Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

CLIENT COOPERATION WITH CHILD SUPPORT ENFORCEMENT

Local Staff Experiences With Medicaid-Only Clients

JUNE GIBBS BROWN
Inspector General

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OEI-06-98-00045

OFFICE OF INSPECTOR GENERAL

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OEI's Region VI prepared this report under the direction of Chester B. Slaughter, Regional Inspector General and Judith V. Tyler, Deputy Regional Inspector General.

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June Gibbs Brown /s/
Inspector General

OIG Final Report: "Client Cooperation with Child Support Enforcement: Local Staff Experiences With Medicaid-Only Clients," OEI-06-98-00045

Olivia A. Golden
Assistant Secretary for
Children and Families

We recently completed a series of reports which discuss the cooperation of Temporary Assistance for Needy Families (TANF) cash assistance clients with child support enforcement. During this inspection, we also obtained limited information about cooperation from custodial parents who receive Medicaid coverage only. Although we did not conduct a thorough review of this issue, the data that we did gather reveals a number of concerns which our State and local government respondents raised regarding gaining cooperation from these Medicaid-only clients.

SUMMARY

Workers in some child support and public assistance offices observed that the proportion of clients in their caseload who only receive Medicaid is increasing. However, a number of workers, as well as clients, do not understand that Medicaid clients must cooperate with child support enforcement. Additionally, it appears that sanctions often are not applied when Medicaid-only clients do not cooperate. Some workers also report they believe that simply removing a custodial parent's Medicaid eligibility is not an effective tool to encourage cooperation, reasoning that as long as their children are covered by Medicaid, parents may willingly forego their own medical insurance benefits rather than cooperate with child support enforcement. Finally, local child support managers and workers expressed concern that being held accountable for large numbers of unresolved Medicaid cases could have an adverse effect on their performance measures and budgets.

We are aware that the Secretary has formed the Medical Child Support Working Group to study and provide recommendations about how to improve the enforcement of medical support obligations for children. We call these issues to your attention as your agency continues to develop and refine policy affecting this population.

BACKGROUND

The Personal Responsibility and Work Opportunity Reconciliation Act removed the automatic link between eligibility for Medicaid and cash assistance, allowing families to qualify for Medicaid even if they do not receive cash assistance under TANF. States may also expand Medicaid coverage to additional low-income families who do not qualify for cash assistance. Additionally, custodial parents who qualify for cash assistance but choose not to apply because they do not want to use their time-limited eligibility can still be assured of Medicaid coverage.

Federal law continues to require that custodial parents must cooperate with the child support enforcement agency as a condition of eligibility for Medicaid and the State Children's Health Insurance Program (SCHIP) when SCHIP is implemented as an expansion of a State's Medicaid program. This cooperation may help enforcement when noncustodial parents are ordered to provide their children with private health insurance. Medicaid clients who fail to cooperate with child support enforcement, unless exempted for good cause, can be penalized through the loss of eligibility for Medicaid coverage, although Medicaid coverage of dependent children and women who are pregnant must continue even when clients do not cooperate. The final determination of whether a client has cooperated is made in the child support agency. Medicaid-only clients may elect, but are not required, to receive assistance from the child support agency in establishing and collecting monetary support. Clients are expected to notify the agency if they do *not* desire this service. Regardless of whether a client accepts the child support agency's help in pursuing cash support, these medical assistance cases are included in child support enforcement caseloads, potentially affecting Federal funding calculations.

METHODOLOGY

For our inspection of TANF cash assistance client cooperation, we gathered information from local child support and public assistance offices. Managers and administrators from 99 local child support offices and 103 local public assistance offices in six focus States - California, Georgia, Illinois, New Jersey, Texas and Virginia - returned mail surveys regarding cooperation policies, practices, and improvement strategies. We also reviewed agency documents including client cooperation policy statements, standardized forms, examples of correspondence with clients and other agencies, outreach materials, and other related documents. Additionally, we made site visits to each of the six focus States. During the visits, we conducted interviews with approximately 180 managers and caseworkers at local public assistance and child support agency offices. At almost all offices, we interviewed one or more managers, then separately interviewed two or more caseworkers experienced in client cooperation issues. These respondents provided detailed information about how cooperation policies are implemented, as well as the effect of cooperation requirements on office operations, staff, and clients. Finally, we conducted telephone interviews of administrators from each State's child support enforcement agency and the agency responsible for each State's cash assistance program.

