Under Medicaid and the Children’s Health Insurance Program (CHIP), states may claim outreach, screening and application assistance activities as administrative costs and receive federal reimbursement. Medicaid administrative costs are reimbursed at 50 percent, while CHIP costs are reimbursed at a higher rate, which varies by state. States may contract with nonprofit organizations to provide outreach services, and may either pay fixed amounts or make payments on a per-enrollee basis. Costs associated with outreach and screening for other income supports may not be claimed under Medicaid or CHIP, but agencies may use this funding source for a portion of the costs of multi-benefit outreach and screening.

### Elements of Integrated Service Delivery

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### State and Nonprofit Examples

**Illinois All Kids Application Assistants:** All Kids Application Agents (AKAAs) help families apply for All Kids, FamilyCare and Moms & Babies. AKAAs are community-based organizations, including faith-based organizations, day care centers, local governments, unions, medical providers and licensed insurance agents. AKAAs that are not providers or funded to provide outreach activities receive a $50 Technical Assistance Payment (TAP) for each complete application that results in new coverage. Instituto del Progreso Latino is a Center for Working Families in Chicago, and is an AKAA, but has not actively pursued TAP funding.

**New Mexico Enrollment Kiosks:** The New Mexico Human Services Department received a $1 million CHIP and Medicaid Outreach Grant for 2009 to 2011 to build a system of 12 “enrollment kiosks” for consumers to use to apply for these programs online. The funding will also enable the state to train staff to assist individuals using the kiosks. They will be located in difficult to reach areas, with a particular focus on Native American and Latino communities, so families can more easily access them and so mixed-status families unwilling to enter a state department location may also gain access.\(^1\) While they will only do Medicaid/CHIP enrollment, the department is setting them up to allow expansion into other programs in the future if funding becomes available.\(^2\)
Facilitated Enrollment, New York: Since 2000, New York State has provided funding to community-based organizations and health plans to find and enroll "hard-to-reach" New Yorkers in public health plans. In recent years, this program has been funded at $15 million per year (half federal, half state). This covers Medicaid, Child Health Plus (CHIP), and Family Health Plus (a Medicaid expansion for low-income adults). There are more than 100 community-based facilitated enrollment organizations, including multi-service agencies, health and human service providers, immigrant service organizations and local government agencies. Seedco, which conducts multi-benefit screening and application assistance with its EarnBenefits software, is a Facilitated Enrollment grantee; however, the grant only pays for the time of staff who are only doing health insurance enrollment. In other words, Seedco has not been able to cost-allocate a share of multi-benefit screening to this funding stream.

Eligibility and Targeting

Only the state agency responsible for administering the Medicaid and CHIP programs can receive reimbursement for outreach costs. States may contract with nonprofit organizations or other public entities to provide services.

The 2009 CHIP Reauthorization Act provided separate funding for 100 percent federally funded CHIP outreach and enrollment grants. In FY 2009, $40 million was awarded in outreach grants to community-based organizations, states, community health centers and other health care providers, as well as faith-based organizations, school districts and Tribal organizations. A similar sum remains to be spent and is expected to be awarded in FY 2011.

Medicaid eligibility rules are extremely complicated and vary from state to state. However, Medicaid is generally limited to low-income families with children and individuals with disabilities. Effective in 2014, under the Affordable Care Act, Medicaid will become available to nearly everyone with family income under 138 percent of the federal poverty level. CHIP was created to provide coverage to low-income uninsured children not eligible for Medicaid. Forty-four states set the income limit for children’s health insurance coverage under CHIP or Medicaid at 200 percent of the federal poverty level or higher. Pregnant women may also be covered under CHIP.

Federal Funding:

Outreach costs under CHIP and Medicaid are not reported separately. Under the separate CHIP outreach grant program, $40 million was awarded in 2009 for outreach grants and will be again in 2011.

Type of Program: Partial reimbursement of state expenditures. Additionally, competitive outreach grants were available in FY 2009 and are expected again in FY 2011.


Match Required: Under Medicaid, CMS reimburses states for 50 percent of administrative costs, including outreach expenses. CHIP match rates are higher, and vary by state. CHIP outreach grants do not require a match.

