UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF THE GENERAL COUNSEL

EQUAL JUSTICE UNDER LAW

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USPS - Domestic Mail Manual & Letter rulings related to CHP mailing issue

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E600 Standard Mail

E670 Nonprofit Standard Mail

1.0 BASIC STANDARDS

Organization Eligibility 1.1 Only organizations that meet the standards in 2.0 or 3.0 and that have received specific authorization from the USPS may mail eligible matter at any Nonprofit Standard Mail rate, including Nonprofit Enhanced Carrier Route rates.

Separate Authorizations 1.2 Except for mailings deposited under the plant-verified drop shipment postage payment system (see P750), a separate authorization is required at each post office where Nonprofit Standard Mail rate mailings are deposited.

Discounts 1.3 Pieces mailed at the Nonprofit Standard Mail rates must meet the standards in E611 and E612 and the corresponding standards for any other discount or rate claimed.

2.0 QUALIFIED NONPROFIT ORGANIZATIONS

General 2.1 An organization described in 2.3 through 2.10 may be authorized to mail at the Nonprofit Standard Mail rates if it is not organized for profit and none of its net income accrues to the benefit of any private stockholder or individual.

Primary Purpose 2.2 The standard of *primary purpose* used in the definitions in 2.3 through 2.10 requires that the organization be both organized and operated for the primary purpose. Organizations that incidentally engage in qualifying activities do not meet the primary purpose test.

Religious 2.3 A *religious organization* is a nonprofit organization whose primary purpose is to:

a. Conduct religious worship (e.g., churches, synagogues, temples, or mosques);

b. Support the religious activities of nonprofit organizations whose primary purpose is to conduct religious worship; or

c. Further the teaching of particular religious faiths or tenets, including religious instruction and the dissemination of religious information.

Educational 2.4 An *educational organization* is a nonprofit organization whose primary purpose is the instruction or training of individuals for improving or developing their capabilities or the instruction of the public on subjects beneficial to the community. An organization may be educational even though it advocates a particular position or viewpoint, as long as it presents a sufficiently full and fair exposition of the pertinent facts to permit the formation of an independent opinion or conclusion. Conversely, an organization is not considered educational if its principal function is the mere presentation of unsupported opinion. These are examples of educational organizations:

a. An organization (e.g., a primary or secondary school, a college, or a professional or trade school) that has a regularly scheduled curriculum, a regular faculty, and a regularly enrolled body of students in attendance at a place where educational activities are regularly carried on.

b. An organization whose activities consist of presenting public discussion groups, forums, panels, lectures, or similar programs, including on radio or television.

c. An organization that presents a course of instruction by correspondence or through the use of television or radio.

d. Museums, zoos, planetariums, symphony orchestras, and similar organizations.

Scientific 2.5

A *scientific organization* is a nonprofit organization whose primary purpose is to conduct research in the applied, pure, or natural sciences or to disseminate technical information dealing with the applied, pure, or natural sciences.

Philanthropic (Charitable) 2.6

A *philanthropic (charitable) organization* is a nonprofit organization organized and operated to benefit the public. Examples include those that are organized to relieve the poor, distressed, or underprivileged; to advance religion, education, or science; to erect or maintain public buildings, monuments, or works; to lessen the burdens of governmentgovernment; or to promote social welfare for any of the above purposes or to lessen neighborhood tensions, eliminate prejudice and discrimination, defend human and civil rights secured by law, or combat community deterioration and juvenile delinquency. That an organization organized and operated to relieve indigent persons may receive voluntary contributions from those persons does not necessarily make it ineligible for Nonprofit Standard Mail rates as a philanthropic organization. That an organization, in carrying out its primary purpose, advocates social or civic changes or presents ideas on controversial issues to influence public opinion and sentiment to accept its views, does not necessarily make it ineligible for Nonprofit Standard Mail rates as a philanthropic organization.

Agricultural 2.7

An *agricultural organization* is a nonprofit organization whose primary purpose is the betterment of the conditions of those engaged in agricultural pursuits, the improvement of the grade of their products, and the development of a higher degree of efficiency in agriculture; or the collection and dissemination of information or materials about agriculture. The organization may further and advance agricultural interests through educational activities; by holding agricultural fairs; by collecting and disseminating information about cultivation of the soil and its fruits or the harvesting of marine resources; by rearing, feeding, and managing livestock, poultry, bees, etc.; or by other activities related to agricultural interests.

Labor 2.8

A *labor organization* is a nonprofit organization whose primary purpose is the betterment of the conditions of workers. Labor organizations include, but are not limited to, organizations in which employees or workers participate, whose primary purpose is to deal with employers on grievances, labor disputes, wages, hours of employment, working conditions, etc. (e.g., labor unions and employee associations).

Veterans 2.9

A *veterans' organization* is a nonprofit organization of veterans of the armed services of the United States, or an auxiliary unit or society of, or a trust or foundation for, any such post or organization.

Fraternal 2.10

A *fraternal organization* is a nonprofit organization whose primary purpose is fostering fellowship and mutual benefits among its members. For this standard, a qualified fraternal organization must also be organized under a lodge or chapter system with a representative form of government; must follow a ritualistic format; and must be composed of members elected to membership by vote of the members. Qualifying fraternal organizations include the Masons, Knights of Columbus, Elks, and college fraternities or sororities, and may have members of either or both sexes. Fraternal organizations do not encompass such organizations as business leagues, professional associations, civic associations, or social clubs.

3.0 QUALIFIED POLITICAL COMMITTEES AND STATE OR LOCAL VOTING REGISTRATION OFFICIALS

Political Committees 3.1 These political committees may be authorized to mail at the Nonprofit Standard Mail rates without regard to their nonprofit status:

a. A national committee of a political party.

b. A state committee of a political party.

c. The Democratic Congressional Campaign Committee.

d. The Democratic Senatorial Campaign Committee.

e. The National Republican Congressional Committee.

f. The National Republican Senatorial Committee.

Definitions 3.2 For the standards in 3.1:

a. A *national committee* is the organization that, by virtue of the bylaws of a political party, is responsible for the day-to-day operations of such political party at the national level.

b. A *state committee* is the organization that, by virtue of the bylaws of a political party, is responsible for the day-to-day operation of such political party at the state level.

Voting Registration Officials 3.3 Voting registration officials in a state or the District of Columbia are authorized to mail certain Standard Mail (A) materials at the Nonprofit Standard Mail rates under the National Voter Registration Act of 1993 (see 5.10).

4.0 INELIGIBLE ORGANIZATIONS

Private 4.1 These and similar organizations do not qualify for the Nonprofit Standard Mail rates, even if organized on a nonprofit basis:

a. Automobile clubs.

b. Business leagues.

c. Chambers of commerce.

d. Citizens' and civic improvement associations.

e. Individuals.

f. Mutual insurance associations.

g. Political organizations (other than those specified in 3.0).

h. Service clubs (e.g., Civitan, Kiwanis, Lions, Optimist, and Rotary).

i. Social and hobby clubs.

j. Associations of rural electric cooperatives.

k. Trade associations.

Government 4.2 State, county, and municipal governments are generally not eligible for the Nonprofit Standard Mail rates. However, a separate and distinct state, county, or municipal governmental organization that meets the criteria for any one of the specific categories in 2.0 may be eligible, notwithstanding its governmental status.

5.0 ELIGIBLE AND INELIGIBLE MATTER

Organization's Own Mail 5.1 An organization authorized to mail at the Nonprofit Standard Mail rates may mail only its own matter at those rates. An authorized organization may not delegate or lend the use of its authorization to mail at the Nonprofit Standard Mail rates to any other person or organization.

Ineligible Matter 5.2 No person or organization may mail, or cause to be mailed by contractual agreement or otherwise, any ineligible matter at the Nonprofit Standard Mail rates.

Cooperative Mailing 5.3 A cooperative mailing may be made at the Nonprofit Standard Mail rates only when each of the cooperating organizations is individually authorized to mail at the Nonprofit Standard Mail rates at the post office where the mailing is deposited. A cooperative mailing involving the mailing of any matter on behalf of or produced for an organization not itself authorized to mail at the Nonprofit Standard Mail rates at the post office where the mailing is deposited must be paid at the applicable Regular or Enhanced Carrier Route Standard Mail rates. The mailer may appeal the decision under G020.

Prohibitions and Restrictions 5.4 Nonprofit Standard Mail rates may not be used for the entry of material that advertises, promotes, offers, or, for a fee or consideration, recommends, describes, or announces the availability of:

a. Any credit, debit, or charge card or similar financial instrument or account, provided by or through an arrangement with any person or organization not authorized to mail at the Nonprofit Standard Mail rates at the entry post office.

b. Any insurance policy, unless the organization promoting the purchase of such policy is authorized to mail at the Nonprofit Standard Mail rates at the entry post office; the policy is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of that organization; and the coverage provided by the policy is not generally otherwise commercially available as explained in 5.5.

c. Any travel arrangement, unless the organization promoting the arrangement is authorized to mail at the Nonprofit Standard Mail rates at the entry post office; the travel contributes substantially (aside from the cultivation of members, donors, or supporters, or the acquisition of income or funds) to one or more of the purposes that constitute the basis for the organization's authorization to mail at the Nonprofit Standard Mail rates; and the arrangement is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of that organization.

d. Any other product or service unless one of these exceptions is met:

(1) The sale of the product or the provision of such service is substantially related to the exercise or performance by the organization of one or more of the purposes used by the organization to qualify for mailing at the Nonprofit Standard Mail rates. The criteria in 5.6 are used to determine whether an advertisement, promotion, or offer for a product or service is for a substantially related product or service and, therefore, mailable at the Nonprofit Standard Mail rates.

(2) The product or service is advertised in Standard Mail (A) material meeting the prescribed content requirements for a periodical publication. The criteria in 5.8 are used to determine whether the Standard Mail (A) material meets the content requirements for a periodical publication.

Definitions, Insurance 5.5

For the standard in 5.4b:

a. The term *not generally otherwise commercially available* applies to the actual coverage stated in an insurance policy, without regard to the amount of the premiums, the underwriting practices, and the financial condition of the insurer. When comparisons are made with other policies, consideration is given to policy coverage benefits, limitations, and exclusions, and to the availability of coverage to the targeted category of recipients. When insurance policy coverages are compared for determining whether coverage in a policy offered by an organization is not generally otherwise commercially available, the comparison is based on the specific characteristics of the recipients of the piece (e.g., geographic location or demographic characteristics).

b. The types of insurance considered generally commercially available include, but are not limited to, homeowner's, property, casualty, marine, professional liability (including malpractice), travel, health, life, airplane, automobile, truck, motorhome, motorbike, motorcycle, boat, accidental death, accidental dismemberment, Medicare supplement (medigap), catastrophic care, nursing home, and hospital indemnity insurance.

Definitions, Substantially Related Advertising Products 5.6

For the standards in 5.4d:

a. To be substantially related, the sale of the product or the provision of the service must contribute importantly to the accomplishment of one or more of the qualifying purposes of the organization. This means that the sale of the product or providing of the service must be directly related to accomplishing one or more of the purposes on which the organization's authorization to mail at the Nonprofit Standard Mail rates is based. The sale of the product or providing of the service must have a causal relationship to the achievement of the exempt purposes (other than through the production of income) of the authorized organization. (Income produced from selling an advertised product or providing a service does not make such action a substantially related activity, even if the income will be used to accomplish the purpose or purposes of the authorized organization.)

b. Standards established by the Internal Revenue Service (IRS) and the courts with respect to 26 USC 513(a) and (c) of the Internal Revenue Code are used to determine whether the sale or provision of an advertised product or service, whether sold or offered by the organization or by another party, is substantially related to the qualifying purposes of an organization. (Advertisements in Standard Mail (A) material that meets the content requirements for a periodical publication need not meet the substantially related standard to be mailable at the Nonprofit Standard Mail rates. See 5.4d(2) and 5.8.)

   (1) If the advertising material is for a product or service that is not substantially related, it is not mailable at the Nonprofit Standard Mail rates.

   (2) If an organization pays unrelated business income tax on the profits from the sale of a product or the provision of a service, that activity is by IRS definition not substantially related. The fact that an organization does not pay such tax, however, does not establish that the activity is substantially related because other criteria may exempt the organization from payment. The inclusion of an advertisement for a product or service in a mailpiece may disqualify the piece for Nonprofit Standard Mail rates, even if the mailer does not pay unrelated business income tax on its sale.

(3) Third-party paid advertisements may be included in material mailed at the Nonprofit Standard Mail rates if the products or services advertised are substantially related to one or more of the purposes for which the organization is authorized to mail at Nonprofit Standard Mail rates. However, if the material contains one or more advertisements that are not substantially related, the material is not eligible for the Nonprofit Standard Mail rates, unless it is part of material that meets the content requirements described in 5.8 and is not disqualified from using the Nonprofit Standard Mail rates under another provision.

c. Announcements of activities, e.g., bake sale, car wash, charity auction, oratorical contest, are considered substantially related if substantially all the work is conducted by the members or supporters of an authorized organization without compensation.

d. Advertisements for products and services, including products and services offered as prizes or premiums, are considered substantially related if the products and services are received by an authorized organization as gifts or contributions.

e. An advertisement, promotion, offer, or subscription order form for a periodical publication meeting the eligibility criteria in E211 and published by one of the types of nonprofit organizations listed in 2.0 is mailable at the Nonprofit Standard Mail rates.

Other Matter
5.7

An authorized nonprofit organization's material is not disqualified from being mailed at the Nonprofit Standard Mail rates solely because that material contains, but is not primarily devoted to:

a. Acknowledgments of organizations or individuals who have made donations to the authorized organization.

b. References to and a response card or other instructions for making inquiries about services or benefits available from membership in the authorized organization, if advertising, promotional, or application materials for such services or benefits are not included.

Periodical Publication Content Requirements
5.8

Advertisements for products and services in material that meets the content requirements for a periodical publication are mailable at the Nonprofit Standard Mail rates. The material mailed must meet these standards:

a. Have a title. The title must be printed on the front cover page in a style and size of type that make it distinguishable from other information on the front cover page.

b. Be formed of printed sheets. (It may not be reproduced by stencil, mimeograph, or hectograph. Reproduction by any other process is permitted.) Any style of type may be used.

c. Contain an identification statement on one of the first five pages of the publication that includes these elements:

(1) Title.
(2) Issue date. The date may be omitted if it is on the front cover or cover page.
(3) Statement of frequency showing when issues are to be published (daily; weekly; monthly; monthly except June; four times a year in June, August, September, and December; annually; irregularly, etc.).

(4) Name and address of the authorized organization, including street number, street name, and ZIP+4 or 5-digit ZIP Code. The street number and street name are optional if there is no letter carrier service.
(5) Issue number. Every issue of each publication is numbered consecutively in a series that may not be broken by assigning numbers to issues omitted. The issue number may be printed on the front or cover page instead of in the identification statement.
(6) International Standard Serial Number (ISSN), if applicable.
(7) Subscription price, if applicable.

d. Consist of at least 25 percent nonadvertising matter in each issue. Advertising is defined in E211.