The primary purpose of this inspection was to learn more about State policies and practices related to cooperation of custodial parents who receive cash assistance under TANF. However, we included questions about Medicaid-only clients in our survey instruments and on-site interviews. The information we present below is a product of these surveys and the interviews we conducted with managers and front line workers in local public assistance and child support offices.

PROCESS and PRACTICES

- **Some child support workers we interviewed report a noticeable change in their case-mix and workload.** According to one child support worker, *"Since welfare reform the TANF rolls have dropped, but the medical assistance [rolls] have increased. Medicaid-only cases still must cooperate."* A child support supervisor also reports, *"It has changed the caseload. We are working on more Medicaid-only clients and fewer welfare clients."* Twenty percent of child support offices who responded to our survey report that at least half of the custodial parents in their caseload are Medicaid-only cases. They did not distinguish between clients who are also eligible for, but not receiving, TANF assistance and those who qualify only for Medicaid.

- **Staff in focus States employ standardized forms to inform Medicaid-only clients of their obligation to cooperate with child support enforcement.** These forms are typically mailed to clients whose medical support continues after their TANF case is closed, and are also presented to new clients as they apply for Medicaid benefits. Applicants and clients in our focus States must typically sign a statement indicating they have read and understand the cooperation requirements. The following language is representative of these forms:

  > *"Our records indicate that members of your family are receiving Medical Assistance Only. We will be taking appropriate action to obtain and enforce medical insurance coverage for these child(ren), if such coverage is available to the non-custodial parent at reasonable cost. This includes establishing paternity if necessary. Your cooperation in establishing paternity and/or in obtaining health insurance for your child(ren) is required."*
  >
  > *"I understand that as a condition of eligibility for Medicaid, I must cooperate with the Division of Child Support Enforcement in establishing paternity and medical support."*

- **Medicaid-only clients can choose not to accept the assistance of the child support agency for establishing and enforcing cash support orders.** The forms that clients receive notifying them of their cooperation obligations also typically inform them that they will receive services related to cash support orders unless they specifically request medical support enforcement only. Staff perceive that some Medicaid-only clients choose not to pursue cash support through the child support enforcement agency for a variety of reasons. These include informal support arrangements with the noncustodial parent and reluctance to involve the father in the life of the child. Additionally, staff indicate clients may be confused by the choice not to pursue cash support, and may not understand that they still must cooperate for purposes of medical support. Staff report that some clients who refuse cash support enforcement services often fail to show up for appointments, return phone calls, respond to notices from the child support agency, or provide necessary information. One child support worker explains, "*The ones that are just on Medicaid, they think they can get out of cooperating by only covering the child. They sign a form saying they don't want to request our services. But they don't read the whole letter because it says that we are going to pursue medical support. They don't understand that we have to establish paternity before we can establish medical support. And they don't want to have paternity established.*"

- **Child support enforcement workers say they often encourage Medicaid-only clients to pursue cash support as well as medical support.** Several workers told us they encourage custodial parents to pursue child support in addition to medical support. For example a local office manager explains, *"Even if they are not interested in the order of child support, if they are receiving Medicaid-only . . . they've got an option. They don't have to receive child support payments from the noncustodial parent, but we try to point out the benefits of establishing paternity, and as long as we're going to do the order for medical support anyway, we might as well do the order for child support."* Another worker told us, *"[With Medicaid-only cases] the main thing I want to know is if they want us to collect child support too. If she never answers me, I just go after both."*

CONCERNS

The possible change in case-mix reported by some local staff could create a number of concerns for State child support and public assistance agencies. Workers appear to face a greater challenge in gaining the cooperation of Medicaid-only clients than cash grant recipients, due to misunderstanding and lack of effective sanctions. Following are concerns and issues which local staff raised during our study.

CLIENT ISSUES

- **Child support staff report that while many Medicaid-only clients readily cooperate, some choose not to provide information for the same reasons as TANF clients.** In cooperating, these clients provide whatever information they have, keep appointments and submit to genetic testing. According to two child support workers we interviewed, *"If the mother wants to pursue child support, she is extremely cooperative. Even if she does not want support right now, we establish paternity, which helps, because in the near future she can come back in and say 'I want full child support enforcement services.' Most of these are working moms where the employer does not provide medical coverage." "Others want us to go after medical and cash support right away. Most Medicaid-only clients are working, and have income, so they just want Medicaid because their employer doesn't offer [insurance]."*

