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Advocacy in the Dark: *A Pennsylvania Case Study on Advocating to Improve Technology that Drives Eligibility Decisions*

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Introduction

Hundreds of thousands of Pennsylvanians risk losing their Medicaid coverage every year due, in part, to computer systems that are not accessible to the public. In fact, many government decisions are made by automated computer programs. For example, computer programming formulas may determine how many hours of home care services individuals will receive, or whether someone who has been arrested may be released while they await trial.

Technology that automates different processes aims to save time for caseworkers and people who count on public programs like Medicaid. But this innovation can significantly reduce the transparency of government operations. Further, glitches in the system can cause people with low incomes to be wrongly denied enrollment or dropped from critical public supports. How can outside advocates seek improvements in a system whose outcomes they see, but whose processes are obscure?

This paper describes how Pennsylvania advocates tackled one manifestation of this problem: a very low rate of automated Medicaid renewals. Advocates can use the strategies we found effective to lift barriers facing people enrolled in other public programs. This project was funded through the Advancing Strategies to Align Programs (ASAP) national project to boost participation in Medicaid and the Supplemental Nutrition Assistance Program (SNAP, formerly food stamps).

Background on Automated Medicaid Renewals

Medicaid is a lifeline to over three million Pennsylvanians who otherwise could not afford health insurance. It ensures that people with low incomes can access health care when they need it, without risking their family's economic security. But every year, over half of Pennsylvania's Medicaid recipients lose their health insurance at least temporarily because of difficulties with the annual renewal process. Most manage to get their Medicaid back within a couple of months through contacting the Medicaid office or submitting new paperwork. But in the meantime, they may have gone without needed medicine or medical care. Improvements to the renewal process to keep people connected to their Medicaid would improve many Pennsylvanians' health, simplify administration, and perhaps save state funds.

Before mailing paper renewal forms to people enrolled in Medicaid, federal Medicaid law requires that state agencies try renewing Medicaid coverage on their own, using information already available to them. This is formally called an "*ex parte*" or automated renewal. In theory, it follows a simple process:

1. Checking income is a core component of Medicaid eligibility. To gauge a person or family's continued eligibility for coverage based on their income, the agency should use existing information from electronic sources. For example, it should check income data from Social Security; quarterly wage data in the Unemployment Insurance system; or income verified by the state in determining eligibility for SNAP.
2. If any of these records show that a person or family's income remains below the Medicaid income limit, the state agency should renew the coverage. In this situation, people found eligible to stay enrolled in Medicaid do not need to submit a paper renewal form. Their Medicaid continues for another year.
3. If the agency has been able to renew the Medicaid automatically, it should send the person or family a notice confirming renewal. The notice would list the income that the state relied on and instruct them to report any changes or errors.¹
4. For cases that can't be renewed automatically, the agency should send the people in need of coverage a traditional renewal form. They need to complete and return the paper form, together with proof of their income, to continue receiving benefits.

While this process seems straightforward, in reality, it plays out very differently across states. Each state uses a different eligibility and enrollment system. Each system has customized rules for how different situations are treated when it is time for coverage to be renewed. Because these rules are mostly programmed into the computer system, rather than documented in a publicly accessible policy manual, it can be difficult for advocates to know what needs to be changed. As a legal services provider, Community Legal Services of Philadelphia knew from client experiences and available data that the process was not working well in Pennsylvania. But we had to uncover more details about the technology driving the process before we could identify and promote solutions.

Many states renew over half of their Medicaid cases automatically, but Pennsylvania has a very low automated renewal rate. Advocates on the Pennsylvania ASAP team collectively help hundreds of people

¹ 42 CFR § 435.916

who count on Medicaid complete the renewal process each year. We have seen virtually no clients have their Medicaid renewed automatically. Rather, our clients consistently must renew by submitting a paper form. This anecdotal experience is also borne out by data. The Kaiser Family Foundation issues an annual, 50-state survey on Medicaid operations and policy that includes states' *ex parte* renewal rates. While 22 states renew over 50 percent of Medicaid cases *ex parte*, Pennsylvania reported less than 25 percent when we began this advocacy.²

Pennsylvania advocates also see high rates of Medicaid churn among our clients, with data showing less than half of Medicaid renewals being processed smoothly. Churn happens when people lose their Medicaid coverage but reapply and regain their coverage within a certain time frame, indicating they likely never became ineligible. Clients regularly lose their Medicaid for a variety of procedural reasons. For example, they may not receive the renewal form due to a move or problems with mail delivery, or they may not understand what paperwork to submit. Or, the public assistance office may not properly process the form. When such situations happen, people are left without needed medical care or prescriptions until the paperwork is sorted out or people eventually reapply for coverage.

