

HEALTH CARE FINANCING ADMINISTRATION

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Background

For several months now, HCFA, ACF, ASPE and others have worked together to identify issues related to Medicaid enrollment in the post welfare reform context. We have identified current research activities and studies. In addition, we have continued to communicate with States regarding the requirements and flexibilities that exist with regards to Medicaid enrollment. As you know, on March 22, 1999, ACF and HCFA released a joint guide, "Supporting Families in Transition: A Guide to Expanding Health Coverage in the Post-Welfare Reform World." We recently held briefings for intergovernmental and advocacy groups.

Issues

Strategy Regarding Actions to be Taken On TANF/Medicaid Guide: Outreach and Enforcement

Overall Approach

- **Goal** -- The goal of this strategy is to ensure that States comply with the law, not to punish the States for misdeeds.
- **Operational Objectives** -- 1) Proactive Enforcement (Identification of Enforcement Issues); 2) Reactive Enforcement (Response to Allegations as Submitted); 3) Promote Medicaid Outreach Efforts; and 4) Educate States on their Opportunities and Responsibilities Regarding Medicaid Enrollment.
- **Establish Department-Wide Workgroup** -- Currently, there is an ad hoc group that works on TANF/Medicaid issues. This proposal would formalize that work group. The group will meet twice a month and include representatives from HCFA/ACF/HHS central office (CO) and regional office (RO) staffs. The core of the group will include: a lead ACF Regional Administrator, a lead HCFA Regional Administrator, a lead Regional Director, an IGA staff person, and one lead staff person from ACF and HCFA. As in the past, this work group will continue to rely heavily on support from ASPE, ASMB, and ASL. The work group will provide leadership regarding the further development and implementation of the strategy outlined below.
- **Develop Comprehensive Workplan** -- Within 30 days, the workgroup will develop a plan with concrete action steps and timeframes for completing the steps. Under this plan, the Department will begin enforcement activities as soon as possible.
- **Coordinate with Advocates** -- Consideration should be given to the possibility that HHS would host a meeting with national advocacy organizations to hear their thoughts on how better to educate the public and the States on this issue. In addition, HHS may wish to solicit information on State activities and feedback on how best to approach an enforcement strategy.

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Proactive and Reactive Enforcement

Overall

- **Internal Organization** -- HCFA CO/RO conference calls twice a month to share information about State compliance with Federal eligibility requirements.
- **Create Information Structure Regarding Possible Violations** -- HCFA will maintain a State by State log that notes: alleged violations, RO/CO actions to contact States, investigation activities (State and HCFA) and corrective plan activities. This will include the creation of an early alert system for issues identified by regions.
- **Resource Consideration** -- HCFA and the Department will need to consider the resources needed to carry out this effort. To make the most of limited resources, HCFA will target the enforcement strategies beginning with the most critical problems first.

Proactive Enforcement Process

- HCFA will quickly complete its survey States for potential problems. (A preliminary list of States identified as having potential issues is attached.)
- As national patterns of non-compliant activities in States are identified, HCFA will prioritize these activities. Activities will be rank ordered based on the following criteria: the impact activity on beneficiaries, the prevalence of the activity among States, and the legal strength of our position against the State.
- After the priority list is created, HCFA would start at the top of the list and approach States that engage in the practice. This will help avoid charges that HCFA is singling out any one State for enforcement.
- After the issues and the target States are identified, ROs (in consultation with CO) will issue letters describing the allegation and requesting further information from the State. The letter will clarify the States' responsibilities under the law.
- The RO will allow sufficient time for the State to investigate and respond to the allegation and will provide all necessary technical assistance to clarify Federal requirements and help aid the State's resolution of the problems.
- Follow-up time periods will be established based on the significance and complexity of the allegations, but should be no longer than 45 days from the date of the initial contact.
- If there is reluctance on the part of the State to work with HCFA and to come into compliance in a timely manner, the RO (in consultation with CO) will shift focus from technical assistance to enforcement. The RO will conduct all necessary reviews of State and local administration including, but not limited to, on-site reviews of selected aspects of agency operation and examination of samples of individual case records as may be necessary to validate and investigate allegations.
- If HCFA determines that a State fails to comply substantially with Federal requirements, HCFA shall withhold funds in accordance with section 1904 of the Social Security Act. The RO (in consultation with CO) will prepare the initial draft non-compliance package.

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Reactive Enforcement Process

- Upon receipt of allegations that a State is not in compliance, an effort will be made to determine whether or not the activity is on the priority list.
- In the event that it is an activity on the priority list, the RO (in consultation with CO) will issue a letter within 30 days describing the allegation and requesting further information from the State. The issue will not be acted on further until such time as the issue is acted on due to its place on the priority list.
- In the event that the activity is not on the list, the RO (in consultation with CO) will issue a letter within 30 days describing the allegation and requesting further information from the State. The letter will clarify the States responsibility under the law.
- Following an evaluation of the issue, the RO will consider the available resources and make a determination (based on the criteria used to develop the priority list) as to whether the follow-up process described under the proactive strategy should be followed.

Outreach Activity

- Develop an aggressive outreach strategy to promote enrollment in Medicaid. HHS could use lessons learned from the CHIP outreach process to promote Medicaid. While outreach to Dual Eligibles and children has been very active, more work could be done in terms of outreach to low income families. We would build on existing activities, such as the HCFA web site and studies of outreach activities.
- Effort could include development of a brochure that explains the rights of individuals. For example, among other things, it could explain how transitional medical assistance helps low income persons. This could then be printed and distributed by States and advocates. The outreach work to families should be done in a highly visible way.

Educate States on the Enrollment Opportunities and Responsibilities

- **Continue to Distribute the Guide** -- Provide additional TANF/Medicaid Guides to ROs and provide training for Regional ACF and HCFA staff.
- **Contact/Brief States** -- HCFA and ACF RO staff will contact their State counterparts and ensure that those individuals have the guide and offer to brief the State. These briefings would be conducted by HCFA and ACF ROs together. This contact will allow the RO staff to answer questions regarding the guide and to discuss any problems.
- **Follow-Up** -- If the State does not request a briefing or otherwise contact the RO within 30 days of the initial contact, the RO will again contact the State to offer technical assistance.
- **Work with Local Advocates** -- ROs will also identify and contact major advocacy groups in the States and offer to do briefings.
- **Best Practices** -- Work with States and inter-governmental groups to identify best practices among States. HCFA has contacted NGA and NASMD to discuss a shared opportunity to survey the States. Best practices will be collected and distributed by

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HCFA to all States. Study results may be used during a national conference on the issue.

Recommendations

We recommend that you approve the technical assistance strategy in this memo and agree to formalize the workgroup. The latter would include sending a memo from your office detailing the new formal structure.

Attachment

Approved _____ Disapproved _____ Date _____

**States Identified With Actual or Potential Eligibility Problems Based on
Preliminary Survey Results by HCFA Regional Offices**

1. 5 States have been identified as having eligibility issues that have we believe to be resolved or are currently being resolved.

Georgia, Louisiana, Maryland, Pennsylvania, and Texas.

2. 14 States have been identified as having potential issues that need further investigation.

Alabama, Alaska, California, Connecticut, Delaware, District of Columbia, Indiana, Kentucky, Massachusetts, Mississippi, New Jersey, New York, South Carolina, and Wisconsin.

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New York City Admits Turning Away Poor

By RACHEL L. SWARNS

Conceding that city workers have improperly denied poor people access to food stamps and medical assistance, the Giuliani administration has agreed to retrain hundreds of employees, monitor **welfare** centers, revise application forms and post signs clearly outlining the public's rights to Government benefits, city officials said yesterday.

The decision, which became public yesterday during a hearing in Federal court, marked a startling reversal for city officials, who had repeatedly insisted that their workers do not violate Federal laws requiring them to allow people to apply for food stamps and **Medicaid** without delay.

In testimony yesterday, city officials acknowledged that **welfare** workers had repeatedly violated the law. Some workers sent the hungry to food pantries instead of screening them for emergency benefits, the officials testified. Others refused to consider the applications of immigrants or women who showed up without their husbands, they said, and other employees turned away anyone who tried to apply for benefits after 11 A.M.

On Wednesday, city lawyers had described some of these issues as isolated problems, but yesterday they acknowledged that corrective action was necessary systemwide.

Citing those "shortcomings" in the city's tough new application process, Judge William H. Pauley 3d of Federal District Court in Manhattan said yesterday that he might block the Giuliani administration from expanding the process to other **welfare** centers until the city can correct its problems. He said he would hear arguments on the issues today.

"I'm trying to understand why the city would be harmed if there was a breathing space of about a month where the city could put corrective measures into effect so everyone could sit back and see whether they're solving the problem," said Judge Pauley, who is presiding over a class-action lawsuit filed against the city by lawyers for the poor.

The city's pledge to improve the application process was intended to resolve the lawsuit, which was filed by lawyers from the Legal Aid Society and the

Welfare Law Center. Last night, those lawyers said they still were reviewing the city's plan.

The changes announced by the Giuliani administration do not address a central concern raised by auditors at the United States Department of Agriculture, who say, according to a draft report of their findings, that the city's two-day application process violates Federal law. The Agriculture Department will issue a final report in coming weeks that could require the city to make additional changes.

The new application process has begun in 13 **welfare** offices that have been converted to "job centers," where applicants are discouraged from applying for public assistance. City officials view the centers as critical to their efforts to promote self-reliance among the poor. They said yesterday that a month's delay in opening four new job centers would demoralize workers and hurt the city.

"It would be a big setback to everyone who has worked so hard," Jason A. Turner, Commissioner of the Human Resources Administration, told the court.

Mr. Turner, whose agency runs the city's **welfare** programs, said "operational difficulties" were to be expected in any new program, and emphasized that the city was ready to resolve them as they converted the remaining 18 **welfare** offices. "We have a system in place to make corrections and adjustments along the way," he said.

In yesterday's testimony, however, city officials said that the system had often failed to resolve persistent problems.

Patricia Smith, an executive deputy commissioner at H.R.A., testified that she was "surprised" and "outraged" when an internal city review revealed that workers in a Queens center were turning away applicants who showed up after 11 A.M.

She said she emphasized that applicants must be seen all day, during business hours. But similar complaints resurfaced in December in four job centers, including the one in Queens. Soon thereafter, the city became aware that a Manhattan center was sending the poor to food pantries instead of assessing their needs for emergency food stamps.

Again, the city admonished center directors, officials said, reminding them of proper procedure. But Jean Sheil, a deputy commissioner, acknowledged under oath that the city did not consider reviewing the **welfare** application process until the class-action lawsuit was filed in December. Ms. Smith said the city took no action beyond sending memos to insure that similar problems were not occurring in all job centers.

"It was a question of time and resources," Ms. Smith said when Judge Pauley asked her why city officials had not visited all centers to insure that proper policy was being followed.

Mr. Turner said he believed that people should rely on themselves, if they can, instead of on **welfare** or food stamps. He emphasized, however, that the city's policy was to make sure that "all benefits to which individuals are entitled are freely available to them."

