State of Alabama

Improving Food Stamp, Medicaid, and SCHIP Participation: Strategies and Challenges

Final Report

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site visits and authored the state site visit summaries. AMS staff also helped to develop the methodology to document the case flow in each of the sites and to assess the use of automated systems.
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EXECUTIVE SUMMARY

With the passage of the Personal Responsibility and Work Opportunity Reconciliation Act in 1996, access to welfare benefits changed dramatically. Under the new law, with its emphasis on temporary assistance, participation in work activities, and sanctions for non-compliance, welfare caseloads have declined by 50 percent nationwide. In addition, enrollment in Medicaid and Food Stamp programs has declined although, in many cases, families not receiving cash assistance should still qualify for these benefits. One result of this decline has been an increasing concern that people in need are not receiving the Medicaid and food stamp assistance for which they are eligible.

This report relates findings from a research effort funded by the U.S. Department of Health and Human Services and the U.S. Department of Agriculture aimed at studying access to food stamps, Medicaid, and the State Child Health Insurance Program in a number of states. The primary focus of this research was identifying promising practices in enrollment and retention in Food Stamp, Medicaid, and SCHIP programs. In addition, the research project sought to identify program improvement opportunities to successfully promote increased participation in Medicaid, SCHIP, or Food Stamps in this post-welfare reform era.

Mathematica Policy Research chose Alabama because the state was participating in the Supporting Families Under Welfare Reform Initiative, funded by the Robert Wood Johnson Foundation. Under this initiative, Alabama sought technical assistance to analyze program data, policies, and practices with respect to access to food stamps, Medicaid, and SCHIP. The information for this report was collected primarily between May 16 to 18 during a site visit. The majority of time was spent in local office sites in Jefferson County, at the Department of Human Resources (DHR) and at an outstationed Medicaid worker site. Additionally, some time was spent in Montgomery meeting with state officials and visiting the SCHIP office.

The objective of the site visit was to document processes and business practices. The research team analyzed the general approach and identified specific strategies currently in use, and their impact on enrollment and retention in food stamps, Medicaid, and SCHIP. The team paid special attention to barriers that may have arisen or become magnified due to welfare reform policies, as well as identifying transition points where clients might lose benefits. Because Alabama clients could receive benefits from multiple agencies or locations, particular attention was paid to the continuity or breaks that result from multiple service delivery points.

Major findings include:

- Administration of benefit eligibility is fragmented among different agencies and different locations.
- Better coordination between key agencies is critical to eliminate or mitigate enrollment and retention risks points.
• While some case processing approaches and policies mitigate enrollment and retention risks, other processes foster such risks.

• Automated systems could mitigate enrollment and retention risks but currently are insufficient to support information interfacing and eligibility coordination between agencies.

• Alabama state agencies are actively engaged in efforts to address some of these barriers caused by the fragmented delivery of services.

A. ORGANIZATION, PROGRAM, AND POLICY CONTEXT

1. Structure and Administration

   Alabama makes eligibility determinations for Medicaid, SCHIP, and the Food Stamp Program through three different agencies.

   • The Alabama Department of Human Resources (DHR) determines eligibility for TANF cash assistance (called Family Assistance or FA), food stamps, and Medicaid coverage categories for families through county or local offices.

   • The Alabama Medicaid Agency determines eligibility for children’s Medicaid coverage categories, called SOBRA Medicaid, through outstationed workers placed in local health departments or clinics.

   • The Alabama Department of Public Health (DPH) determines eligibility for the separate State Child Health Insurance Program, called ALL Kids, from the state office in Montgomery.

2. Programs and Policies

   **Family Assistance.** Alabama implemented its TANF program in December 1996, calling it the Family Assistance Program. Since that time, there has been a significant decline in the cash assistance caseload—almost 60 percent since 1994. FA benefits are low—$164 a month for a family of three. FA families with earnings typically lose eligibility for FA after the three month total disregard of earnings expires. For example, a family of three would lose eligibility for FA with earnings at $205 a month. FA eligibility is reviewed every six months.

   **Food Stamps.** As a federal entitlement program, the Food Stamp Program is governed by federal rules for eligibility. In Alabama, because of the low FA benefit levels, food stamps often provide greater benefits than cash assistance and are available to many low-income families who do not qualify for cash aid. The Alabama food stamp caseload has declined approximately 30 percent between 1994 and June 2000. Alabama uses a 12-month certification period with quarterly reporting for working families receiving food stamps and no other public assistance benefits—often called non-Public Assistance or NPA households. Clients who receive FA and...
food stamps have a six-month food stamp certification period aligned with their six-month FA review.

**Medicaid.** DHR administers the Section 1931 Medicaid coverage category, called Medicaid for Low-Income Families (MLIF). DHR also administers Transitional Medical Assistance (TMA). MLIF eligibility is reviewed every 12 months. Due to continuous eligibility children often continue to qualify for MLIF for up to 12 months after the parents become ineligible.

The AMA administers SOBRA Medicaid, received by about 220,000 children in the state. All children up to age 19 in families with income at or below the federal poverty line are eligible for SOBRA, as are children up to age six in families with incomes up to 133 percent of the poverty line. The state uses 12-month certification periods and continuous eligibility.

**SCHIP.** Alabama’s SCHIP program has two components. SCHIP Phase I is a Medicaid expansion beyond the mandatory federal minimum to cover children under age 19 in families with incomes below the poverty line through SOBRA Medicaid. SCHIP Phase II, called ALL Kids, is administered by DPH, covering children under age 19 in families with incomes up to 200 percent of the federal poverty level. About 30,000 children are enrolled in ALL Kids. ALL Kids recently conformed its income treatment rules to those of SOBRA Medicaid. The state uses 12-month certification periods and continuous eligibility, and a joint short application for SOBRA Medicaid and All Kids.

**TANF, FOOD STAMPS, AND MEDICAID POPULATION: STATEWIDE AND JEFFERSON COUNTY**

<table>
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<tr>
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<th>Statewide</th>
<th>Jefferson County</th>
<th>Percentage of State</th>
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<tbody>
<tr>
<td>TANF (FA) families</td>
<td>18,235</td>
<td>3,626</td>
<td>20</td>
</tr>
<tr>
<td>Food stamp households (FA and NPA)</td>
<td>159,647</td>
<td>19,286</td>
<td>12</td>
</tr>
<tr>
<td>DHR Medicaid cases (MLIF or TMA)</td>
<td>29,157</td>
<td>4,962</td>
<td>17</td>
</tr>
</tbody>
</table>

**SOURCE:** Alabama Department of Human Resources, April 2001

**B. LOCAL SERVICE DELIVERY**

The eligibility determination process is fragmented, as application and renewal occurs through several locations and process steps. Obtaining medical coverage, food stamps, and cash assistance can involve up to three separate non-synchronized processes and locations, with some duplication.
1. Food Stamps, MLIF, and TMA Medicaid, and FA Cash Assistance

Two DHR offices in Jefferson County provide FA, food stamps, and Medicaid benefits. In these offices, as in 64 of the state’s 67 counties, DHR operates separate, but co-located, Food Stamp and Family Assistance offices. The Family Assistance Office handles eligibility for FA, certain Medicaid categories (MLIF and TMA), and food stamps for pure FA households; i.e., when all members of the food stamp household receive FA. The Food Stamp Office handles food stamp eligibility and recertification processing only for non-FA households and mixed households in which some, but not all, food stamp household members receive cash FA.

There are two primary automated systems that process benefits in Food Stamp and Family Assistance offices. The food stamp eligibility system, known as SCI-II is a 20-year-old mainframe system. SCI-II does not support an automated interview process or an immediate food stamp eligibility determination. Since 1999, the FA and Medicaid eligibility system has been FACETS, which allows workers to enter trial budgets for clients during the interview process, and conduct automated eligibility determination at the time of intake.

2. SOBRA Medicaid

SOBRA workers outstationed at local clinics or health departments determine initial and ongoing eligibility for SOBRA Medicaid. Families apply for SOBRA Medicaid through a short joint application form that also is used for ALL Kids. A telephone interview and income verification generally is required but Jefferson County was a pilot for eliminating the interview requirement and self-declaration of income at the time of our visit. There is limited information sharing of client data between the AMA and DHR.

SOBRA Medicaid renewal is initiated annually by the state Medicaid office, which mails a renewal form to the family one month prior to redetermination. Effective November 1, 2001, Alabama no longer requires an interview at renewal. Alabama recently implemented a new joint renewal form for both SOBRA Medicaid and ALL Kids.

