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United States
Department of
Agriculture

Food and
Consumer
Service

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SUBJECT: WIC Policy Memorandum #99-05
Strategies for Outreach to Children Eligible for the New
Children's Health Insurance Program (CHIP) or the
Medicaid Program and Cost Issues

TO: Regional Directors
Supplemental Food Programs
All Regions

This memorandum addresses a broad range of issues regarding outreach strategies that WIC State and local agencies are encouraged to undertake to assist in identifying, educating, and referring uninsured children to and/or facilitate their enrollment in CHIP or Medicaid. It also defines allowable and unallowable WIC costs associated with these activities.

CHIP was created by Public Law 105-33, the Balanced Budget Act of 1997, as amended by Public Laws 105-100 and 105-174. CHIP is intended to provide health insurance to uninsured, low-income children who are not eligible for Medicaid but have no health insurance. Since enactment of the legislation, many States have submitted and received approval from the Department of Health and Human Services (DHHS) to implement a children's health insurance program. States are designing their own unique programs. The legislation provides States with the option to implement CHIP via expansion of the State Medicaid Program, creation of a separate child health insurance program, or a combination of the two.

In addition, the Food and Nutrition Service (FNS) has participated in an interagency workgroup with other Federal Departments to identify how programs that serve children can assist in outreach efforts to uninsured children that may be eligible for CHIP or Medicaid. A report was sent to President Clinton in June 1998 which includes FNS strategies to assist in this outreach initiative. Some of the FNS strategies included in the report to the President include issuing this memorandum, communicating information about CHIP and Medicaid, and identifying the role the WIC community can play in outreach efforts to uninsured children. FNS strategies to assist in CHIP/Medicaid outreach and other current information about CHIP can be found on FNS' Internet Web Site at: <http://www.fns.usda.gov/fns>.

In general, DHHS defines CHIP outreach as a dynamic process that involves people in the public and private sector at the Federal, State and local level in identifying, educating, and enrolling uninsured children in Medicaid or CHIP. Primarily, WIC's role in CHIP outreach at the Federal, State, and local level will be to educate program staff about CHIP and Medicaid, identify uninsured children, educate parents/caretakers with uninsured children

AN EQUAL OPPORTUNITY EMPLOYER

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about the availability of free or low-cost health insurance coverage under Medicaid or CHIP, and refer them to these programs. Any decision to undertake CHIP/Medicaid outreach beyond these efforts requires approval by the WIC State agency director, based on a determination that WIC Program goals and responsibilities will be accomplished. Some WIC agencies may be able to assist further by facilitating enrollment in CHIP/Medicaid. Such activities may include, for example, having CHIP/Medicaid eligibility workers onsite in WIC clinics or sharing common applicant information with Medicaid or CHIP in accordance with WIC confidentiality requirements. With agreements which include cost reimbursement, opportunities may exist for WIC agencies to become engaged in assisting State CHIP/Medicaid Programs in their enrollment activities, e.g., presumptive eligibility determinations, thereby fulfilling CHIP/Medicaid program goals and responsibilities.

I. WIC'S ROLE AS ADJUNCT TO CHIP

As you know, the WIC Program serves as an adjunct to health care and one of the benefits of the WIC Program is referrals to health care. As such, the WIC Program can play an important role in assisting in the CHIP/Medicaid outreach effort and help uninsured children who may be eligible for CHIP or Medicaid. The following discusses ways WIC Program staff may be able to assist in this effort:

1. Educate/Reeducate WIC Program Staff at the State, Local and Clinic Level About CHIP and the Medicaid Program

Educating/reeducating WIC staff at all levels is important to ensure that uninsured children are identified and referred for enrollment in either CHIP or Medicaid. WIC State/local agencies could educate WIC staff about the State's plan to implement a children's health insurance program and about its Medicaid Program. In educating WIC staff, State and local agencies should consider strategies such as:

- Coordinate discussions and presentations about CHIP/Medicaid at WIC State and local meetings and conferences and make available materials (Federal and/or State-specific) about these programs. State CHIP/Medicaid representatives could assist in these presentations and provide State-specific materials;
- Publish articles about the State's CHIP/Medicaid Program in WIC State and local newsletters to WIC staff; and,
- Apprise WIC staff when the State's CHIP Plan is approved by DHHS and of State-specific implementation plans.