But the city's own witnesses reflected the Giuliani administration's struggles to convey that message to front-line workers. Several city officials, for instance,

denied that employees automatically deny applications for food stamps and **Medicaid** when clients are deemed ineligible for **welfare**. In those cases, the officials said, the workers follow the law, keeping the food stamps and **Medicaid** cases open so they can be independently evaluated.

But when a city caseworker, Sylvia Gonzalez, was asked later in the day how she handles those cases, she responded without hesitation.

"I reject the whole case," Ms. Gonzalez testified, referring to food stamps, **Medicaid** and **welfare**. "It's a whole package."

Organizations mentioned in this article:

Related Terms:

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U.S. Inquiry Asks if City Deprives Poor

By RACHEL L. SWARNS

Federal officials say New York City's new **welfare** policies may improperly deprive thousands of poor people of access to food and medical assistance, and they have begun reviewing the public assistance programs to determine whether they violate Federal law.

The inquiry focuses on the city's application procedures and marks the first time Federal authorities have questioned Mayor Rudolph W. Giuliani's new **welfare** policies, which discourage the needy from seeking public assistance in an effort to push them to rely on themselves, not government.

Many states and cities have begun to urge the poor to depend on jobs and relatives instead of government checks, but officials say New York City appears to violate Federal rules which require city workers to allow the needy to apply for food stamps and **Medicaid** without delay.

Federal law says city workers must offer food stamp and **Medicaid** applications the first day a potential applicant steps into a **welfare** office. But under the city's new policy, the vast majority of those who arrive do not receive applications that day, city officials say. Instead, caseworkers encourage most people to seek child support payments, unemployment benefits or food from food pantries, offering applications only if a person returns for a second appointment.

As a result, while 53 percent of the people who asked to apply for **welfare**, food stamps and **Medicaid** were successful in the past, at the newly converted city **welfare** offices about 25 percent are, city statistics show.

"I am concerned that many eligible low-income children and adults are being exposed to additional barriers to **Medicaid**," wrote Sue Kelly, a regional administrator for the Federal Health Care Financing Administration of the Department of Health and Human Services, expressing her concerns about New York City in a letter in September to state health officials.

"While **welfare** reform has presented many changes for beneficiaries and local administrations, we must be assured that individuals wishing to apply for medical assistance are given that opportunity to apply without delay," wrote

Ms. Kelly, echoing the concerns of food stamp officials.

Last week, **Medicaid** officials requested copies of the city's application and referral procedures after a flurry of letters from New York officials failed to ease their concerns about the fairness of the screening process and of a program intended to assess **Medicaid** applicants for fraud.

The Federal officials also requested documents from state health officials who oversee the city's compliance with Federal law.

Meanwhile, officials from the Federal Department of Agriculture are to arrive in New York City tomorrow to review the files of food stamp applicants who were denied benefits or had their cases closed. The department also plans to interview people who were diverted from applying at all.

Debra Sproles, a spokeswoman for the city's **welfare** agency, the Human Resources Administration, defended the city's procedures, saying that poor people were getting the help they needed. She emphasized that those with emergency needs always receive applications on their first visit and that requiring the rest to return is a reasonable and legal way of screening those who truly need help from those who do not.

She said people who return for applications receive their benefits just as quickly as if they had applied on the first day, describing the Federal reviews as a response to pressure from advocates for the poor who have "perpetuated the cycle of dependency for far too long."

The city began its new application process in April when it started converting **welfare** offices into "job centers." Limiting access to applications, city officials say, is an essential part of the effort to reduce dependency on government.

The situation in New York highlights the conundrum confronted by **welfare** officials across the country, who find themselves struggling to juggle two very different mandates. On the one hand, the new Federal **welfare** law allows states and municipalities to discourage people from applying for cash benefits and offers financial incentives for those with caseload declines.

On the other, the law requires states to encourage the needy to apply for food stamps and **Medicaid**, two benefits described by Federal officials as critical to keeping the working poor off **welfare** and the newly employed from returning

Federal officials fear the first message has had the most impact. Since 1996, the number of food stamp recipients in the nation has dropped by about 21 percent, a decline they say cannot be explained by the strong economy. (Comparable **Medicaid** statistics are not yet available.)

"We were hearing from anti-hunger advocates across the country with some real concerns, and the numbers we were getting were giving us a lot of reason to be concerned," said Julie Paradis, the Deputy Undersecretary for Food, Nutrition, and Consumer Services at the Department of Agriculture.

"We want to see how much of this is due to misunderstanding on the part of the client and how much of it might be due to tremendous pressures on state **welfare** offices to reduce caseload," she said.

In most states, applications for **welfare**, food stamps and **Medicaid** have been traditionally linked, which means that losing **welfare** often means losing all

benefits. And poor people often fail to realize that they usually remain eligible for those supports even if they have found low-wage jobs or have been discouraged from applying for **welfare**. Consequently, Federal officials have begun urging states to re-evaluate their policies and expand their outreach.

Thus New York City, which has experienced a similar decline in food stamp and **Medicaid** recipients over the last three years, finds itself in a tricky position since its officials philosophically oppose the idea of encouraging people to apply for benefits, city **welfare** officials say. They vigorously defend their policy of delaying applications as an essential tool in their efforts to destroy the culture of dependency in poor neighborhoods and to push people to rely on themselves first, not on public charity.

Welfare-seekers, who are taught resume-writing skills and interview techniques, must search for work during the application process. Currently, about a third of the city's **welfare** offices operate under these rules; the remaining offices will be converted by spring.

"People who need it are able to get on, and people who can work are able to work," Mayor Giuliani said at a news conference at the Hamilton Job Center in Harlem last week. "I'm much heartened by the fact that the city is moving toward a city where people are moving in a direction of taking care of themselves. We had become a city of mass dependency."

But statistics suggest that this emphasis on self-reliance may result in city workers' failing to follow Federal guidelines that require them to encourage the needy to apply for food stamps and **Medicaid** even when they do not get **welfare**.

Of the 4,825 public assistance seekers who were discouraged from applying for **welfare** at the city's first four job centers between April and September, about 12 percent were referred to food stamp or **Medicaid** offices, city statistics show. **Welfare** officials say some of those people found jobs, although they refuse to say how many.

City documents, however, show that of the 319 people discouraged from applying for **welfare** at the Hamilton Job Center between Aug. 31 and Oct. 3, only one found a job.

Ms. Sproles of the Human Resources Administration said statistics collected by individual job centers were preliminary and possibly incomplete. But she declined to release any additional data, saying the statistics were still being analyzed.

She said the city was working closely with the state and discussing the possibility of placing **Medicaid** and food stamp workers in the city job centers. Officials at the Health Care Finance Administration said they began their inquiry in July in response to an article about the job centers that appeared in The New York Times.

Meanwhile the Agriculture Department was responding to complaints from advocates who said that people were not being provided with food stamp applications.

The concerns centered on the experience of people like Jack Kelly, 35, who says he was living in a homeless center when workers at the Hamilton Job Center told him he could not apply for **welfare** or food stamps on his first visit,

giving him subway tokens and the address of a local food pantry instead.

Welfare officials say Mr. Kelly's story also demonstrates how the system succeeds despite its restrictions on handing out applications. When Mr. Kelly returned for a second visit, he was promptly processed for emergency food stamps and he received them within a week, as required by law.

But Federal officials are concerned about the people who never make that second appointment.

Valarie Rodriguez, an 18-year-old mother, said workers at the Greenwood Job Center in Brooklyn refused to allow her to apply for food or medical benefits, even during her second visit. They told her to come back for a third appointment, she said, but she gave up and scraped by for a month with the help of relatives. When she went to another **welfare** office, which had not been converted into a job center, she was immediately deemed eligible for food stamps, she said. "They said we were an emergency case," she said.

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Judge Delays Giuliani Plan On Welfare

By RACHEL L. SWARNS

Ruling that the Giuliani administration had overlooked the "urgent needs" of the poor in its zeal to overhaul **welfare**, a Federal judge barred city officials yesterday from expanding their tough new **welfare** policies until they can guarantee prompt access to food stamps and **Medicaid** applications.

The decision temporarily prevents the city from converting any more of its **welfare** offices into "job centers," where workers discourage the poor from applying for public assistance. And it will force the city to postpone the openings of three job centers until at least Feb. 15, after which the judge will review the city's corrective action plan.

The judge, William H. Pauley 3d of Federal District Court in lower Manhattan, issued the ruling after a three-day hearing last week in which city officials acknowledged that **welfare** workers had repeatedly violated Federal laws that require them to allow people to apply for food stamps and medical assistance without delay.

Some workers sent the hungry to food pantries rather than screening them for emergency assistance, the officials testified. Others refused to consider the applications of immigrants or teen-agers or women who showed up without their husbands. Others simply rejected anyone who pushed through the job center doors after 11 A.M..

And this month, city officials reviewing a Brooklyn job center found that 8 of the 19 people who were denied emergency assistance during the week of Jan. 4 should have received the city's help under Federal rules.

City lawyers, who have already agreed to retrain hundreds of **welfare** workers and to revise application forms, had urged the court to allow them to fix the program without delaying expansion. But Judge Pauley ultimately determined that the harm posed to the poor by the job center expansion outweighed the city's need to meet its strategic goals.

The judge ordered the city to revise its training and procedures to insure that

workers follow the law. "The city defendants' practices continue to endanger numerous individuals in need of public assistance, including children, expectant mothers and the disabled," Judge Pauley wrote in a 49-page decision that was issued last night.

"In its quest to enhance the delivery of food stamps, **Medicaid** and cash assistance benefits to the city's most needy residents, the city cannot lose sight of the requirements imposed by Federal statutes and regulation," Judge Pauley continued in his response to a lawsuit filed by lawyers for the poor.

City officials vowed to expedite their efforts to improve the program, saying they could accept a short delay in job center expansion.

"The time period is a reasonable one," said Michael D. Hess, the city's top lawyer, who noted that **welfare** officials had requested a delay of only two to three weeks if the judge deemed any delay necessary.

"We're always attempting to make the system better, court case or no court case," Mr. Hess said.

The ruling is the second setback this month for Mr. Giuliani, who often describes his tough **welfare** policies as one of the hallmarks of his mayoralty. In a draft report that became public last week, Federal auditors found that city officials were violating the law by denying the poor the right to speedily apply for food stamps.

City lawyers had argued that the incidents described were isolated, the inevitable growing pains of a fledgling program that was created only 10 months ago. The judge, however, said he could not agree with that argument.

But while Judge Pauley criticized the city's implementation of its **welfare** program, he also commended "the conscientiousness" of the city officials who acknowledged the problems last week and promised to address them.

The judge's ruling comes as Federal officials are stepping up their efforts to monitor state compliance with food stamp and **Medicaid** laws.

Under the new **welfare** law, municipalities can discourage people from applying for cash assistance. Food stamps and **Medicaid**, however, are still Federal entitlements, and applications must be offered without delay. Federal officials view the benefits as critical because they keep the working poor off **welfare** and the newly employed from slipping back on.

But for some policy makers the dividing line is still blurry. And in some municipalities, including New York City, food stamps remain tarnished by **welfare**'s taint of failure.

"I count food stamps as being part of **welfare**," Jason A. Turner, the commissioner of the Human Resources Administration, testified last week. "You're better off without either one."