Contribution and Membership Premiums
5.9

Announcements for premiums received as a result of a contribution or payment of membership dues are not considered advertisements if the membership dues or requested contribution is more than 4 times the cost of the premium item(s) offered and more than 2 times the represented value in the mailpiece, if any, of the premium item(s) offered.

Political Mailings
5.10

A qualifying political committee under 3.0 may mail election-related materials, such as candidate endorsements, at the Nonprofit Standard Mail rates if the materials are exclusively of the qualifying political committee. Political mailings may not be made at the Nonprofit Standard Mail rates when a political candidate or anyone else not authorized to mail at the Nonprofit Standard Mail rates assists the qualifying political committee with the preparation or mailing of such materials, or pays any of the costs of preparation or mailing, or provides any consideration to the qualifying political committee in return for the mailing being made. The following are examples of political mailings that would not qualify for mailing at the Nonprofit Standard Mail rates:

a. A mailing containing material identified as having been paid for by the campaign committee or treasurer of an individual candidate.
b. A mailing containing circulars, flyers, brochures, or other printed matter prepared or printed by a political candidate or his or her campaign organization.
c. A mailing on which the postage is paid for by a political candidate or his or her campaign organization.
d. A mailing made on behalf of a candidate in return for a contribution to the qualifying political committee.

Products Mailable at Nonprofit Standard Mail Rates
5.11

The following products are mailable at Nonprofit Standard Mail rates:

a. [01-01-99] Low-cost items within the meaning of 26 USC 513(h)(2), Internal Revenue Code. At the beginning of each calendar year, the value of low-cost items is adjusted for cost of living. Effective January 1, 1999, the standard established that the cost of such items may not exceed $7.20. This cost is the cost to the authorized organization that mails the items or on whose behalf the items are mailed.
b. Items donated or contributed to the qualified organization. Such items do not have to meet the definition of a low-cost item as described in 5.11a.
c. A periodical publication (as defined in E211) of a nonprofit organization unless it is ineligible under 5.0 to be mailed at the Nonprofit Standard Mail rates.

Voting Registration Official 5.12 The voting registration official may mail, at the Nonprofit Standard Mail rates, only qualifying Standard Mail (A) matter that is required or authorized to be mailed at those rates by the National Voter Registration Act of 1993.

Evidence 5.13 On request, an organization authorized to mail at the Nonprofit Standard Mail rates must provide evidence to the USPS, or cause evidence held by another party to be provided to the USPS, about the eligibility of any of its mail matter or mailings to be sent at those rates. Any failure to provide evidence needed for a ruling on the eligibility of matter to be sent at the Nonprofit Standard Mail rates, or to cause such evidence to be provided, is sufficient basis for a finding that the matter is not eligible for the Nonprofit Standard Mail rates, as well as for the revocation of the organization's authorization to mail at the Nonprofit Standard Mail rates.

6.0 IDENTIFICATION

All matter mailed at the Nonprofit Standard Mail rates must identify the authorized nonprofit organization. The name and return address of the authorized nonprofit organization must be either on the outside of the mailpiece or in a prominent location on the material being mailed. Pseudonyms or bogus names of persons or organizations may not be used. If the piece bears any name and return address, it must be that of the authorized nonprofit organization. A well-recognized alternative designation (e.g., "The March of Dimes") or abbreviation (e.g., "AFL-CIO") may be used rather than the full organization name.

7.0 AUTHORIZATION—ORIGINAL APPLICATION

Filing 7.1 Except for mailings deposited under the plant-verified drop shipment postage payment system (see P750), Form 3624 must be filed by the organization at each post office where it wants to deposit mailings at the Nonprofit Standard Mail rates. The applicant must show on Form 3624 the qualifying category of organization under which it seeks authorization.

Fee 7.2 No fee is charged for filing Form 3624.

Qualified Nonprofit Organizations 7.3 Form 3624 must be accompanied by evidence that the applicant meets the standards of a qualifying category in 2.0 and that the organization is nonprofit (e.g., a certificate of exemption from federal income tax). *An exemption from the payment of federal income tax is not required to qualify for the Nonprofit Standard Mail rates. Such exemption is considered as evidence of qualification for preferred postal rates, but is not the controlling factor in the decision. When an organization submits proof that it is granted federal income tax exemption under 26 USC 501(c)(3), as a religious, educational, scientific, or philanthropic (charitable) organization; under 501(c)(5) as an agricultural or labor organization; under 501(c)(8) as a fraternal organization; or under 501(c)(19) as a veterans' organization, it is considered as qualifying for the Nonprofit Standard Mail rates, unless other evidence discloses some disqualification.*

Political Committees 7.4 Form 3624 filed by an organization seeking authorization as a qualified political committee must include evidence that the applicant meets the standards of one of the qualifying categories of political committees in 3.0; evidence of nonprofit status is not required.

8.0 AUTHORIZATION—AT ADDITIONAL OFFICES

Application 8.1 Organizations authorized to mail at the Nonprofit Standard Mail rates at one post office may obtain authorization to mail at those rates at an additional post office. An official of the organization (not its agent) must file Form 3623 at the requested additional mailing office. The evidence of qualification required to accompany Form 3624 is not required when filing Form 3623.

Fee 8.2 No fee is charged for filing Form 3623.

Application Letter 8.3 Form 3623 must be accompanied by a letter from the organization on its official letterhead, signed by an official of the organization, stating the name of the organization and that it is requesting authorization to mail at the Nonprofit Standard Mail rates of postage at an additional office.

Organization Name 8.4 If the organization name on Form 3623 is different from the one on USPS records, the applicant must revise the organization's original application to reflect a name change by providing evidence that the organization name was officially changed (e.g., an official amendment to the organization's Articles of Incorporation stating the former name and the new name and a letter issued by the Internal Revenue Service recognizing the name change).

Permits and Authorizations 8.5 Authorization by Form 3623 does not relieve the mailer's obligation to obtain mailing permits and pay the required fees for mailing at bulk rates, and such authorization does not permit an organization to obtain an authorization for another separate legal entity.

Retaining Additional Authorization 8.6 To retain an additional authorization granted under 8.0, an organization must make at least one mailing at that office during any 2-year period and maintain the original authorization on which it is based. If the original authorization is revoked for any reason, including nonuse, the additional office authorization is also revoked.

9.0 MAILING WHILE APPLICATION PENDING

Approval 9.1 An organization may not mail at the Nonprofit Standard Mail rates at a post office before the corresponding Form 3624 or Form 3623 is approved.

Postage Record 9.2 While an application is pending, postage must be paid at the applicable First-Class Mail or Priority Mail rates, or at the following Standard Mail (A) rates: regular Enhanced Carrier Route, regular automation, or regular Presorted. The USPS records the difference between postage paid at the regular Standard Mail (A) rates (Enhanced Carrier Route, automation, and Presorted) and the postage that would have been paid at the Nonprofit Standard Mail rates. No record is kept if postage is paid at First-Class Mail or Priority Mail rates.

Refund 9.3 If an authorization to mail at Nonprofit Standard Mail rates is issued, the mailer may be refunded the postage paid at that office in excess of the Nonprofit Standard Mail rate since the effective date of the authorization. No refund is made:

a. If the application is denied and no appeal is filed.

b. If postage was paid at First-Class Mail or Priority Mail rates.

c. For the period before the effective date of the authorization.

d. For mailings made at a post office at which a separate application was not filed.

Effective Date 9.4 The effective date of the Nonprofit Standard Mail rate authorization is the date of the application or the date of the organization's eligibility, whichever is later.

Pending Status 9.5 The mailer may continue to mail in a pending status until a final decision is reached on an appeal of a denied application.

10.0 RULING ON APPLICATION

Additional Information 10.1 The RCSC manager or designee may request additional information or evidence to support or clarify the application. Failure to provide the information is sufficient reason to deny an application.

Rulings 10.2 The RCSC manager rules on Form 3624 and Form 3623 applications and notifies the applicant directly.

Appealing a Denial 10.3 If the application is denied, the applicant may submit a written appeal to the postmaster where the application was filed within 15 days of the applicant's receipt of the decision. After reviewing the file, if the RCSC manager still believes that the organization does not qualify, the appeal is forwarded to the Business Mail Acceptance manager, USPS Headquarters, who issues the final agency decision.

11.0 REVOCATION

USPS Review 11.1 The RCSC manager may initiate at any time a review of any organization authorized to mail at the Nonprofit Standard Mail rates. The RCSC may ask an organization for information or evidence to determine whether the organization is still qualified. Failure to provide this information is sufficient cause for revocation.

Revocation for Cause 11.2 If it is found that authorization has been given to an organization that was not qualified at the time of application or later became unqualified, the RCSC notifies the organization of the proposed revocation and the reasons for it.

Appeal 11.3 Revocation takes effect 15 days from the organization's receipt of the notice, unless the organization files a written appeal within that time through the RCSC with the Business Mail Acceptance manager, USPS Headquarters. The manager may ask the organization for more information or evidence to determine the organization's eligibility. Failure to provide this information is sufficient grounds for denial of the appeal. The manager issues a written appeal decision directly to the organization.

Nonuse 11.4 The RCSC revokes an authorization to mail at the Nonprofit Standard Mail rates if no Nonprofit Standard Mail rate mailings are made by the authorized organization during a 2-year period. The RCSC notifies the organization of the revocation for nonuse.

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Insurance Promotion - Nonprofit Standard Mail Rate

PS-271 (E670.5) *UPDATED* October 1996

This ruling concerns the eligible rate for a Standard Mail (A) piece sent by an authorized Nonprofit Standard Mail rate organization. The mailpiece serves as a notice of the availability of life insurance to persons renewing membership in the organization.

Domestic Mail Manual (DMM), E670.5.4b, provides that Nonprofit Standard Mail rates shall not be used for the entry of material that advertises, promotes, offers, or for a fee or consideration, recommends, describes, or announces the availability of any insurance policy, unless the organization promoting the purchase of such policy is authorized to mail at the Nonprofit Standard Mail rates at the entry post office; the policy is designed for and primarily promoted to the members, donors, supporters, or beneficiaries of that organization; *and* the coverage provided by the policy is not generally otherwise commercially available.

DMM E670.5.7 provides that an authorized nonprofit organization's material will not be disqualified from being mailed at the Nonprofit Standard Mail rates solely because that material contains, but is not primarily devoted to:

a. Acknowledgments of organizations or individuals who have made donations to the authorized organization; or

b. References to and a response card or other instructions for making inquiries about services or benefits available as a result of membership in the authorized organization, if advertising, promotional, or application materials specifically concerning such services or benefits are not included.

Under DMM E670.5.7, the mailpiece previously described is excluded from being sent at the Nonprofit Standard Mail rates because it promotes a life insurance plan in conjunction with renewing membership in the organization, *and* the type of insurance being promoted (accidental death coverage), is considered to be generally commercially available. Such mailings may only be made at the regular bulk Standard Mail (A) rates.

Anita J. Bizzotto
Manager

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Cooperative Mailings

PS-190 (E670) *UPDATED* October 1996

In accordance with Domestic Mail Manual (DMM) E670.2.1, a religious organization may be authorized to mail at the Nonprofit Standard Mail rates of postage if it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual.

DMM E670.5.3 prescribes that cooperative mailings may be made at the Nonprofit Standard Mail rates only when each of the cooperating organizations is individually authorized to mail at the Nonprofit Standard Mail rates at the post office where the mailing is deposited. Cooperative mailings involving the mailing of any matter in behalf of or produced for an organization not itself authorized to mail at the Nonprofit Standard Mail rates at the post office where the mailing is deposited must be paid at the applicable Standard Mail (A) regular rate.

A church bulletin containing advertising matter and meeting the content requirements of a periodical publication was being mailed by a church under its permit at the Nonprofit Standard Mail rates of postage. An advertising firm solicited the advertisements from local businesses, supplied the paper, and printed the bulletin free of charge to the church. The money paid by the advertisers inured to the profit making firm. Thus, it was concluded that the bulletin was the mailing piece of two parties and that the postage should be re-computed and charged at the applicable Standard Mail (A) regular rates. The difference between the amount paid at the Nonprofit Standard Mail rates and the amount due at the applicable Standard Mail (A) regular rates was subsequently paid to the Postal Service.

Anita J. Bizzotto
Manager

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Municipal Government Organization -
Nonprofit Standard Mail Eligibility

PS-161 (E670.2, E670.4) *UPDATED* October 1996

A township filed an application to mail at the Nonprofit Standard Mail rates of postage as a nonprofit municipal government.

Domestic Mail Manual (DMM), E670.2.2, requires the organization to be both organized and operated for a qualifying primary purpose (such as educational). Organizations which "incidentally" engage in qualifying activities do not meet the primary-purpose test. The township does not meet this test because it is not organized and operated primarily as one of the types of organizations listed in DMM E670.2. The primary purpose of the township is governmental.

DMM E670.2 lists of the types of organizations that may qualify to mail at the Nonprofit Standard Mail rates, if they are not organized for profit and none of their net income inures to the benefit of any private stockholder or individual. The types of nonprofit organizations are religious, educational, scientific, philanthropic, agricultural, labor, veterans and fraternal. There is no separate category for a municipal government. Furthermore, a municipal government is not one of the types of organizations that can qualify to mail at the Nonprofit Standard Mail rates.

DMM E670.4.2 states that in general, state, county, and municipal governments are not eligible to mail for the Nonprofit Standard Mail rates. However, a separate and distinct organization of a state, county, or municipal governmental organization which meets the criteria for any one of the specific categories in section E670.2.0 may be eligible. For example, school districts and public libraries may be eligible under E670.2.4 as educational organizations. Nevertheless, governmental organizations are normally not eligible under E670.2.6 as philanthropic organizations since their income is generally not derived primarily from voluntary contributions or donations. Therefore, the township cannot qualify as a philanthropic organization because its income is obtained from public tax assessments rather than from voluntary contributions or donations.

State, county and municipal governments are not eligible for the Nonprofit Standard Mail rates because they are not the types of entities contemplated by Congress for this kind of subsidy and assistance. They receive other considerations, such as tax exemptions, disaster and emergency relief, and support from various programs of the Federal government.

Anita J. Bizzotto
Manager

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Nonprofit Standard Mail Rate Requirements

PS-4 (E670) *UPDATED* October 1996

This ruling concerns an appeal filed by a corporation contesting action taken to revoke its authorization previously granted for mailing at the Nonprofit Standard Mail rates of postage.

The basis for the appeal is the claim that the corporation is a nonprofit organization that meets the requirements of an educational organization as defined in Domestic Mail Manual (DMM) E670.2. Such an organization is defined as one whose primary purpose is the instruction or training of individuals or the public.

There are two fundamental requirements that an organization seeking authorization to mail at the Nonprofit Standard Mail rates must meet. First, the organization must submit evidence that it is nonprofit within the meaning of DMM E670.2.1. Second, the application must include evidence that the organization meets the requirements of a qualifying category in DMM E670.2.2.