3. SCHIP/All Kids

The state’s central SCHIP office in the DPH in Montgomery handles all enrollment and renewal of children in ALL Kids. No interview or verification is required. About 40 percent of all applications (approximately 4,000 annually) are found eligible for ALL Kids, 40 percent may be eligible for SOBRA Medicaid and are forwarded to AMA, and the remaining 20 percent are ineligible. About 60 percent of ALL Kids enrollees successfully renew eligibility after 12 months. Another 14 percent are under-income, and the renewal forms are sent to AMA for enrollment in SOBRA Medicaid. About 18 percent of families do not return the renewal form or are ineligible for other reasons.
TYPICAL ELIGIBILITY DETERMINATION LOCATIONS FOR LOW-INCOME FAMILIES IN ALABAMA

<table>
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<tr>
<th>Example of Family Situation</th>
<th>Family Assistance</th>
<th>Food Stamps</th>
<th>Medical Coverage</th>
<th>Total Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pure FA family</td>
<td>DHR Family Assistance Office</td>
<td>DHR Family Assistance Office</td>
<td>DHR Family Assistance Office</td>
<td>1</td>
</tr>
<tr>
<td>Mixed FA family</td>
<td>DHR Family Assistance Office</td>
<td>DHR Food Stamp Office</td>
<td>DHR Family Assistance Office</td>
<td>2</td>
</tr>
<tr>
<td>Employed former FA family; lost MLIF eligibility due to earnings within last 12 months</td>
<td>N/A</td>
<td>DHR Food Stamp Office</td>
<td>DHR Family Assistance Office for TMA or MLIF for children due to continuous eligibility</td>
<td>2</td>
</tr>
<tr>
<td>Low-income family not eligible for FA, MLIF, or TMA</td>
<td>N/A</td>
<td>DHR Food Stamp Office</td>
<td>SOBRA Medicaid worker and/or ALL Kids depending on family income and age of children</td>
<td>2-3</td>
</tr>
</tbody>
</table>

C. FINDINGS AND CONCLUSIONS

Alabama has an unusually complex administrative structure that creates barriers to enrollment in and retention of food stamps and Medicaid. At the same time, the state has some processes in place to address these barriers, and additional initiatives are in the works.

As part of this case study, particular attention was paid to certain transition points at which a family was at risk of losing enrollment in food stamps, Medicaid, or SCHIP. One key transition point was renewal of benefits. By selecting 12-month review periods for Medicaid, SCHIP and food stamps, and using continuously eligibility for children for Medicaid and SCHIP, Alabama
has reduced a key retention risk for benefits. In addition to renewal, enrollment and retention risks when TANF benefits are denied or terminated were closely examined. For the most part, DHR policies and procedures appear to ensure that food stamps and DHR-administered Medicaid are not lost when TANF benefits are denied or terminated. In a number of areas, however, policies, application procedures, or business processes and tools could be altered to better support food stamp, Medicaid, and SCHIP enrollment and retention.

1. **Medicaid and SCHIP Enrollment and Retention Risk Areas**

   Alabama’s bifurcated Medicaid eligibility determination structure, and some DHR processes may present risks to enrollment in and retention of Medicaid benefits.

   - **Interface Between Section 1931 Medicaid for Low-income Families or TMA and SOBRA Medicaid for Children.** Before MLIF or TMA is denied or closed, DHR considers eligibility for DHR-administered Medicaid categories. It does not, however, consider all Medicaid categories. Because the SOBRA Medicaid category for children is administered by a different agency, DHR denies or terminates children without considering their eligibility for ongoing Medicaid through the SOBRA coverage category. Alabama recognizes that this procedure is not consistent with federal requirements that Medicaid should not be denied or terminated without a previous determination of eligibility for any other Medicaid category. State officials are in the process of taking steps to address this issue by transferring all Medicaid eligibility determinations to the Alabama Medicaid Agency. In the interim, the state attempts to mitigate the risk of loss by using continuous eligibility for children in its Section 1931 coverage category.

   - **DHR Procedures Place Unnecessary Barriers to Medicaid Enrollment.** By requiring applicants to restart the FA and MLIF application process if they do not provide verification within 10 days, DHR creates additional work for both families and DHR staff. Instead of repeated application churning, DHR could offer an extension for verification, or it could reopen the original application if the information needed is provided within a designated period after the denial.

   - **DHR’s Use of 12-month Reviews for MLIF.** DHR uses 12-month reviews to help ensure that families do not lose Medicaid for failing to complete a six-month review for food stamps or FA. This approach could more effectively ensure against loss of Medicaid with broader staff awareness and automation of the processes rather than requiring the worker to manually reset the review date.

   - **Interface Between SOBRA Medicaid and ALL Kids.** AMA and DPH have taken a number of steps to align policies and procedures and to expedite and better coordinate eligibility processing and transfers of applications between the two agencies. A recently implemented joint renewal form and streamlining of enrollment and retention for SOBRA Medicaid should further facilitate coordination.
2. Food Stamp Enrollment and Retention Risk Areas

The approach to business processing and staffing, combined with limited information system support may compromise access or retention to food stamps.

- **Conduct Screening for Expedited Services.** All applicants for food stamps should be screened immediately for expedited issuance of food stamps, and if eligible, benefits should be issued promptly. Practices were observed during the site visit that did not ensure immediate screening for or issuance of expedited food stamps in both the Food Stamp and Family Assistance offices.

- **Eliminate Duplicate Processes for Mixed Households.** Under Alabama’s current structure, a significant number of families (mixed food stamp households) must apply for or retain food stamp benefits through the Food Stamp Office while also applying for or receiving TANF or Medicaid from the Family Assistance Office. The family will need to complete two different application forms and in-person interviews. This duplicate process increases the burden on the family and DHR staff.

- **Transfer of FA Cases to Food Stamp Office After FA Denial or Closure.** When FA benefits are denied or closed, the case is set up for ongoing food stamps and is transferred to the Food Stamp Office. The transfer appears to occur smoothly without a risk of loss of benefits to the family. When recertification of food stamps is due, the former FA family is automatically sent a short food stamp renewal form to return to the Food Stamp Office.

- **Limited Automation in the Food Stamp Office.** Food stamp application processing is a largely manual process with a number of steps and a variety of transition points. Each worker handoff extends processing time and may contribute to errors. The current automated system limits DHR’s ability to streamline food stamp enrollment.

- **Food Stamp Office Worker Caseload.** A typical worker carries a high number of cases. This volume significantly limits what a worker may accomplish on a case, particularly given the cumbersome and largely manual system for eligibility processing. A reduction in Food Stamp Office worker caseload by sharing cases with the FA office is one way to reduce access and retention risks.

- **12-Month Certification Period with Quarterly Reporting.** Employed households receiving food stamps through the Food Stamp Office are certified for 12 months and are required to file quarterly reports between annual reviews. The state is considering extending 12-month reviews with quarterly reports to additional households. In addition, the state is considering modifications to the current procedure, under which a recipient who does not file the report and the verification by the deadline must reapply and may face a gap in benefits.

Alabama is aware of the barriers that its administrative structure can create for Medicaid, SCHIP and food stamp enrollment and retention. The plan to transfer all Medicaid eligibility
determinations o the AMA is perhaps the largest initiative to address these barriers. In addition, the state is considering better ways to share and coordinate information among agencies, to use adjunct eligibility, and to limit the number of in-person contacts required in order to limit burdens on staff and clients.
I. CONTEXT

A. INTRODUCTION

An unexpected consequence of the 1996 federal welfare law has been the nationwide decline in participation in the Food Stamp Program (FSP) and Medicaid among low-income families. Although large numbers of cash assistance recipients have moved off welfare rolls and into jobs, research suggests that in some states many eligible, low-income families with children may not be receiving food stamp and Medicaid benefits.

To learn why some eligible families are not accessing these benefits, the U.S. Department of Health and Human Services and the U.S. Department of Agriculture commissioned a research project involving case studies of the implementation at the state level of the FSP, Medicaid and the new State Children’s Health Insurance Program (SCHIP).

As part of this project, Alabama was chosen for an on-site examination of access to and participation in these three programs. An important goal was to identify promising practices that could be implemented by other states. Mathematica Policy Research chose Alabama because the state also is participating in the Supporting Families Under Welfare Reform Initiative, funded by the Robert Wood Johnson Foundation. This initiative offers technical assistance to help states analyze program data, policies and practices with respect to access to food stamps, Medicaid, and SCHIP. Because of the overlapping subject matter, both projects coordinated efforts in states participating in the Supporting Families initiative.

The information for this report was collected primarily in Alabama from May 16 to 18, 2001. Two days were spent in Jefferson County, mainly in Birmingham, visiting the Department of Human Resources (DHR) offices and an outstationed Medicaid worker site. One day was spent in Montgomery, meeting with state officials and visiting the SCHIP office. The research team met with administrators of the state agencies administering these programs, administrators and line staff in Jefferson County’s local DHR offices, and Jefferson County staff from the Alabama Medicaid Agency (AMA). The team also met with clients and community-based organizations that serve clients.

The objective of the site visits was to document processes and business practices. The research team analyzed the general approach and identified specific strategies currently in use and their impact on enrollment and retention in food stamps, Medicaid, and SCHIP. The team paid special attention to barriers that may have arisen or become magnified because of welfare reform policies, as well as identifying transition points at which clients might lose benefits. Because Alabama clients might receive benefits from multiple agencies or locations, particular attention was paid to the continuity or breaks that result from multiple service delivery points.
B. STATE ORGANIZATION AND PROGRAM ADMINISTRATION

1. Department of Human Resources

Through county or local offices, the Alabama Department of Human Resources (DHR) determines eligibility for and administers Temporary Assistance for Needy Families (TANF) cash assistance (called Family Assistance, or FA), food stamps, and Medicaid coverage categories for families. DHR develops policy for TANF and food stamps, but the policy for Medicaid categories administered by DHR is developed by the Alabama Medicaid Agency (AMA). DHR also provides work-related activities and assistance through the JOBS program.

