



## **Proposed Amendments to TANF to Assist Adults and Children with Mental Disorders:**

### **Medicaid & Health Insurance**

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- All families should receive continued Medicaid coverage for 12 months as they leave TANF, and states should have the flexibility to extend this for another year.
- States should provide assistance to families on TANF in accessing Medicaid and other key benefit programs.

### **RATIONALE**

Individuals with mental illness may need continuing access to a range of mental health services in order to successfully move into and sustain work. Medicaid plays a key role in ensuring uninterrupted coverage of critical services. In addition, some individuals who are eligible for Medicaid do not enroll. However, without these services many TANF leavers will be unable to maintain employment.

- In many cases, private insurance coverage for mental health is severely limited and does not provide sufficient benefits for those who need ongoing services, such as individuals with depression. Access to Medicaid, which provides a comprehensive mental health benefit, is therefore critical, especially initially when the individual is adjusting to a life of paid employment.
- Many workers have no health care coverage at all through their employers: only forty-three percent of workers who make less than \$7 an hour have health care coverage through their employer.
  - In 2002, 37% of low-income mothers lacked health insurance.
  - As a result of welfare reform, 675,000 low-income people became uninsured in 1997. 54% of these people were among those who left the TANF program.
  - Low-income women who lack health insurance are nearly 3 times as likely to have unmet or delayed health care needs than low-income women on Medicaid or who have private insurance.

- Some TANF individuals who are eligible for Medicaid are not enrolled. Possible reasons include:
  - lack of awareness of their rights or eligibility or how to determine eligibility
  - TANF workers not providing information to TANF recipients
  - complexity of the paperwork and difficulty getting the documentation needed
  - language barriers

## **EXAMPLES OF GOOD PRACTICE**

- A number of states have practices where staff in certain programs and agencies have the ability to enroll children in Medicaid if they seem to be eligible. Child care workers, and individuals who work with Head Start and school lunch programs can, with the consent of parents, enter children into the program based on “presumptive eligibility.” This gives families more time to fill out the paperwork that goes along with the Medicaid process.
- After individuals are no longer eligible for TANF in Kentucky (K-TAP), they are immediately screened to see if they still remain eligible for other benefits, including Medicaid, food stamps, or continued support from case managers.
- The “BadgerCare” program in Wisconsin offers Medicaid coverage to low-income families with incomes up to 185 percent of poverty. Coverage is maintained until income surpasses 200 percent of poverty. Other states with similar Medicaid eligibility rules include Rhode Island, Connecticut, and New York. The District of Columbia has also implemented a similar program.
- North Carolina, South Carolina, and New Jersey have extended the Transitional Medical Assistance program to two years instead of just one. This covers those who would have lost their Medicaid benefits due to a loss of earnings.

## **FURTHER DETAILS OF THE RECOMMENDATION**

To assist families, states should engage in activities that facilitate access to benefits:

- Require states to engage in transition planning for those leaving TANF which should address on-going needs, such as access to health and mental health care.
- Allow families to enroll just once for transitional Medicaid
- Encourage TANF agencies to assist families of children with mental or physical disabilities to secure SSI benefits when applicable and Medicaid or other health coverage for their child when the custodial parent returns to work.
- Encourage states to make it easier for families to apply through one-stop shopping arrangements, simplified application forms and single applications for various benefits.