Mr. Turner emphasized, however, that the city's policy was to make sure that "all benefits to which individuals are entitled are freely available to them."

But the evidence presented in court last week proved otherwise, the judge ruled.

And during the hearing, Judge Pauley noted that city officials had disregarded a

steady drumbeat of complaints and warnings. Last summer, an internal city review determined that workers were improperly denying some applications and turning people away.

In July, Federal officials began voicing concerns about public access to **Medicaid**. In the fall, Federal auditors from the United States Department of Agriculture came to New York City to review 600 **welfare** cases. And the problems resurfaced in December and again this month, city officials testified last week.

But while three city officials told the court that they were "surprised," "outraged" and "upset" by the findings, they acknowledged that they did not consider reviewing the **welfare** application process until the class-action lawsuit was filed in December.

Patricia Smith, an executive deputy commissioner, said the city took no action beyond sending memos to insure that problems were not occurring in all job centers.

"It was a question of time and resources," Ms. Smith said when the judge asked why city officials had not visited all centers to insure that the law was being followed.

Organizations mentioned in this article:**Related Terms:**

Welfare (US); Workfare and Employment of **Welfare** Recipients; Food Stamps; Medicine and Health; **Medicaid**

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After Ruling, New York Vows to Amend Application Process for Needy

By RACHEL L. SWARNS

The Giuliani administration reiterated its promise to improve New York City's new **welfare** application process yesterday, one day after a Federal judge ruled that the process endangers the poor by denying prompt access to food stamps and **Medicaid**.

City officials, who acknowledge that some workers turned away people in need of assistance, promised to move quickly on a previously publicized plan to retrain workers, revise applications and post signs clearly outlining the public's rights to Government benefits.

Until those changes are made, the judge, William H. Pauley 3d of Federal District Court in Manhattan, has barred the city from converting any more **welfare** offices into "job centers," where workers discourage the poor from applying for public assistance and suggest alternatives.

"We have some more work to do and we intend to do it very quickly," Michael D. Hess, the city's top lawyer, said yesterday. "My expectation is that after we've presented the plan, the judge will permit us to go forward and open up the other job centers."

The proposed changes, however, do not answer a central concern raised in a preliminary report conducted by auditors at the United States Department of Agriculture, which oversees the food stamp program, who determined that the city's two-day application process violated Federal law saying that applications must be given without delay.

The city plans to maintain that process, requiring most people seeking public assistance to make a second visit to the job center before receiving the formal application that leads to a decision on whether they are eligible for food stamps and **Medicaid**. And the Agriculture Department, which will issue a final report in the coming weeks, may ultimately require the city to offer that application on the first visit.

City officials have vigorously defended the two-day process, saying that

requiring a second visit is a reasonable and legal way to screen out those who truly need assistance from those who do not.

Advocates for the poor, who filed the class-action lawsuit that resulted in Judge Pauley's ruling, acknowledge that the issue remains unresolved. But they say they hope the city's plan, which is subject to the judge's approval, will end the most serious problems.

"We're not really concerned about what form the city uses as long as people get the benefits they're seeking," said Helen Lee, a Legal Aid Society lawyer who filed the suit along with lawyers at the **Welfare** Law Center, Northern Manhattan Improvement Corporation and New York Legal Assistance Group.

City officials also praised Judge Pauley's decision, noting that he had commended their efforts to resolve the problems. Judge Pauley also praised the enthusiasm of job center workers, saying it gave him "considerable reason to be optimistic about the transition from income support centers to job centers."

The judge's ruling requires the city to postpone the scheduled openings of three job centers until at least Feb. 15, after which the judge will review the city's plan.

But Mayor Rudolph W. Giuliani emphasized yesterday that the city would ultimately convert all 31 **welfare** offices into job centers. There are 13 job centers now up and running, and city officials view the centers as critical to their efforts to push the poor to rely less on government.

Organizations mentioned in this article:**Related Terms:**

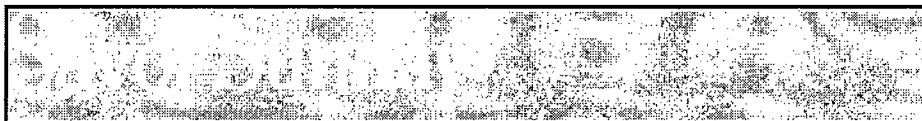
Welfare (US); Food Stamps; Medicine and Health; **Medicaid**; Workfare and Employment of **Welfare** Recipients

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February 4, 1999, Thursday
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State Investigators Find Medicaid Delays in City

By RACHEL L. SWARNS

Posing as poor people seeking **Medicaid**, state health investigators visited eight **welfare** offices in New York City last week and found that four of the offices failed to provide **Medicaid** applications promptly as required by Federal law, state officials said yesterday.

Under the law, city workers must distribute **Medicaid** applications "without delay." But at the four **welfare** offices, the workers told the undercover investigators that they would have to return on another day to receive the forms, state officials said.

"Obviously, we have concerns about what we have found," John Signor, a spokesman for the State Department of Health, said yesterday. "We're going to continue monitoring the situation."

The state investigators made their visits the day after a Federal judge ruled that city **welfare** workers were improperly denying applications for **Medicaid** and food stamps to the poor.

On Jan. 25, the judge, William H. Pauley 3d of Federal District Court in Manhattan, ordered the city to guarantee prompt access to the applications. He also temporarily blocked the city from converting any more of its **welfare** offices into "job centers," where workers discourage the poor from applying for public assistance.

Under the order, the city must produce a plan this month to correct the problems. City officials have already vowed to retrain hundreds of **welfare** workers, revise applications and post signs clearly outlining the public's rights to Government benefits.

But the problems uncovered by the state investigators suggest that violations continue to occur at **welfare** offices, even though city officials have already begun training workers and posting signs.

City **welfare** officials said they could not comment yesterday on the state's investigation because they had not been provided with any information about the findings. But they emphasized that the city has already taken steps to make

Medicaid more accessible in job centers by adding workers who will focus only on **Medicaid**.

Debra Sproles, a spokeswoman for the Human Resources Administration, which runs the city's **welfare** programs, said the agency "has already started to streamline our system so it's more accessible to the people who need **Medicaid**." She added, "We have already started to place **Medicaid** staff in the job centers."

Advocates for the poor, however, said they were particularly concerned that state investigators discovered such problems so soon after the judge issued his ruling and so soon after city officials promised to correct them.

"It really saddens me that this continues after all we've been through in the courts," said Helen Lee, a staff lawyer at the Legal Aid Society, which filed the class-action lawsuit that resulted in Judge Pauley's ruling.

"This is something we need to fix right away. We're talking about people's lives here," she said.

In court hearings before the ruling, Judge Pauley also criticized state officials for failing to monitor carefully the city's compliance with Federal laws.

That complaint has been echoed by officials from the Federal Health Care Financing Administration, which began an inquiry seven months ago to determine, in part, whether state officials were properly overseeing the city's **Medicaid** operations.

During the court hearing, a Federal health official noted that state officials had repeatedly failed to provide proof that they were monitoring the city as required by law.

State health officials said yesterday that they had their own concerns about access to **Medicaid** applications in New York City. And one day after the judge issued his ruling, the state sent three undercover investigators to determine what was going on for themselves.

"We have oversight responsibility," Mr. Signor said. "We're really just meeting our mandate here."

The investigators, who spent three days visiting **welfare** offices, could not get applications on their first visits to the Melrose **welfare** office and the Concourse job center in the Bronx; the Linden/Prospect job center in Brooklyn; and the Jamaica job center in Queens.

There are 13 job centers now up and running, and city officials plan to convert the remaining 18 **welfare** offices. They view the centers as crucial to their efforts to push the poor to rely on themselves first instead of on public assistance.

In his ruling, Judge Pauley commended the **welfare** workers' enthusiasm, saying it gave him "considerable reason to be optimistic about the transition from income support centers to job centers."

But Judge Pauley said the city must delay that expansion until it can correct the practices that "endanger" the lives of people seeking public assistance.

Some workers sent the hungry to food pantries rather than screening them for emergency assistance, city officials testified in court. Others refused to consider the applications of immigrants or teen-agers or women who showed up without their husbands. And still others simply refused to see anyone who pushed through the job center doors after 11 A.M., hours before the 5 P.M. closing time.

City officials had argued that the problems were isolated, the inevitable growing pains of a program created only 10 months ago.

The judge disagreed, but did praise "the conscientiousness" of the city officials who acknowledged the problems at the job centers and promised to address them.

Organizations mentioned in this article:

Human Resources Administration (NYC)

Related Terms:

Medicine and Health; **Medicaid**; **Welfare** (US)

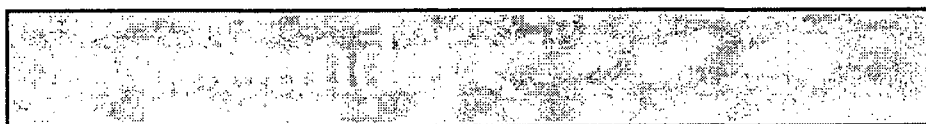
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June 8, 1999, Tuesday
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Inquiry Grows As Rolls Fall For Medicaid

By RAYMOND HERNANDEZ

Concerned over the steep declines of the **Medicaid** rolls in New York, Federal officials are studying whether local governments across the state are improperly preventing the poor from signing up for health benefits under the program.

The Federal Government has already been examining stringent new **welfare** policies in New York City that a Federal judge and advocates for the poor say have prevented many poor people from getting prompt access to **Medicaid** coverage.

But now, Federal officials are trying to find out if similar problems exist outside the city and what, if anything, Albany is doing to insure that localities are not erecting improper hurdles to applications for coverage.

The inquiry was outlined in a letter that Sue Kelly, a regional administrator for the Federal Health Care Financing Administration, sent to state health officials last month expressing concerns about New York. In the letter, Ms. Kelly said that it "appears that barriers exist in the application process" for **Medicaid** both inside and outside New York City. The letter specifically cites long delays in approving the **Medicaid** applications of more than 1,000 people in Nassau County. Ms. Kelly noted that the agency would, as a result, conduct a "program review" of the state **Medicaid** program.

New York State officials said that they welcomed the inquiry, and that they would provide documents outlining the thoroughness of their oversight. Federal and state officials are scheduled to meet on the matter later this month. "We look forward to that meeting so that we can show H.C.F.A. the significant monitoring effort that the department has undertaken in the **Medicaid** program," said John Signor, a spokesman for the state's Department of Health.

The concerns of Federal officials come at a time when statistics show that many localities in New York State -- from Nassau and Suffolk Counties to the Syracuse and Binghamton areas -- have reduced their **Medicaid** rolls far more than even New York City.

Elisabeth Ryden Benjamin, a lawyer for the Legal Aid Society who represents **Medicaid** recipients, called the Federal inquiry a significant development.

"This is an extremely serious step," she said. "The state needs to walk very carefully because what is happening in the localities is a field full of land mines."

But some state and local administrators of the **Medicaid** program reject such criticism, attributing the decline to a robust economy that has provided more jobs with private health benefits to poor people.

