical support is not ordered

Medical support is silent

The $TARS QTF may find some other options to recommend to be included. (Although not part of this project, the same type of modification should be made to the Income Deduction Order field.)

With these proposed changes, the current use of these fields on the Support Order page do not need to be lost. The current field selections would be better reflected on the NCP Employer page. Whether the insurance is “in effect” or not is better reflected with the employer and not the support order.

These changes would not only make $TARS more efficient, it would reduce the number of updates an agent must make to update $TARS. Instead of three pages accessed in $TARS, these changes would eliminate updates to the Support Order page whenever employment or insurance status changes.

3.3.2 DCH and OCSE Interface

Currently, OCSE runs a batch and gathers child support case information to submit to DCH. A cartridge is created and hand delivered to DCH quarterly. This process needs to be reviewed and updated. The file needs to be transmitted electronically and submitted at least monthly. The data elements being provided should be reviewed.

The data transfer is one-way. DCH has private medical insurance found by their third-party liability vendor. This information should be shared with OCSE so that the information can be updated into $TARS. This would reduce duplication of efforts and OCSE would be able to more accurately report medical coverage to the Federal OCSE.

4.0 Conclusions and Recommendations

The long-term plan must provide medical insurance remedies for all children associated with a IV-D child support case. Over 180,000 children on the OCSE caseload do not receive Medicaid or Peachcare and it is important that these children be included as well as Medicaid/Peachcare children.

Findings:

- Employers respond positively to the NMSN
- Employers receive too many unnecessary documents
- Twenty-six percent of the responses provided medical insurance for children
- Sixty-four percent of the responses indicate that no private insurance is available from the NCP

- DCH and OCSE are committed to the process in order to obtain private medical insurance for children
- Integrity of $TARS data is suspect
- $TARS does not efficiently handle medical insurance information
- DCH/OCSE interface is only one-way
- Medical Insurance coverage maintained by the Custodial Parent was not addressed
- NMSN and instructions are difficult to understand
- Employer community is responsive and amenable to using the Internet to submit medical insurance information
- Federal regulations concerning reasonableness should be updated and defined

Recommendations:

- DCH and OCSE collaborate to amend the current PCG contract to include enforcement of medical insurance via the NMSN and update DCH system and $TARS of the required data elements.
- DCH and OCSE pursue a pilot project to determine the pros and cons of charging NCP's a basic amount for medical support in order to reimburse for costs associated with children receiving Medicaid.
- OCSE and DCH conduct another match of current PeachCare data
- NMSN must be incorporated with the Federal Income Withholding notice
- Change $TARS so that unnecessary documents are not sent to employers
- Change $TARS to allow more efficient use of medical insurance information
- Obtain funding to outsource the NMSN process
- Change the DCH/OCSE interface to a two-way process
- Train users in properly updating medical insurance and employer information
- Review training materials to insure that proper information is used for training on medical insurance and employer updates
- Conduct further research on the availability of CP's that provide medical insurance coverage and encourage workers to update fields in $TARS

- Add a cover letter to the NMSN that provides easy instructions employers can follow to effectively and efficiently report to OCSE medical insurance status
- Include CCPA guidelines for employers with NMSN
- Explore data imaging of support orders to easily access copies for employers
- Provide training to agents on how to review multiple policies and determine most appropriate coverage when insurance is determined to be reasonable
- Continue use of NMSN reporting and reasonableness calculator via the Internet on the OCSE web page
- Ask the DHHS/ACF office to add NMSN policy/procedures to the IRG for each state, similar to wage withholding, paternity establishment, etc.
- Create DocGen form to modify or stop insurance in accordance with NMSN procedures
- Provide gender of child to employer
- OCSE Policy QTF review the medical insurance policy for reasonableness
- OCSE, DCH and PeachCare for Kids should meet to develop procedures to streamline information sharing between the three entities
- OCSE and DCH must develop strategy that allows OCSE to provide the most accurate data to DCH without DCH having to reverify insurance coverage

The goal of this project was to improve the lives of Georgia's children by providing private medical insurance coverage. The project objective has been met, 1,860 children now have private medical insurance in place. An updated dataset would give OCSE the best opportunity to accurately identify PeachCare members with private insurance. Additionally those providing private medical coverage for children not on Medicaid or Peachcare can reduce the number of new enrollee's into both of these programs. By thinking outside of the conventional methods, avenues to provide private medical insurance coverage increase and more children have basic needs met.

5.0 COMMENTS

The project team received hundreds of phone calls from employers, NCPs, spouses of NCPs and custodians. The overall tone of these phone calls was extremely positive. Employers were especially cooperative. This section is a sample of the types of calls and comments the project team received.

- Employers stated how much they appreciated the calculator on the web
- Employers stated how helpful staff was and appreciated the availability of staff for questions

- Employers stated the employees that could afford insurance should be required to pay for their insurance and not have children on Medicaid or Peachcare
- Employers were very responsive to returning phone calls
- Some employers gave information to employee or discussed information with employee before completing any paperwork
- Some employers just enrolled children without determining the allowable cost of medical insurance
- Some employers really like the NMSN because it allows them to become familiar with the form and not relying on each state to develop separate forms.