To substantiate nonprofit status an organization must submit evidence that it is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual. In addition, to demonstrate compliance with the requirements of a qualifying category, an organization must meet the test of primary purpose. As stated in DMM E670.2.2, the standard of primary purpose used in the definitions of qualified nonprofit organizations requires that the organization be both organized and operated for the primary purpose. Organizations which incidentally engage in qualifying activities do not meet the primary purpose test.

The corporation in this case was incorporated by one person. In reviewing the file, various publications were examined. Such publications are apparently mailed at the Nonprofit Standard Mail rates. In the appeal, the appellant indicates that a particular publication is published by the corporation. However, it has been noted that the publication is not copyrighted by the corporation, but by another organization. Two publications feature advertisements for seminars sponsored by the organization.

Information obtained from the USPS library indicates that the other organization is a for-profit organization which is "currently specializing in telemarketing." All of the capital stock is owned by the person who incorporated the subject corporation.

There are questionable connections between the corporation which has been authorized to mail at the Nonprofit Standard Mail rates and other, possibly for-profit, organizations mentioned in these publications. The file, which includes documentation of the facts presented above, appears to support the following conclusions concerning the corporation and its claim to be eligible to mail at the special bulk rates:

1. It has not been established that the corporation conducts the educational activities being claimed as the corporation's in the appeal. At best, the seminars appear to be cooperative ventures involving the corporation and the for-profit organization. Such cooperative

arrangements may render the publications, such as those described earlier, ineligible to be mailed at the Nonprofit Standard Mail rates because of the restrictions of DMM E670.

(PS-4)

2. It has not been established that the corporation is nonprofit within the meaning of DMM E670. The file includes no evidence of nonprofit status, such as a letter of exemption from payment of Federal income tax issued by the Internal Revenue Service, or other evidence, such as a financial statement prepared by a certified public accountant, which documents nonprofit operation. Apparently, the organization has an application for exemption from payment of Federal income tax pending action by the Internal Revenue Service. However, a pending application does not prove nonprofit status. In addition, it appears that there is inurement to two individuals because of their affiliation with both the corporation and the other organization.

In summary, it is concluded that the evidence fails to establish that the corporation is a nonprofit organization or that it is organized and operated primarily for educational purposes within the meaning of DMM E670.2.2 and E670.2.4. The action taken to revoke the authorization previously granted to the corporation was correct.

Anita J. Bizzotto
Manager

Standard Mail (A) Nonprofit—Eligibility

670
Quick Service Guide

Related QSGs: 630, 631, 632, 633, 640, 641, 642, 643, 644

Eligibility Overview (E670)

Only political committees, voting registration officials and organizations that meet specific standards for qualified nonprofit organizations and that have received specific authorization from the USPS (E670) may mail eligible matter at the Nonprofit Standard Mail rates. Except for mailings deposited under the plant-verified drop shipment program (P750), a separate authorization is required at each post office where Nonprofit rate mailings are deposited. Pieces mailed at the Nonprofit Standard Mail rates must meet the general standards for Standard Mail (A) (E612) and the standards specific to any other discount or rate claimed.

Qualified organization: organization is not organized for profit, and none of its net income inures to the benefit of any private stockholder or individual. Types of organizations that may qualify (E670): religious, educational, scientific, philanthropic, agricultural, labor, veterans, and fraternal. Voting registration officials and national and state political committees may be qualified without regard to their nonprofit status.

Ineligible nonprofit organizations: service, social, and hobby clubs; citizens' and civic improvement associations; state, county, and municipal governments are generally not eligible.

Prohibitions and restrictions: Nonprofit rates not permitted for mailing promotional material for credit cards, insurance policies, and travel arrangements. Authorized organizations may not let any other person or organization use their authorizations to mail at Nonprofit Standard Mail rates.

Cooperative mailings: mailable at Nonprofit Standard Mail rates only if each cooperating organization is individually authorized to mail at Nonprofit Standard Mail rates where the mailing is deposited.

Authorizations: Form 3624 required at post office where mail is deposited; Form 3623 required for each additional mailing office.

Rates and Fees (R600)

Nonprofit Standard Mail

- Letter-size minimum per piece

Presorted	
Basic	$0.169
3/5	0.142
Automation	
Basic	$0.119
3-Digit	0.114
5-Digit	0.093

- Nonletter-size minimum per piece

Presorted	
Basic	$0.233
3/5	0.165
Automation	
Basic	$0.182
3/5	0.144

Nonprofit Enhanced Carrier Route

- Letter-size minimum per piece

Nonautomation	
Basic	$0.099
High Density	0.078
Saturation	0.072
Automation	
Basic	$0.092

- Nonletter-size minimum per piece

Basic	$0.099
High Density	0.092
Saturation	0.084

Add $0.10 for all pieces that are prepared as parcels or are neither letter-size nor flat-size (E620).

Other rates and discounts available. Annual presort mailing fee $100.00. Destination rate eligibility: standards in E651.

Addressing (A010)

Name and return address on outside of mailpiece must be that of the authorized organization; pseudonyms or bogus names of persons or organizations prohibited (E670.6).

Characteristics and Content (C600)

Same as Standard Mail (A) generally; some restrictions on promotional material (E670).

Mail Preparation and Sortation (M600)

Marking:
- "Nonprofit Organization" (or "Nonprofit" or "Nonprofit Org.").

Postage statement: Form 3602-PN (postage affixed) or Form 3602-N (permit imprint).
Identification: name of authorized nonprofit organization.

(Text continued on reverse)

670 Quick Service Guide

Standard Mail (A) Nonprofit—Eligibility

Postage and Payment Methods (P600)

Precanceled stamp (P023), meter (P030), or permit imprint (P040); applicable conditions and restrictions.

Special Services (S900)

May not use registry, insurance, special handling, certified, return receipt for merchandise, and COD services (E612.4.1).

For mail preparation graphic, see the appropriate Quick Service Guide:

630 Presorted Letters
631 Presorted Letters—Upgradable
632 Presorted Flats
633 Irregular Parcels
640 Automation Letters
641 Automation Flats
642 Enhanced Carrier Route—Nonautomation Letters
643 Enhanced Carrier Route—Flats and Parcels
644 Enhanced Carrier Route—Automation Letters

This guide is an overview only. For the specific DMM standards applicable to this category of mail, consult the DMM sections referenced above and the general sections within each DMM module.

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Mailable Materials - Nonprofit Standard Mail Rates

PS-138 (E670.5) *UPDATED* October 1996

Congress authorized lower rates of postage for Nonprofit Standard Mail matter mailed by qualified nonprofit organizations. Ten categories of organizations have been authorized by the Congress. They are nonprofit religious, educational, scientific, philanthropic, agricultural, labor, veterans, or fraternal organizations, as well as specified types of qualified political committees and voting registration officials.

An organization authorized to use these rates may mail its own mailable materials at the Nonprofit Standard Mail rates subject to the restrictions of Domestic Mail Manual (DMM) E670.5. Authorized organizations are not prohibited from soliciting contributions so long as the proceeds inure only to the nonprofit organization and not to a private individual or corporate entity.

Due to the prohibitions in DMM E670.5.4, material mailed at the Nonprofit Standard Mail rates may not contain advertisements for any credit, debit, or charge card or similar financial instrument. Advertisements for other products or services are only allowed if the advertised product or service is either substantially related to the purpose(s) on which the organization's special rate authorization is based (E670.5.6), or appears in a mailpiece that meets the content requirements of a periodical publication (E670.5.8). There are additional restrictions on advertisements for travel and insurance policies in DMM E670.5.

Anita J. Bizzotto
Manager

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Evidence Required - Nonprofit Standard Mail Rates

PS-92 (E670.2) *UPDATED* October 1996

The two fundamental requirements that an organization seeking authorization to mail at the Nonprofit Standard Mail rates must meet are stated in Domestic Mail Manual (DMM) E670.2.0. First, the application must include evidence that the organization meets the requirements of a qualifying category. Second, the organization must submit evidence that it is nonprofit.

To substantiate nonprofit status, evidence must establish that the applicant organization is not organized for profit and none of its net income inures to the benefit of any private stockholder or individual. Statements of intention such as those found in organizational papers including Articles of Incorporation, Bylaws and Constitutions, indicating that an organization was "organized" as a nonprofit organization are not sufficient. The organization must also demonstrate by submission of evidence that it is operated as a nonprofit organization. Self-serving documents such as budget papers or internal assessments are not evidence. Some form of outside verification of nonprofit status is required such as an exemption from payment of Federal income tax or a detailed financial statement prepared by a responsible person such as a certified public accountant who can attest to the fact that the organization's financial records were examined and the records reveal that the organization is, in fact, operated on a nonprofit basis.

The following types of materials should accompany a Form 3624, *Application to Mail at Nonprofit Standard Mail Rates:*

1. Current Articles of Incorporation;
2. Current Bylaws;
3. The organization's Constitution;
4. Current Internal Revenue Service letter of tax exempt status. If not tax exempt, appropriate proof of nonprofit status, such as a financial statement prepared by a responsible person (i.e., certified public accountant);
5. Minutes of membership or board meetings held in the last year;
6. Newsletters, brochures, bulletins, etc., which were distributed over the past year;
7. Summary of activities over the past year; and/or
8. Any evidence the organization feels would indicate why it qualifies for the Nonprofit Standard Mail rates.

Anita J. Bizzotto

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Authorized Nonprofit Organization

PS-139 (E670.6) *UPDATED* October 1996

Domestic Mail Manual (DMM) E670.6.0 states, in part, that all matter mailed at the Nonprofit Standard Mail rates of postage must identify the authorized nonprofit organization.

The "authorized nonprofit organization" referred to in DMM E670.6.0 is the organization which has been authorized to mail at the Nonprofit Standard Mail rates of postage. A nonprofit organization, or any organization for that matter, is not required to have a permit to use permit imprints in order to have its mail deposited at a post office. The mail may be deposited by another person or organization, such as a mailing agent, and bear the permit number of that other person or organization.

For example, if a nonprofit organization engages XYZ Mailers to mail its material at the special bulk rates at San Francisco, the mail may bear the permit number of XYZ Mailers and the postage would be deducted from XYZ Mailers' trust account. However, the mailing would be accepted at the Nonprofit Standard Mail rates only if the nonprofit organization has been authorized to mail at those rates at San Francisco. Furthermore, the mailing pieces, although bearing the permit number of XYZ Mailers, must be the matter of and must identify the "authorized nonprofit organization" as required by DMM E670.5.1 and E670.6.0.

Anita J. Bizzotto
Manager

Customer Support Ruling
Business Mail Acceptance
Headquarters, US Postal Service
Washington DC 20260-6808

Materials Mailable at the Nonprofit Standard Mail Rates

PS-120 (E670.5) *REVISED* November 1997

The authority for qualified nonprofit organizations to mail matter at Nonprofit Standard Mail rates was established in law by the Congress and is carried forward today under provisions of law stated in the Postal Reorganization Act and subsequent amendments. The Postal Service has no authority, except as provided in DMM E670.5, to restrict the content or audience of matter mailed at the Nonprofit Standard Mail rates by properly qualified and authorized nonprofit organizations so long as the matter mailed is that of the authorized organization.

Pamphlets, leaflets, and other miscellaneous materials furnished to a local congregation by the national or regional body of the church are considered to be those of the local congregation and may be included in the mailings of the local congregation. However, to insure that such materials are identifiable as belonging to the congregation which mails them, the name of the congregation (authorized nonprofit organization) should be printed or rubber stamped thereon. As an alternative, it is suggested that printed cover letters identifying the materials as those of the church be enclosed in the mailing pieces.

The content of this ruling may further be applied to national or parent organizations that provide their own printed materials to their local organizations. All materials furnished to the local organization by a national or parent organization must be properly identified as indicated above prior to mailing at the Nonprofit Standard Mail rates.

Anita J. Bizzotto
Manager

HEALTH CARE FINANCING ADMINISTRATION

ADDRESSEE:	FROM: Peter
Jeanne Deborah	OFFICE OF THE ADMINISTRATOR 200 INDEPENDENCE AVE., S.W. ROOM 314G WASHINGTON, DC 20201
PHONE: _____	PHONE: 202-690-6726 FAX : 202-690-6262

TOTAL PAGES:	ADDRESSEE'S FAX MACHINE NUMBER:	DATE:

REMARKS:

Let me know if you need more than this.

Tht.

Peter

CHIP and Medicaid Statistical Data Reporting

- We continue to encourage States to report their quarterly statistical data for CHIP and the regular Medicaid programs. Recent efforts include:

  - More regular communication among Central Office and the Regions to notify States of outstanding data.

  - Reminder letters sent to States by Sally Richardson on May 19, 1999, and reminder letters sent out to States on July 19, 1999, by Sally Richardson and Mike Hash that detailed the type of data still outstanding, by Federal fiscal year quarter. To date, we have not received any feedback (positive or negative) to the recent July 19th reminder letters.

  - More direct contact between Central Office and the States.

- To date, most States have submitted at least partial data for CHIP and/or the regular Medicaid programs. For example:

  - Of the 14 approved States with S-CHIP plans, we have received complete S-CHIP data through the 2nd quarter of FFY 1999 from 13 States. In addition, 8 of these 13 States have submitted complete regular Medicaid data through the 2nd quarter of FFY 1999.

  - Of the 25 approved States with M-CHIP plans, 21 States have implementation dates that require data reporting through the 2nd quarter of FFY 1999. Of these 21 States that must report, we have received complete M-CHIP and regular Medicaid data through the 2nd quarter of FFY 1999 from 9 States; and we have received partial M-CHIP and regular Medicaid data from 4 States.

  - Of the 13 approved States with combination CHIP plans, we have received complete CHIP and/or regular Medicaid data through the 2nd quarter of FFY 1999 from 6 States, and partial CHIP and/or Medicaid data from 7 States.

- Overall, States seem to be taking our reporting requirements seriously, although several States are still working to develop the capability to report according to our required data formats. No State has been hostile thus far with our reporting requirements, including those States that received the Mike Hash letter (Vermont, South Carolina, and Arkansas). States just seem to need adequate time to devote additional resources and staff to make the necessary systems changes to produce this data, while at the same time dealing with Y2K issues, etc.

FAX COVER SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
200 INDEPENDENCE AVE., SW
WASHINGTON, D.C. 20201

OFFICE OF THE ASSISTANT SECRETARY FOR LEGISLATION,
HUMAN SERVICES
PHONE: (202) 690-6311 FAX: (202) 690-8425

DATE: 4-14-99

TO: Cynthia Rice / Andrea Kane

FAX: 456-7431

FROM: **Amy Lockhart**

PAGES (including cover): 4

Baldacci letters

Copy to
Deborah Adler
DPC
from CR

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

JUN 22 1999

The Honorable John E. Baldacci
House of Representatives
Washington, D.C. 20515

Dear Mr. Baldacci:

Thank you for your letter requesting an assessment of the potential use of Temporary Assistance for Needy Families (TANF) program funds to assist in the formation of health insurance purchasing groups in the State of Maine. The TANF program provides States more opportunities to provide creative and innovative strategies to ensure that all families get the essential support they need to get a job, succeed at work, and move out of poverty.