The fate of **Medicaid** recipients has drawn increasing attention in New York and across the nation since 1996, when the Federal Government passed a law overhauling its **welfare** program. That law gave states sweeping new powers to impose a host of restrictions on their poverty programs. But that law also specified that poor people would be able to keep their **Medicaid** coverage even if they lost their eligibility for **welfare** benefits. That provision was included, in part, to encourage **welfare** recipients to take low-wage jobs even when employers offered them no health care benefits.

But in most states, eligibility for **welfare** benefits and for **Medicaid** have been traditionally linked, and it has taken time for states to implement procedures formally severing the two programs. As a result, leaving **welfare** has often meant losing Medicaid as well. Beyond that, there is a perception among many needy families that they do not qualify for **Medicaid** if they are deemed ineligible for **welfare** benefits, according to advocates for the poor.

The issue has been of particular interest in New York State, where the **Medicaid** rolls have decreased by 276,973, or 9 percent, since President Clinton signed the law overhauling **welfare** in August 1996. That decline has come as local governments, including the Giuliani administration, aggressively implemented a host of new policies challenging people's eligibility for **welfare** benefits.

The enrollment decline among New York's **Medicaid** population, now at about 2.7 million, has drawn harsh rebukes from advocates for the poor who say that many local governments have made it difficult to get **Medicaid**. In January, for example, a Federal district judge ruled that New York City had improperly denied applications for **Medicaid** from poor people because they had not complied with the city's requirement that they work in exchange for **welfare** benefits. The city has said it plans to improve its procedures.

But the steep enrollment decline is not limited to New York City, where the **Medicaid** rolls have dropped by 8.3 percent since the Federal **welfare** law was passed in 1996. In that same period, the caseloads have dropped by 15.5 percent in Suffolk County, 10.8 percent in Nassau County, 11.5 percent in the Syracuse area and 13.9 percent in the Binghamton area, according to state statistics.

New York is one of the few states in the nation that does not directly administer its poverty programs but rather turns that job over to New York City and the 57 county governments around the state. But the state still has the main responsibility for insuring that local governments are complying with state and Federal statutes governing these programs.

New York State officials have themselves expressed concern that Federal rules intended to preserve **Medicaid** for people deemed ineligible for **welfare** have not always been followed. In fact, last January, state health investigators visited eight **welfare** offices in New York City and found that four had failed to provide **Medicaid** applications promptly.

But that apparently has not eased the concerns of Federal officials who have the authority to impose financial penalties on the state if it is not in compliance with Federal rules.

In the letter sent to state health officials last month, the Federal Government said it had not received documentation from the state showing what, if anything, had been done to correct the problem in New York City. The letter also cited published reports from Nassau County claiming that as of January, 1,129 **Medicaid** applications had been pending for more than a month with the wait averaging 78 days, even though Federal law requires **Medicaid** applications to be processed within 45 days in most cases. "If this is indeed the case in Nassau County, it would appear to violate Federal standards," the letter says.

As part of their inquiry, Federal officials will require the state to provide documentation of "all monitoring activities" it has conducted of local government policies, as well as the minutes of any meetings that state health officials have conducted with local administrators of the program, according to the letter. The inquiry will also likely include visits by Federal officials to local **welfare** offices, as well as a review of **Medicaid** applications to determine whether they have been handled properly, according to a Federal official who asked to remain anonymous.

"The Federal Government is clearly frustrated with New York's lack of oversight of its local districts," said Anne Erickson, the legislative coordinator for the Upstate Law Project, an advocacy group for the poor that monitors poverty programs in upstate New York. "What the Federal Government is saying is that the local districts need to comply with the law."

Organizations mentioned in this article:**Related Terms:**

Medicine and Health; **Medicaid**; Health Insurance; **Welfare** (US)

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Poor Workers Lose Medicaid Coverage Despite Eligibility

By ROBERT PEAR

Hundreds of thousands of low-income people across the United States have lost health insurance as an unintended consequence of the 1996 **welfare** law, Federal and state officials and health policy experts say.

In New York City, poor people seeking **welfare** benefits have often been unable to get **Medicaid**. New studies show that the problems documented in New York are occurring on a much larger scale around the country.

Moreover, investigators have discovered a new and different problem, which in some ways is more serious. Many people who obtained jobs and left the **welfare** rolls have lost **Medicaid** and become uninsured, even though, under the 1996 law, they were supposed to be able to keep their **Medicaid** coverage, health care experts say.

State officials, who administer **welfare** and **Medicaid**, acknowledge that they have not always complied with the requirements of Federal law intended to preserve **Medicaid** for people losing cash assistance.

Many **welfare** recipients have taken low-wage jobs with no health benefits. Even when employers offer benefits, low-wage workers are often unable to pay for them.

Thus, President Clinton's decision to sign the 1996 **welfare** law has unexpectedly undermined his goal of increasing the number of Americans with health insurance, a goal shared by Congress.

Senator John H. Chafee, Republican of Rhode Island, the main author of the provision of the law meant to preserve health benefits for people who lose cash aid, said: "I'm deeply concerned about the reports I've heard that people are losing their Medicaid coverage. This directly contradicts the intent of the 1996 **welfare** law and could very well undermine states' future success in helping people become self-sufficient."

Stan Dorn, director of the Health Consumer Alliance, a consumer help group

for low-income people in California, said: "We are seeing substantial losses in **Medicaid** coverage resulting directly from **welfare** reform, despite the best intentions of Congress to make sure that did not happen. The Administration hopes its legacy will be expanded health insurance coverage for children. But the unintended fallout of **welfare** reform threatens to swamp the significant benefits of new legislation to cover children."

Since early 1998, Mr. Clinton has repeatedly urged state officials to seek out children who are eligible for **Medicaid** but not enrolled, and he says there are at least four million of them. Even as some state health officials try to find these children, other state employees, in the same or different agencies, are denying or stopping **Medicaid** for many low-income families.

The possibility that some **welfare** recipients might lose health insurance was recognized in 1996. But in the last month, several authoritative studies -- by the Rockefeller Institute of Government in Albany, the Center for Health Policy Research at George Washington University and the Urban Institute -- have documented the pervasive problem.

On March 22, the Secretary of Health and Human Services, Donna E. Shalala, sent a sternly worded letter to state officials reminding them of their statutory obligations.

Federal law says that when a state cuts off a family's **welfare** payments because of increased earnings, it must include a **Medicaid** card or other document authorizing the family to continue receiving **Medicaid**. This law, adopted in 1988, was strengthened by the 1996 law, which provided additional protection for people losing **welfare** benefits.

State officials boast that they have transformed the culture and philosophy of **welfare** agencies, so they now focus on finding jobs rather than issuing checks. Besides cutting off **Medicaid** for many people who find jobs, some caseworkers have erroneously told poor people that they must search for work to get **Medicaid**.

Before the 1996 law, people who received cash assistance were automatically enrolled in **Medicaid**, and many **welfare** recipients said they stayed on **welfare** to keep their health insurance. Congress severed the link between the two programs in 1996, but Federal officials said there was still a widespread perception that **Medicaid** eligibility depended on whether a person received **welfare**.

The 1996 law requires most **welfare** recipients to work as a condition of getting cash aid, sets a five-year limit on the receipt of Federal **welfare** benefits and imposes many other restrictions on cash **welfare**.

Vernon K. Smith, a former **Medicaid** director in Michigan who has studied the interaction between **welfare** and **Medicaid** nationwide, said: "Many people believe incorrectly that the tough new **welfare** policies apply to **Medicaid**."

Matt D. Salo, a health policy expert at the National Governors' Association, said it was hard for caseworkers to reconcile two contradictory messages implicit in the 1996 law: "**Medicaid** is good, everyone should stay on **Medicaid**. But **welfare** is bad, everyone should stay off **welfare**."

In New York, the number of people on **Medicaid** has dropped by 265,348, or 9 percent, since Mr. Clinton signed the **welfare** law in August 1996.

Frances E. Tarlton, a spokeswoman for the New York State Health Department, said: "We are concerned about the drop in the **Medicaid** rolls. People who no longer qualify for cash assistance need to be informed that they are still probably eligible for Medicaid and should sign up for it. But for some reason, we are not seeing this happen."

In January, a Federal district judge ruled that New York City had improperly denied applications for **Medicaid** from needy individuals, on the ground that they had failed to comply with the work requirements of the city's **welfare** program. The city has vowed to improve its procedures, but the plaintiffs say its plans are inadequate. The judge will hear arguments this month.

In New Jersey, the number of people on **Medicaid** has declined by 54,261, or 8 percent. In Connecticut, which made a major effort to find eligible people, the number enrolled in **Medicaid** rose by 3,258, or 1 percent. In Oregon, the number of **Medicaid** recipients has dropped by 43,000, or 11 percent. In Texas, it has dropped by 306,890, or 15 percent, even though the state has expanded eligibility for **Medicaid**.

The number of people on **Medicaid** has dropped by 213,614, or 13 percent, in Pennsylvania; by 453,640, or 8 percent, in California, and by 58,899, or 4 percent, in Florida.

Patricia Redmond, health director of Philadelphia Citizens for Children and Youth, a child advocacy group, said: "When parents leave **welfare** for work, they and their children still qualify for **Medicaid**. That's the theory. In reality, it often doesn't happen.

"Time after time, children and parents who are legally entitled to **Medicaid** end up without it because of misinformation and burdensome reporting requirements. The main message they hear is, 'Go to work.' They are not told what they need to do to keep their **Medicaid**."

Chris Jennings, the health policy coordinator at the White House, said there were "unacceptable barriers" to getting and keeping **Medicaid** in some states. "It isn't necessarily intentional," he said, "but it has the same effect. People lose out on access to affordable coverage."

Diane Ross, assistant director of the Arizona **Medicaid** program, said: "When people get a job, they think they're not eligible for **welfare** or medical assistance, so they don't seek a redetermination of their eligibility for **Medicaid**. They just call and drop out of both programs."

The coverage available to people leaving **welfare** is sometimes called transitional **Medicaid**, because it helps them make the transition to work. When **welfare** rolls shrink, as they have in most states, the number of people using this form of **Medicaid** would be expected to increase. But that does not always happen.

In Arizona, the number of people getting both **welfare** and **Medicaid** dropped by 45 percent, to 81,106 last month from 147,890 in August 1996. But contrary to state officials' expectations, the number of Arizonans with transitional **Medicaid** fell in the period, to 19,105 from 23,426.

In deciding who gets **Medicaid**, states must use eligibility criteria at least as generous as those in effect in July 1996, just before passage of the **welfare** law.

Families with incomes low enough to qualify for **Medicaid** under the old standards are thus supposed to be eligible today, regardless of whether they receive **welfare**.

Congress provided \$500 million to help states carry out the **Medicaid** provisions of the 1996 law. But states have used less than 10 percent of the money, the Government says.

Some counties in California have long lists of former **welfare** recipients waiting to have their **Medicaid** eligibility re-evaluated. "The state has not given us clear instructions or correct forms," said Darlene D. Landis, the eligibility director for the local Department of Health and Human Services in Inyo County, Calif.

Karen Czapanskiy, a law professor at the University of Maryland, said she and her students had represented many **welfare** recipients who were deprived of **Medicaid** when they lost **welfare**. "Typically, if our clients get jobs, they call their caseworkers to stop cash benefits," she said. "The caseworker rarely mentions that transitional medical assistance is available."