Services/Program Support

Under Medicaid, federal payment is available for the costs of administrative activities “as found necessary by the Secretary for the proper and efficient administration of the state plan.” CMS has clarified that this covers outreach activities, including “informing families about Medicaid through brochures or other promotional material; assisting families in completing Medicaid applications; and providing the necessary forms and packaging for Medicaid eligibility determinations.”

Federal regulations require states to outline their general outreach strategies in their CHIP state plans. The overarching goal is to inform families of the program and assist them in enrolling if eligible. States use a range of strategies including media campaigns, websites, hotlines, community events, and partnerships with other
organizations. States may do broad-based outreach, or may target their activities at certain populations that are less likely to be enrolled.\(^8\)

One of the strategies states can use to reach out to those potentially eligible for Medicaid or CHIP benefits is to partner with nonprofit organizations, which can be reimbursed for outreach activities. States have full discretion over the design of their outreach programs, which can include grants or contracts with nonprofit organizations. A number of states have offered an incentive payment per newly enrolled participant for community-based organizations that do outreach activities.

**Non-Federal Funds**

Under Medicaid, CMS reimburses states for 50 percent of administrative costs, including outreach expenses. CHIP match rates are higher, and vary by state (see: [http://aspe.hhs.gov/health/fmap.htm](http://aspe.hhs.gov/health/fmap.htm)). However, CHIP administrative spending is limited to 10 percent of each state’s total CHIP expenditures on health insurance coverage, and total CHIP funds are capped.

Funds claimed for non-federal match may not originate from other federal programs, and may not have been used as match or maintenance of effort for other funding streams. They do not need to be spent by the state health organization. For example, many states enter into interagency agreements with local school districts to claim as Medicaid administrative costs the time school employees spend conducting outreach and enrollment assistance.\(^9\)

Private foundation grants or other private funds that are not provider-related may also be used as the non-federal share. For example, some states, such as Arkansas, used funds provided by the Robert Wood Johnson Foundation under the Covering Kids initiative as non-federal share. Contributions made by health care providers, such as managed care organizations (MCOs), hospitals, clinics, or physicians, generally are not permitted to draw down federal administrative match, except in limited circumstances.\(^10\)

CHIP outreach grants do not require a match, but states that receive these grants may not reduce their spending on outreach and enrollment activities.

**Program Limitations**

States have a great deal of flexibility in determining what outreach activities to conduct, but in recent years, many states have been cutting back due to budget concerns. For example, California stopped making payments to organizations providing application assistance for each approved application. States are concerned about the cost of both the outreach activities and the state share of health insurance for new enrollees.

Costs associated with outreach and screening for other income supports may not be claimed under either Medicaid or CHIP. While it is possible to allocate the costs of multi-benefit outreach and screening across programs, most states have not done so. In particular, many states have done CHIP outreach as a stand-alone activity to minimize the “welfare stigma” associated with other benefits.

**State Contacts**

Medicaid and CHIP are typically operated by state health agencies. A list of state agency websites is available at [http://www.nasmd.org/links/state_medicaid_links.asp](http://www.nasmd.org/links/state_medicaid_links.asp)
2 Email communication with Kathy Slater-Huff, Marketing & Outreach Manager, HSD/Medical Assistance Division, June 25, 2010.
4 A total of $100 million was provided for outreach between FY 2009 and 2013. Of this, $10 million was used for a national outreach campaign, $10 million was reserved for Indian tribes, $40 million was awarded in FY 2009 and the remainder was retained for later grants. For information on the outreach grants, see: http://www.cms.gov/CHIPRA/11_outreachenrollmentgrants.asp.
5 See https://www.cms.gov/MedicaidEligibility/01_Overview.asp for more information on Medicaid eligibility rules.
9 For guidance on the cost allocation rules for such claims, see “Medicaid School-Based Administrative Claiming Guide” Centers for Medicare and Medicaid Services, May 2003. In 2007, CMS proposed to eliminate federal Medicaid payment for school-based administrative activities, but Congress prevented the rule from taking effect and in 2009, CMS rescinded the rule.