2. Alabama Medicaid Agency

The Alabama Medicaid Agency (AMA) develops policy for all Medicaid coverage categories and administers payment of providers. It determines eligibility for and administers Medicaid coverage categories for children, pregnant women and family planning services (these groups are called SOBRA Medicaid) as well as for aged, blind, and disabled individuals.

3. Department of Public Health

From the state office in Montgomery, the Alabama Department of Public Health (DPH) administers the State Child Health Insurance Program, called ALL Kids. Blue Cross/Blue Shield administers the benefit package and payment of providers.

C. OVERVIEW OF STATE PROGRAMS AND POLICIES

1. TANF Program-Family Assistance

Alabama implemented its TANF program in December 1996, calling it the Family Assistance Program. The cash assistance caseload in Alabama has declined by almost 60 percent since 1994. In Jefferson County, the TANF caseload has increased nearly six percent between February and August 2001. The statewide FA caseload is 18,235, about half of which are child-only cases.¹

**Determining Eligibility and Benefit Amount.** To be eligible for FA, a family’s net monthly income must be below the payment standard, for a family of its size. For applicant families, 20 percent of the family’s earnings are disregarded and actual child care expenses within certain limits are deducted. For a family of three with no countable income, the monthly benefit is $164. Thus, a family of three with income over $205 a month (17 percent of the poverty line) and no deductions for child care expenses would be ineligible for FA. However, once a family becomes an FA recipient, 100 percent of its earnings are disregarded for three

months. After three months, the earned income disregard reverts to 20 percent. About one third of the cases with a parent included in the grant have earned income.

Needy non-parent caretaker relatives, such as grandparents, are not eligible for FA cash assistance; only children are included. Two-parent families are eligible on the same basis as single-parent families.

**Asset Test.** FA applicants and recipients are subject to a $2,000 limit on assets ($3,000 for a family with a member 60 years or older). The value of all family vehicles is excluded from countable assets.

**Work Requirements.** Alabama has mandatory applicant job search. FA applicants must make at least two employer contacts before the application can be approved. Once a family has been approved for benefits, the adults in the family must participate in JOBS unless they are deferred for illness, incapacity, lack of transportation, domestic violence, or lack of child care. Deferrals are for a maximum of six months at a time and can be renewed. FA recipients are required to work with the JOBS case manager to develop a Family Responsibility Plan. JOBS activities include job search, job readiness training, vocational training, and community service.

**Sanction Policy.** When adults fail to meet their work participation requirements, as outlined in the Family Responsibility Plan, the family is subject to a reduction in or termination of their cash benefit. In Alabama, the severity of the sanction depends on the length of time the family has been receiving cash assistance and the number of previous sanctions.

- Families that have received benefits for less than 24 months, the first sanction is a 25 percent reduction in the benefit for each month of noncompliance; if noncompliance extends beyond three months, the family is disqualified for benefits for one month. Second and subsequent instances of noncompliance result in a 25 percent reduction for three months; if noncompliance continues beyond three months, the family is disqualified for six months.

- Families that have received TANF cash assistance for more than 24 months are subject to immediate closing of the case for noncompliance. The FA case remains closed until compliance.

**Eligibility Reviews and Reporting Requirements.** An adult on the case must notify the department within 10 days of any change in circumstances that may affect eligibility. Eligibility reviews are generally every six months and require a face-to-face interview.

**Time Limits.** Alabama has a 60-month time limit for the receipt of cash assistance. The first families reach the limit in December 2001. The state anticipates a small number of families reaching the time limit at that time. On a case-by-case basis, there is a possibility of an extension based on hardship.
2. Food Stamp Program

The FSP is a federal entitlement program administered through the states for low-income persons. Federal rules governing eligibility for food stamps require that recipients have incomes below 130 percent of the federal poverty level and meet asset tests and other procedural requirements. Because of the low FA benefit levels, food stamps often provide greater benefits than cash assistance and are available to many low-income families who do not qualify for cash aid in Alabama. The Alabama food stamp caseload has declined approximately 30 percent between 1994 and June 2000.

Sanctions. When an FA family is sanctioned for failure to comply with work participation requirements, the sanction can carry over to food stamp benefits. First, in accordance with federal law, Alabama counts the full value of FA benefits in computing a family’s food stamps, even if FA benefits have been reduced or terminated. Second, a family loses all food stamp benefits if it is not exempt from food stamp work requirements. (An exemption typically is due to having a child under the age of 6.)

Vehicle Rules Aligned with Family Assistance. Alabama has just implemented the federal option to align its FSP vehicle policy with TANF policy. In May 2001, the state eliminated all vehicles from the TANF asset test and, effective July 2001, this policy carried over to food stamps.

Certification Periods and Reporting Requirements. Alabama uses a 12-month certification period with quarterly reporting for working families receiving food stamps and no other public assistance benefits—often called non-Public Assistance or NPA households. Clients who receive FA and food stamps have a six-month food stamp certification period aligned with their six-month FA review. These FA food stamp cases are not subject to quarterly reporting and must report to food stamp changes in income over $100.

3. Medicaid Program for Families and Children

Medicaid is a federal medical assistance program that provides matching funds to states that provide health insurance coverage to low-income children and families as well as elderly and disabled persons. The features of Alabama’s Medicaid program and other medical programs for low-income families are shown in Table I.1.
TABLE I.1

ALABAMA’S PRIMARY MEDICAL PROGRAMS
FOR FAMILIES AND CHILDREN

<table>
<thead>
<tr>
<th>Medicaid for Low-Income Families (MLIF) (Section 1931)</th>
<th>SOBRA Medicaid (SOBRA and SCHIP Medicaid Expansion for 18-year-olds)</th>
<th>ALL Kids (Separate State SCHIP Program)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agency making eligibility determination</td>
<td>Department of Human Resources</td>
<td>Alabama Medicaid Agency</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Department of Public Health</td>
</tr>
<tr>
<td>Eligible categories</td>
<td>Families with children</td>
<td>Children under age 19</td>
</tr>
<tr>
<td></td>
<td>30% of the federal poverty level (FPL) for first four months of earnings; 23% FPL after 4th month of earnings; 21% FPL after 12th month of earnings&lt;sup&gt;a&lt;/sup&gt;</td>
<td>133% FPL (under age 6); 100% FPL (ages 6-18)</td>
</tr>
<tr>
<td></td>
<td>None</td>
<td>200% FPL</td>
</tr>
<tr>
<td>Asset tests</td>
<td>Disregard one car; disregard $1,000 plus count additional assets toward $1,000 asset limit</td>
<td>None</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interview requirements</td>
<td>Interview required but need not be face-to-face</td>
<td>Interview required at application (not at renewal) but need not be face-to-face; there is a “no interview” pilot operating in Jefferson County</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Certification periods</td>
<td>12 months continuous eligibility for children</td>
<td>12 months—continuous eligibility</td>
</tr>
</tbody>
</table>

<sup>a</sup>MLIF eligibility is determined by disregarding $90 plus $30 (for 12 months), plus one-third (for 4 months) from earnings and counting net income against TANF payment standard. The resulting income cut-off for a family of three is 30 percent of the FPL for the first 4 months of earnings, 23 percent FPL for the next 8 months, and 21 percent of FPL after 12 months of earnings.
Family Medical Under Section 1931. The 1996 federal welfare law established a new Medicaid eligibility category for low-income families that replaced the previous category under which families receiving Aid to Families with Dependent Children (AFDC) automatically qualified for Medicaid. This category, established by adding Section 1931 to the Social Security Act, sets as a base line for family-based Medicaid coverage certain AFDC state policies in effect on July 16, 1996. However, the law allows a state to adopt less restrictive methodologies for consideration of income and resources so the state can expand family-based Medicaid eligibility beyond the July 16, 1996, baseline.

DHR administers Alabama’s Section 1931 Medicaid coverage category, called Medicaid for Low-Income Families (MLIF). Alabama follows its old AFDC policies with respect to treatment of earnings for MLIF, disregarding $90 of earnings, an additional $30 for 12 months, and one-third of the remainder for four months and child care expenses. A family qualifies for MLIF if countable income is below the FA payment standard. For example, a family of three loses MLIF eligibility if earnings exceed $365 during the first four months of employment (30 percent of the poverty line), $284 four months of earnings (23 percent of the poverty line), or $254 (21 percent of the poverty line) after 12 months.

Alabama uses less restrictive methodologies for treatment of resources in MLIF than it used in its AFDC program. The entire value of the first car is eliminated and an additional $1,000 in excess resources is excluded (in addition to allowing another $1,000 in excess resources toward the asset limit). A non-pregnant parent under sanction for noncompliance with FA work requirements is not eligible for MLIF. Two-parent families are eligible for MLIF on the same basis as single-parent families. MLIF is authorized for 12-month certification periods. The state uses continuous eligibility for children receiving MLIF, which means that the parents may lose eligibility due to a change in circumstances but benefits continue for the children for 12 months.