According to your letter, the purpose of the purchasing groups is to provide an opportunity for firms who hire former welfare recipients to purchase health insurance at reasonably priced rates and thus, provide long-term affordable access to health care to their employees. As your letter correctly stated, under the existing TANF statute, Federal funds may not be spent for medical services. However, Maine could use State funds to provide medical services to eligible families and claim such expenditures toward the TANF maintenance-of-effort requirement, provided that the funds (a) are not commingled with Federal TANF funds; and (b) are not spent as part of the required State matching funds for the Medicaid program or spent as a condition of receiving Federal funds under another program. In responding to your request, it appears to me that more information regarding how the State of Maine specifically proposes to use TANF funds to support these purchasing groups is necessary.

Your letter also suggests that Maine may be seeking to fund other health support activities with TANF dollars. In order to address which specific activities may or may not be supported with TANF funds, I have asked Mr. Alvin Collins, Director of the Office of Family Assistance, and Mr. Hugh Galligan, the Regional Administrator for the Administration for Children and Families, to work with your office and with the appropriate State officials. I am confident they will be able to address your concerns and assist the State of Maine in addressing the unmet health care needs of its citizens.

Thank you again for your letter. If you have any questions or comments, please feel free to contact me.

Sincerely,

Donna E. Shalala

JOHN ELIAS BALDACCI
SECOND DISTRICT, MAINE

COMMITTEE ON AGRICULTURE
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

AT-LARGE WHIP

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Congress of the United States
House of Representatives
Washington, DC 20515-1902

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445 MAIN STREET
PRESQUE ISLE, ME 04769
(207) 764-1036

500 MAIN STREET
MADAWASKA, ME 04756
(207) 728-6160

99 APR 16 PM 1:52

April 13, 1999

The Honorable Secretary Donna Shalala
Department of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Honorable Shalala:

I am seeking clarification of the regulations on the use of Temporary Assistance for Needy Families (TANF) funds. Specifically, I am interested in your assessment of the ability of welfare monies under TANF grants to be used for the formation of an account to enable the start up of a health insurance purchasing group of small businesses who hire former welfare recipients.

I am aware that under Federal statute, TANF funds are not available for use by States for the direct provision of medical care. However, health support services such as efforts to educate TANF recipients about their Medicaid eligibility are allowed. I am anxious to ascertain whether using TANF funds to start up a purchasing group of small businesses in order to provide health insurance to their employees would qualify as an indirect use.

I have been very concerned with the increasing numbers of the uninsured, especially those who are moving off the welfare rolls and into work. For former TANF recipients to remain in the workforce, the issue of affordable health care access must be addressed. The Administration has had much success in reducing the numbers of families on welfare; I believe finding opportunities to ensure these citizens have long-term affordable access to health care is vital to maintaining this trend.

Both the President and the House Republican leadership have expressed interest in promoting the formation of health insurance purchasing groups to give small business the benefit of the economies of scale to provide their employees health insurance at affordable rates. The Commissioner of the Maine Department of Human Services and various Maine legislators I have talked to are interested in utilizing funds currently available to the State to form such purchasing groups. Though no surplus funds currently exist in the state's TANF accounts, I would like to be able to assure state officials that this program would be possible should surplus funds be identified.

There is an integral link between welfare and health care. Support services such as the provision of affordable child care and transportation are important in enabling current TANF recipients to be productive citizens. Equally important is the ability to obtain access to affordable health care. Giving states the flexibility to set up purchasing groups so that former welfare recipients can maintain health insurance will enhance the private-public partnership that is the new welfare system. Promoting such an innovative plan is vital towards achievement of the goal of welfare reform.

I would appreciate a determination of the ability of states to use their TANF funds for the indirect provision of health insurance through start up support of a purchasing alliance of small businesses. Should you require further information about such a possible program in order to facilitate a decision, please do not hesitate to contact me.

Thank you for your attention to this matter.

With best wishes,

Sincerely yours,

John Baldacci

John E. Baldacci
Member of Congress

04-19-99-0052

Special Report

Children's Health

Now that the Health Care Financing Administration has approved most State Children's Health Insurance Program proposals and has signed off on a significant number of expansion plans, the agency is turning its attention to publishing long-awaited programmatic regulations, the director of HCFA's CHIP and Medicaid programs tells BNA. These rules, likely to be proposed by the end of the year, should give states and other CHIP stakeholders an indication of HCFA's latest thinking on more controversial policy issues such as family coverage and demonstration waivers.

The first batch of CHIP enrollment data indicates that program enrollment is nearing the 1 million mark, exceeding initial projections. Richardson predicts that an additional 1 million children will be covered under CHIP next year. If enrollment numbers are expected to continue to climb, HCFA must move beyond the nuts-and-bolts policy issues, children's health advocates say. The agency and state CHIP plans must turn their attention to removing enrollment barriers and other obstacles, the advocates say.

CHIP Program Evolves, Expands; Challenges Still Need to Be Resolved

Even with enrollment numbers already near the 1 million mark and most initial State Children's Health Insurance Programs approved and up and running, the Health Care Financing Administration still has plenty of work to do on the CHIP front, Sally Richardson, head of Center for Medicaid and State Operations, told BNA.

In fact, the agency still is reviewing a few initial CHIP plan proposals and considering requests to expand limited placeholder programs, which were implemented to allow states to beat the deadline to receive CHIP allocations. So far, approximately 51 CHIP plans and 19 expansion amendments have been approved by HCFA.

The agency is reviewing initial program proposals submitted recently by Washington and Northern Mariana Islands; Wyoming's proposal still has not been sent to the agency for consideration, according to information from HCFA. Tennessee's CHIP proposal, submitted in January, is still under review. Meanwhile, 15 expansion amendments are under review, according to the agency.

The landmark CHIP program was created when President Clinton signed into law Aug. 5, 1997, the Balanced Budget Act of 1997 (P.L. 105-33). BBA allocated $24 billion over 10 years to help states fund the program intended to provide health insurance to children whose families earn too much for traditional Medicaid, yet not enough to afford private health insurance coverage (5 HCPR 1241, 8/11/97).

The CHIP program was created under Title XXI of the Social Security Act. CHIP funding became available Oct. 1, 1997.

Facing a tight schedule for implementing CHIP, HCFA spent the first year of the program simultaneously approving waivers and issuing initial program operation guidance to states, according to the agency.

CHIP: What's To Come? Now that most state programs are up and running, the agency is gearing up to release a notice of proposed rule-

HCPR ISSN 1068-1213

making on the programmatic aspects of CHIP by the end of the year, Richardson said. The proposal has been sent to the Office of Management and Budget for further review, she also said.

These long-awaited proposed CHIP regulations are expected to codify existing program guidance, as well as address HCFA's policy for granting demonstration waivers and variances for family coverage and other options allowed under the CHIP law, Richardson said.

The proposed rules are not expected to present the states with many surprises, according to a source familiar with the HCFA rulemaking process. The new items in the proposal likely will consist of further refinements of existing CHIP policy guidance, according to the source. HCFA has been issuing letters to state health officials and question-and-answer documents to give states initial guidelines for operating their CHIP plans.

HCFA March 4 issued a proposed rule spelling out complicated procedures it will use to allocate funds and pay states under CHIP (7 HCPR 407, 3/8/99). These accounting regulations have not drawn a considerable number of comments, according to Richardson.

More Visibility for Family Coverage. Regarding the dicey issue of family coverage, the agency has examined requests to use CHIP money to cover children and their parents from all possible angles and still finds it difficult to sign off on such requests due to cost constraints, Richardson contends. Under CHIP, the cost of covering parents cannot exceed the cost of covering one or more children. "The law clearly states that, in order to approve family coverage, it has to be cost effective and cost effectiveness is clearly defined," Richardson explained.

In comments accompanying a recent report issued by the General Accounting Office, the Department of Health and Human Services said it believes family coverage and employer buy-in options are likely to become more visible during the next fiscal year. The GAO report, *Children's Health Insurance Program: State Implementation Approaches Are Evolving (GAO/HEHS-99-65)*, was released June 14 (7 HCPR 1059, 6/28/99). So far, Massachusetts and to a lesser extent Wisconsin have been able to use CHIP funds to achieve family coverage, according to the GAO report. Meanwhile, Missouri is using CHIP money to expand the Medicaid program to additional children and regular Medicaid money to cover parents, the GAO report said.

In addition, HCFA has been reluctant to grant Section 1115 Medicaid demonstration waivers for CHIP programs because the agency wanted the new programs to operate as intended under the CHIP law for at least a year before allowing states to alter their plans. The upcoming proposed regulations are expected to indicate the agency's current thinking on the waiver issue, according to Richardson, who declined to indicate whether the one-year requirement is still in effect.

A congressional source said that the CHIP program gives HCFA the flexibility to implement waivers, as well as offer family coverage if a state is able to demonstrate that it can meet the cost-effectiveness test and does not crowd out private insurance coverage.

Enrollment Numbers on Track. The first batch of CHIP enrollment numbers, released in April, showed that some 982,000 children had been enrolled in the program. Next year's numbers could reflect at least a million more participants, Richardson predicted. At least 2.5 million children are expected to be enrolled in the CHIP program by the year 2000.

Because some states had not begun or just recently began enrolling children in their CHIP plans, early enrollment numbers from some states may appear low, according to the GAO report. In addition, at the time of the Jan. 30 deadline for submitting enrollment data, some states still were using narrow placeholder programs, which covered only a limited number of children, according to the GAO report.

Even though the initial enrollment numbers did not reflect a full implementation of CHIP, the numbers exceeded congressional enrollment projections for the program, the congressional source noted.

Despite the promising enrollment numbers, there was some concern among lawmakers with oversight of the CHIP program about the slow response on the part of most states in meeting HCFA's data reporting deadline. While there is sympathy for states grappling with Year 2000 computer issues and the challenges of launching new programs, states must strive to have their CHIP data reporting procedures become as seamless and automatic as those for the Medicaid program, the congressional source said.

CHIP data reporting glitches may not be straightened out overnight, Richardson said, adding that it could take states two or more years to work out data reporting kinks. States reported difficulty meeting the deadline because they were busy launching CHIP plans, enrolling children, and readying computer systems for Year 2000, Richardson said.

All the states and territories using CHIP funds submitted their first round of enrollment data to HCFA, Richardson said.

More Separate Programs to Come. During the second-phase CHIP expansions, many states with Medicaid expansion plans may consider launching separate private-sector plans, Debbie Chang, deputy secretary for health care financing for Maryland, predicted. Prior to heading Maryland's Medicaid and CHIP programs, Chang served as co-chair of the Department of Health and Human Services Steering Committee on CHIP Implementation.

Maryland, for example, is exploring launching a separate program to expand its CHIP program to cover children in families with incomes up to 235 percent of the federal poverty level, Chang said. The state will consider a wide range of expansion options, including employer subsidies and family coverage options. Private-sector CHIP programs may be more attractive to families with higher incomes, Chang said.

The CHIP law gives states the option to develop a children's health insurance program by expanding the existing Medicaid program, developing separate programs, or a combination of separate and Medicaid expansion programs.

To secure the initial CHIP allotments, many states decided to implement placeholder Medicaid expansion plans, which sought to cover only a limited number of CHIP-eligible children, according to the GAO report. "In view of the tight time periods, many states opted for placeholder Medicaid expansion plans that secured their initial SCHIP allocations; the large number of states initially choosing Medicaid expansions reflects

the complexity of pursuing a stand-alone option," according to the GAO.

Initial CHIP plans are evenly divided between expansions of Medicaid programs and stand-alone or combination programs, according to information from GAO. During the second phase of CHIP amendments, most states are expected to expand eligibility to at least 200 percent of the federal poverty level, according to HCFA comments submitted to GAO.

Challenges Still Ahead. Despite the agency's success in tackling the nuts-and-bolts program issues, some children's health advocates contend that HCFA's job does not end with approving proposals and issuing regulations. Some assert that the agency must use its power to make sure CHIP-eligible children are enrolled in the program, as well as to assure that kids with CHIP coverage are receiving health care services.

"Real lives are profoundly affected. We can talk about numbers and policy while kids spend their entire childhood waiting for SCHIP to get fixed," Irwin Redlener, president of the Children's Health Fund, told BNA. Despite his concerns, Redlener said he believes the CHIP program will make strides in covering previously uninsured children.

Sarah Shuptrine, president of the Southern Institute on Children and Families and the director of the Covering Kids project, agrees that the success of the CHIP program depends on making sure eligible children are enrolled in the program.

Covering Kids is a $47 million project funded by The Robert Wood Johnson Foundation and offers grant money to state-community coalitions to enroll children in Medicaid and CHIP.

Meanwhile, Redlener describes CHIP as a "classic half-full, half-empty cup" of accomplishments and shortcomings. The broad flexibility the CHIP law gives states has yielded wide disparity among the state insurance plans, Redlener said. Ideally, HCFA should be able to take a stronger role in mandating consistent eligibility standards, benefit packages, and evaluation procedures among the state and territorial CHIP plans, Redlener suggested.

In addition, HCFA should be able to require states to meet enrollment targets and other requirements before handing over multi-million dollar CHIP allocations, according to Redlener.

Removing Outreach Obstacles. Identifying children, simplifying enrollment procedures, and encouraging coordination with other health coverage programs are among the key areas states must address to maximize the potential of the CHIP program, according to Shuptrine.

According to statistics from the Covering Kids grant project, there are more than 7 million uninsured children eligible for Medicaid and other forms of coverage including CHIP but are not enrolled in a program. However, states still are grappling with how to identify these eligible participants, according to Shuptrine.

The Covering Kids project cites complex application processes, stigma attached to receiving public insurance, disruption of continuous coverage due to categorical changes in eligibility, and lack of coordination between public and private-sector programs as barriers to coverage.

Another key obstacle to CHIP enrollment is the challenge of erasing the welfare-era mindset intended to divert undeserving individuals away from entitlement programs, Shuptrine said."Medicaid is not welfare and CHIP is not welfare," Shuptrine said, referring to the perceived stigma of public health insurance programs.

Richardson, director of the Center for Medicaid and State Operations, acknowledged that outreach, or actively seeking Medicaid and CHIP participants, is virtually a new concept for Medicaid programs. "Outreach is a whole new concept for us, but one that is working and one that is helping Medicaid and CHIP," Richardson said.

However, HCFA's and state CHIP plans' jobs are not done just because they have sent out Medicaid or CHIP cards, Redlener warned. The states and HCFA should be careful not to "equate health insurance to health care," the children's health advocate cautioned. The states and HCFA should make sure CHIP participants, such as those in rural areas, have access to health care services and providers, he said.

BY JENNIFER COMBS

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EDWARD M. KENNEDY
MASSACHUSETTS

Given to President on Saturday

United States Senate

WASHINGTON, DC 20510-2101

May 22, 1999

MEMORANDUM FOR THE PRESIDENT

FROM SENATOR EDWARD M. KENNEDY

UNIVERSAL ACCESS TO HEALTH INSURANCE FOR CHILDREN--AN ENDURING LEGACY OF THE CLINTON ADMINISTRATION

Passage of the Children's Health Insurance Program (CHIP) stands as one of your foremost achievements. This program places within reach the possibility of offering health coverage to every uninsured child in America by the end of your Administration.