Setting our advocacy goal

Advocates concluded that increasing Pennsylvania's *ex parte* renewal rate could dramatically help more people keep their Medicaid and protect the continuous care they need. We believed that we could convince state officials to prioritize this change. Ending gaps in Medicaid coverage could help achieve several goals set by our current administration, including increasing the proportion of Pennsylvanians with health insurance; controlling Medicaid costs through preventive care; and freeing up caseworker time to spend on other work.

The challenge we faced as advocates was figuring out what was happening "behind the scenes" with the technology running automatic Medicaid renewals. We had several questions to answer, such as:

- How did the eligibility system actually carry out *ex parte* renewals?
- How were different people's situations treated?
- What policy decisions needed to change?
- How could the system be modified?

² Tricia Brooks, Lauren Roygardner, and Samantha Artiga, Henry J. Kaiser Family Foundation, "Medicaid and CHIP Eligibility, Enrollment, and Cost Sharing Policies as of January 2019: Findings from a 50-State Survey," March 2019, Table 10, available at <http://files.kff.org/attachment/Report-Medicaid-and-CHIP-Eligibility-Enrollment-Renewal-and-Cost-Sharing-Policies-as-of-January-2019>. The most recent report, from January 2020, shows that Pennsylvania's *ex parte* rate has increased to between 25 percent and 50 percent since 2019, <https://www.kff.org/report-section/medicaid-and-chip-eligibility-enrollment-and-cost-sharing-policies-as-of-january-2020-findings-from-a-50-state-survey-tables/>. States' data are not directly comparable, as some states' systems are integrated with SNAP or other programs, while others are not. Integrating Medicaid with other programs can complicate *ex parte* processing. While useful for comparison, there is no universal definition of automated renewals and data are self-reported by the states.

Through the advocacy strategies outlined below, we ultimately discovered that a large number of Medicaid cases were never even being considered within the computer program for automated renewal. This fact went against our initial assumptions and changed our thinking about the solutions we pursued.

Advocacy strategies to understand Pennsylvania's *ex parte* renewal system

We used several advocacy strategies to try to understand how the eligibility system worked. Below, we outline these tactics and the insights we gained from each step. Throughout the process, we were guided by our ultimate goals to increase automated renewals and decrease the number of eligible people who were wrongly cut off from coverage.

1. Gather and study what policy is publicly available.

In our case, we first examined Pennsylvania's Medical Assistance Eligibility Handbook, the policy reference guide that caseworkers use in determining whether someone is eligible for coverage. Unfortunately, the handbook does not contain details of how the eligibility system operates. It instructs caseworkers to do a "manual" *ex parte* renewal for any case that has not gone through the automated process, but does not outline what cases those might be.

2. Ask questions.

With no paper trail to follow, we began asking detailed questions of our state agency's policy staff. Which cases go through the automated *ex parte* process? What electronic income verification sources does the system rely on? What are the rules for whether automated sources "match" what someone enrolled in Medicaid has previously reported? We developed a series of scenarios and asked, "In this situation, will the computer automatically renew the person's Medicaid coverage *ex parte*?"

We—and the agency staff—found this process very frustrating and it was, ultimately, not very fruitful. It was difficult to both grasp the big picture and get accurate details through oral questions and answers. And we were essentially relying on the memories of the policy staff; while they had made some of these decisions years ago, they did not seem to have any reference documents.

3. Request data and planning documents.

"We next requested data and the eligibility system design documents. The data we received prompted many more questions. We learned about the criteria that had to be met to go through automated renewal. These factors, known as "gateposts," caused many cases to be rejected from automated processing altogether and sent to a caseworker. This internal information led to some key findings:

- Most cases did not go through the automated process at all.
- In particular, people who were enrolled in both Medicaid and SNAP never had their Medicaid coverage reviewed for automated processing.
- Of the cases that were reviewed for automated Medicaid renewal, most were rejected because

of income matching problems.

4. Ask more questions.

When we saw how many cases were rejected for *ex parte* processing, we tried to remember the caution, “get curious, not furious.” We continued asking questions about the IT programming. Which decisions were based on policy and which were the result of obstacles within the information technology system?

5. Learn about system limitations and how they shape the agency’s thinking.

In making the case for decisionmakers to focus on fixing automated Medicaid renewals, we sought data on the overall renewal success rate. We learned that the agency could not readily sort out the proportion of renewal failures that were due to procedural hurdles from those that were due to actual ineligibility.

In related advocacy, we had learned that Pennsylvania’s computer systems do not track renewals as “events.” Essentially, the system only tracks Medicaid enrollment and disenrollment, and not the renewal process itself. Given this tracking gap in the software, the agency does not know how many renewal forms are returned. It can only report how many people it finds eligible for Medicaid benefits or whose coverage is cut off. This data collection method reflects decades-old IT programming choices that could not be easily changed. It also reflects and shapes the agency’s thinking about churn.