Transitional Medical Assistance. DHR administers Transitional Medical Assistance (TMA). This benefit is available for up to 12 months when a family loses eligibility for MLIF due to earnings and for up to four months when a family loses eligibility due to child support income (called Extended Child Support in Alabama). To receive TMA, a family must have properly received MLIF for three of the previous six months. Even if a family received MLIF, DHR reviews the case to ensure the family was eligible in terms of earnings information.

Children’s Poverty-Level Medicaid Coverage (SOBRA). AMA administers SOBRA Medicaid, received by about 220,000 children in the state. All children up to age 19 in families with income at or below the federal poverty line ($1,219 per month for a family of three) are eligible, as are children up to age six in families with incomes up to 133 percent of the poverty line ($1,622 per month for a family of three). Monthly countable income is determined by disregarding $90 per worker in work expenses, $50 in child support, and up to $175 per month in

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2 This MLIF partial disregard of earnings is more restrictive than the state’s TANF policy of disregarding all earnings for three months. However, for the fourth month after a recipient has earnings, the MLIF policy is less restrictive than the TANF policy of disregarding $120 because MLIF disregards an additional one-third of the remainder. Alabama has considered aligning TANF and MLIF policy but has not implemented such an approach to date.
child care expenses for a child age two and above and up to $200 per month for a child under age two. Alabama does not use an asset test. The state uses 12-month certification periods and continuous eligibility, and it uses a joint short application form for SOBRA Medicaid and ALL Kids, the state’s SCHIP program.

4. SCHIP Program-ALL Kids

Alabama’s SCHIP program has two components. SCHIP Phase I is a Medicaid expansion beyond the mandatory federal minimum to cover children under age 19 in families with incomes below the poverty line through SOBRA Medicaid (discussed above). SCHIP Phase II, called ALL Kids, is administered by DPH, covering children under age 19 in families with incomes up to 200 percent of the federal poverty level ($2,439 per month for a family of three). Children in families with income over 150 percent of the federal poverty level are required to pay annual premiums of $50 per child up to a maximum of $150 per year per family and co-pays of up to $5 per service. Families with income below 150 percent of the poverty line do not have any premium payments or co-pays.

About 30,000 children are enrolled in ALL Kids. Because children under age six can qualify for SOBRA Medicaid at higher income levels, most ALL Kids participants are school-age children, about half are ages 6 through 12 and about a third over age 12. ALL Kids has aligned many eligibility policies with SOBRA Medicaid. There is no asset test for ALL Kids. ALL Kids recently conformed its income treatment rules to those of SOBRA Medicaid. The state uses 12-month certification periods and continuous eligibility. Alabama uses a joint short application form for SOBRA Medicaid and ALL Kids.3

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3 An additional program, Alabama Child Caring Foundation (ACCF), provides health insurance for outpatient services for children in Alabama who do not otherwise qualify for Medicaid or ALL Kids coverage but are unable to purchase private insurance due to financial reasons or pre-existing conditions. The ACCF serves over 6,000 children and can be applied for by using the joint application form for SOBRA Medicaid and ALL Kids.
II. LOCAL SERVICE DELIVERY MECHANISMS AND STRUCTURE

A. JEFFERSON COUNTY DEMOGRAPHIC INFORMATION

Jefferson County is the largest county in Alabama with 662,047 residents living in predominantly urban areas. Some 39 percent of residents are black, 58 percent are white.4 As of April 2001, there were 3,626 FA cases, representing 20 percent of Alabama’s total FA population—the largest caseload in the state (see Table II.1).5 The county has 19,286 food stamp households, representing 12 percent of Alabama’s food stamp population.

B. DELIVERY OF BENEFITS BY THE JEFFERSON COUNTY DHR

1. Organization and Staffing

Two DHR offices in Jefferson County—Birmingham and Besseman—provide FA, food stamps, and Medicaid benefits.6 In these offices, as in 64 of the state’s 67 counties, DHR operates separate Food Stamp and Family Assistance offices. These offices are co-located in Jefferson County as well as most other counties. The JOBS program operates the employment and work requirement component of the state’s TANF plan. JOBS is located in a separate office for Birmingham clients. In Bessemer, JOBS is co-located with the Food Stamp and Family Assistance offices.

Food Stamp Office. There are four food stamp units in Birmingham, and one unit in Bessemer. These units handle food stamp eligibility and recertification processing for non-FA households and mixed households in which some but not all food stamp household members receive cash FA. These cases are called NPA households. Each food stamp unit contains six to eight caseworkers and is supported by one unit clerk, who handles scheduling and other duties. Each office is supported by one or two data entry specialists who work in the Data Management Unit (DMU). There are 40 to 50 food stamp case workers in Jefferson County.

Family Assistance Office. The Family Assistance Office handles FA, MLIF, TMA, and food stamps for pure FA households; i.e., when all members of the food stamp household receive FA. There are four FA units in Birmingham, and one in Bessemer, with a total of 31 public assistance workers. Caseloads average 200 per worker. Data entry for FA and MLIF is conducted by the case worker, as the Family Assistance Comprehensive Employment & Training

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4 U.S. Census Bureau, 2000.


6 Although we visited both offices, the description of the work flow and case-processing is based on observations in Birmingham.
System (FACETS) supports online eligibility determination and an interactive interview. Data entry workers in the FA Office separately enter food stamp information into SCI-II for issuance of food stamps to FA cases.

**Reception.** The front desk reception area supports the operational distinction between the Family Assistance Office and the Food Stamp Office by directing clients to the appropriate office through separate reception staff. In Birmingham, there are clearly labeled windows for food stamps and FA, while Bessemer has two separate lobbies. In the Birmingham reception area, workers sit behind clear glass and clients wait in a large room with several rows of chairs. An electronic benefit transfer (EBT) informational video plays continuously on a TV monitor. Clients wait in the reception area and their names are called over the intercom when their worker is ready for the appointment. It is common for clients to wait for over an hour for their scheduled appointment.

### 2. Work Flow and Case Processing

#### a. Application and Eligibility Determination

**Family Assistance Office.** A family applying for FA, MLIF, and food stamps (if all members of the food stamp household are part of the FA unit) requests all benefits at the FA window with a one-page (two-sided) screening form. The form serves as the short, combined application with four options: (1) FA, (2) FA and Medicaid, (3) food stamps, or (4) Medicaid. The application may be mailed or delivered in person. Although there is a section on the

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7 Applicants seeking only Medicaid and food stamps but not FA would apply for Medicaid through the Family Assistance Office and food stamps through the Food Stamp Office. FA applicants in mixed food stamp households apply for their food stamps through the Food Stamp Office.
application that seeks information to determine if the family qualifies for expedited food stamp issuance, clients are not screened for expedited need until the eligibility determination interview several days later.

When the application is submitted, an appointment is scheduled for a face-to-face interview with an FA worker where eligibility is to be determined. MLIF eligibility can be determined over the telephone or in the office through an interactive interview process using FACETS. The applicant must provide verification before a final eligibility determination can be made.

During the interview, data are collected and entered directly into FACETS. The client is informed about work participation requirements, including the mandatory applicant job search and the need to register with the employment service. If a client fails more than once to appear for the interview, the FA and Medicaid applications are denied and the food stamp application is held for 30 days before denial. If verifications are not returned within a 10-day time frame, applicants must restart the FA or MLIF application process, including performing a new job search. While families who qualify for FA generally qualify for food stamps, families denied FA often qualify for food stamps as well. If FA is denied and food stamps are certified, the FA worker opens the food stamp case and transfers it to the Food Stamp Office for continued case management.

Food Stamp Office. An applicant at DHR’s Food Stamp Office applies for benefits using a 20-page food stamp application known as the “long form.” This application process is entirely separate from the Family Assistance Office process, so a Medicaid-only applicant or an FA applicant who is part of a mixed food stamp household has to complete both processes and schedule two separate intake interviews. Upon receipt, the applicant’s information is entered into the automated information system (SCI-II, or State and County Integrated System for Certification & Issuance, Food Stamps System) by the DMU. Although there is an expedited food stamp screening form on the front of the application, the receptionist may not arrange an immediate interview for expedited issuance of food stamps unless the applicant specifically requests it or indicates to the worker an urgent need for food. If the applicant is promptly screened and interviewed, his or her household can be certified for food stamps the same day.

Otherwise, DHR sends the applicant a notice scheduling an interview within five to ten days. During the interview, the food stamp worker reviews the paper application manually. After reviewing it, the worker sends the application to the DMU for entry into the computer. After the client leaves the Food Stamp Office, eligibility is determined and benefit levels are calculated in the SCI-II system. If verifications are outstanding, the application remains in a pending status.

b. Recertification/Case Reviews

Family Assistance Office. An FA recipient is certified for FA and food stamps for six months. A month before the end of the certification period, DHR sends the recipient a letter with instructions to contact the worker to schedule an appointment for a review. A family receiving both FA and food stamps will receive two notices—an FA notice generated by FACETS and a food stamp notice generated by SCI-II. If the recipient does not contact the office, the FA worker sends a second notice and keeps the FA case open for another month. Food stamps,
however, close at the end of the certification period. If the recipient fails to respond to the second notice, the worker closes the FA case. If the recipient appears for the review, the worker conducts a fully automated interview entering information directly into FACETS. Between reviews, the recipient is required to report changes in circumstances. For FA food stamps, recipients are required to report changes in earnings over $100.