Organizations mentioned in this article:

Related Terms:

Medicine and Health; States (US); **Medicaid**; Law and Legislation; **Welfare** (US); Workfare and Employment of **Welfare** Recipients; Health Insurance

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Q1: Wasn't HCFA investigating the city of New York for not providing Medicaid applications promptly? What is the status of that investigation?

A1: Beginning in July, HCFA began collecting information from city and state officials about Medicaid application procedures to ensure that New York City's Medicaid program was serving all qualified applicants, as required by law. In late January, a New York court issued a temporary restraining order against the city for failing to follow Medicaid enrollment requirements under law and regulation. The court required the city to submit a corrective action plan that includes procedure to address issues raised with the city's Medicaid enrollment process. That plan has now been submitted, and it is being reviewed and by the court.

[BACKGROUND: The state of New York has asserted that they cannot provide any information to HCFA due to the court proceedings. HCFA is continuing to gather information from other sources. The plaintiff in the court case is the Legal Aid Society of New York.]

Q2: How can the Federal government ask States to do more work on Medicaid enrollment when the Administration has a proposal in place that will reduce the funds available for Medicaid?

A2: With the repeal of the AFDC program and the enactment of TANF, states began to amend their public assistance cost allocation plans to charge activities to programs in the proportion to which the programs benefited from those activities, thereby increasing administrative costs for both Medicaid and Food Stamps. At the same time, these costs were already included in States' TANF block grants. The President's Budget proposes to reduce Medicaid administrative costs only to the extent that they would be increasing due to the changes in cost allocation plans - just as the Agriculture Research, Extension, and Education Reform Act reduced Food Stamps administrative costs last year. Unlike that Act, however, the Administration's proposal would allow States to use TANF funds to offset these cuts to the Medicaid program.

The Administration is committed to helping States to provide coverage to as many of the uninsured as possible. The President's Fiscal Year 2000 budget outlines some additional initiatives that would improve Medicaid awareness and potentially enroll thousands more children in Medicaid as well as CHIP. For example, HHS is proposing to broaden states' ability to use a special \$500 million Medicaid fund, enacted in the 1996 welfare reform law and aimed at outreach for children losing welfare, to fund outreach to other children eligible for CHIP. In addition, outreach is no longer limited under the 10% cap on administrative costs

for the CHIP program. Instead, an additional 3% outreach cap would be established.

Q3: It appears that the Administration opposes any effort to redirect unused TANF funds. How do you view the proposal to defer \$350 million in unused TANF funds, which is part of the Emergency Supplemental Bill approved by the Senate Appropriations Committee?

A3: The Administration strongly opposes the proposal because it will undermine the decisions already made by the states regarding how they plan to use their TANF funds. We encourage states to continue to invest in all families to enable them to succeed at work. This means both helping hard-to-serve recipients overcome the barriers that prevent them from working and helping working families to sustain and improve their employment so that they can support themselves and their children. Innovative investment of the unspent funds is essential to the success of welfare reform.

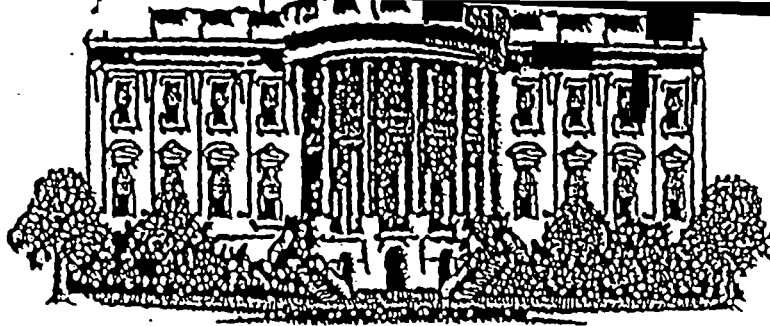
[BACKGROUND: The most recent data reported by the states to the Department show that in FY 1998, states also continued to make large investments in their work first welfare programs, spending or committing to spend 84 percent of their federal funds. Nineteen states spent 100 percent of their block grant. Although states can reserve funds from year to year without limitation, when FY 1997 and 1998 funds are combined, states left only 10 percent of the federal block grant unspent. We expect future data to show a substantial increase in spending commitments because 1) states will have had the opportunity to appropriate these additional funds, which they did not initially plan for because they did not expect such large caseload declines; 2) state policy decisions made in early 1998 will now be implemented, resulting in additional expenditures. We also expect states to leave some TANF funds unspent, leaving them in the federal treasury for a "rainy day" when additional funds may be needed due to population increases or a regional recession.]

Q4: What is HHS doing about the "public charge" issue and why?

A4: HHS sent out letters to the states last year reminding them that there are only limited circumstances when personal information on benefit receipt can be released and repayment sought. The Medicaid and the previous AFDC laws are clear about this, and DHHS is committed to following the letter of the law. Additionally, the INS has informed its field offices that they may not condition a person's visa on repayment of past benefits.

HHS has been working closely with the INS, State Department and other agencies to develop guidance on these complex and critical issues. We are hopeful that guidance will be issued shortly.

We also note that the INS *has* confirmed through several letters that use of Medicaid and CHIP by the children of immigrants, both U.S. citizen and immigrant, will *not* have any effect on the public charge status of their immigrant family members.



THE WHITE HOUSE

Domestic Policy Council

DATE: 3/19

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also on their web site -
Also a few suggestions on your
QTA

Food Stamp Access Q&A
February 26, 1999

Q: What is the Administration doing to address the problem in today's New York Times that while the economy is strong and unemployment is low, there seems to be an increasing need for food assistance -- especially among the working poor?

A: During the consideration of welfare reform, the President insisted on maintaining the federal Food Stamp guarantee and the Administration continues to work to ensure that people moving from welfare to work as well as all other low-income families get the nutritional assistance they need. The President also has worked hard and successfully to restore food stamp assistance to certain legal immigrants whom the welfare law wrongly cut off. He is committed to ensuring that those who need nutritional assistance remain eligible for food stamps and that those eligible actually receive the assistance they need.

This Administration also has fought to ensure that working families receive the other supports they need to succeed. The Administration fought for and won increases in the minimum wage, the Earned Income Tax Credit, child care, and transportation, and the President has proposed further increases in the minimum wage, child care, and welfare-to-work transportation in this year's budget.

Q: If part of the problem is that people who are eligible for Food Stamps are shying away because state officials are becoming overzealous in their efforts to reduce assistance rolls, what is the Administration doing to address this issue?

A: Recently, the Department of Agriculture sent notices to all states reminding them of the law's requirements that eligible individuals receive Food Stamps as soon as they request this assistance. In addition, the Department has vigorously investigated complaints about certain state and local practices hindering access to Food Stamps, and has followed these investigations with appropriate administrative action. The Administration will continue its commitment to ensuring that all those who are eligible for Food Stamps receive the assistance they need.

Background

USDA issued formal guidance to all state welfare agencies on January 29, 1999 reminding them of their obligations to ensure that applicants are aware of their right to file an application for food stamps, process applications in a timely manner, and continue food stamp benefits when TANF benefits are denied or terminated.

Last year, USDA launched an investigation of New York City's Food Stamp policies, and issued a formal report to New York State on February 5, 1999. The report served as a notification of potential sanctions should current practices not be corrected. In the meantime New York has submitted a corrective action plan to the U.S. District Court, which includes issues relating to Food Stamps.

LETTER TO STATE WELFARE COMMISSIONERS ON ENSURING FOOD STAMP NUTRITION BENEFITS DURING TANF PROGRAM CHANGES

The letter below was sent from the Food and Nutrition Service to the commissioners of all State welfare agencies on January 29, 1999, to ensure that changes in TANF operations do not improperly reduce food stamp nutrition assistance.

JAN 29 1999

Dear Commissioner:

The Administration is committed to ensuring that all eligible low-income households have access to vital Federal nutrition assistance programs such as the Food Stamp Program (Program). The Program, which provides nutrition assistance benefits to more than 19 million eligible individuals nationwide, is the cornerstone of our efforts to guarantee a healthy and nutritious diet to all low-income families. Due to welfare reform and to today's strong economy, many households are finding employment and leaving the Temporary Assistance for Needy Families (TANF) program. We want to continue to work together to ensure that policy innovations in TANF do not inadvertently result in diminished access to nutrition assistance for those who still need assistance, including working families.

Recently we polled all State food stamp agencies to find out if they are complying with food stamp application processing regulations. We learned that most State agencies are continuing to encourage individuals to apply for food stamps even if they have been diverted from applying for TANF. They are continuing to process food stamp applications even if individuals have been denied TANF. Moreover, they are continuing to keep eligible individuals on the food stamp rolls after they have left TANF. Finally, many State agencies have taken special steps to avoid improperly denying or delaying food stamp receipt by providing special training for eligibility workers and/or sending notices to local offices reiterating the need to follow food stamp application processing regulations.

While most of the feedback has been positive, your continued cooperation with federal law will ensure that low income families have the opportunity to apply for food stamps and receive benefits to which they are entitled. We want to highlight several circumstances when State agencies need to pay particular attention to the food stamp application processing regulations.

- **Application for Benefits:** Many States are diverting individuals from going on TANF rolls. Individuals may be required to engage in job search prior to filing an application for TANF. These same pre-application requirements for TANF cannot be applied to food stamps. Therefore, in these instances, it is particularly important that the State agency make sure that applicants are fully aware of their right to file an application for food stamps.
- **Processing the Application:** Some States hold applications for TANF until the applicant has completed the pre-application requirements. In these circumstances, it is imperative that you continue to process the food stamp application and screen it for expedited service despite the delay in processing the TANF application.
- **Determining Eligibility:** In some circumstances, an applicant may get a job during a TANF-required job search and may subsequently be denied TANF based on his or her earnings. Or, the applicant may accept a lump sum diversion payment in lieu of monthly benefits. In these circumstances, State agencies must make a separate eligibility determination for food stamps. The earnings may not be enough to make the applicant ineligible for food stamps, or may not be received until the month after the month of application, in which case the applicant may still be eligible for food stamps in the month of application. Also, the TANF diversion payment may be excludable for food stamp purposes as a one-time lump sum payment.
- **Continuing Food Stamp Benefits When TANF Benefits are Terminated:** The TANF rolls are falling because many individuals are moving into the workplace. As this continues to occur,

State agencies should not automatically terminate the food stamp benefits as well. In some cases, a State agency may have enough information to simply adjust the food stamp benefit amount. In others, the State agency may have enough information to terminate the food stamp benefits. However, if the State agency does not have enough information to make a determination either way, it should request additional information from the household. Some States have "exit interviews" for families leaving TANF. Since an interview is already taking place, and if the individual is willing, the State agency may want to consider doing an unscheduled food stamp recertification at this time. This would allow the State agency to explore the individual's circumstances in depth and would save the individual from having to come in the following month for a separate food stamp interview.

As mentioned above, most State agencies have not reported any problems in these areas. However, because of the seriousness of this matter, I encourage you to review your procedures and to make sure that individuals denied, diverted from, or terminated from TANF are fully considered for food stamps and receive benefits if they are entitled.