With no data point on “unreturned renewal forms,” the agency could not identify if renewals failed because of procedural issues or because people became ineligible. The closest the agency’s data could come to illuminating this issue was a Medicaid termination reason code of “failure to verify.”

The termination reason codes reflect a caseworker’s decision about why an individual is not eligible. And each reason code corresponds to text in the denial notice someone receives when being cut off from Medicaid coverage. The “failure to verify” reason code seems to place the blame for losing Medicaid coverage squarely on the client but may mask communication failures on the agency’s part. And we have seen enough incomprehensible Medicaid denial notices to recognize that the reason code data are themselves suspect.

6. File a public records request.

The data provided by the agency only got us so far. We still needed to know the precise flow of the *ex parte* process and income-matching rules in this system. For that, we needed the design documents, that is, the information state policy staff gave to the software vendor years ago on how to program the eligibility system.

The design document proved far harder to obtain than we had expected—and we never got it. In response to similar advocacy we were doing regarding real-time eligibility decisions, agency officials had voluntarily shared a few pages of a document that appeared to be what we were looking for. We filed a public records request, under Pennsylvania’s Right to Know Law, for the full document. We similarly sought any other document that described the Medicaid *ex parte* renewal process.

The agency denied our Right to Know request, stating that sharing the requested document would compromise computer security. After we appealed to the state’s Office of Open Records, we agreed to mediation. During these meetings, the agency continually refused to share the document we had requested, despite our stated interest in only reviewing it for policy choices, not actual code. We were also willing to accept a redacted document to protect computer security, yet the agency was resolute.

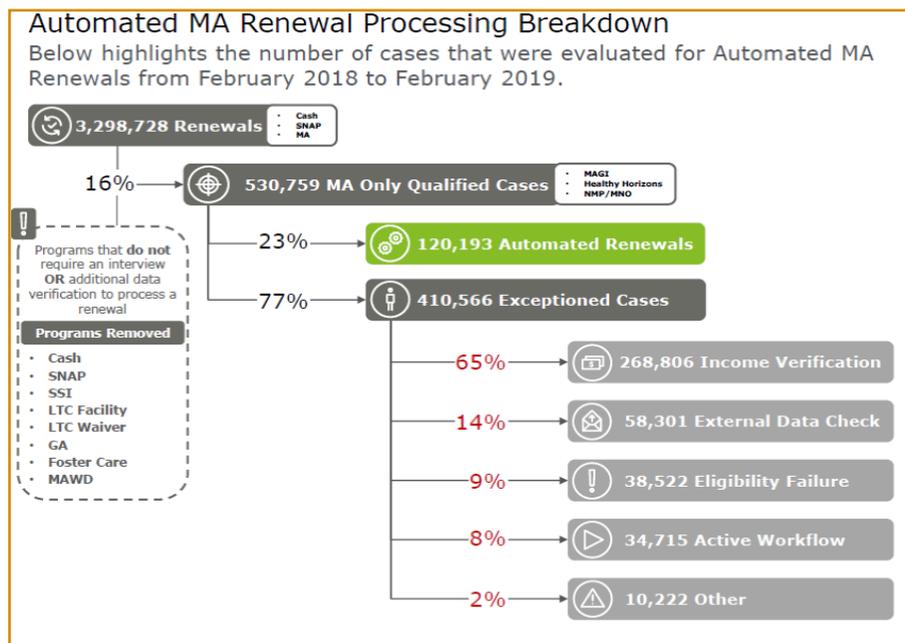
7. Elevate the issue.

When we were pursuing our public records request, we also took the issue to Pennsylvania’s Secretary of Human Services and to the Governor’s Policy Director. We emphasized several messages that aligned with the Governor’s own policy goals, including:

- The costs to Medicaid recipients and to the state when people lose continuous health insurance and go without care even temporarily;
- How poorly Pennsylvania fares on measures of automated Medicaid renewals compared to other states; and
- How making renewals work well would consolidate the Governor’s legacy of Medicaid expansion.

These meetings did not yield immediate commitments to change. We learned shortly thereafter, however, that the Department was creating a detailed document that would explain the automated renewal process, not only for us but for the Secretary’s and Governor’s offices themselves.

While we never received the document we requested through the Right to Know Law, the Department eventually provided something better. The document they shared answered our questions and provided data about how many cases were approved or rejected at every decision point. We would not have obtained this data through our Right to Know Law request alone. Box 1 displays a page from the document we received, outlining the flow of the automated Medicaid renewal process. It shows how the majority of cases are completely excluded from automated processing. (MA stands for Medical Assistance, Pennsylvania’s name for Medicaid).



The creation of this document was a turning point. It was evidence of the agency's commitment to examining its system and determining what improvements it could make. It was also the basis for a shared understanding of the strengths and limitations of the current system.