MLIF eligibility is reviewed every 12 months. Children are continuously eligible for MLIF for 12 months from the last eligibility determination; thus, children usually continue to receive MLIF for 12 months after the parent becomes ineligible. When a family receiving both FA and MLIF does not appear for a six-month FA review, the worker closes the FA case, but, assuming an MLIF review is not due, the worker should continue MLIF benefits for the remainder of the 12-month certification period. If the client provides some information at the six-month FA review, but the information is not complete, the worker closes both FA and the MLIF for the adults. The children’s MLIF coverage continues for the remainder of the 12-month certification period.

**Food Stamp Office.** NPA food stamp cases are generally certified for 12 months when employed. The automated system notifies a recipient of a case review appointment 30 days before the end of the certification period and sends the recipient a renewal form, known as the “short form,” which is six (three double-sided) pages. A face-to-face interview is required at the 12-month review but can be waived based on hardship. A review is conducted through a manual process in which the worker gathers income and household change information from the short form and the interview and collects verifications. If a client returns the recertification form and appears for the interview, but all verifications are not available, the client has until the end of the certification period to provide them before the case is closed and benefits terminated. As with the initial application, the completed short form is sent to the DMU for entry and eligibility determination in the automated system (SCI-II). Between annual reviews, working NPA food stamp recipients are required to file quarterly reports with earnings verification.

c. **Continuation of Food Stamps and Medicaid Upon Family Assistance Case Closure**

**Food Stamps.** An FA worker adjusts the amount of food stamps a household receives based on income or other information that resulted in FA closure. In Birmingham, the FA worker maintains the food stamp case in his or her caseload until the certification period ends but may convert the case to quarterly reporting (used for employed NPA cases) if the recipient has earnings. In Bessemer, the FA worker transfers the case to the Food Stamp Office after FA closure. At the time of benefit recertification, the client must recertify food stamps with the Food Stamp Office. This appears as a seamless process to the client; the computer system SCI-II automatically generates the same notices and sends the same short food stamp renewal form that an NPA food stamp case receives for recertification.

**Medicaid.** Because the eligibility calculation for MLIF and FA is different in some ways, families may lose eligibility for MLIF before, after, or at the same time as they lose FA eligibility. Frequently, earnings immediately place the family over MLIF limits and into TMA while FA can continue for three months because earnings are fully disregarded for that period. Whenever the family loses eligibility for MLIF, the FA worker makes an *ex parte* determination of eligibility for TMA. If the family is ineligible for TMA, the worker closes Medicaid for the
parents but often the children remain eligible for MLIF for 12 months from the last eligibility determination due to continuous eligibility. When the entire family is no longer eligible for any Medicaid from DHR (either TMA or MLIF), the FA worker closes the case and refers the family to apply for SOBRA/ALL Kids coverage for the children through a local health department or clinic.

3. Automated Support for Eligibility Determinations

There are two primary automated systems that process benefits in Food Stamp and Family Assistance offices (Table II.2). The FA eligibility system, known as SCI-II, is a 20-year-old mainframe system. Since 1999, the FA and Medicaid eligibility system has been FACETS,\(^8\) which allows workers to enter trial budgets for clients during the interview process and conduct automated eligibility determination at the time of intake interviewing. SCI-II, on the other hand, does not support an automated interview process or an immediate food stamp eligibility determination.

C. ELIGIBILITY DETERMINATIONS FOR SOBRA MEDICAID BENEFITS IN JEFFERSON COUNTY

Outstationed AMA workers determine initial and ongoing eligibility for SOBRA Medicaid. Jefferson County has 15 SOBRA Medicaid workers, stationed mostly at separate locations, such as hospitals or health department clinics. One supervisor works at the AMA district office, which handles eligibility for other Medicaid categories, such as those based on age or disability. There are about 15,000 active SOBRA Medicaid cases in Jefferson County, with the vast majority being children. Each worker handles nearly 1,000 cases.

Application. Families apply for SOBRA Medicaid through a short joint application form (two double-sided pages) that also is used for ALL Kids and the Alabama Child Caring Foundation. The application can be obtained at local health clinics, hospitals, county health departments, DHR offices, and other locations. It is available on the Internet (can be printed out and mailed in), through the mail by telephone request using a statewide toll-free number or by calling a local SOBRA Medicaid worker. The application is available in English and Spanish and can be submitted in person or through the mail.

The statewide policy requires an interview at application, but it does not have to be face-to-face. Many interviews are conducted over the telephone. At the time of our visit, Jefferson County was one of three counties with a “no interview” pilot. A SOBRA Medicaid worker processes applications from “walk-ins” (families who come to the local health facility where the worker is stationed) and “mail-ins.” Ongoing eligibility is handled by assigning each outstationed worker a portion of the caseload on an alphabetical basis, but any SOBRA Medicaid worker in the county can handle initial enrollment. Each worker determines eligibility on the caseworker's own.

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\(^8\)For three demonstration counties in the state, FACETS also is the food stamp eligibility system.
TABLE II.2
SYSTEM HANDLING OF TRANSITION POINTS AT REVIEW OR RECERTIFICATION

<table>
<thead>
<tr>
<th>System</th>
<th>Notifications</th>
<th>Case Closure</th>
</tr>
</thead>
</table>
| FACETS  | Appointment letter generated and sent to client automatically for review for FA and MLIF | FA: Automatic closure at recertification, if no action taken  
MLIF: Automatic closure at recertification plus two months, if no action taken  
TMA: Manual closing required  |
| SCI-II  | Appointment letter generated and sent to client automatically for review of FA and NPA food stamp cases | FS: Automatic closure at recertification for FA and NPA food stamp cases |

applications he or she receives, and once opened, the case is transferred to the worker assigned to that alphabetical caseload for any eligibility maintenance. Each worker processes renewals for the assigned caseload. Mail-in applications include those sent directly to the worker by the family and those mailed to the state or county office and distributed by the county supervisor for processing. If a child is ineligible for SOBRA Medicaid because of income, the application is sent to the state ALL Kids office for an eligibility determination.

**Eligibility Determination.** In May 2001 Alabama eliminated some statewide requirements for SOBRA Medicaid, including verification of age and child care expenses and the interview for Plan First (family planning). In April 2001, Alabama eliminated verification of income on a pilot basis in Jefferson County and two other counties. A SOBRA Medicaid worker we interviewed noted the marked increase in approvals and decrease in denials for failure to provide verification since the recent changes. The state plans to assess this pilot and is expecting to eliminate verification of income statewide in the near future.

The SOBRA Medicaid eligibility determination is partly automated. To approve any case, a worker must enter the information into the AMA computer system, called the Medicaid Customer Information Control System or MCICS. The age determination and the financial eligibility calculations are automated but can be done manually. The worker must determine other eligibility factors, such as immigrant status, and he or she has limited access to client information through DHR’s computer system. For example, the worker can see if a client is receiving benefits through DHR but cannot see the underlying basis (such as the income information) for eligibility determinations.

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9 Many mail-in applications are submitted to the state ALL Kids office and are sent to AMA for a SOBRA Medicaid eligibility determination because the children are eligible for SOBRA Medicaid and thus cannot be enrolled in ALL Kids.
Renewal. The annual SOBRA Medicaid renewal process is initiated by the state Medicaid office, which mails a renewal form to the family one month prior to the redetermination. The family must return the form and income verification must be provided for renewal (except in Jefferson County and the other self-declaration pilot counties). Effective November 1, 2001, Alabama no longer requires an interview at renewal. Alabama recently implemented a new joint renewal form for both SOBRA Medicaid and ALL Kids but, at the time of our visit, this form did not appear to be in use for SOBRA Medicaid renewals. If the renewal form has not been received or processed, a second letter is sent, terminating SOBRA Medicaid benefits, and the case automatically closes at the end of the 13th month. There is no process or capacity for considering information known to DHR (such as food stamp quarterly report information) for renewal of SOBRA Medicaid.

D. STATEWIDE ALL KIDS ENROLLMENT AND RENEWAL PROCESS

The state’s central SCHIP office in the DPH in Montgomery handles all enrollment and renewal of children in ALL Kids. ALL Kids receives thousands of applications each month, with a recent high of over 4,000 in March 2001 which correspond to an outreach initiative. About 40 percent of these applications are found eligible for ALL Kids, about 40 percent appear eligible for SOBRA Medicaid and are forwarded to AMA, and the remaining 20 percent are ineligible.

Application. ALL Kids uses the short application that also covers SOBRA Medicaid and the Alabama Child Caring Foundation. The application can be obtained at local health and other locations, on the Internet, and at DHR offices. It also can be obtained through the mail by telephone request through a statewide ALL Kids toll-free number. The application is submitted by mail to the state ALL Kids office.