There are an estimated 11.3 million uninsured children in America. Of those:

- 5.1 million are potentially eligible for Medicaid,
- 4 million are eligible for CHIP under current federal rules, and
- the 2.2 million remaining can be covered if states adjust CHIP income eligibility levels, or through new federal legislation.

Three basic steps are required to reach the goal of health coverage for all children.

First, make the promise of CHIP a reality for the nation's children through a major outreach campaign to enroll every qualified child in CHIP or Medicaid. While there is every expectation that a large proportion of the 4 million children qualified for CHIP will eventually enroll, so far only one million children have registered. States are finding that for every child they reach for the CHIP program, they discover another two children who qualify for Medicaid.

Second, end the confusion in the Medicaid and CHIP programs in which low-income families moving from welfare to work lose their Medicaid coverage, even though they may still qualify for the program. In 1997, an estimated 400,000 children lost insurance coverage when their parents left welfare, even though the children remained eligible for Medicaid or CHIP.

Finally, once more children are enrolled in CHIP and Medicaid, expand CHIP criteria to cover all uninsured children. This can be accomplished either by working with states to expand CHIP's flexible criteria or by proposing new federal legislation to accomplish the same goal. Currently, most states offer CHIP coverage only to children from families earning less than 200% of the poverty level. However, CHIP provides states with flexibility to exceed that level. Preliminary estimates suggest that this may be accomplished within current funding levels or with minimal additional funding.

Thank you for your continued leadership on so many issues of vital importance to the nation. As always, I look forward to working with you to bring greater opportunities to children and families.

RECOMMENDATIONS FOR EXPANDED OUTREACH ACTIVITIES

Your Administration has already taken some aggressive steps to encourage families to sign up their children for Medicaid or CHIP health coverage. These are additional suggestions for outreach.

o Redouble the effort to implement your Executive Memorandum directing relevant agencies to launch campaigns to identify and enroll eligible children. You should make it clear to the Cabinet that this is a personal priority. The Education Department should work with school systems. HUD should work with public housing authorities, mayors' offices, and community agencies. The Labor Department should work with job training programs, and so on.

o Plan a national back-to-school week enrollment effort in which every school system would be asked to provide information about the program to every child and every parent.

o Urge broadcasters and cable companies to run public service ads encouraging parents to enroll their children and giving them appropriate information about how to apply.

o Launch an effort with the American Hospital Association, AMA, and Academy of Pediatrics to not only provide literature in their offices and urge enrollment through personal contact, but include a state-appropriate information packet in every bill.

o Provide quarterly tracking reports on numbers of children enrolled, so that advocates can target states that are not doing the job.

o Improve enforcement of rules requiring that children screened for CHIP and found eligible for Medicaid must be enrolled in Medicaid. There are anecdotal reports that, in some states, evidence that children found eligible for Medicaid are either illegally enrolled in CHIP or required to go through a separate application process for Medicaid that is so burdensome that many never enroll.

o Reach out to immigrant communities to clarify that enrollment in CHIP or Medicaid does not jeopardize their immigration status.

o Assure that families leaving welfare are informed of the availability of transitional Medicaid and the continued availability of Medicaid or CHIP for their children.

o Call a White House summit this summer or fall to mark CHIP's anniversary, highlight the good work that CHIP has done, and reinvigorate the effort to assure that eligible children are enrolled and receiving the services that they need.

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Preliminary Estimates

Enrollment Increases in State CHIP Programs: December 1998 to June 1999

For:
The Kaiser Commission on
Medicaid and the Uninsured
July 30, 1999

Prepared by:
Vernon K. Smith, Ph.D.
Principal
Health Management Associates

This report was prepared for The Kaiser Commission on Medicaid and the Uninsured, as part of a study of trends in enrollment in Medicaid and State Child Health Insurance Programs. The views expressed are those of the author and do not necessarily reflect the views of The Kaiser Commision on Medicaid and the Uninsured.

Preliminary Estimates

Enrollment Increases in State Child Health Insurance Programs:

December 1998 to June 1999

Introduction

When the Balanced Budget Act of 1997 created the opportunity two years ago, states moved quickly and aggressively to develop and implement their Title XXI—State Child Health Insurance Programs (CHIP). An estimated 2.6 million children are eligible for CHIP with an additional 4.8 million potentially eligible for Medicaid coverage but not yet enrolled (Selden et al., 1999, 1998). Now that almost all CHIP programs are enrolling children, there has been great interest in monitoring the pace at which states are bringing children into health coverage, bearing in mind that getting these new programs up and running is likely to take some time.

As part of a study of trends in enrollment in Medicaid and State Child Health Insurance Programs for The Kaiser Commission on Medicaid and the Uninsured, Health Management Associates gathered data on CHIP enrollment changes. As of December 1998, 40 states (including the District of Columbia) had begun enrolling children in CHIP programs. During the first half of 1999, many of these states increased enrollment substantially, and an additional seven states implemented and began to enroll children into their CHIP programs. Four states continue to move toward future implementation.

Over the six-month period spanning from December 1998 to June 1999, the number of children with health coverage under state CHIP programs increased by 57 percent. Based on enrollment data provided by the state officials in this survey, the number of children enrolled in CHIP increased from 834,790 to 1,310,959.

Data Collection

For this study, enrollment data were obtained by telephone directly from state officials responsible for administering the state CHIP programs. The data reflect enrollment statistics as of the end of June 1999 or in a few cases, the first of July 1999 and did not include all adjustments that will be made for retroactive enrollment. The baseline for comparison is December 1998. HCFA reported in April 1999 that almost one million children were enrolled by CHIP plans at the end of 1998. The focus of this survey was to determine the extent of growth in enrollment over the first half of 1999.

Officials were asked to report the number of children enrolled in their Child Health Insurance Program, and countable as covered under Title XXI, for December (or at the end of December) 1998 and for June (or at the end of June) 1999.

States do not yet report the enrollment data for CHIP in a uniform way, and it was necessary to use the data as reported by each state. It is expected that data reported in this survey may differ from data reported to HCFA or in other surveys. Some states reported the unduplicated number of children enrolled for the month while others reported the number enrolled on a specific date, such the last Friday in June. A few states reported data they had available for enrollment for a specific date in the first week of July 1999 or the number of eligibles for the quarter ending on December 31, 1998 and June 30, 1999. Acknowledging the data issues, a few states insisted on estimating the enrollment because it was not possible to provide a precise count. For this survey, states were not asked to identify whether enrollments were in a Medicaid expansion program or in a separate state program, only that the enrollment reflected enrollment in a Title XXI eligible category. Finally, these statistics do not include children newly enrolled in Medicaid as a result of CHIP outreach efforts.

Survey Results

Two significant findings emerge from the survey of state CHIP officials:

1. Enrollment in state CHIP programs increased significantly in the first six months of 1999. About 476,000 additional children were enrolled in CHIP, as total enrollment in CHIP programs increased from 834,790 to 1,310,959.

   - This large enrollment increase (57%) in such a short period of time reflects the priority states have placed on reaching eligible but unenrolled children as quickly as possible. In the course of discussing enrollment changes with each state, many officials stressed their efforts to effectively market the program in a way that will assist in finding and enrolling eligible children.

   - States continue to develop new phases of their CHIP programs. In many states, the initial effort was an expansion of Medicaid eligibility. This approach was often chosen because it was easier to implement quickly. However, many states now are preparing to implement separate CHIP programs, which requires more time for implementation.

   - Almost half of the growth in enrollment occurred in three states; enrollment grew by 81,590 in New York, by 78,802 in California, and by 44,815 in Florida. These increases in enrollment are due in part to earlier implementation dates and greater initial numbers of uninsured but eligible children in these states.

   - Nevertheless, growth in enrollment occurred across the country, with substantial percentage increases in many states with smaller population bases. For example, Georgia has now enrolled over 30,000 children. In addition, the pace of growth has accelerated in several states. In Florida, for example, enrollment in the first three months of 1999 increased by 24% from 56,265 to 69,821. In the second three months, enrollment increased by 45%, to 101,080.

2. In reporting their CHIP enrollment figures, many states also commented on how the unprecedented effort to find and enroll CHIP-eligible children has had a pronounced Medicaid case-finding effect.

   The CHIP enrollment statistics, as impressive as they are, do not come close to capturing the true picture of the number of children who have actually gained health coverage over the past six months. Many states are finding more than one new Medicaid enrollment for every CHIP enrollment. It was not possible from this study to quantify this phenomenon, but it is occurring across all states.

   - For example, Alabama reported that for every 100 applications for CHIP, 50 children were in fact enrolled in Medicaid, while 30 were enrolled in CHIP. The remaining 20 applications were found not eligible for either program. Alabama officials indicated that these proportions have been relatively constant from the start of the program.

   - Similarly, in Washington, DC, there are 1,924 children enrolled in CHIP, but officials report that 2,500 children have been enrolled in Medicaid. Under the Washington, DC plan, about 4,200 parents of these children have also received coverage under Medicaid.

   - In Michigan, of 53,252 applicants who were determined eligible for coverage, 41,751 were enrolled in Medicaid and 11,501 in CHIP.

   - In Arizona, there are 14,985 enrolled in CHIP on July 1,1999, and another 13,228 were enrolled in Medicaid after having applied for CHIP.

Focusing only on CHIP enrollments also fails to account for the expanded number of children receiving health coverage due to state programs initiated prior to CHIP and therefore not eligible to be counted as CHIP enrollments.

- In Minnesota, the MinnesotaCare program covers children up to 275% of the Federal Poverty Level (FPL). Enrollment increased by 1,094 to 56,527 from December 1998 to June 1999. However, none of these enrollments were actually into CHIP as it has been implemented in Minnesota. The Minnesota CHIP program is a very small one, covering only eight children ages 0-2 from 275% to 280% of the FPL.

- Similarly, in Arkansas, the ARKids1st program covered 42,761children up to 200% of the FPL in June 1999, an increase of 5,956 from December 1998. The Arkansas CHIP program covered 712 children ages 16 to 18 in June 1999, up from 341 in December 1998.

Table 1 shows the change in state CHIP enrollment as reported by state officials.
Table 2 provides additional background information on each state's CHIP program.

References

Selden, T.M., J.S. Banthin, and J.W. Cohen. 1999. Waiting in the Wings: Eligibility and Enrollment in the State Children's Health Insurance Program. *Health Affairs* 18(2):126-133.

Selden, T.M., J.S. Banthin, and J.W. Cohen. 1998. Medicaid's Problem Children: Eligible but Not Enrolled. *Health Affairs* 17(3): 192-200.

Table 1: State CHIP Enrollment as Reported by State Officials, December 1998 and June 1999

State	Number of Enrolled Children, Dec-98**	Number of Enrolled Children, Jun-99	Change in Enrollment	Percent Change
Alabama	22,102	32,626	10,524	48%
Alaska*	--	3,093	3,093	N/A
Arizona	3,710	14,985	11,275	304%
Arkansas*	341	712	371	109%
California	55,189	133,991	78,802	143%
Colorado	11,704	17,783	6,079	52%
Connecticut	7,460	10,150	2,690	36%
Delaware*	--	2,800	2,800	N/A
District of Columbia	569	1,924	1,355	238%
Florida	56,265	101,080	44,815	80%
Georgia	^	31,085	31,085	N/A
Hawaii*	--	--	--	N/A
Idaho	2,937	3,541	604	21%
Illinois	26,877	38,586	11,709	44%
Indiana*	24,982	28,909	3,927	16%
Iowa	7,004	9,252	2,248	32%
Kansas	--	11,024	11,024	N/A
Kentucky*	1,145	9,000	7,855	686%
Louisiana	3,741	17,628	13,887	371%
Maine	4,729	6,404	1,675	35%
Maryland	9,192	14,494	5,302	58%
Massachusetts	30,912	46,867	15,955	52%
Michigan	10,204	17,256	7,052	69%
Minnesota*	8	8	0	0%
Mississippi	5,968	7,717	1,749	29%
Missouri	24,910	42,251	17,341	70%
Montana	--	943	943	N/A
Nebraska	3,764	5,192	1,428	38%
Nevada	2,782	6,545	3,763	135%
New Hampshire	--	1,426	1,426	N/A
New Jersey	20,153	33,548	13,395	66%
New Mexico	--	868	868	N/A
New York	270,683	352,273	81,590	30%
North Carolina	17,887	43,774	25,887	145%
North Dakota*	79	92	13	16%
Ohio	35,300	38,420	3,120	9%
Oklahoma*	18,000	25,000	7,000	39%
Oregon	10,366	12,608	2,242	22%
Pennsylvania	68,376	78,998	10,622	16%
Rhode Island	2,981	4,666	1,685	57%
South Carolina	34,026	42,198	8,172	24%
South Dakota	1,405	2,038	633	45%
Tennessee*	--	--	--	N/A
Texas*	34,826	34,533	-293	-1%
Utah	2,036	4,656	2,620	129%
Vermont	406	1,095	689	170%
Virginia	1,420	12,138	10,718	755%
Washington*	--	--	--	N/A
West Virginia	351	3,382	3,031	864%
Wisconsin	--	3,400	3,400	N/A
Wyoming*	--	--	--	N/A
Total Enrollment	834,790	1,310,959	476,169	57%

--: State did not have program in operation.

^ Georgia implemented pilot program with 4,000 children as of 12/98.

See notes on next page.

Source: Preliminary Estimates, Health Management Associates: Survey of state officials, July 1999.

* Notes:	
**	Dec-98 numbers in this survey may differ from earlier data reported to HCFA or in other surveys. See text for further explanation.
Alaska	Does not net out children with other insurance.
Arkansas	ArKids1st covered 42,761 children in 6/99, up 5,956 from 36,805 in 12/98, up to 200% of FPL. Title XXI covers only age 16 to 100% FPL.
Delaware	Jun-99 estimated by state.
Hawaii	Program to begin in 2000.
Indiana	Counts for quarters ending 12/31/98 and 6/30/99.
Kentucky	Jun-99 estimated by state to be 9,000 to 10,000.
Minnesota	MinnesotaCare covered 56,527 children in 6/99, up 1,094 from 55,433 in 12/98, up to 275% of FPL. CHIP covers only ages 0-2 from 275% to 280% of FPL.
North Dakota	Phase One coverage for 18 year olds only.
Oklahoma	Estimated by state.
Tennessee	State CHIP plan is pending approval.
Texas	Program covers only 15-18 year olds. The drop off in enrollment may reflect a number of factors, such as children aging out of the program, younger children becoming part of the expansion of Medicaid rather than entering CHIP, and normal cycling off of Medicaid.
Washington	Program to be implemented 1/2000.
Wyoming	Planning to implement program 12/99.