8. Learn what changes are technologically easy, and which are hard.

We held continued discussions with the Department, and met in a separate work group the Department created with advocates regarding its online application system. Through these conversations, Department staff taught us the rudiments of what computer changes are relatively easy and which are more difficult or expensive. For example, changes to reword questions or add help text would be fairly simple to make. However, creating new fields or new processing modes would be more complex or costly.

At the same time, certain changes to the technology are only possible once the system is moved off the old mainframe and into the cloud. Such a transition would be a major undertaking, requiring extensive testing. (It is, however, being done gradually on a multi-year schedule far beyond our influence). We also received help with these issues from the Center on Budget & Policy Priorities, which provided technical assistance under the ASAP project.

9. Learn the agency's priorities.

Our goal throughout these discussions was to persuade the state agency to adopt our priority to ensure that more Pennsylvanians whose Medicaid was up for renewal would be reenrolled automatically. We recognize that, from the perspective of state policymakers, our goal was competing against numerous other priorities. Their concerns included remaining in compliance with state and federal laws; minimizing spending; gradually moving computer systems to the cloud; and maintaining the ability to accommodate new initiatives from the Governor.

One of the agency's top priorities is to maintain flexibility in its "information technology runway" of future systems changes, and not to commit to the timing of future changes. Therefore, we may not learn if Pennsylvania will be making changes to its *ex parte* processes until shortly before the software coders start to make those changes.

10. Adjust focus

When we felt that we finally understood how the renewal software was programmed, we stepped back to review our advocacy priorities. As mentioned above, we learned that the majority of Medicaid renewal cases never go through automated processing at all. This barrier is due to the state's decision to completely exclude Medicaid renewal cases from the *ex parte* process if the person is also enrolled in SNAP.

Consequently, a huge number of households are required to take several steps to keep their Medicaid coverage. They must be sure to receive an annual renewal form; complete it correctly; and return it on time. As this overall process would be a steep hurdle for many people with low incomes, it stood out as a neglected opportunity we could address. We are now focusing our advocacy on automated Medicaid renewals for this group of households—those who are enrolled in both Medicaid and SNAP.

Outcomes so far:

The new, detailed description of the *ex parte* process revealed some opportunities to improve the Department's income verification rules, which the agency has committed to undertake. These changes should increase how many Medicaid cases are renewed automatically by a few percentage points. Overall, agency staff had not missed obvious, low-hanging fruit. This work is difficult, and there were defensible reasons behind almost all of their policy and programming decisions. But mostly, the document confirmed that the major problem keeping most people enrolled in Medicaid from having their coverage automatically renewed was at the very start of the process. The overwhelming majority of cases—in which people are enrolled in both Medicaid and SNAP—are not even considered for automated processing. Instead, they are always sent paper renewal forms.

Our attention has shifted to this particular group of people in need of Medicaid renewal. If the *ex parte* process for their cases is employed at all, it is only done manually. Further, the manual process is only used if the renewal form is not completed or is returned without the required verification. The agency's rationale is that 1) if a caseworker is looking at the case for SNAP, they might as well do Medicaid at the same time, and 2) it would be too confusing to renew Medicaid automatically and potentially reverse that decision when the SNAP renewal is reviewed a month later.

We believe this system subjects too many people to unnecessarily churn on and off Medicaid. We are pursuing solutions to this particular problem. In doing so, we are continuing the process outlined above, by seeking feedback to our proposed solutions so we can provide more workable approaches or elevate the issue again.

Lessons learned

- **Persistence is key.**
The questions we asked about the agency's information technology are often hard to answer, even for state staff. Decisions about computer programming may have been made years ago and may not be well documented. State staff have multiple competing priorities, and changing computer systems is a daunting task. Without persistent advocacy, once software is written, it is likely to remain unchanged.
- **Engage with states early about any upcoming technology updates or new computer systems.**
Making changes to state agency's technology systems in the future is likely to be very difficult. Advocates should be involved as early as possible as computers are being programmed (i.e. when a new vendor is named, or when an eligibility expansion is being programmed). This requires attention to software contracts that might not otherwise be on advocates' radar.
- **Test the computer system with real cases.**
We work with people who have enrolled in Medicaid and gone through the renewal process.

Their experiences with paper renewal forms—and the absence of automated renewal experiences—informed our advocacy at every point. Only with real cases could we tell whether the systems were programmed to implement the correct policy.

This brief was written as part of the **Advancing Strategies to Align Programs (ASAP) project**, which worked with state advocates to improve the policy and operational components of public benefit programs. For more information about this brief contact the author, Louise Hayes (lhayes@clsphila.org). For more information about the ASAP project, contact Suzanne Wikle (swikle@clasp.org).