Eligibility Determination. ALL Kids has no interview or verification requirements. Therefore, initial eligibility and renewal generally can be determined based on the short application. Sometimes, eligibility staff needs to contact the family by phone or mail if further information or clarification is needed.

Renewal. ALL Kids uses 12-month certification periods with continuous eligibility between reviews. Two months before renewal, ALL Kids enrollees are sent a form that they must mail in; a reminder post card is sent two weeks before renewal. At the time of our site visit, ALL Kids began using a new joint form to process renewals for SOBRA Medicaid and Alabama Child Caring Foundation. About 60 percent of ALL Kids enrollees successfully renew eligibility after 12 months. Another 14 percent are under-income, and the renewal forms are sent to AMA for enrollment in SOBRA Medicaid. About 18 percent of families do not return the renewal form or are ineligible for other reasons.
III. ASSESSMENT OF ENROLLMENT AND RETENTION RISK AREAS

A. ADMINISTRATION OF BENEFIT ELIGIBILITY IS FRAGMENTED AMONG DIFFERENT AGENCIES AND DIFFERENT LOCATIONS

Fragmented service delivery at the local level presents barriers to enrollment and retention of Medicaid and food stamps in Alabama. Families often must deal with multiple agencies, offices, and workers even within the same agency in order to obtain and retain benefits (Table III.1).

- **Medicaid Coverage.** Eligibility for MLIF and TMA is handled by the Family Assistance Office of DHR, while SOBRA Medicaid eligibility for children and pregnant women is handled by AMA. DHR and SOBRA Medicaid workers are at different locations.

- **Food Stamps.** Some families—mixed food stamp households, in which some members get FA—receive their food stamps from the Food Stamp Office and FA from the Family Assistance Office. While the Food Stamp and Family Assistance offices are typically co-located, these families have different workers in each office.

As long as families remain on FA, pure FA households receive cash, food stamps, and Medicaid through one office and one worker. However, when a family becomes employed, it typically loses eligibility for FA and MLIF within a very short time, as any significant disregard of earnings is time-limited. Families typically continue to qualify for food stamps at these earnings levels. While families with earnings should continue to get TMA for up to 12 months, some may not qualify for TMA if they get a job quickly because TMA requires that families receive MLIF for three of the previous six months. For example, a recipient who immediately gets a job is unlikely to qualify for TMA.

A family that continues to be eligible for food stamps and Medicaid after losing FA benefits must go to the Food Stamp Office for its next food stamp recertification but continues to receive Medicaid benefits from the Family Assistance Office. Moreover, the family has two sets of non-synchronized reporting requirements. Usually, a family that leaves FA and MLIF due to earnings needs to file two sets of quarterly reports—one for food stamps and one for TMA—but where the forms are filed and the timing of these reports are not coordinated.

When the family is no longer eligible for MLIF or TMA, it will need apply for SOBRA Medicaid coverage for the children through the local health departments or other outstationsed SOBRA worker locations, either in person or through the mail.
<table>
<thead>
<tr>
<th>Example of Family Situation</th>
<th>Family Assistance</th>
<th>Food Stamps</th>
<th>Medical Coverage</th>
<th>Total Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pure FA family</td>
<td>DHR Family Assistance Office</td>
<td>DHR Family Assistance Office</td>
<td>DHR Family Assistance Office</td>
<td>1</td>
</tr>
<tr>
<td>Mixed FA family</td>
<td>DHR Family Assistance Office</td>
<td>DHR Food Stamp Office</td>
<td>DHR Family Assistance Office</td>
<td>2</td>
</tr>
<tr>
<td>Employed former FA family; lost MLIF eligibility due to earnings within last 12 months</td>
<td>N/A</td>
<td>DHR Food Stamp Office</td>
<td>DHR Family Assistance Office for TMA or MLIF for children due to continuous eligibility</td>
<td>2</td>
</tr>
<tr>
<td>Employed former FA family; lost MLIF eligibility over 12 months ago</td>
<td>N/A</td>
<td>DHR Food Stamp Office</td>
<td>SOBRA Medicaid worker and/or ALL Kids depending on family income and age of children</td>
<td>2-3</td>
</tr>
<tr>
<td>Low-income family not eligible for FA, MLIF, or TMA</td>
<td>N/A</td>
<td>DHR Food Stamp Office</td>
<td>SOBRA Medicaid worker and/or ALL Kids depending on family income and age of children</td>
<td>2-3</td>
</tr>
</tbody>
</table>

\(^a\)The Family Assistance Office may continue to handle food stamps for a short time after a family leaves FA, but the family must apply for recertification at the Food Stamp Office when the certification period expires.

\(^b\)A family with income between 100 and 133 percent of the federal poverty line would have a child under age 6 receiving SOBRA Medicaid and a child over age 6 receiving ALL Kids.
B. HOW DHR CASE PROCESSING PRESENTS RISKS TO ENROLLMENT AND RETENTION OF FOOD STAMPS AND MEDICAID

1. Application and Initial Eligibility Processing

a. Screening for Expedited Issuance of Food Stamp Benefits

Expedited screening is handled differently between the Family Assistance Office and the Food Stamp Office. However, neither office includes a routine screening for expedited food stamps at the time of application. The Family Assistance Office screens for expedited eligibility at the intake interview, which could be three or more days after the application is submitted.

At the Food Stamp Office, we observed a gap between established policy and practice at the local level. Although there is an expedited screening form on the front of the food stamp application, the Food Stamp Office does not screen for expedited food stamps, unless the applicant requests it. State policy officials reported that the expedited screening form was designed so applicants could submit the top page without the rest of the application. If an applicant indicates a need for emergency food stamps at the Food Stamp Office front desk, the worker schedules an expedited appointment within one to two days. If the applicant is not given an expedited appointment, the regular intake appointment is scheduled between 5 and 10 days from application.

b. Mixed Food Stamp Households Must Use Duplicate Application Processes—One for Family Assistance Through the Family Assistance Office and Another for Food Stamps Through the Food Stamp Office

Under DHR’s processing rules and operations, mixed food stamp households seeking FA and food stamps may need to apply for these benefits twice, completing separate applications at separate windows or offices. Each application is subject to separate interview and eligibility determination processes with different workers on separate occasions. If FA and food stamps benefits are authorized, these families must comply with separate reporting and renewal processes in both offices. These additional steps complicate the application process and may adversely affect the family’s ability to enroll in the Food Stamp Program.

This duplicate process applies to families seeking both FA and food stamps in which the food stamp household includes persons beyond the FA family unit. For example, child-only

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10 The approach we observed in Jefferson County is used in 64 of the state’s 67 counties. In three pilot counties, FA and food stamp enrollment is merged for all families; the state has no plans to extend that pilot statewide. The state has considered and rejected a proposal to require all FA families, not just mixed food stamp households, to receive FA and food stamps from different offices.

11 Mixed food stamp households are part of every state’s caseload because the rules governing who can or must be included in a TANF assistance unit differ from the rules about who can or must be included in a food stamp assistance unit. Therefore, when TANF families
FA households (in which children live with a non-parental relative who cannot be included in the FA grant in Alabama) constitute half of the state’s FA caseload and are mixed food stamp households that are subject to the duplicate process. Similarly, FA families living in extended family situations or with a non-FA person, such as the mother’s boyfriend, may be required, under certain circumstances, to apply for food stamps as a mixed food stamp household.

For pure FA households, the FA worker collects information for food stamps through the single interactive interview on FACETS; FA office staff then separately enter this information to SCI-II for a food stamp eligibility determination. The state does not use this same approach for mixed food stamp households. Even if the family has provided verification to the Family Assistance Office, the family must provide the same verification again to the Food Stamp Office (and vice versa). We did not observe or learn of any sharing or transfer of information between the Food Stamp Office and the Family Assistance Office in duplicate application situations.

c. Incidence of Procedural Denials for Family Assistance and MLIF

In the Family Assistance Office, applicants are given 10 days from the interview to provide requested verification and, for FA eligibility, to register with Employment Security and to conduct and verify job search contacts. If they do not provide the needed verification by the 10th day, the FA or MLIF portions of the application are denied and the applicant must start the application process again. DHR noted that it could grant additional time to provide information if an applicant requests it. Upon reapplication, an applicant who already had provided some verification (or provided it after the 10th day) would not be required to reverify that item if it were not subject to change (e.g., a birth certificate).

We learned that this process leads to a high incidence of procedural denials of Family Assistance and MLIF. DHR workers informed us that applicants often must apply two or three times before successfully completing the process within the 10-day time frame. Focus group participants reported difficulty completing the food stamp application process. DHR data indicate that about 40 percent of MLIF denials are for failure to comply with the application process.