Table 2: State Children's Health Insurance Program (CHIP) Plan Details, by State

State	Type of plan	Age levels	Income levels (as a % of FPL)	Implementation Date[1]
Alabama	Medicaid	0-19	100%	Feb-98
	Separate	0-19	200%	Sep-98
Alaska	Medicaid	0-19	200%	Mar-99
Arizona	Separate	0-19	200% (phased in)	Nov-98
Arkansas	Medicaid	0-19	100%	Oct-98
California	Medicaid	14-19	200%	Mar-98
	Separate	0-11 mo.	200-250%	Jul-98
		1-19	200%	Jul-98
Colorado	Separate	0-17	185%	Apr-98
Connecticut	Medicaid	14-15	185%	Jul-97
		16-18	185%	Jan-98
	Separate	0-19	>185%	Jun-98
Delaware	Separate	0-19	200%	Feb-99
District of Columbia	Medicaid	0-19	200%	Oct-98
Florida	Medicaid	15-19	100%	Apr-98
	Separate	0-19	200%	Apr-98
Georgia	Separate	0-18	200%	Nov-98
Hawaii	Medicaid	1-6	134-185%	Jan-00
Idaho	Medicaid	0-19	150%	Oct-97
Illinois	Medicaid	0-19	133%	Jan-98
		0-1*	200%	Jan-98
Indiana	Medicaid	14-19	100%	Oct-97
		0-19	150%	Jul-98
Iowa	Medicaid	0-19	133%	Jul-98
Kansas	Separate	0-19	200%	Jan-99
Kentucky	Medicaid	14-19	100%	Jul-98
	Separate	0-19	200%	Jul-99
Louisiana	Medicaid	6-19	133%	Nov-98
Maine	Medicaid	1-5	133-150%	Jul-98
		6-19	125-150%	Jul-98
	Separate	0-19	151-185%	Aug-98
Maryland	Medicaid	0-19	200%	Jul-98
Massachusetts	Medicaid	0-1	200%	Oct-97
		1-19	150%	Aug-98
	Separate	0-19	150-200%	Oct-97
Michigan	Medicaid	6-19	150%	May-98
	Separate	0-19	200%	Sep-98
Minnesota	Medicaid	0-2	275-280%	Oct-98
Mississippi	Medicaid	15-19	100%	Jul-98
	Separate	6-19	100-133%	Jan-99
Missouri	Medicaid	0-19	200% (300% gross income)	Jul-98

State	Type of plan	Age levels	Income levels (as a % of FPL)	Implementation Date[1]
Montana	Separate	0-19	150%	Jan-99
Nebraska	Medicaid	15-18	100%	May-98
		0-19	185%	Sep-98
Nevada	Separate	0-18	200%	Oct-98
New Hampshire	Medicaid	0-1	185-300%	May-98
	Separate	1-19	185-300%	Jan-99
New Jersey	Medicaid	0-19	133%	Feb-98
	Separate	0-19	133-200%	Mar-98
New Mexico	Medicaid	0-19	186-235%	Aug-98
New York	Separate	0-19	185%	Apr-98
North Carolina	Separate	0-19	185%	Oct-98
North Dakota	Medicaid	17-19	100%	Oct-98
Ohio	Medicaid	0-19	150%	Sep-98
Oklahoma	Medicaid	0-18	185%	Dec-97 (phased in)
Oregon	Separate	0-6	133-170%	Jul-98
		6-19	100-170%	Jul-98
Pennsylvania	Separate	0-19	200%	May-98
		0-19	201-235%**	May-98
Rhode Island	Medicaid	0-19	250%	May-98
South Carolina	Medicaid	0-19	150%	Oct-97
South Dakota	Medicaid	0-19	100-133%	Jul-98
Tennessee	Medicaid	0-19	200%	N/A
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Utah	Separate	0-19	200%	Aug-98
Vermont	Separate	0-18	225-300%	Oct-98
Virginia	Separate	0-19	150%	Oct-98
		0-19***	150-185%	Oct-98
Washington	None	N/A	N/A	N/A
West Virginia	Medicaid	1-6	150%	Jul-98
		6-19	150%	Mar-99
Wisconsin	Medicaid	15-18	100%	Jul-98
		0-18	185%	Jul-99
Wyoming	None	N/A	N/A	N/A

Source: Compiled by The Kaiser Commission on Medicaid and the Uninsured. Data from: National Governors' Association and National Conference of State Legislatures. State Children's Health Insurance Program: Annual Report. 1999; National Conference of State Legislatures: http://www.ncsl.org/programs/health/eligible.htm.

[1] As reported in state plan; implementation may have been delayed in some states.

* Includes prenatal care.

**Subsidized coverage.

***Program operates under 2 components.

HEALTH MANAGEMENT ASSOCIATES

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   - Similarly, in Washington, DC, there are 1,924 children enrolled in CHIP, but officials report that 2,500 children have been enrolled in Medicaid. Under the Washington, DC plan, about 4,200 parents of these children have also received coverage under Medicaid.

   - In Michigan, of 53,252 applicants who were determined eligible for coverage, 41,751 were enrolled in Medicaid and 11,501 in CHIP.

   - In Arizona, there are 14,985 enrolled in CHIP on July 1,1999, and another 13,228 were enrolled in Medicaid after having applied for CHIP.

Focusing only on CHIP enrollments also fails to account for the expanded number of children receiving health coverage due to state programs initiated prior to CHIP and therefore not eligible to be counted as CHIP enrollments.

- In Minnesota, the MinnesotaCare program covers children up to 275% of the Federal Poverty Level (FPL). Enrollment increased by 1,094 to 56,527 from December 1998 to June 1999. However, none of these enrollments were actually into CHIP as it has been implemented in Minnesota. The Minnesota CHIP program is a very small one, covering only eight children ages 0-2 from 275% to 280% of the FPL.

- Similarly, in Arkansas, the ARKids1st program covered 42,761children up to 200% of the FPL in June 1999, an increase of 5,956 from December 1998. The Arkansas CHIP program covered 712 children ages 16 to 18 in June 1999, up from 341 in December 1998.

Table 1 shows the change in state CHIP enrollment as reported by state officials.
Table 2 provides additional background information on each state's CHIP program.

References

Selden, T.M., J.S. Banthin, and J.W. Cohen. 1999. Waiting in the Wings: Eligibility and Enrollment in the State Children's Health Insurance Program. *Health Affairs* 18(2):126-133.

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Table 1: State CHIP Enrollment as Reported by State Officials, December 1998 and June 1999

State	Number of Enrolled Children, Dec-98**	Number of Enrolled Children, Jun-99	Change in Enrollment	Percent Change
Alabama	22,102	32,626	10,524	48%
Alaska*	--	3,093	3,093	N/A
Arizona	3,710	14,985	11,275	304%
Arkansas*	341	712	371	109%
California	55,189	133,991	78,802	143%
Colorado	11,704	17,783	6,079	52%
Connecticut	7,460	10,150	2,690	36%
Delaware*	--	2,800	2,800	N/A
District of Columbia	569	1,924	1,355	238%
Florida	56,265	101,080	44,815	80%
Georgia	^	31,085	31,085	N/A
Hawaii*	--	--	--	N/A
Idaho	2,937	3,541	604	21%
Illinois	26,877	38,586	11,709	44%
Indiana*	24,982	28,909	3,927	16%
Iowa	7,004	9,252	2,248	32%
Kansas	--	11,024	11,024	N/A
Kentucky*	1,145	9,000	7,855	686%
Louisiana	3,741	17,628	13,887	371%
Maine	4,729	6,404	1,675	35%
Maryland	9,192	14,494	5,302	58%
Massachusetts	30,912	46,867	15,955	52%
Michigan	10,204	17,256	7,052	69%
Minnesota*	8	8	0	0%
Mississippi	5,968	7,717	1,749	29%
Missouri	24,910	42,251	17,341	70%
Montana	--	943	943	N/A
Nebraska	3,764	5,192	1,428	38%
Nevada	2,782	6,545	3,763	135%
New Hampshire	--	1,426	1,426	N/A
New Jersey	20,153	33,548	13,395	66%
New Mexico	--	868	868	N/A
New York	270,683	352,273	81,590	30%
North Carolina	17,887	43,774	25,887	145%
North Dakota*	79	92	13	16%
Ohio	35,300	38,420	3,120	9%
Oklahoma*	18,000	25,000	7,000	39%
Oregon	10,366	12,608	2,242	22%
Pennsylvania	68,376	78,998	10,622	16%
Rhode Island	2,981	4,666	1,685	57%
South Carolina	34,026	42,198	8,172	24%
South Dakota	1,405	2,038	633	45%
Tennessee*	--	--	--	N/A
Texas*	34,826	34,533	-293	-1%
Utah	2,036	4,656	2,620	129%
Vermont	406	1,095	689	170%
Virginia	1,420	12,138	10,718	755%
Washington*	--	--	--	N/A
West Virginia	351	3,382	3,031	864%
Wisconsin	--	3,400	3,400	N/A
Wyoming*	--	--	--	N/A
Total Enrollment	**834,790**	**1,310,959**	**476,169**	**57%**

--: State did not have program in operation.

^ Georgia implemented pilot program with 4,000 children as of 12/98.

See notes on next page.

Source: Preliminary Estimates, Health Management Associates: Survey of state officials, July 1999.

* Notes:	
**	Dec-98 numbers in this survey may differ from earlier data reported to HCFA or in other surveys. See text for further explanation.
Alaska	Does not net out children with other insurance.
Arkansas	ArKids1st covered 42,761 children in 6/99, up 5,956 from 36,805 in 12/98, up to 200% of FPL. Title XXI covers only age 16 to 100% FPL.
Delaware	Jun-99 estimated by state.
Hawaii	Program to begin in 2000.
Indiana	Counts for quarters ending 12/31/98 and 6/30/99.
Kentucky	Jun-99 estimated by state to be 9,000 to 10,000.
Minnesota	MinnesotaCare covered 56,527 children in 6/99, up 1,094 from 55,433 in 12/98, up to 275% of FPL. CHIP covers only ages 0-2 from 275% to 280% of FPL.
North Dakota	Phase One coverage for 18 year olds only.
Oklahoma	Estimated by state.
Tennessee	State CHIP plan is pending approval.
Texas	Program covers only 15-18 year olds. The drop off in enrollment may reflect a number of factors, such as children aging out of the program, younger children becoming part of the expansion of Medicaid rather than entering CHIP, and normal cycling off of Medicaid.
Washington	Program to be implemented 1/2000.
Wyoming	Planning to implement program 12/99.

Table 2: State Children's Health Insurance Program (CHIP) Plan Details, by State

State	Type of plan	Age levels	Income levels (as a % of FPL)	Implementation Date[1]
Alabama	Medicaid	0-19	100%	Feb-98
	Separate	0-19	200%	Sep-98
Alaska	Medicaid	0-19	200%	Mar-99
Arizona	Separate	0-19	200% (phased in)	Nov-98
Arkansas	Medicaid	0-19	100%	Oct-98
California	Medicaid	14-19	200%	Mar-98
	Separate	0-11 mo.	200-250%	Jul-98
		1-19	200%	Jul-98
Colorado	Separate	0-17	185%	Apr-98
Connecticut	Medicaid	14-15	185%	Jul-97
		16-18	185%	Jan-98
	Separate	0-19	>185%	Jun-98
Delaware	Separate	0-19	200%	Feb-99
District of Columbia	Medicaid	0-19	200%	Oct-98
Florida	Medicaid	15-19	100%	Apr-98
	Separate	0-19	200%	Apr-98
Georgia	Separate	0-18	200%	Nov-98
Hawaii	Medicaid	1-6	134-185%	Jan-00
Idaho	Medicaid	0-19	150%	Oct-97
Illinois	Medicaid	0-19	133%	Jan-98
		0-1*	200%	Jan-98
Indiana	Medicaid	14-19	100%	Oct-97
		0-19	150%	Jul-98
Iowa	Medicaid	0-19	133%	Jul-98
Kansas	Separate	0-19	200%	Jan-99
Kentucky	Medicaid	14-19	100%	Jul-98
	Separate	0-19	200%	Jul-99
Louisiana	Medicaid	6-19	133%	Nov-98
Maine	Medicaid	1-5	133-150%	Jul-98
		6-19	125-150%	Jul-98
	Separate	0-19	151-185%	Aug-98
Maryland	Medicaid	0-19	200%	Jul-98
Massachusetts	Medicaid	0-1	200%	Oct-97
		1-19	150%	Aug-98
	Separate	0-19	150-200%	Oct-97
Michigan	Medicaid	6-19	150%	May-98
	Separate	0-19	200%	Sep-98
Minnesota	Medicaid	0-2	275-280%	Oct-98
Mississippi	Medicaid	15-19	100%	Jul-98
	Separate	6-19	100-133%	Jan-99
Missouri	Medicaid	0-19	200% (300% gross income)	Jul-98

State	Type of plan	Age levels	Income levels (as a % of FPL)	Implementation Date[1]
Montana	Separate	0-19	150%	Jan-99
Nebraska	Medicaid	15-18	100%	May-98
		0-19	185%	Sep-98
Nevada	Separate	0-18	200%	Oct-98
New Hampshire	Medicaid	0-1	185-300%	May-98
	Separate	1-19	185-300%	Jan-99
New Jersey	Medicaid	0-19	133%	Feb-98
	Separate	0-19	133-200%	Mar-98
New Mexico	Medicaid	0-19	186-235%	Aug-98
New York	Separate	0-19	185%	Apr-98
North Carolina	Separate	0-19	185%	Oct-98
North Dakota	Medicaid	17-19	100%	Oct-98
Ohio	Medicaid	0-19	150%	Sep-98
Oklahoma	Medicaid	0-18	185%	Dec-97 (phased in)
Oregon	Separate	0-6	133-170%	Jul-98
		6-19	100-170%	Jul-98
Pennsylvania	Separate	0-19	200%	May-98
		0-19	201-235%**	May-98
Rhode Island	Medicaid	0-19	250%	May-98
South Carolina	Medicaid	0-19	150%	Oct-97
South Dakota	Medicaid	0-19	100-133%	Jul-98
Tennessee	Medicaid	0-19	200%	N/A
Texas	Medicaid	15-19	100%	Jul-98
Utah	Separate	0-19	200%	Aug-98
Vermont	Separate	0-18	225-300%	Oct-98
Virginia	Separate	0-19	150%	Oct-98
		0-19***	150-185%	Oct-98
Washington	None	N/A	N/A	N/A
West Virginia	Medicaid	1-6	150%	Jul-98
		6-19	150%	Mar-99
Wisconsin	Medicaid	15-18	100%	Jul-98
		0-18	185%	Jul-99
Wyoming	None	N/A	N/A	N/A

Source: Compiled by The Kaiser Commission on Medicaid and the Uninsured. Data from: National Governors' Association and National Conference of State Legislatures. State Children's Health Insurance Program: Annual Report. 1999; National Conference of State Legislatures: http://www.ncsl.org/programs/health/eligible.htm.

[1] As reported in state plan; implementation may have been delayed in some states.

* Includes prenatal care.