The Food Stamp Program serves a vital role in helping families move to self-sufficiency. Welfare reform and the strong economy have enabled millions of people to enter the workforce and leave cash assistance behind. However, working poor families continue to need support after leaving the cash assistance roles. Even people working full-time at minimum wage and taking advantage of the maximum Earned Income Tax Credit may find themselves substantially below the poverty line and can benefit substantially from receiving food stamps. Food stamps can be vital to their well-being. To this end, I appreciate your continued cooperation in ensuring that these individuals have access to the Food Stamp Program.

If you have any questions, or need additional information, please call your Food and Nutrition Service Regional Administrator.

Sincerely,

/SIGNED/

Samuel Chambers, Jr.
Administrator

Identical letters sent to commissioners in all State food stamp agencies

for the CHIP program. Instead, an additional 3% outreach cap would be established.

Q3: It appears that the Administration opposes any effort to redirect unused TANF funds. How do you view the proposal to defer \$350 million in unused TANF funds, which is part of the Emergency Supplemental Bill approved by the Senate Appropriations Committee?

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A3: The Administration strongly opposes the proposal because it will undermine the decisions already made by the states regarding how they plan to use their TANF funds. We encourage states to continue to invest in all families to enable them to succeed at work. This means both helping hard-to-serve recipients overcome the barriers that prevent them from working and helping working families to sustain and improve their employment so that they can support themselves and their children. Innovative investment of the unspent funds is essential to the success of welfare reform.

[BACKGROUND: The most recent data reported by the states to the Department show that in FY 1998, states also continued to make large investments in their work first welfare programs, spending or committing to spend 84 percent of their federal funds. Nineteen states spent 100 percent of their block grant. Although states can reserve funds from year to year without limitation, when FY 1997 and 1998 funds are combined, states left only 10 percent of the federal block grant unspent. We expect future data to show a substantial increase in spending commitments because 1) states will have had the opportunity to appropriate these additional funds, which they did not initially plan for because they did not expect such large caseload declines; 2) state policy decisions made in early 1998 will now be implemented, resulting in additional expenditures. We also expect states to leave some TANF funds unspent, leaving them in the federal treasury for a "rainy day" when additional funds may be needed due to population increases or a regional recession.]

Q4: What is HHS doing about the "public charge" issue and why?

A4: HHS sent out letters to the states last year reminding them that there are only limited circumstances when personal information on benefit receipt can be released and repayment sought. The Medicaid and the previous AFDC laws are clear about this, and DHHS is committed to following the letter of the law. Additionally, the INS has informed its field offices that they may not condition a person's visa on repayment of past benefits.

HHS has been working closely with the INS, State Department and other agencies to develop guidance on these complex and critical issues. We are hopeful that guidance will be issued shortly.

Note
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removed from
bill 3/18
NOT MF
acts are in
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Q: How is welfare reform going?

A: First, caseloads are down dramatically. The number of welfare recipients has dropped by more than 30 percent since August 1996, and the percentage of the U.S. population receiving assistance is the lowest since 1969.

Second, welfare recipients are moving into jobs as a result of welfare reform. Preliminary state data show that 50 to 60 percent of the people leaving welfare under TANF are working a short time later. Early national data show that 1 in 3 families who received welfare in 1996 -- 1.7 million people -- were working in 1997, just one year later. This is a dramatic increase from the 19 percent of families in this category in 1992.

Third, there has been NO race to the bottom in state welfare spending, and states are spending somewhat more per recipient than they did in 1994. In fact, 22 states report spending above the required maintenance of effort level.

Fourth, a majority of states are increasing their earnings disregards. That means they're raising the amount of earnings that are not counted when determining a recipient's benefits. This will not only help pull families out of poverty, it will send the message to low wage earners that going to work is a better deal than staying home.

This is clearly not the end of welfare reform, it is only the beginning. That's why the President has spoken forcefully about the need for the business community to hire people coming off welfare, ~~and has backed up his words with deeds by offering tax incentives to businesses that hire welfare recipients.~~ And that's why this Administration has challenged all Americans to help make this historic law work even better.

(The 10,000 Companies that have joined the Welfare to Work Partnership have hired 410,000 welfare recipients.)
 [Background: In 1998, 225,000 legal immigrant children, elderly and disabled persons who were in the country as of enactment of the welfare reform law had their Food Stamp eligibility restored. In raw numbers, citizen households receiving welfare declined by 857,000 from 1994-1997, and immigrant households declined by only 249,000 according to CPS estimates.]

Q: What other steps are being taken to get Medicaid eligibles enrolled?

A: The Administration is committed to improving awareness of both Medicaid and CHIP. For example, we recently announced the Insure Kids Now campaign, a toll-free number and media campaign to help families get access to both Medicaid and CHIP. Last year, we revised our regulations to permit states to extend Medicaid to low income two-parent working families even if the principal wage earner worked more than 100 hours per month. We've issued a guidebook **date TBD** to help state welfare, Medicaid, and CHIP directors find and use effective options to enroll more eligible people. And we are also working with states to identify model outreach strategies, program operations,

The federal government has done it's fair share to hiring

10,000 since 1997.

individuals may not realize they are still eligible for the Medicaid program even if their income increases slightly.

Irrespective of these complicated questions, the Administration maintains its long-standing belief that the best approach is for states to move families from welfare to work, while preserving Medicaid eligibility and improving outreach strategies. The guidebook released **date TBD** is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also makes clear that states' TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

Q: Isn't welfare reform responsible for the drop in Medicaid enrollment?

A: This Administration has demonstrated an unprecedented commitment to reducing the numbers of the uninsured and would not take any action that would reduce access to health insurance for low-income people. National welfare reform legislation was enacted in August 1996 and phased in by the states during 1997, so the numbers currently available say little about the effect of welfare reform on Medicaid coverage.

Beginning in 1993, President Clinton led the effort to reform welfare by granting waivers to 43 states allowing them to move families from welfare to work. In each waiver, the Administration insisted that states ensure continued Medicaid coverage for all eligible people at the same time they were promoting work. This reflected our commitment to expanding health coverage and our belief that health insurance is a crucial work support.

Consistent with this conviction, the President insisted that the welfare reform law guarantee Medicaid coverage to all adults and children who would have been eligible prior to the law's passage (except for those adults who refuse to meet their work obligations). Recently, the Department revised its regulations to help families work their way off welfare by permitting states to extend Medicaid to low income two-parent families even if the principal wage earner worked more than 100 hours per month.

The guidebook released **date TBD** is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also makes clear that states TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

Again, the precise reason for declining Medicaid rolls is a complex question with no easy answer. A possible answer is that the improving economy has made it possible for many low income people enrolled in the Medicaid program to find jobs that offer health insurance benefits. Another answer is that individuals may not realize they are still eligible for the Medicaid program even if their income increases slightly.

Commit we
say
"No"

Or
"We don't
believe
so"



DEPARTMENT OF HEALTH & HUMAN SERVICES

Melissa T. Skolfield

Assistant Secretary for Public Affairs

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3/16

Total number of pages sent:

10

Comments:

3/16/99

NOTE TO CHRIS JENNINGS AND CYNTHIA RICE -

I've attached the draft of the GWU press release, and some Q and As on the topic for your review. Please note that:

- The press release should not be shared with anyone else. I'm going to try to negotiate the language and a release date with them.
- The Q and As borrow heavily from material you've already cleared - the guidebook and the Q and As Bruce and Chris ok'd some time ago in response to a NYT Week in Review piece. But I'd very much like your thoughts as I clear them within the department.
- I believe John Monahan is right that we need to talk to a few members of Congress and intergovernmental groups before this guidebook is in the press.

Can you all call me, fax me, or maybe set up a conference call with John and me before we make any further decision? Thanks.

Melissa

DRAFT KAM 3/9/99

GWU's just draft.

they're open on timing. next 2 weeks.

Ann McCormick in

For Immediate Release
March 1999

Contact: ????
202/496-8499

ASPE

*Turning
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WORK-ORIENTED WELFARE REFORM STRATEGIES MAY HAVE POTENTIAL TO DIVERT FAMILIES FROM MEDICAID

GWU Researchers Say Emphasis on Steering Families Away From Cash Assistance and Requiring Work-Related Activities Likely to Increase

Formal strategies to divert families from welfare are an increasingly common aspect of states' efforts to shift to a work-oriented assistance system according to a study released today by the Center for Health Policy Research ("CHPR") at The George Washington University School of Public Health and Health Services. More than half of the nation's states have instituted formal programs to avoid enrolling families in welfare programs by finding other ways to assist them or by requiring work-related activities at a much earlier point in the application process. These efforts to emphasize work instead of welfare on the "front end" can also result in informal diversion. Diversion, both formal and informal, has substantial potential to reduce initial access to Medicaid, particularly as families increasingly bypass welfare or go to work quickly.

There is increasing awareness and concern that the implementation of aggressive state welfare reform efforts can lead to decreased access to other public benefits such as Food Stamps and Medicaid. The 18-month CHPR study examined the emergence of diversion programs as a welfare reform strategy and the potential for diversion to reduce access to Medicaid. The first study, released in September 1998, reported on a nationwide study of the different types of state diversion programs. This second study examined the experiences of five local communities in five states (GA, MD, MO, MT, OH) in establishing diversion programs.

"Design and implementation of diversion programs reflect state and/or local goals and philosophies," noted Kathleen A. Maloy, JD, PhD, principal investigator on the study and Associate Research Professor at the GWU School of Public Health, "these five states represent a range of diversion strategies that illustrate the importance of understanding key design and implementation choices in each state and, in some cases, each local office within a state." Of the three types of formal diversion programs, mandatory applicant job search represents the fastest growing program with the greatest potential to divert large number of families.

"One of the most striking findings from these case studies is how little we know about the outcomes of diversion for families," commented LaDonna A. Pavetti, PhD, co-principal investigator and Senior Research at Mathematica Policy Research, "for example, how many families are being diverted and what their circumstances are once they are diverted." Without such information, reports on the success or failure of state welfare reform efforts are incomplete.

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Delinking Medicaid and cash assistance creates both opportunities to ensure and/or enhance access to Medicaid and circumstances that can result in reduced access. States' early experiences suggest that delinking Medicaid from cash assistance is a complex undertaking. The advent of diversion programs adds to this complexity. This study focuses on the frequently overlooked issue regarding whether certain families (such as diverted families) not receiving or forgoing cash assistance are still considered for their eligibility for Medicaid. "We found the potential for these potentially Medicaid-eligible families to fall through the cracks" noted Dr. Maloy, "and in light of preliminary evidence suggesting declining Medicaid enrollment generally among eligible groups, this issue requires serious attention."

She commented that "the study results suggest two reasons for state diversion programs to affect Medicaid eligibility. First, it is challenging for states to implement two eligibility procedures, one for welfare and one for Medicaid. Second, many states have not considered how to make their Medicaid policies support the goals of diversion programs for families to bypass welfare and pursue work. Eligible families that never enter the welfare system because they 'play by the rules' and find work quickly, however, may forgo the Medicaid eligibility that they otherwise might have had — Medicaid eligibility that could support maintaining work — unless states make changes in their Medicaid policies."