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2. Coordinate with CHIP/Medicaid and Other Program Representatives

Coordination with Medicaid/CHIP representatives is critical in not only understanding how the State plans to implement CHIP but to discuss how WIC can assist in the CHIP/Medicaid outreach effort. Discussions with other program representatives such as Maternal and Child Health, Immunization, and Migrant and Community Health are encouraged to ensure a coordinated CHIP/Medicaid outreach effort is implemented where multiple programs serve children, or where multiple programs are colocated, in order to minimize duplication of effort. WIC agencies may wish to discuss/coordinate issues such as:

- WIC participation in CHIP planning and implementation meetings;
- Need for assistance in educating WIC staff at the State, local, and clinic levels about any changes in the State's Medicaid Program and/or implementation of a children's health insurance program;
- Strategies to minimize duplication of the CHIP/Medicaid outreach effort among programs serving children in the State or local area;
- Outstation or establish offsite visits of CHIP/Medicaid eligibility workers at WIC sites;
- Need for appropriate State-specific CHIP/Medicaid information materials such as brochures and posters to use in WIC clinics, provide to WIC applicants and participants, and educate WIC staff;
- If feasible, incorporate a CHIP/Medicaid message on the WIC Program toll-free hot lines/phone lines;
- If feasible, incorporate CHIP/Medicaid eligibility as part of current or future joint application processes; and
- If feasible, use WIC Program staff to perform presumptive Medicaid/CHIP eligibility determinations so long as reimbursement is provided for making these determinations.

3. Identify, Educate, and Refer Children/Families to CHIP/Medicaid and/or Facilitate Enrollment in CHIP/Medicaid

Current WIC legislation and regulations require WIC agencies to provide written information about the Medicaid Program and referrals to individuals who appear to be income eligible but currently not participating in Medicaid. Given WIC's role to identify, educate, and refer individuals who need health care or other social services, individuals

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should also be referred to a State's separate children's health insurance program. Strategies, in addition to those already mentioned in section 2 above, which WIC agencies may wish to consider to educate children/families about CHIP/Medicaid and refer or facilitate their enrollment include the following:

- Disseminate information about CHIP/Medicaid to individuals/families who may be potentially eligible for such benefits;
- Display CHIP/Medicaid posters and materials in WIC clinics;

4. Medicaid/CHIP Presumptive Eligibility

Prior to enactment of the Balanced Budget Act of 1997, which established CHIP, States have had the option under Medicaid to grant limited Medicaid benefits to pregnant women based on preliminary information regarding income, before applying and being determined fully eligible for Medicaid. This process is known as presumptive eligibility determination. The Balanced Budget Act, as amended, provides States the option under Medicaid to expand the use of presumptive eligibility determinations to include children (birth to age 19). In addition, the Act specifies the WIC Program as one of several qualified entities that may make presumptive eligibility determinations. Under a separate children's health insurance program, States also have the option to provide presumptive eligibility determinations for children.

In States which opt to provide Medicaid/CHIP presumptive eligibility determinations, WIC State agencies may be asked, in some cases, to perform presumptive eligibility determinations on behalf of the State's Medicaid Program and/or CHIP, and if feasible, coordinate this issue with State Medicaid/CHIP staff. As indicated above, WIC State agency directors must approve WIC agencies performing Medicaid/CHIP presumptive eligibility determinations, taking into consideration that WIC Program goals and responsibilities must be accomplished and that reimbursement must be provided, as discussed below.

State agencies should be aware that variations may exist from State to State on Medicaid/CHIP eligibility requirements, what information is collected to determine Medicaid or CHIP presumptive eligibility and other application and determination processes. Different processes and rules may also exist within a State between the eligibility requirements and data collected in the determination of presumptive eligibility under the State's Medicaid Program and a State's separate child health insurance program.

If a WIC State agency director determines that WIC staff may perform Medicaid/CHIP presumptive eligibility determinations, a written agreement must be entered into with Medicaid/CHIP. Since Medicaid/CHIP presumptive eligibility determinations will entail the performance of activities that are above and beyond those necessary to fulfill WIC Program

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functions and responsibilities, the agreement must specify that Medicaid/CHIP will reimburse the WIC Program for activities performed on behalf of Medicaid/CHIP. Further guidance on this issue is provided below under “Cost Issues.” As an alternative, WIC agencies may wish to pursue the possibility of Medicaid/CHIP eligibility workers being co-located or outstationed at WIC sites.

II. COST ISSUES

1. Allowable Identification, Education, and Referral Costs – Reimbursement Not Required

Allowable WIC costs for CHIP/Medicaid are limited to those costs related to the identification, education, and referral of potentially eligible WIC applicants and participants to CHIP or Medicaid. WIC applicants and participants who are potentially eligible for CHIP or Medicaid should be identified and referred to such programs as part of the traditional WIC certification process.

An example of a cost WIC may allow for CHIP/Medicaid outreach is sharing information that the WIC Program must collect for its own use as long as WIC information is shared in accordance with WIC confidentiality requirements set forth in Section 246.26(d) of the WIC regulations. Additionally, personnel, mailing or faxing costs required to share such data may be allowed. Costs for WIC staff to participate in general coordination, information, planning and implementation meetings may be allowed. Provided the work station(s)/area will be otherwise occupied by WIC workers, WIC may allow outstationed CHIP/Medicaid eligibility workers to share an existing work station(s)/area within WIC clinic space to access WIC participants during clinic hours, without reimbursement or a cost sharing agreement. This is possible in situations where the CHIP/Medicaid workers will be on-site less than 100 percent of the time. All of the activities discussed in this paragraph are believed to be of the type that would result in little, if any, additional cost for the WIC Program. However, if a WIC State or local agency determines that its funds are insufficient to support these costs, it may negotiate with CHIP/Medicaid to have these costs reimbursed.