**Subsidized coverage.

***Program operates under 2 components.

font

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Health Care Financing Administration	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	center ↓
1. Research innovative, new ways to partner with private entities.	Ongoing
2. Organize and facilitate an intensive, focused outreach campaign in a major metropolitan area to demonstrate how States can enroll Hispanic/Latino children into the CHIP/Medicaid programs.	Summer ~~FY~~ 1999
3. Develop models of successful outreach efforts from intensive outreach campaign (see #6 below).	Fall 1999
4. Work with, and include, Hispanic/Latino advocacy groups and local entities within communities targeted for outreach.	Summer ~~FY~~ 1999
5. Develop a "best practices" guide for States to use in reaching CHIP/Medicaid eligible populations.	Fall 1999
NEW STRATEGY: *Educating Families*	
6. Outreach and enrollment campaign in 21 locations with large numbers of uninsured children will be conducted by Federal Agencies, States and community organizations.	Fall 1999
7. Conduct a series of focus groups with Asian American Pacific Islanders.	Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
8. Work with other Federal Agencies to publicize CHIP during back to school activities.	Fall 1999

promising practices?

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Health Resources and Services Administration	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. ORHP is working with a group of 13 State Offices of Rural Health. The offices are sharing data and outreach strategies for rural communities and gathering together for quarterly conference calls.	Ongoing
2. A document describing successful outreach programs for 35 States is on the MCHB website. The "hotlink" from that site to the Healthy Start website leads to tools and curricula for training outreach workers. MCHB will be working to establish a "web ring" of these outreach sites.	9/1/99
3. An MCHB Partner in Communication, the National Healthy Mothers Healthy Babies Coalition, will spotlight CHIP at its annual meeting. MCHB and others are sponsoring "scholarships" so that outreach workers can participate.	8/99
4. Community Integrated Service Systems grants will partner MCHB for four years with national organizations having community-based affiliates in a Child Health Insurance Program Partnership to foster quality systems of care for children in CHIP.	Ongoing
NEW STRATEGY: *Educating Families*	
5. Two new grants will be awarded by MCHB to focus on CHIP in Border communities.	7/1/99

center

school-based conference? see next page

6. HRSA is in the preliminary stages of development for a grant program supporting community-based outreach for hard-to-reach or vulnerable populations.	FY 2001
7. HRSA will take over responsibility for the toll-free 1-877-KIDSNOW hotline from the National Governors Association. The hotline provides information to callers from anywhere in the country on their State CHIP and Medicaid programs.	10/99
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
8. The Rural Information Center for Health Services, a 1-800 telephone referral and information dissemination service, is developing a compendium of rural outreach strategies and materials to respond to inquiries about State CHIP programs.	Ongoing
9. OHRP is working with the Strategic Change Initiative of the National Rural Development Partnership to promote Rural CHIP Outreach at the community level. ORHP and this group also collaborated on a public service announcement on rural CHIP outreach that will be distributed to newspapers across the country through the North American Precis Syndicate.	Ongoing
10. HRSA with AHCPR and others will develop a methodology for conducting an "environmental scan" of the efficacy of outreach strategies.	

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Administration for Families and Children	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees* (center)	
1. A full scale effort will be made to involve Head Start grantees in active outreach (screening, providing applications, etc.) where appropriate.	Ongoing
2. A guide for developing partnerships in Head Start, CHIP and Medicaid will be developed.	Summer, 1999
3. A monograph on outreach to the homeless will be completed by staff in Region II, under the auspices of the Regional Director's Children's Health Insurance Initiative Interagency Coordinating Council. Monographs on immigrant and migrant populations have already been written and distributed.	Ongoing
4. Regional Best Practices Conferences will be held. The Region IV Head Start Health Teleconference held in April, 1999 brought together 500 participants who shared innovative strategies to increase health insurance coverage for uninsured children in the Southeast. Region V has proposed a roundtable where States, successful in CHIP outreach efforts, can provide peer TA to others.	Ongoing
5. All Head Start grantee and delegate Agencies will be informed about final CHIP regulations and the implications for Head Start programs, children and families.	Fall 1999
6. Efforts will be made to ensure that bilingual CHIP materials, including application forms, are available.	Ongoing
7. Technical assistance will be offered to States with high levels of poor children who are uninsured to help them use ACF networks for outreach.	Ongoing
NEW STRATEGY: *Educating Families*	
8. A collaborative Federal, State and local initiative will be made to reach families leaving welfare. (This effort will include proposed Regional initiatives to open the lines of communication between State CHIP Directors and State TANF Directors.)	Design: Summer 1999 Implementation: Ongoing

repeat title

9. Outreach campaign geared towards pre-adolescents and adolescents.	Design: Summer 1999 Implementation: Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
10. ANA, Indian Head Start (in ACF) and IHS will collaborate to promote CHIP among the Tribes.	Ongoing

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: **Agency For Health Care Policy and Research**	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Collaborating with other Public or Private Partners to Conduct Outreach* Cents	
1. With HRSA, AHCPR is developing a methodology to examine the effectiveness of CHIP outreach strategies.	Ongoing →

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Centers for Disease Control and Prevention	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. CDC will conduct a survey of States to determine their level of CHIP knowledge and provide additional guidance on enrollments.	Summer 1999
2. CDC is working on plans to notify VFC providers (11,799 public and 33,706 private providers) of ways to become more involved.	Ongoing
NEW STRATEGY: *Educating Families*	
3. CDC is creating a new children's health webpage to be linked directly to the DHHS' "insurekidsnow.gov" website.	Fall 1999

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Indian Health Service →	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. Organize headquarters leadership team for Agency and Tribal outreach.	Ongoing
2. Upgrade ADP support to the Areas to enhance telecommunication capacity.	Ongoing
3. Direct Agency specialty annual meetings to include workshops and plenary sessions on CHIP.	Ongoing
4. Provide worker access to CHIP training by other Federal Agencies and State or private organizations.	Ongoing
5. Incorporate assessments of Medicaid/CHIP outreach activities in employee performance evaluations.	Ongoing
6. Include CHIP as a topic in future meetings with Indian Tribes.	Ongoing
7. Assign Agency and Tribal workers to serve on Federal and State CHIP workgroups and committees.	Ongoing
8. Complete CHIP brochure designed specifically for AI/AN.	Ongoing
NEW STRATEGY: *Educating Families*	
9. Establish stakeholder advisory committee to advise on current CHIP strategy for AI/AN.	Ongoing
10. Define key CHIP terms to assist communication between State enrollment offices and Indian clients.	Ongoing
11. Identify advocacy groups working with CHIP and enlist to help enroll Indian children	Ongoing
12. Develop a forum to insure input from key stakeholders: beneficiaries, families, providers and Agencies.	Ongoing
13. Create survey to assess Indian family satisfaction and access to CHIP.	Ongoing

3/2/5

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Substance Abuse and Mental Health Services Administration	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. After working for a year and a half with States to enroll eligible children in CHIP/Medicaid, SAMHSA is now turning its attention to community based outreach efforts. SAMHSA has two goals: (1) to see that organized community-based care is available and (2) to be sure that families are accessing this care	Ongoing

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Department of Agriculture	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. A model for disseminating CHIP information to Federal Agencies doing rural outreach will be developed. It will use the already existing infrastructure of Federal Agencies to mobilize staff located throughout the country and enhance outreach with customers/clientele. Once complete this summer, it will be distributed to Federal Agencies.	Summer 1999
NEW STRATEGY: *Educating Families*	
2. The FNS form requesting CHIP/Medicaid information with its application for free and reduced price meals will be distributed for use during the 1999/2000 school year.	9/99
3. The new CSREES' national initiative, "Healthy People...Healthy Communities" will increase consumers' knowledge of their health care options and the financing of those options. Information about CHIP will be a key component of this effort.	Ongoing

NEW STRATEGIES CHART

Department of Commerce	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY:	
1. Encourage Census staff to promote CHIP/Medicaid through recruiting efforts in local communities for temporary Census taker positions. Eight million applicants are expected.	1/00

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Department of Education	
STRATEGY	**ANTICIPATED COMPLETION DATE**
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. Provide all staff with a monthly CHIP update via e-mail with tips and ideas to help enroll all children in CHIP and Medicaid and stressing the link between children's health and learning	Ongoing
2. Publish a follow-up article in *Inside Ed*, the Department of Education's newsletter that goes to all employees. Include one or more messages on CHIP in *Ed Initiatives*, for which there are more than 12,400 direct subscribers, in addition to the many more individuals who receive it from cross-postings on other listservs.	9/99 - 2/00
3. Sponsor a training of trainers on CHIP outreach to interested Department employees using the DHHS Insure Kids Now materials and handouts with successful school based outreach efforts and training tips. Each participant will commit to present a minimum of two CHIP training sessions either at the Department or in the community	10/99 - 11/99
4. Provide to all of the Secretary's Regional Representatives the DHHS Insure Kids Now outreach packet, handouts focused on the school role in outreach, a listing of Regional CHIP teams and training for how to use these materials. Jointly develop an outreach plan for each Region.	8/99 - 9/99 Ongoing

5. Continue efforts to distribute CHIP materials and carry the CHIP message to all major education stakeholders through their annual conferences and joint CHIP related projects. These groups may include the Council of Chief State School Officers, Council of Great City Schools, National Association of State Directors of Special Education, National Association of Elementary School Principals, the National Association of Secondary School Principals and foundations.	Ongoing
NEW STRATEGY: *Educating Families*	
6. Ask each Assistant Secretary to review his current CHIP outreach plan and to develop a minimum of one new CHIP outreach activity to get the word out to schools and families through clearinghouses, technical assistance providers, parent centers and other Department grantees. These may include: the National Information Center for Children and Youth with Disabilities (NICHCY), the Parent Training and Information Centers and the Regional Resource Centers supported under the Individuals with Disabilities Education Act; State Literacy Resource Centers and the Adult Education and Literacy Clearinghouse and Parent Assistance centers funded under Goals 2000.	9/99 - 10/99
7. Work through ED's Partnership for Family Involvement in Education to identify an effective outreach activity. This is a group of over 3,000 organizations (with four sectors -- employers, education, community and religious) working to increase family involvement in education. Membership in the Partnership is voluntary and each member determines the level of participation.	6/99 - 10/99
8. Submit an article on effective schoo-l based outreach strategies with strong volunteer participation for publication in *Community Update*, the Partnership newsletter that reaches over 200,000 parents, educators and organizations involved in school improvement efforts. Published monthly, the newsletter features best practices and model programs from around the Nation and focuses on how communities can learn from each other to improve their schools.	11/99 - 1/00

9. Continue to provide information on the Department's website. Update the website regularly with information on CHIP-related activities, including information on innovative school-based outreach practices. Establish a link between the Department's CHIP homepage and the Partnership for Family Involvement website.	8/99 - Ongoing
10. Insert information about CHIP into any new, relevant Department publications. Develop a simple one page information sheet on how CHIP (and Medicaid) can provide mental health services and counseling in schools. Revise the Helping Your Child Be Healthy and Fit book to include information about CHIP. Put a "parent tip" on CHIP in both the revised Helping Your Child Learn Math and Reading books	~~9/99 - 6/00~~
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
11. Work with the DHHS Back to School Initiative to sponsor and recognize effective school based outreach activities. Include as a part of the America Goes Back to School packet a suggestion that schools and community partners provide information about CHIP during local back to school activities.	6/99 - 10/99
12. Collaborate with DHHS to disseminate effective school based outreach strategies including the lessons learned from the Chicago Public Schools school based strategies for reaching families and enrolling eligible children in CHIP. Collaborate with CDC to identify, train and provide support for a school-health liaison in every State education Agency. Produce a document that features these important liaisons and describes successful school-based outreach practices and approaches.	9/99 - 10/99
13. Work with the Head Start and Child Care Bureaus to develop and print a brochure designed for outreach in early care and education sites such as preschools, Head Start Centers and child care centers. Jointly develop a plan for dissemination of this brochure through DHHS channels, ED's early childhood programs and national early child care and education groups.	Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach (cont.)*	

14. Continue to collaborate with the Departments of Agriculture and Health and Human Services to monitor the effectiveness of allowing families to use the school lunch program application to request enrollment information about CHIP/Medicaid.	6/99 - 11/99

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: U.S. Department of Housing and Urban Development	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. Contact public housing directors by mail to inform them of CHIP and encourage outreach to residents.	10/1/99
2. Contact HOME grantees by mail to inform them of CHIP and encourage outreach to their communities.	10/1/99
3. Provide CHIP information to attendees of the HUD Native American Summit.	Summer 2000
4. Contact new Empowerment Zones by mail to inform them of CHIP and encourage outreach to residents.	10/1/99
5. Contact grantees providing outreach to homeless families by mail, asking them to include CHIP information in their outreach.	10/1/99
6. Contact Secretary's representatives and Senior Community Builders to encourage them to involve Community Builders in CHIP outreach.	10/1/99
7. Inform Community Builders of CHIP outreach best practices.	10/1/99
8. Contact Office of Lead Hazard Control's education and outreach grantees to include CHIP information in their national and local activities.	10/1/99
NEW STRATEGY: *Educating Families*	
(see below)	
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
9. Neighborhood Networks (NN) CHIP Outreach Collaborative, composed of the National Consortium for African-American Children, the Alpha Kappa Alpha Sorority, historically black colleges and universities, and HOPE for Kids, will conduct outreach to enroll children at 84 NN centers in 30 States and the District of Columbia.	Summer 2000

10. HUD will coordinate with Communities in Schools to provide CHIP outreach at its 200 new HUD-sponsored computer training centers.	Summer 2000

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Department of the Interior	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. Distribute education packets to the 12 BIA Area Offices.	Summer 1999
2. Provide training on CHIP at the National Conference/Training for Social Workers.	12/99
3. Publish articles on the efficacy of outreach.	Ongoing
NEW STRATEGY: *Educating Families*	
4. The BIA Central Office will continue to disseminate information at National Conferences and Training for American Indians.	Ongoing
5. BIA Central Office will develop a culturally relative poster to be distributed to all 557 Federally Recognized Tribes and placed on the Department of Interior Internet site.	12/99
6. Agency and Tribal social service intake workers will be encouraged to ask applicants about children's health needs and distribute appropriate referral information	Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
7. Work with the National Congress for American Indians and the North West Portland Area Indian Health Board on the efficacy of outreach.	Ongoing
8. Collaborate with Indian health services to assist them in disseminating future information packets.	Ongoing

9. Develop a partnership with the National Indian Child Welfare Association to assist BIA Central Office in educating Tribes, social service workers, intake workers, Indian health services, and other professionals who work with Indian Children and families.	12/99

LAMSON

STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. Specifically target rural area enrollment by including articles on CHIP in Departmental and/or program newsletters, for example *The Labor Exchange* which reaches the Department's 17,000 employees.	Ongoing
NEW STRATEGY: *Educating Families*	
2. Include information on CHIP at One-Stop Career Centers throughout the nation.	Ongoing
3. Reach families directly through community town-hall meetings and exhibitions (wherever applicable).	Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
4. In working on increasing rural partnerships, will work closely, through One-Stop program office with the Department of Agriculture, which has an increasing role in strategizing for rural America.	Ongoing

NEW STRATEGIES CHART

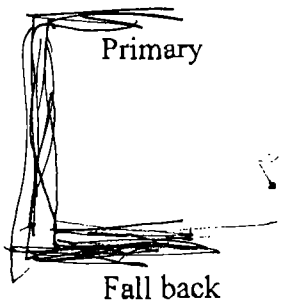
DEPARTMENT/AGENCY: Social Security Administration	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
1. 20,000 teacher's kits, including information about CHIP, will be distributed at the beginning of the 99/00 school year.	Fall 1999
NEW STRATEGY: *Educating Families*	
(See above).	8/99
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
3. Exhibit CHIP information at the annual American Medical Association conference.	8/99

NEW STRATEGIES CHART

DEPARTMENT/AGENCY: Department of Justice	
STRATEGY	ANTICIPATED COMPLETION DATE
NEW STRATEGY: *Educating Federal Workers, State Workers, Grantees*	
NEW STRATEGY: *Educating Families*	
1. DOJ is considering how to add CHIP links to website and webpages.	Ongoing
NEW STRATEGY: *Collaborating with Other Public or Private Partners to Conduct Outreach*	
2. Meet with representatives from the Departments of Education and Agriculture (school lunch program) to determine how the Child Health Coverage Committee can support the Back-to-School Campaign.	Ongoing
3. DOJ is considering ways to include affiliates of the National Assembly, such as the Boy Scouts and Girl Scouts in CHIP education.	Ongoing

96 poverty numbers due to be released soon (95?)