Study findings suggest that the compelling Medicaid and welfare reform policy challenge posed by diversion is how to use Medicaid effectively to support the welfare reform goal to promote work. Because PRWORA fundamentally changed the nature of the welfare system, states can and should consider whether it is a desirable consequence of their Medicaid and welfare policies that access to Medicaid for diverted families is limited or unavailable. State officials can ameliorate this effect on Medicaid by improving implementation efforts and taking advantage of policy options under Section 1931 to focus attention on Medicaid as a stand-alone health insurance program for low-income families.

The study was funded by The Administration for Children and Families and The Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services. Basic support for this study, as well as support for ongoing analyses of welfare reform and health, was also provided by The Robert Wood Johnson Foundation as part of the Foundation's commitment to funding research examining the impact of welfare reform on access to Medicaid and health care services.

Copies of the report titled "*Diversion As A Work-Oriented Welfare Reform Strategy and Its Effect on Access to Medicaid: An Examination of the Experiences of Five Local Communities*" can be ordered by calling 202-530-2346.

W Diversion Report Q and As
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Version in clearance

Q: This study suggests that state welfare diversion policies like one-time cash assistance, mandatory job search, and encouraging alternative sources of support may have negative consequences for poor families -- and may especially be discouraging people from enrolling in Medicaid. Is this true, and how does the Administration feel about these efforts by the states?

A: Our goal is to continue to do everything possible to maximize both the number of individuals with health insurance and the number of people moving from welfare to work. Under the welfare reform bill, states have the flexibility to provide families with enough cash to solve an immediate problem and stay off welfare, or to require an up-front job search before cash assistance is provided. These strategies appear to be both well-intentioned and effective.

As for the effect of diversion strategies on Medicaid, the report itself notes that the "de-linking" of Medicaid and cash assistance creates both opportunities and challenges in ensuring access to Medicaid. We agree. When families learn that they can receive Medicaid coverage without having to receive welfare, they may be less likely to turn to welfare in the first place, or to return to the welfare system if they have unmet health care needs. "De-linkage" also provides a special opportunity for states to promote both Medicaid and CHIP as an independent support for low-income working families.

The decoupling of Medicaid and TANF also means that states need to pay careful attention to their eligibility and enrollment processes. That's why we have worked with states to ensure that people moving off cash assistance programs, as well as low-income working families who may not realize they are eligible for assistance, get Medicaid benefits. We agree with the authors of this report that diversion problems can be averted if states adequately inform families of their ability to apply for Medicaid separately from cash assistance; put procedures in place to be sure Medicaid applications are processed promptly; and exercise new options under the law to make more working families eligible for Medicaid.

HHS has repeatedly urged states in many different ways to pay attention to their eligibility and enrollment processes to ensure that those eligible for Medicaid - particularly children - are enrolled. In fact, all state Medicaid and TANF administrators received a letter in June of last year explaining actions states should take to ensure that all those eligible for Medicaid receive it - including making Medicaid and CHIP applications available at sites where TANF eligibility is evaluated, and where "diversionary" assistance is provided.

The guidebook released **date TBD** is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also

makes clear that states TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

We will continue to work with states to identify model outreach strategies, program operations, coverage expansions and Medicaid policies designed to increase the number of people eligible for Medicaid who actually receive it.

BACKGROUND: Beginning in 1993, President Clinton led the effort to reform welfare by granting waivers to 43 states allowing them to move families from welfare to work. In each waiver, the Administration insisted that states ensure continued Medicaid coverage for all eligible people at the same time they were promoting work. This reflected our commitment to expanding health coverage and our belief that health insurance is a crucial work support. Consistent with this conviction, the President insisted that the welfare reform law guarantee Medicaid coverage to all adults and children who would have been eligible prior to the law's passage (except for those adults who refuse to meet their work obligations).

Q: What are the current figures available for the number of Medicaid recipients nationwide? Are they declining?

A: The latest Medicaid enrollment figures, for 1997, show that there are 40.3 million Americans enrolled in Medicaid, down from 41.2 million enrolled in 1996. It is too early to say with confidence what has caused this decline, however. There are a number of factors, such as fewer people in poverty, lower rates of unemployment, and the rise in number of businesses offering health insurance to their employees that contribute to any change in enrollment numbers. It's also important to note that while Medicaid enrollment has declined since 1996, the number of people under the poverty level who are uninsured has not increased in that period.

BACKGROUND: The overall enrollment figures are 41.4 million in 1995, 41.2 million in 1996, and 40.3 million in 1997. The number of children enrolled went from 20.4 million in 1995 to 20.5 million in 1996 to 19.6 million in 1997. In addition to adults and children receiving cash assistance, Medicaid also covers disabled individuals who receive SSI, low-income elderly Americans, low income parents who would have qualified for cash assistance under the rules in effect prior to the enactment of welfare reform; their children; other children of working parents who meet certain income guidelines; and some working adults in states that have received waivers to continue Medicaid eligibility to low-income working families.

Q: Why are the Medicaid rolls decreasing?

A: This is a complex question with no easy answer. A possible answer is that the improving economy has made it possible for many low income people enrolled in the Medicaid program to find jobs that offer health insurance benefits. Another answer is that

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here

individuals may not realize they are still eligible for the Medicaid program even if their income increases slightly.

Irrespective of these complicated questions, the Administration maintains its long-standing belief that the best approach is for states to move families from welfare to work, while preserving Medicaid eligibility and improving outreach strategies. The guidebook released **date TBD** is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also makes clear that states' TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

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Q: How is welfare reform going?

A: First, caseloads are down dramatically. The number of welfare recipients has dropped by more than 30 percent since August 1996, and the percentage of the U.S. population receiving assistance is the lowest since 1969.

Second, welfare recipients are moving into jobs as a result of welfare reform. Preliminary state data show that 50 to 60 percent of the people leaving welfare under TANF are working a short time later. Early national data show that 1 in 3 families who received welfare in 1996 -- 1.7 million people -- were working in 1997, just one year later. This is a dramatic increase from the 19 percent of families in this category in 1992.

Third, there has been NO race to the bottom in state welfare spending, and states are spending somewhat more per recipient than they did in 1994. In fact, 22 states report spending above the required maintenance of effort level.

Fourth, a majority of states are increasing their earnings disregards. That means they're raising the amount of earnings that are not counted when determining a recipient's benefits. This will not only help pull families out of poverty, it will send the message to low wage earners that going to work is a better deal than staying home.

This is clearly not the end of welfare reform, it is only the beginning. That's why the President has spoken forcefully about the need for the business community to hire people coming off welfare - and has backed up his words with deeds by offering tax incentives to businesses that hire welfare recipients. And that's why this Administration has challenged all Americans to help make this historic law work even better.

[Background: In 1998, 225,000 legal immigrant children, elderly and disabled persons who were in the country as of enactment of the welfare reform law had their Food Stamp eligibility restored. In raw numbers, citizen households receiving welfare declined by 857,000 from 1994-1997, and immigrant households declined by only 249,000 according to CPS estimates.]

Q: What other steps are being taken to get Medicaid eligibles enrolled?

A: The Administration is committed to improving awareness of both Medicaid and CHIP. For example, we recently announced the Insure Kids Now campaign, a toll-free number and media campaign to help families get access to both Medicaid and CHIP. Last year, we revised our regulations to permit states to extend Medicaid to low income two-parent working families even if the principal wage earner worked more than 100 hours per month. We've issued a guidebook **date TBD** to help state welfare, Medicaid, and CHIP directors find and use effective options to enroll more eligible people. And we are also working with states to identify model outreach strategies, program operations,

coverage expansions and Medicaid policies. Louisiana, for example, is replacing its 14 page Medicaid application with a 2 page application for both Medicaid and its CHIP program.

The President's Fiscal Year 2000 budget outlines some additional initiatives that would improve Medicaid awareness and potentially enroll thousands more children in Medicaid as well as CHIP:

- HHS is proposing to broaden states' ability to use a special \$500 million Medicaid fund, enacted in the 1996 welfare reform law and aimed at outreach for children losing welfare, to fund outreach to other children eligible for CHIP. [This is expected to increase Medicaid spending by \$345 million over the next five years, including both administrative expenses and benefits.]

- The President's budget proposes allowing states to extend Medicaid to low-income children up to age 21 who were in foster care but who 'age out' of that system at age 18. This would help assure health care for this vulnerable population as they continue to prepare for adulthood, just as older children living in their own families can be covered under a parent's insurance policy. Each year, about 16,000 youths age out of foster care and 9,000 more leave the foster care system and run away.

- In addition, we are proposing to remove outreach costs from the 10 percent cap states have on administrative costs for the CHIP program. Instead, states could spend up to 3 percent of their total allotment on outreach. This initiative, which is scored at \$875 million, would give states more flexibility in designing outreach campaigns to reach families.

Q. In light of the Administration's commitment to maximizing health insurance coverage for low-income working families, why does your budget not include a proposal to remove the sunset on the transitional Medicaid benefit, which will expire at the end of FY 2001 under current law?

A. The Administration has always supported health care coverage for families moving from welfare to work. That is why the budget includes two proposals to simplify and improve transitional Medicaid--it removes certain burdensome reporting requirements, and it encourages States to serve more low-income working families. Since transitional Medicaid is authorized throughout both the coming fiscal year and the fiscal year after that, the program does not need to be reauthorized at this point and is therefore not included in budget projections through FY2002-2004. We will continue our efforts to ensure that people making the transition from welfare to work have the necessary health care supports to keep them successfully on the job and off of welfare.

BACKGROUND: The Administration has always supported health care coverage for families moving from welfare to work. The President's FY2000 budget baseline for Medicaid reflects the fact that the requirement for TMA expires on September 30, 2001

under current law. As a general matter, the budget projections 2001-2004 regarding Medicaid do not reflect potential legislative proposals. The FY2000 budget does include a proposal to remove burdensome reporting requirements that have posed an obstacle to families' participation in transitional Medicaid. The budget also includes a provision that states that extend Medicaid to individuals up to 185% of poverty have the option not to do TMA.

Q: Why aren't HCFA and ACF issuing guidance to states specifically about diversion programs in general or lump sum payment programs in particular?

A: HHS has repeatedly urged states in many different ways to pay attention to their eligibility and enrollment processes to ensure that those eligible for Medicaid - particularly children - are enrolled. In fact, all state Medicaid and TANF administrators received a letter in June of last year explaining actions states should take to ensure that all those eligible for Medicaid receive it - including making Medicaid and CHIP applications available at sites where TANF eligibility is evaluated, and particularly where "diversionary" assistance is provided. The guidebook released **date TBD** is just the latest of our efforts to work with states to ensure that people moving off cash assistance programs, and working families who may not realize they are eligible for assistance, still get Medicaid benefits. The guidebook also makes clear that states TANF-Medicaid application must furnish a Medicaid application upon request and may not impose a waiting period. States must also process Medicaid applications without delay.

Q: You've bragged about welfare caseload declines since 1994, but recent reports say the declines are disproportionately in the immigrant community. Isn't that a terrible consequence of your policies?