(continued)

12 The food stamp portion of the application is not denied at 10 days; it is held until the 30th day pursuant to federal requirements and denied at that time if needed verification has not been provided. If a food stamp application was pending at the interview and then denied on the 30th day for lack of verification, the application can be reopened within 30 days after denial if the needed verification is provided. In addition, all benefits are denied immediately if an applicant fails to show up for an interview after being given a second chance for an interview.
d. Applicant Job Search Requirement

FA applicants are required to make and verify a designated number of job search contacts (usually two) before FA can be authorized. As these contacts must be made and confirmed within 10 days of the FA interview, it does not appear that the job search requirement causes significant delay in processing an FA application. The applicant is typically also gathering other needed verification during the same 10 days. If the FA application is denied because needed verification was not received in 10 days, an applicant must conduct and verify a new job search upon reapplication for FA. DHR staff we interviewed understood that the job search requirement did not apply to MLIF or food stamps and that eligibility for those benefits should be determined even if the FA job search was not completed.

e. Determining Eligibility for Food Stamps and Medicaid If Ineligible for Family Assistance

In the Family Assistance Office, food stamp and MLIF eligibility determinations are made separately from FA. While food stamp benefits are authorized when a family qualifies for FA, food stamp eligibility always is considered even if the applicant is been found ineligible for FA. If the applicant is found to be eligible for food stamps but not FA, benefits are authorized and the case is transferred to the NPA Food Stamp Office for ongoing case maintenance.

Similarly, an MLIF eligibility determination is made when an applicant is found to be ineligible for FA. For example, if a family does not comply with FA job search requirements but is otherwise eligible for MLIF, FA is denied but Medicaid benefits are authorized. Because the eligibility determination is made as a separate step, enrollment is not dependent on FA eligibility. When a family receives MLIF but not FA, the FA worker retains the ongoing case management responsibility of the MLIF portion of the case. Since any food stamps that are authorized for a non-FA case is transferred to the Food Stamp Office, a family getting food stamps and MLIF (but not FA) is required to maintain eligibility through two separate workers and comply with two different sets of reporting requirements.

If an applicant does not complete the application processes needed for a particular benefit, that benefit is denied. The application processes are slightly different. Unlike FA and food stamps, a face-to-face interview is not required for MLIF; a telephone interview can be the vehicle for collecting the information on FACETS to determine eligibility. (MLIF cannot be authorized without an interview because the short combined application does not cover all of the information needed to determine eligibility.) We were informed that it is rare for a family to apply for MLIF and not also seek FA, and we were unable to observe the extent to which telephone interviews were used for MLIF applicants.
2. Case Review/Redetermination Processing

a. Food Stamp Office Uses 12-Month Food Stamp Certification Periods with Quarterly Reporting

In the Food Stamp Office, employed NPA food stamp households are certified for 12 months and required to submit quarterly reports three times between annual face-to-face reviews. Alabama has used this quarterly reporting system since 1995. Between one-third and one-half of NPA food stamp recipients are quarterly reporters. State officials note that, when implemented, this quarterly reporting system helps reduce the state’s quality control error rate.

Each household’s quarterly reporting cycle is based on the month that the food stamp certification begins. The quarterly report form (one double-sided page) is mailed to the household during the second month of the quarter and must be returned to DHR during the first 10 days of the third month of the quarter. In the report, the household provides income information for one month only (the second month) of the quarter. The household also must provide verification of income. If the report is not returned or is incomplete, the household receives a second notice warning of food stamp closing unless a complete report is received by the 27th of the month. If a report is not received by the 27th of the third month in the quarter, food stamps close and the household must reapply.

During the last quarter of the 12-month certification period, the family is sent the new short food stamp renewal form (three double-sided pages) instead of the quarterly report. The state implemented the short renewal form statewide in October 2000, so the family does not need to complete the full 20-page food stamp application at each annual review.

Some workers we interviewed indicated that when a household does not have time to provide a report or information by the 27th of the month—for example, if an incomplete report comes in late and a request for additional information is not sent until the 24th of the month—the worker might send the short food stamp reapplication form instead. Because the family needs to reapply for benefits, sending this new form minimizes any break in or loss of benefits. The state is considering ways to reopen food stamps without a loss of benefits and without requiring reapplication if a quarterly report comes in late.

By limiting full face-to-face recertification interviews to once a year, DHR has reduced the burden on working low-income families to maintain food stamp eligibility and on DHR’s Food Stamp Office to manage its caseload. Jefferson County DHR notes, however, that the processing of quarterly reports as well as the terminations and reopenings that result from missed quarterly reports still impose a significant workload. Using 12-month reviews rather than more frequent ones is one way the Food Stamp Office is able to serve clients while maintaining high food stamp caseloads per worker.

DHR is considering expanding 12-month certification periods and quarterly reporting to households with unearned income and child support as well as to FA food stamp cases with earned or unearned income. DHR also is considering the new federal option of food stamp semi-annual reporting.
b. For MLIF, 12-Month Reviews Support Retention of Medicaid

If a family receiving FA, food stamps and MLIF does not complete a 6-month review for FA and food stamps, those benefits close. However, since MLIF benefits are reviewed every 12 months, failure to complete the 6-month FA and food stamp review does not necessarily result in loss of Medicaid. DHR revised its policy October 2000 to ensure that MLIF is not closed for failure to respond to an FA eligibility review that is not also a 12-month MLIF review.

DHR policy to continue MLIF draws a distinction between no response to the review and an incomplete response. DHR reasons that when there is no response to a FA/food stamp review and an MLIF review is not due, MLIF benefits should continue to the entire family. However, if the client provides some information but fails to complete the review (for example, not providing verification), DHR reasons that it must act on the information it has. If it is unable to determine ongoing eligibility without complete information, DHR closes MLIF for the adults in such circumstances. MLIF continues for the children due to continuous eligibility.

We observed some lack of awareness and inconsistency in implementation of the policy that MLIF generally should not close at a 6-month FA. MLIF benefits close automatically when FA benefits close for failure to complete a 6-month review, unless the worker takes action to reopen MLIF. Because worker action is needed to update the MLIF review date in the computer, confusion about or lack of awareness of the policy can lead to inappropriate loss of Medicaid.

3. Continuation of Food Stamps and Medicaid When FA Closes Between Regularly Scheduled Reviews or Recertifications

a. Handling of Food Stamp Case When FA Case Closes

When FA benefits are closed, the FA worker adjusts the food stamp benefits, as appropriate, based on the information that caused the closure. If the family has earnings, the FA worker converts the food stamp case to quarterly reporting. The family’s food stamp certification period is not shortened, but toward the end of the certification period, the family receives notification to reapply for certification at the Food Stamp Office because it is now an NPA food stamp case. The process automatically treats the renewal like any other NPA food stamp recertification. The client is notified by the SCI-II system, scheduled an appointment, and sent the short food stamp renewal form. A family that recertifies food stamps after losing FA does not have to complete the long 20-page food stamp application. The client transitions to a new worker and a new office (i.e., the Food Stamp Office) by returning the short application and participating in a face-to-face interview. If the family still receives Medicaid (MLIF or TMA) from the Family Assistance Office, it then has two workers and is subject to two separate processes.

b. Handling of Medicaid When FA Closes

Because eligibility for FA and MLIF involve different eligibility processes and criteria, loss of FA eligibility does not necessarily mean loss of MLIF eligibility, as long as the reason for FA closure does not cause MLIF ineligibility. We observed that the de-linking of FA and MLIF
eligibility processes prevented automatic closure of Medicaid because FA had closed between regularly scheduled reviews.

A family losing FA due to earnings, however, is likely to become ineligible for MLIF. In fact, because three months of earnings are wholly disregarded for an FA recipient, a family often loses eligibility for MLIF before FA closes. In other situations, depending on the level of earnings, a family could lose MLIF eligibility at the same time as or a month after the FA closure. When DHR has earnings information, the worker shifts the family to TMA, if eligible. If the family does not qualify for TMA, DHR terminates MLIF for the parent but continues MLIF for the children for 12 months under the state’s continuous eligibility approach.13

C. INTERFACE BETWEEN DHR’S MEDICAID PROGRAMS AND AMA’S SOBRA MEDICAID FOR CHILDREN

Families can receive Medicaid coverage through DHR if they qualify for MLIF or TMA. If the family does not qualify for these DHR-administered Medicaid coverage categories, the children may qualify for SOBRA Medicaid administered by AMA, but the family must separately apply for SOBRA Medicaid at a different outstationed location.14 During our visit, we observed minimal interface between these Medicaid eligibility categories.

Application for Medicaid at DHR. When DHR denies an MLIF application because the family is ineligible, the family is told that it can apply for SOBRA Medicaid at an outstationed location. DHR does not transfer the case or consider the children’s eligibility for SOBRA Medicaid before denying benefits. DHR workers we interviewed indicated they might give the family the ALL Kids/SOBRA application “as a courtesy.”15 The workers noted the manual does instruct them to provide the application. The ALL Kids/SOBRA application also was available in the DHR reception area.

Termination of Medicaid at DHR. When a child loses eligibility for MLIF or TMA, the termination notice tells the family that it can apply elsewhere for SOBRA Medicaid for the children. DHR does not transfer the case to the Medicaid agency. Rather, it closes benefits once it determines that the child does not qualify for Medicaid under any of the DHR Medicaid categories.