  Staff suggest, however, that some clients resist State involvement in their lives. In the experience of one child support worker, *"We have a lot we are getting medical service for and they don't cooperate and they don't want any services at all from us."* Another child support worker suggests custodial parents do not want to jeopardize informal arrangements they may have with an absent parent, *"[Sometimes] they've signed the child up for Medicaid and the parents have worked out something that works for them as far as the child support is concerned, and they don't want us messing with it."* Other clients wish to avoid contact between the child and noncustodial parent, as one child support worker explains, *"They'll close their case just to keep us out of it, because they are afraid that once we get involved that it gives that man a right to come get that child."*

- **Many child support and public assistance staff do not believe that removing custodial parents' Medicaid coverage is an effective tool to encourage cooperation.** Staff report that few sanctioned clients return to either the child support or public assistance office to provide information once they have received notice that they have lost Medicaid coverage. A number of workers speculate that because the effect of this sanction is not felt immediately, it does not provide the same incentive to cooperate that the loss of a portion of the cash grant does for cash assistance clients. According to some staff, clients may understand the need for their children to have Medicaid coverage but discount the value for themselves. Realizing that children cannot lose their Medicaid coverage regardless of a custodial parent's failure to cooperate, one public assistance supervisor told us, *"They have absolutely no intention to cooperate. You have to hit them in the pocketbook."* A child support manager also says, *"Unless money benefits are involved, I don't think sanctions work well to encourage Medicaid clients to cooperate."*

STAFF ISSUES

- **Staff in many local offices surveyed appear not to understand that cooperation is a condition of Medicaid eligibility.** Thirty-one percent of child support and 25 percent of public assistance respondents erroneously reported that a custodial parent cannot lose Medicaid benefits for failure to cooperate. A few others responded that they did not know whether a client could lose coverage. A comment from one worker typifies the misconception that because a child cannot lose Medicaid coverage, there can be no sanction, *"It is mostly Medicaid cases that we get, and we really can't take an action on a child on a Medicaid case anyway. So, we just file them away and we send something back saying 'cannot sanction, Medicaid case.' And we let child support know we got it but we can't do anything about it. I personally think it is a waste of time that they send them over here, because we can't do anything about it."*

- **Local child support staff in focus States report Medicaid-only clients are sometimes not sanctioned for failing to cooperate.** Of the child support enforcement offices responding that noncooperative clients can be sanctioned, 51 percent report that, in their experience, Medicaid-only clients lose their coverage less than half the time, and 22 percent report that clients are *never* sanctioned. Public assistance respondents agree, with 52 percent indicating that sanctions occur less than half the time, five percent reporting that noncooperative Medicaid-only clients are never sanctioned. One child support worker confirms in an interview that the public assistance agency frequently does not sanction noncooperative clients, *"One of our major drawbacks is with Medicaid-only clients. The woman may or may not be removed from Medicaid. Quite often she's not because [the public assistance agency] views the sanction only as reducing the welfare grant, not as reducing Medicaid. They'll send back things and say 'she's on Medicaid, I can't sanction her.' Well [they] could. You could take her off Medicaid. They don't do it all the time."*

- **Some child support workers report they are often frustrated when they get little cooperation from Medicaid-only clients.** Medicaid-only cases may be difficult to resolve because workers may have little initial information about the noncustodial parent, and experience difficulty persuading custodial parents to cooperate. However, workers are often expected to make much the same effort as with cash assistance cases. A child support worker says, *"[It is a burden] because we're required, our regulations state that, even though it's Medicaid you have to send out an appointment [request]. It's a waste of time. If they're not going to do anything, I don't think we should have to go through the procedures. I think we should just close it, because they are not going to respond."*

- **Some child support managers are concerned that large numbers of Medicaid-only cases in their caseloads could adversely impact State agency and local office performance measures and budgets.** Federal funding to State child support agencies is based in part on State caseload measures. While Medicaid-only cases are a part of this calculation, local managers in focus States argue that they are the most difficult to resolve and the most resource intensive. Managers report that staff are most likely to work the child support cases for which they have the most information and Medicaid-only cases often do not fall into that category. According to a child support manager, *"To tell the truth, Medicaid-only cases tend to be a second priority to our regular caseloads. The collections are first. [But we are also] measured on Medicaid-only cases. It's a Federal guideline to meet percentages."*