Medicaid



Primary

Denominator: Number of individuals in families with children under 18 with income less than 200% of poverty (ACS) ↓ set standard high to encourage this new options uninsured?

Numerator: Average monthly number of individuals in families enrolled in Medicaid/CHIP in relevant categories (MSIS) 2002

$5M ↓ $200M

Fall back

Denominator: Number of individuals in families that cease receiving TANF assistance (TANF administrative records)

up to $10st

Avg 11th

Numerator: Number of the above that are receiving Medicaid/CHIP 6 months later (State match with Medicaid records)

Both based on state improvement over the previous year

sending paper on data

mtg next thursday/friday HCFA, ACF, OMB, DPC

Food Stamps

Denom: halftime/full year under the minimum wage people under 133% FPL

Num: same group of people on food stamps

Medicaid

process measures

- Outstationing *
- AND
- Continuous eligibility ✓
- OR
- presumptive eligibility ✓
- ~~transitional Medicaid~~
- ~~review of intake process & eligibility~~ ⊗

things that make it easier for working parents to get on MC/CHIP
- phone in
- extended hours
- no interview

HCFA

process measures → score
process measures (first tier)

CHIP & MC duplication of data?

HIGH PERFORMANCE BONUS

Table 3. Comparison of State Ranks According to Changes Between 1994 and 1997 In Number of Children in Working Poor Food Stamp Families* Relative to Different Denominators – (1) and (2)

(1) Total Number of Children under 18		(2) 3-Year Average of Children Under 18 in Families with Income 150% of Poverty**	
Dist. of Col.	115.07%	Dist. of Col.	141.86%
Delaware	81.22%	Michigan	71.32%
Michigan	52.67%	Delaware	61.51%
Massachusetts	35.38%	Maryland	46.14%
Maine	27.48%	Missouri	45.27%
Hawaii	23.71%	Maine	42.63%
Wisconsin	23.07%	New Jersey	38.55%
Montana	21.72%	Wisconsin	35.58%
New Jersey	21.65%	West Virginia	33.09%
New York	18.41%	Illinois	27.76%
Pennsylvania	18.06%	Rhode Island	23.65%
Rhode Island	16.17%	Louisiana	23.39%
Maryland	15.55%	Pennsylvania	20.04%
Illinois	14.73%	Massachusetts	16.67%
Iowa	10.77%	Kansas	12.31%
Washington	8.25%	New York	11.90%
West Virginia	6.23%	New Hampshire	11.00%
Wyoming	3.66%	South Carolina	7.16%
Kansas	2.68%	Iowa	5.48%
California	-0.06%	California	3.70%
Arkansas	-0.28%	Indiana	3.55%
Alaska	-0.44%	Alaska	3.32%
Missouri	-2.43%	South Dakota	0.31%
Louisiana	-4.42%	North Carolina	0.28%
Georgia	-4.55%	Florida	-2.24%
South Carolina	-5.26%	Kentucky	-4.26%
Alabama	-5.78%	Alabama	-5.12%
Tennessee	-6.09%	Oklahoma	-5.14%
Virginia	-6.27%	Georgia	-5.26%
North Carolina	-7.23%	Tennessee	-6.81%

* Working poor families are families with earnings equal to at least a half-time job at the minimum wage.

** 3-year average includes measurement year and the two prior years.

HIGH PERFORMANCE BONUS

Table 3. *(continued)*

(1) Total Number of Children		(2) 3-Year Average of Children Under 18 in Families with Income 150% of Poverty**	
Idaho	-7.89%	Utah	-7.28%
New Mexico	-8.93%	Montana	-7.77%
Vermont	-10.38%	Ohio	-7.94%
Utah	-12.24%	Wyoming	-8.30%
Kentucky	-12.82%	Hawaii	-8.42%
New Hampshire	-13.82%	Nebraska	-8.88%
Oklahoma	-14.81%	Washington	-9.31%
Nebraska	-15.77%	Arkansas	-9.45%
North Dakota	-17.26%	Idaho	-10.31%
South Dakota	-18.34%	Nevada	-12.84%
Florida	-19.12%	Virginia	-16.83%
Connecticut	-20.32%	Texas	-19.49%
Texas	-20.81%	Colorado	-20.64%
Nevada	-20.82%	North Dakota	-20.67%
Ohio	-22.15%	Connecticut	-24.79%
Oregon	-24.33%	Mississippi	-25.07%
Arizona	-25.70%	Oregon	-27.09%
Mississippi	-26.55%	Vermont	-28.16%
Colorado	-28.23%	Minnesota	-36.78%
Minnesota	-33.39%	New Mexico	-38.82%
Indiana	-38.94%	Arizona	-40.74%

High Performance Banks

Table 1. Rank* of Percentage Change in Rates Using Wendell Primus Formula for FS.

FY 1999 over FY1994		FY1998 over FY1994		FY 1998 over FY1997	
Dist. of Col.	115.07%	Dist. of Col.	177.16%	Connecticut	62.23%
Delaware	81.22%	Michigan	76.84%	South Dakota	38.31%
Michigan	52.67%	New Jersey	62.86%	New Jersey	33.87%
Massachusetts	35.38%	Illinois	49.78%	Illinois	30.54%
Maine	27.48%	New York	47.32%	Dist. of Col.	28.87%
Hawaii	23.71%	Hawaii	40.70%	New Hampshire	27.34%
Wisconsin	23.07%	Maryland	40.66%	New York	24.41%
Montana	21.72%	Pennsylvania	37.88%	Maryland	21.73%
New Jersey	21.65%	Massachusetts	34.31%	Pennsylvania	16.79%
New York	18.41%	Delaware	31.29%	Georgia	16.57%
Pennsylvania	18.06%	Connecticut	29.28%	Michigan	15.83%
Rhode Island	16.17%	Wisconsin	28.15%	Hawaii	13.73%
Maryland	15.55%	Montana	23.55%	Alaska	12.55%
Illinois	14.73%	Rhode Island	15.93%	Mississippi	10.68%
Iowa	10.77%	South Dakota	12.94%	Nevada	9.45%
Washington	8.25%	Alaska	12.05%	North Carolina	8.49%
West Virginia	6.23%	Georgia	11.27%	Minnesota	8.12%
Wyoming	3.66%	New Hampshire	9.73%	Virginia	5.97%
Kansas	2.66%	West Virginia	8.80%	Tennessee	5.29%
California	-0.06%	Maine	4.86%	Wisconsin	4.12%
Arkansas	-0.28%	North Carolina	0.65%	Nebraska	4.12%
Alaska	-0.44%	Washington	-0.12%	Louisiana	3.41%
Missouri	-2.43%	Virginia	-0.68%	West Virginia	2.41%
Louisiana	-4.42%	Tennessee	-1.13%	Montana	1.50%
Georgia	-4.55%	Louisiana	-1.16%	North Dakota	1.47%
South Carolina	-5.26%	Arkansas	-1.64%	Vermont	1.47%
Alabama	-5.78%	California	-2.22%	Rhode Island	-0.20%
Tennessee	-6.09%				
Virginia	-6.27%				

* From High To Low

TABLE 1 (CONT'D)

FY1997 over FY1994		FY1998 over FY1994		FY1998 over FY1997	
North Carolina	-7.23%	Vermont	-9.06%	Massachusetts	-0.79%
Idaho	-7.89%	Wyoming	-9.76%	Arkansas	-1.36%
New Mexico	-8.93%	Nebraska	-12.30%	California	-2.17%
Vermont	-10.38%	Idaho	-13.20%	Oregon	-3.69%
Utah	-12.24%	Nevada	-13.34%	Kentucky	-3.93%
Kentucky	-12.82%	Iowa	-13.92%	Idaho	-5.77%
New Hampshire	-13.82%	North Dakota	-16.05%	Florida	-6.50%
Oklahoma	-14.81%	South Carolina	-16.18%	Washington	-7.73%
Nebraska	-15.77%	Kentucky	-16.24%	Ohio	-8.61%
North Dakota	-17.28%	New Mexico	-18.12%	New Mexico	-10.10%
South Dakota	-18.34%	Mississippi	-18.71%	South Carolina	-11.53%
Florida	-19.12%	Alabama	-19.49%	Colorado	-12.38%
Connecticut	-20.32%	Missouri	-20.50%	Oklahoma	-12.80%
Texas	-20.81%	Kansas	-21.84%	Wyoming	-12.94%
Nevada	-20.82%	Florida	-24.38%	Alabama	-14.55%
Ohio	-22.15%	Oklahoma	-25.72%	Indiana	-15.35%
Oregon	-24.33%	Oregon	-27.13%	Maine	-17.75%
Arizona	-25.70%	Minnesota	-27.98%	Missouri	-18.52%
Mississippi	-26.55%	Ohio	-28.86%	Texas	-21.29%
Colorado	-28.23%	Utah	-34.12%	Arizona	-21.74%
Minnesota	-33.39%	Colorado	-37.12%	Iowa	-22.29%
Indiana	-38.94%	Texas	-37.67%	Kansas	-23.88%
		Arizona	-41.85%	Utah	-24.93%
U. S. Total	-6.76%	Indiana	-46.31%	Delaware	-27.55%
		U. S. Total	-7.74%	U. S. Total	-1.27%

HIGH PERFORMANCE BONUS

TABLE 2. RANK* OF PERCENTAGE POINT DIFFERENCE IN RATES USING WENDELL PRIMUS MEASURES FOR FS

FY 1997 over FY1994		FY 1998 over FY 1994		FY 1998 over FY1997	
Delaware	2.7636%	Dist. of Col.	3.10%	South Dakota	1.52%
Michigan	2.0310%	Michigan	2.96%	Illinois	1.12%
Dist. of Col.	2.0162%	Hawaii	1.75%	Dist. of Col.	1.09%
Maine	1.1685%	Illinois	1.60%	Georgia	0.99%
Montana	1.0183%	New York	1.45%	Mississippi	0.96%
Hawaii	1.0169%	Pennsylvania	1.30%	Michigan	0.93%
Wisconsin	0.6530%	Montana	1.10%	New York	0.88%
Pennsylvania	0.6182%	Maryland	1.10%	Hawaii	0.73%
New York	0.5634%	New Jersey	1.07%	New Jersey	0.70%
West Virginia	0.5245%	Delaware	1.06%	Maryland	0.68%
Massachusetts	0.5240%	Wisconsin	0.80%	Pennsylvania	0.66%
Illinois	0.4722%	West Virginia	0.74%	New Hampshire	0.65%
Maryland	0.4208%	Georgia	0.71%	Connecticut	0.63%
Iowa	0.4159%	South Dakota	0.63%	Alaska	0.46%
Rhode Island	0.4103%	Massachusetts	0.51%	Tennessee	0.43%
New Jersey	0.3674%	Alaska	0.45%	North Carolina	0.41%
Washington	0.2357%	Rhode Island	0.40%	Virginia	0.33%
Wyoming	0.1878%	Connecticut	0.37%	Louisiana	0.31%
Kansas	0.1129%	New Hampshire	0.27%	Nevada	0.28%
California	-0.0026%	Maine	0.21%	West Virginia	0.22%
Alaska	-0.0165%	North Carolina	0.03%	Nebraska	0.21%
Arkansas	-0.0220%	Washington	0.00%	Minnesota	0.15%
Missouri	-0.1546%	Virginia	-0.04%	Wisconsin	0.14%
Connecticut	-0.2584%	Tennessee	-0.10%	Montana	0.09%
Georgia	-0.2850%	California	-0.10%	Vermont	0.07%
Virginia	-0.3685%	Louisiana	-0.11%	North Dakota	0.07%
North Carolina	-0.3781%	Arkansas	-0.13%	Rhode Island	-0.01%
New Hampshire	-0.3797%	Vermont	-0.49%		
South Carolina	-0.4125%				
Louisiana	-0.4242%				
Idaho	-0.4402%				
Tennessee	-0.5229%				

* RANKED FROM HIGH TO LOW

TABLE 2 (CONT'D)

FY 1997 over FY1994		FY1998 over FY 1994		FY 1998 over FY 1997	
Alabama	-0.5430%	Nevada	-0.49%	Massachusetts	-0.02%
Vermont	-0.5653%	Wyoming	-0.50%	California	-0.10%
Utah	-0.5829%	Iowa	-0.54%	Arkansas	-0.11%
Nevada	-0.7716%	Idaho	-0.74%	Oregon	-0.18%
New Mexico	-0.8001%	Nebraska	-0.76%	Washington	-0.24%
South Dakota	-0.8891%	Minnesota	-0.77%	Kentucky	-0.24%
Kentucky	-0.8979%	Kansas	-0.92%	Idaho	-0.30%
Minnesota	-0.9202%	North Dakota	-0.94%	Ohio	-0.34%
Nebraska	-0.9685%	Kentucky	-1.14%	Florida	-0.40%
North Dakota	-1.0115%	South Carolina	-1.27%	Colorado	-0.46%
Ohio	-1.1277%	Missouri	-1.30%	Indiana	-0.61%
Oklahoma	-1.2245%	Ohio	-1.47%	Wyoming	-0.69%
Colorado	-1.4670%	New Mexico	-1.62%	New Mexico	-0.82%
Florida	-1.4713%	Utah	-1.62%	South Carolina	-0.86%
Oregon	-1.5782%	Oregon	-1.76%	Oklahoma	-0.90%
Arizona	-2.3087%	Alabama	-1.83%	Iowa	-0.95%
Texas	-2.3307%	Florida	-1.88%	Maine	-0.96%
Indiana	-2.5321%	Colorado	-1.93%	Kansas	-1.03%
Mississippi	-3.2364%	Oklahoma	-2.13%	Utah	-1.04%
		Mississippi	-2.28%	Missouri	-1.15%
U. S. Total	-0.3592%	Indiana	-3.14%	Alabama	-1.29%
		Arizona	-3.76%	Arizona	-1.45%
		Texas	-4.22%	Delaware	-1.70%
				Texas	-1.89%
		U. S. Total	-0.56%		
				U. S. Total	-0.07%