

ISSUE BRIEF

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TRENDS IN DATA COLLECTION

Opportunity Costs of Bad Administrative Data: Lessons from the Field

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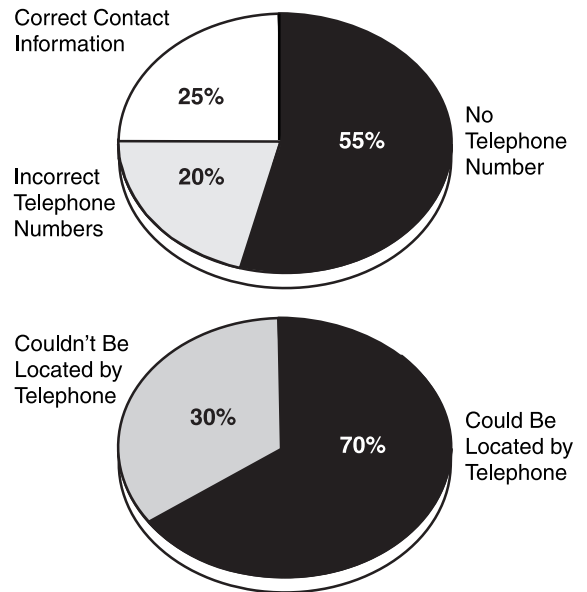
This brief examines the importance of good administrative data to Title XIX and XXI programs and the costs to states of not improving their administrative files. It also suggests ways that states can improve their files to make them better tools for guiding policy decisions. The brief is based on 11 separate surveys conducted in seven states to evaluate Section 1115 Medicaid demonstrations.

Importance of Good Data

Administrative data files include a wealth of information vital to the successful operation of state-run programs. For example, Medicaid and State Children's Health Insurance Program (SCHIP) files include client names, contact information, pertinent dates (such as when an individual or family enrolled in a program), and other data. States use these files to maintain contact with clients and notify them of program changes, the need for redetermination of eligibility, or terminations. The files can also be used for policy applications, such as determining the average length of enrollment for a Medicaid or SCHIP client, or assessing the average benefits a TANF enrollee received in a given period.

Accurate administrative data files are critical for survey research, since they are often the only source of contact data. Yet we experienced major problems reaching clients for our telephone surveys because of inaccurate contact information. Figure 1 shows the

Figure 1: Contact Problems in Telephone Surveys of Medicaid Recipients



percentage of the sample for which a new telephone number or address had to be found, and the percentage never contacted.

Costs of Bad Data

Maintaining complete and accurate administrative data is an ongoing challenge. Clients of public programs move often and do not always remember to provide their caseworkers or state agencies with new contact information. Because of strained budgets and staff, data improvement is sometimes a secondary priority for states. However, as policies have changed, obtaining good administrative data has become even more crucial. With the shift to managed care in Medicaid and SCHIP, states pay managed care organizations prospectively for services. If adminis-

trative data are incorrect—for example, if they include names of people who are no longer eligible (perhaps because their income increased or they moved out of state)—then states will unintentionally be paying managed care organizations to cover ineligible people.

States also need accurate contact information to provide clients with information on how to reenroll, change managed care plans, file grievances, and so forth. States wishing to survey their clients to assess satisfaction or access to services may find that poor contact information impairs their ability to do so, because of high nonresponse rates. Poor-quality information also results in higher costs for completing a survey, since additional efforts are needed to find hard-to-locate respondents. Poor contact information increased costs in our surveys, although we interviewed 91 percent of those we did locate.

Turning Bad Data Into Good

How can states enhance the quality of administrative data? In practice, a number of states require clients to reenroll every 6 or 12 months or be dropped from the program. Our experience suggests several other methods for improvement—many low cost and easy to implement (Table 1). For example, states can update automated records more often and can systematically collect a complete telephone number and address for all clients, including a full street address, apartment number, post office box, and zip code. Another way to improve data involves coordinating with other agencies that update addresses more often. For a Medicaid program, this might mean cooperating with the state welfare or food stamp program. Agencies can then periodically merge their files for shared clients. Medicaid agencies can require participating managed care organizations, which contract with recipients' providers and may be able to obtain updated phone numbers and addresses more easily, to share contact information.

TABLE 1
WAYS TO IMPROVE ADMINISTRATIVE DATA FILES
<ul style="list-style-type: none">• Update automated records frequently.• Include the complete address—street address, apartment number, post office box, and accurate zip code.• Include the telephone number.• Give clients postcards to mail in address or telephone number changes.• Merge/coordinate with other agencies that update addresses more often.• Use “Address Service Requested” for mailings.• Keep area codes up-to-date and revise when new area codes are added.• Encourage clients to provide unlisted telephone numbers.• Ask people without telephones for “message numbers.”

Good Data Equal Excellent Results

Improved Medicaid and SCHIP administrative data enable states to make well-informed policy decisions and minimize overpayment and fraud. Good data also enhance the accuracy and cost-effectiveness of any research, particularly survey research, that states may undertake. Furthermore, states—and ultimately taxpayers—save money because only those who are eligible for a program are served. But perhaps most importantly, improved data result in well-informed clients, thus enabling programs to better serve the people they are intended to reach.

Much of the material presented here is derived from presentations to the American Public Health Association and the National Association of Welfare Research Statistics. For more information, contact Anne B. Ciemnecki, Associate Director, Surveys and Information Services Division, at (609) 275-2323, aciemnecki@mathematica-mpr.com.

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