- **Some managers and workers are also concerned that, while they have fewer tools to encourage cooperation, employee evaluations are based in part on the number of cases they successfully resolve.** When the proportion of Medicaid-only cases increases in workers' caseloads, they worry that their overall case disposition rates will decline as they spend more time on what they perceive as more difficult cases. One public assistance worker explains, *"There is little incentive for the Medicaid-only cases to give us information and yet they still add to our caseload. We have to work these cases regardless and we get docked for not having a better [success] rate."* A child support worker agrees, *" [Medicaid-only cases] increased our caseload considerably. Without an increase in staffing, it increased our backlog. We count the backlog in our office every month.*"

OPPORTUNITIES FOR IMPROVEMENT

Our findings highlight a number of potential concerns regarding Medicaid-only client cooperation with child support enforcement. We believe it will be useful to consider these findings along with the findings and recommendations of the Secretary's Medical Child Support Working Group.

Further study is warranted before developing specific corrective action, but our limited research led us to a number of potential solutions. Summarily, encouraging Medicaid-only client cooperation appears to depend primarily on ensuring staff and client understanding, and promoting use of appropriate sanctions. To address problems of workers not understanding or enforcing the requirement that Medicaid-only clients cooperate with child support enforcement, the Administration for Children and Families (ACF) may, in collaboration with the Health Care Financing Administration, wish to:

> Provide additional technical assistance and encouragement to State and local partners to provide additional training to ensure that agency workers and clients understand their responsibilities and expectations under existing policy, and
>
> Continue to develop new policy or refine and issue promising pending rules which encourage collaboration between child support enforcement and those agencies responsible for cash and medical assistance to ensure that as many children as possible continue to receive or obtain appropriate medical coverage.

To address problems with caseload management and performance indicators, ACF may consider further evaluation of staff and program performance structures, and revision of Medicaid-only case closure criteria.

AGENCY COMMENTS

The ACF agreed to help States with our suggestion of ensuring that agency workers and clients understand their expectations and responsibilities under existing policy. They also plan to consider new policies when the Medical Child Support Working Group issues its recommendations this Spring.

The ACF provided several general and technical comments which we have addressed in the report as appropriate. The ACF comments are provided in their entirety in Appendix A.

APPENDIX A

DEPARTMENT OF HEALTH & HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES
Office of the Assistant Secretary, Suite 600
370 L'Enfant Promenade, S.W.
Washington, D.C. 20447

DATE: March 29, 2000

TO: June Gibbs Brown
Inspector General

FROM: Olivia A. Golden
Assistant Secretary
for Children and Families

SUBJECT: Comments on the OIG Draft Report entitled: "Client Cooperation with Child Support Enforcement: Medicaid-Only Clients" (OEI-06-98-00045)

Attached are the Administration for Children and Families' comments on the above captioned report. If you have questions, please contact David Gray Ross, Commissioner, Office of Child Support Enforcement, at (202) 401-9370.

Attachment

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COMMENTS OF THE ADMINISTRATION FOR CHILDREN AND FAMILIES ON THE OFFICE OF INSPECTOR GENERAL'S DRAFT REPORT: "CLIENT COOPERATION WITH CHILD SUPPORT ENFORCEMENT- Medicaid-Only Clients" (OEI-06-98-00045)

The Federal Government has long recognized that health care coverage is essential to the well-being of children. The Administration for Children and Families (ACF) Office of Child Support Enforcement is committed to working with the Health Care Financing Administration (HCFA) and our State partners to improve access to medical coverage for children. The Medical Child Support Working Group, jointly established by HHS Secretary Shalala and DOL Secretary Herman, is in the process of developing solutions to help improve medical support and coordination between child support enforcement agencies and Medicaid. When the Working Group finalizes its recommendations, those recommendations will provide a framework for improved coordination and collaboration efforts between ACF, Child Support and the Medicaid Program.

Opportunity for Improvement:

ACF might, in collaboration with HCFA, wish to provide additional technical assistance and encouragement to State and local partners to provide additional training to ensure that agency workers and clients understand their responsibilities and expectations under existing policy.

ACF Response:

ACF will explore ways to provide additional technical assistance and encouragement to States so that States can ensure that agency workers and clients understand their responsibilities and expectations under existing policy.

Opportunity for Improvement:

ACF might, in collaboration with HCFA, continue to develop new policy or refine and issue promising pending rules, which encourage collaboration between child support enforcement and those agencies responsible for cash and medical assistance to ensure that as many children as possible continue to receive or obtain appropriate medical coverage.

ACF Response:

It is anticipated that the Medical Child Support Working Group will issue recommendations in the Spring. Those recommendations will serve to guide ACF's future collaboration efforts.