Another example of an allowable WIC cost for CHIP/Medicaid outreach would be the cost of producing and distributing a referral pamphlet to WIC applicants and participants if sufficient copies of such pamphlets cannot be obtained from CHIP/Medicaid. A WIC-designed referral pamphlet must contain information concerning the WIC Program and be in a summarized or condensed format. For example, summary information, a paragraph each, concerning a number of programs that the individual might need, including CHIP/Medicaid, could be contained in a single pamphlet.

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2. Unallowable Eligibility Determination and Enrollment Costs -- Reimbursement Required

CHIP/Medicaid State representatives may seek to involve other entities who serve uninsured children to assist in the outreach effort and provide multiple outlets for reaching uninsured children. Therefore, WIC agencies may be requested by State officials to provide staff, facilities and other resources to conduct CHIP/Medicaid eligibility determination and enrollment activities such as assisting individuals in completing CHIP/Medicaid applications or performing CHIP/Medicaid presumptive eligibility determinations. WIC State agencies may consider the feasibility of performing CHIP/Medicaid eligibility determination and enrollment activities. In these cases, one must consider that such CHIP/Medicaid functions may be more expensive and labor intensive than the WIC Program is intended or funded to support.

As previously stated, if a WIC State agency director determines that WIC staff may perform Medicaid/CHIP presumptive eligibility determinations, or any other CHIP/Medicaid activities, as noted above, a written agreement must be entered into with Medicaid/CHIP. Since Medicaid/CHIP eligibility determination and outreach activities entail the performance of activities that are above and beyond those necessary to fulfill WIC Program functions and responsibilities, the agreement must specify that Medicaid/CHIP will reimburse the WIC Program for activities performed on behalf of Medicaid/CHIP. WIC cannot allow the cost of CHIP/Medicaid eligibility determinations and enrollments. But, the cost to identify and refer persons to CHIP/Medicaid are allowable WIC costs, because referral is a function of the WIC Program. Identifying and referring persons to CHIP/Medicaid assists in reaching children who need health care and facilitates CHIP/Medicaid's efforts to assess eligibility and enroll individuals.

Costs associated with CHIP/Medicaid eligibility determination and enrollment activities are not allowable WIC costs. Examples of unallowable WIC costs include the cost of WIC staff: 1) attending training sessions to learn how to assist applicants in completing Medicaid/CHIP applications; 2) assisting with CHIP/Medicaid only data on application forms; 3) screening and verifying citizenship if required for Medicaid/CHIP eligibility; and, 4) issuing CHIP/Medicaid notices of eligibility or identification/enrollment cards. However, the WIC agency may negotiate with CHIP/Medicaid to have these costs reimbursed.

As previously stated, an alternative to having WIC staff perform CHIP/Medicaid eligibility determination and enrollment activities would be to co-locate or outstation Medicaid/CHIP eligibility workers at WIC sites. The cost to provide full-time permanent office or clinic space for CHIP/Medicaid eligibility workers within space owned or leased by WIC is not an allowable WIC cost. If CHIP/Medicaid eligibility workers are to be placed on-site 100 percent of the time in space paid for by WIC, WIC needs to enter into a cost sharing or

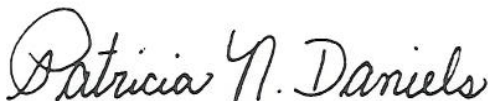
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reimbursement agreement with CHIP/Medicaid that covers the cost of the space occupied by the CHIP/Medicaid eligibility workers.

Reimbursement must be provided at a level commensurate with the cost of the additional activities performed or resources provided. If reimbursement is provided as a fee per person enrolled, the fee negotiated must be sufficient to cover all CHIP/Medicaid costs that are unallowable as WIC costs. This would include the cost of all CHIP/Medicaid eligibility determination and enrollment activities performed by WIC staff such as attending CHIP/Medicaid application completion training sessions and unallowable resources provided such as full-time permanent office or clinic space. Therefore, employee time/activity and the agency's cost allocation records must accurately reflect activities that WIC staff perform that are Medicaid/CHIP eligibility determination and enrollment functions.

3. Reporting CHIP/Medicaid Reimbursement on FNS Reports

The reimbursements noted above would not be program income, because they are not new money earned. They would be refunds, recoveries of previous expenditures of WIC grant funds. They must, therefore, be collected for and offset expenditures of the fiscal year in which the original expenditures are made. Nutrition and administration services' (NSA) costs would be reported net of these reimbursements on the FNS-498 report. The FNS-227 is designed to capture allowable WIC Program costs. It is not designed to capture costs of other programs that were initially paid by WIC, but have since been reimbursed. Therefore, gross NSA costs would be reported net of these reimbursements on the FNS-227 report. On the FNS-227 report, in the remarks section, the State may note that gross expenditures are net of CHIP/Medicaid reimbursements. The CHIP/Medicaid costs ultimately paid for with CHIP/Medicaid funds will be reported on the CHIP/Medicaid financial status reports.



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