A: Not at all. Findings in the recent Urban Institute study are based on data that was collected prior to the implementation of welfare reform eligibility changes. The President has always been clear that welfare reform is about moving people who can work to work -- not punishing children and the elderly who are here legally. With the President's leadership, a significant number of legal immigrants who lost their benefits under the welfare reform act have already had their eligibility restored. As the report itself states, immigrants represented only 9 percent of households receiving welfare in 1994 -- most of the decline was not in the immigrant community. In his 2000 budget, the President has proposed to restore Medicaid and the Children's Health Insurance Program (CHIP) to legal immigrant children who have entered the country after the welfare law's enactment, and to restore Medicaid to pregnant women who enter the country after enactment.



DEPARTMENT OF HEALTH & HUMAN SERVICES

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Total number of pages sent:

2

Comments:

3/17/99

NOTE TO CYNTHIA RICE ---

As promised, here's the missing "Q" on what HCFA is currently doing in New York. Please let me know if you have any edits on the previous set of Q and As, and give me a call when you can. Thanks.

Melissa

Q: Wasn't HCFA investigating the city of New York for not providing Medicaid applications promptly? What is the status of that investigation?

Beginning in November (?) HCFA began collecting information from city and state officials about Medicaid application procedures to ensure that New York City's Medicaid program was serving all qualified applicants, as required by law. In late January, a New York court issued a temporary restraining order against the city for failing to follow Medicaid enrollment requirements under law and regulation. The court required the city to submit a corrective action plan that includes procedure to address issues raised with the city's Medicaid enrollment process. That plan has now been submitted, and it is being reviewed both by HCFA and by the court.

[BACKGROUND: The state of New York has asserted that they cannot provide any information to HCFA due to the court proceedings. HCFA is continuing to gather information from other sources, even as they review the corrective action plan. The plaintiff in the court case is the Legal Aid Society of New York.]

cc: Chris Jennings



This Facsimile is from the

Administration for Children and Families
370 L'Enfant Promenade S.W.
Washington, D.C. 20447-0001

Date: 3/17/99

This transmission consists of this cover plus _____ pages

To: Deborah Adler

From: Kristin Sieberaler

Phone: _____

Phone: _____

Fax: 456-5557

401-5180

Messages: John asked me to fax to you.
We will brief the IE groups, hill,
and advise each interest group after
release of DAF Medicaid guide.

(thus, probably 3 large briefings)

Administration for Children and Families

Phone: 401-9200

Fax: 401-5770

Ex. Sec.: 401-9211

Fax: 205-4891

TANF-Medicaid Outreach ASL Congressional Roll-Out

Day One - Minus One

Calls to alert key hill staff re release of Outreach Package
and offer briefing on it.

(Sharon Clarkin and Mary Bourdette will make calls)

Day One

Deliver Outreach Package to key hill staff

Day One - Plus

Hold briefings as arranged.

Key Hill Staff re Outreach Package:

House:

Ron Haskins ---Ways and Means (Johnson)

Nick Gwyn -- Ways and Means (Cardin)

Ann Montgomery - Representative Stark

Debbie Banks -- Representative Matsui

Tom Giles -- Commerce Committee (Bliley)

Ted Tooten/Patty DeLoatche -- Commerce Committee (Bilirakis)

Bridgett Taylor -- Commerce Committee (Dingell)

Elle Dehoney -- Commerce Committee (Brown)

Karen Nelson -- Representative Waxman

Libby Melton -- Representative DeGette

Senate:

Alex Vachon -- Finance Committee (Roth)

Jennifer Baxendale - Finance Committee (Roth)

Doug Steiger -- Finance Committee (Moynihan)

Kristen Testa -- Finance Committee (Moynihan)

Laurie Rubiner -- Senator Chafee

Barbara Pryor --Senator Rockefeller

Karen Davenport -- Senator Kerrey

Joan Huffer -- Senator Daschle

Stephanie Robinson -- Senator Kennedy

INTERGOVERNMENTAL ROLL OUT STRATEGY

GROUPS TO BE CONTACTED (lead contacts)

1. National Governors Association (Matt Salo; Susan Golonka)
2. American Public Human Services Association (Elaine Ryan; Lee Partridge)
3. National Conference of State Legislatures (Sheri Steisel; Joy Wilson)
4. National Black Caucus of State Legislators (Ivan Lanier)
5. National Association of Counties (Marilina Sanz; Sally McElroy)
6. National Organization of Black County Officials (Maria Lopes)
7. Conference of Black Mayors (Michelle Kourouma, Atlanta)
8. Association of State and Territorial Health Officials (Tom Milne)
9. National Association of City and County Health Officials (Grace Gorenflo)

NOTE: These groups will receive calls on the DAY OF rollout

NUMBER OF COPIES PER GROUP

1. NGA--Andy will send a letter to Chiefs of Staff, 100 copies
2. APHSA--State Medicaid Directors; State Human Services Directors, 200 copies
3. NCSL--legislative leaders in both houses; human services committee chair; health committee chair; 577 copies
4. NBCSL--state legislative Black Caucus chairs; 31 copies
5. NACo--health committee chair; human services committee chair, 20 copies
6. NABCO--Board of Directors, 40 copies
7. Conference of Black Mayors--Board of Directors, 50 copies
8. ASTHO--25 copies
9. NACCHO--25 copies

GRAND TOTAL: 1,068

BRIEFINGS--Invite intergovernmental DC reps to a briefing at the Hall of States. Briefing should occur within five (5) days of rollout. Further discussion is needed to determine whether to hold one meeting for all groups, or break them down by category (i.e., IGA reps separate from human/health services reps)

WEB PAGE--We would suggest the Guide be made available on the HHS web site and that, to the extent possible, customers be encouraged to retrieve the material from the web. This would be particularly useful for the DC reps, who can in turn make the material available to their members via the web. This vehicle would reduce the labor intensity of hard-copy mailing.

To: Kristin Siebenaler@OAS
From: James Ivery@IOS.IGA@OS.DC
Originated by: James Ivery@IOS.IGA@OS.DC
Cc:
Bcc:
Subject: re:
Attachment: hisp.org
Date: 3/16/99 8:30 AM

Comments by : James Ivery@IOS.IGA@OS.DC
Date : Tuesday, March 16, 1999 8:30:53
Forwarded to : Kristin Siebenaler@OAS@ACF.WDC
Comments:
Here's a list of Hispanic organizations from Sandy Aguilar.

The Tribal organizations I would recommend are:
National Indian Health Board
1385 s. Colorado Blvd. Suite A-107
Denver, CO 80222
Attn: Ms. Yvette Joseph-Fox, Executive Director
Telephone (360) 380-1850
Fax (360) 734-8180

National Congress of American Indians
1301 Connecticut Ave. NW
Suite 200
Washington, DC 20036
Attn: Ron Allen, President
Telephone (202) 466-7797
Fax (202) 466-7767

----- [Original Message] -----

o : James Ivery@IOS.IGA@OS.DC
rom : Sandra Aguilar@IOS.IGA@OS.DC
ubject :
ate : Monday, March 15, 1999 at 7:22:07 pm est

Let's try this again.

Sandy

Original text

HCFA Advocacy List

HCFA meets on a regular monthly basis with these groups. A special meeting could be arranged. Each group would receive a "heads up" call on the day the letter is put in the mail. The unions would be briefed separately.

Center on Budget & Policy Priorities

March of Dimes

American Academy of Child and Adolescent Psychiatry

Association of Maternal and Child Health Programs

Care for the Homeless

Catholic Charities, USA

Child Welfare League of America, Inc.

Children's Defense Fund

The Congress of National Black Churches, Inc.

Consumer Coalition for Quality Health Care

Families, USA

Health Care for the Homeless Council

National Association of Child Advocates

National Association of Children's Hospitals

National Association of Social Workers

National Association of Protection and Advocacy Systems

National Coalition of Hispanic Health and Human Services Organization

National Coalition for the Homeless

National Council of La Raza

National Health Law Program

National Medical Association

National Partnership for Women and Children

American Academy of Physician Assistants

American Diabetes Association

American Occupational Therapy Association

American Rehabilitation Association

Asthma and Allergy Foundation

Bezelon Center for Mental Health Law

Children and Adults with Attention Deficit Disorders

Epilepsy Foundation of America

National Minority AIDS Council

NAMI (National Alliance for the Mentally Ill)

National Association of Developmental Disabilities Councils

National Association of People with AIDS

National Association of State Directors of Developmental Disabilities Services

National Multiple Sclerosis Society

The ARC

Unions

AFSCME

SEIU

Health Interest/Advocacy Groups Continued...**Hospital Groups**

Association of Academic Health Centers--Marian Osterweis, Roger Bolger 202 265-9600

National Association of Public Hospitals Chris Burch 202 408-0223

National Association of Children's Hospitals and Related Institutions
Larry McAndrews 703 684-1355

American Hospital Association Jim Bentley 202 626-4631

Federation of American Hospitals (for-profits) Tom Scully 202 833-3090

Catholic Health Association Fish Brown 202 296-3393

Others*

National Family Planning and Reproductive Health Association, Judith De Sarno

Association of State and Territorial Health Officials, Jackie Bryant/Brent Ewig

National Association of County and City Health Officials, Tom Milne

National Association of Community Health Centers, Tom Van Coverden/Dan Hawkins

Association of Maternal Child Health Programs, Catherine Hess

National Association of County Behavioral Health Directors, Thomas Bryant

National Association of Rural Health Clinics, Bill Finerfrock

American Public Health Association, Mohammad Akhter/Richard Levinson

Association of Schools of Public Health, Mike Gemmell

American Association of Health Plans, Karen Ignagni

National Association of State Alcohol and Drug Abuse Directors, John Gustafson

National Association of State Mental Health Program Directors, Robert Glover

*Doris Barnette's office (301 443-2033) probably has telephone numbers for them.

Rollout of Medicaid Guidebook: Non-profits/Advocacy Groups

Organization	Contact person	Phone number	Number of books
"Primary Rollout"			
Call contacts (D-2or3) to advise them of the guide and invite them to the first briefing. Let them know there will be additional briefings if needed, but encourage them to come to first briefing because we want to ask for their advice on additional rollout strategies. For number of books, I think 5 each for those groups attending national briefing, then ask them to submit mailing list or request for a certain number of books that they want to mail and then we compile those lists to come up with a number for our second printing.			
Center on Budget and Policy Priorities	Donna Cohen Ross	408-1080	5
Center for Law and Social Policy	Mark Greenberg	328-5140 ext 5132	5
Children's Defense Fund	Debbie Greenstein / Laura Hessberg	Debbie- 662-3565 Laura - 662-3564	5
Welfare Information Network		628-5790	5
Catholic Charities	Sharon Daly	(703) 549-1390 xt39	5
Child Welfare League of America	Elizabeth Meitner(?)	942-0257	5
National Association of Social Workers			5
National Partnership for Children and Families	Joslyn Frye	986-2600	5
Coalition on Human Needs		324-0726	5
"Secondary Rollout"			

Head Start (lm)			
Developmental Disability Network (lm)			
Child Care Network Getting list of 50 child care administrators from Frank to mail to Getting list of National orgs to invite to briefing CCB will put short article with web site of guidebook in their next bulletin			
Community Action Agencies (lm)			
NCCED			5
FRAC?			5
La Raza	Eric Rodriguez	776-1786	5
NAACP-LDF	J. Anne Williams		5
Urban League	William Spriggs	878-1604	5
Labor Unions?			