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13 Alabama uses continuous eligibility for children in MLIF for nearly all reasons causing MLIF ineligibility. The only changes that limit continuous eligibility are a child turning age 19, loss of state residence, ineligible alien status confirmed after review, or a failure to pursue other benefits that were identified at application or review.

14 The family can seek health coverage for children by mailing an application to the state ALL Kids office, but the application will be referred to SOBRA Medicaid if the family’s income is below the Medicaid eligibility limits. See further discussion on this process in Section D below.

15 If a family is denied FA for failure to appear at the interview or not providing verification, it does appears they would not receive the ALL Kids/SOBRA application.
One way that Alabama tries to lessen the risk of losing benefits that results from its fragmented administrative structure is to use continuous eligibility for MLIF children. This results in a 12-month extension of benefits from the last MLIF eligibility determination. Typically, a child then loses eligibility for MLIF at the end of the 12-month period following the parent’s loss of MLIF. By using continuous eligibility, DHR delays the time when the family needs to apply for SOBRA Medicaid at a separate location. While the family will still need to separately apply for SOBRA Medicaid, this required action is delayed a year.

The Centers for Medicare & Medicaid Services (CMS, formerly the Health Care Financing Administration) has informed the state that Medicaid benefits should not be denied or closed until eligibility for all Medicaid coverage categories has been considered. CMS has said that Alabama’s policies and practices requiring a family to apply separately for SOBRA Medicaid when MLIF or TMA is denied or terminated do not conform to federal requirements. Alabama is taking steps to address these issues. As part of implementing the recommendations of the Governor’s Task Force on Children’s Health Insurance, the state plans to consolidate the delivery of all Medicaid eligibility under the AMA. When fully implemented, families would receive all Medicaid benefits—MLIF, TMA, and SOBRA Medicaid—through outstationed SOBRA workers. This approach eliminates the bifurcation that now occurs. It creates, however, a new bifurcation between the delivery of FA and MLIF because families would then be required to apply for cash and Medicaid through two different agencies at different locations.

D. INTERFACE BETWEEN SOBRA MEDICAID AND ALL KIDS

Because SOBRA Medicaid and ALL Kids (SCHIP Phase II) are separate programs administered by separate agencies, Alabama faces the challenge of connecting applicants with the right program and minimizing barriers to access resulting from the state’s administrative structure. Many Medicaid-eligible children initially apply for benefits through ALL Kids by mailing an application to the state office. The information package used for ALL Kids’ outreach and marketing includes a postage-paid envelope addressed to ALL Kids.

About 40 percent of applicants for ALL Kids and about 14 percent of renewals are under-income, that is, they are eligible for Medicaid and the application or renewal has to be transferred to the Medicaid agency. During the week of our visit, ALL Kids had identified 680 applications received that week for children who appeared Medicaid-eligible and whose applications were sent to the Medicaid agency. Conversely, some children applying for SOBRA Medicaid are over-income for Medicaid and qualify for ALL Kids; these applications must be forwarded to and processed by ALL Kids. The dominant path is the large number of Medicaid-eligible applications received by ALL Kids and forwarded to the Medicaid agency.

Alabama has taken steps to ensure that children applying for health insurance become enrolled in the program for which they qualify regardless of which path they use to start the application process. The state has taken a proactive approach to minimize barriers to access arising from the state’s administrative structure.
1. Using a Joint Application for SOBRA Medicaid and ALL Kids

Like nearly all states with a separate state SCHIP program, Alabama uses a single joint application for children’s health insurance. A joint application for Medicaid and SCHIP allows the application to be forwarded directly to the correct agency rather than denying benefits and requiring the family to complete additional paperwork. Previously, the Alabama application asked the applicant to indicate what programs were being applied for and the application would be forwarded only to the program selected. Alabama has removed this language. Now, submittal of an application ensures that eligibility for ALL Kids and Medicaid always is considered without the applicant needing to identify the programs in advance.

2. Delays in Processing Applications

When ALL Kids started in 1998, the large applicant response led to a backlog of pending applications. The wait time for processing ALL Kids applications has averaged 43 days since the inception of the program with occasional periods of high backlog reaching 60 and 90 days. The ALL Kids backlog meant delays in forwarding to the Medicaid agency the 40 percent of those applications that were Medicaid-eligible. Once forwarded, the application faced additional processing times at the Medicaid agency.

Alabama has made great progress reducing the ALL Kids processing time, reaching an average wait time of 11 days in May 2001. The state has made efforts to speed the processing of applications referred to Medicaid by delivering the applications on a weekly basis, already batched by regions, so they can be forwarded to the local SOBRA Medicaid supervisors faster.\(^\text{16}\)

Alabama is actively exploring ways to expedite the approval of Medicaid-eligible children applying through ALL Kids, including more centralized processing of some applications. Currently, applications that enter through ALL Kids are dispersed to outstationed SOBRA Medicaid workers throughout the state for processing. This dispersal involves several hand-offs that delay the application process. While use of outstationed workers presents the advantage of multiple access points for local client contact, the distribution of applications to outstationed workers after they have been mailed to a central location is inefficient.

\(^\text{16}\)It is difficult to get a picture of processing time for Medicaid applications, including those entering the SOBRA Medicaid door and those referred from ALL Kids. Because of the relatively decentralized entry points for SOBRA Medicaid, information on pending applications may not always be available. There is a report of SOBRA Medicaid applications that have been pending for more than 34 days, but this report may not pick up applications that are not entered into the computer promptly. AMA currently has no regular management report providing information on application processing time.
3. Aligning ALL Kids and SOBRA Medicaid Policies and Procedures

Alabama has taken steps to avoid the bouncing back and forth of applications between ALL Kids and SOBRA Medicaid caused by differences in eligibility policies or procedures between the programs. The state has tried to align the policies, particularly the treatment of income, so the same methodology is used by each agency. In a change from the initial program policies, ALL Kids has adopted SOBRA Medicaid policies on treatment of earnings.

Differences in procedures can create additional delays when applications received at ALL Kids are forwarded to Medicaid. While ALL Kids uses self-declaration of income and has no interview requirement, SOBRA Medicaid generally requires a telephone interview and verification of income. Thus, when an application that originally was sent to ALL Kids is referred to Medicaid, the worker needs to contact the family for a telephone interview and require verification if it is not provided. The state recently eliminated some verification requirements (age of child, child care expenses) and is piloting self-declaration of income and eliminating the interview requirement in Jefferson and several other counties, with an eye toward statewide implementation of these changes. These changes are part of the recommendations of the January 2001 report of the Governor’s Task Force on Children’s Health Insurance.

4. Using a Joint Renewal Form for SOBRA Medicaid and ALL Kids

Changes in circumstances of low-income families may require that a child be transferred to a different health insurance program based on information provided on the renewal form. For example, a child enrolled in SOBRA Medicaid may be over-income at review either due to increased family income or to the age of the child. Similarly, children enrolled in ALL Kids may become under-income or Medicaid-eligible due to reduction of the family’s earnings and must be transferred to Medicaid at annual renewal; some 14 percent of the renewal forms received by ALL Kids are in this category.

While the programs originally used a joint application, they had separate renewal forms until recently. When information provided at an annual review indicated that a child no longer qualified for the same health insurance program, the family received a termination letter and a notice instructing the family to fill out another renewal form and submit it to the other program. As part of implementing a recommendation of the Governor’s Task Force on Children’s Health Insurance, Alabama created a new joint renewal form so the case can be forwarded directly for processing. The new form is a little longer than the previous renewal form (two double-sized pages) to seek enough information to avoid requiring families to reapply for benefits.

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17Because Alabama provides SOBRA Medicaid to children under age six with incomes below 133 percent of the federal poverty line and to children age six or above with incomes below 100 percent of the federal poverty line, a child might become ineligible for Medicaid after reaching age six without any change in family income.
IV. SUMMARY AND CONCLUSION

While Alabama’s administrative structure presents great challenges in facilitating food stamp and Medicaid enrollment and retention, there are a number of processes in place to address these barriers. For the most part, DHR policies and procedures appear to ensure that food stamps and Medicaid are not lost when TANF benefits are denied or terminated. In a number of areas, however, policies, application procedures, or business processes and tools could be altered to better support enrollment and retention.

A. ENROLLMENT AND RETENTION IN FOOD STAMPS

Alabama DHR has a bifurcated structure with families applying for and receiving food stamps from two separate offices depending on whether they also seek or receive TANF benefits. While many states have separate TANF and non-TANF units for administration of food stamp benefits, the bifurcation in Alabama is further hampered by separate offices and computer systems. During our visit, we examined the issuance of food stamp benefits within each office and the transitions or connections that a family must make between the offices.

**Screening for Expedited Services.** All applicants for food stamps should be screened immediately for expedited issuance of food stamps, and if eligible, benefits should be issued promptly. We observed practices that did not ensure immediate screening for or issuance of expedited food stamps in both the Food Stamp and Family Assistance offices. In Jefferson County’s Family Assistance Office, there is no screening until the scheduled intake interview, several days after application. In the Food Stamp Office, we observed that screening at the time of application does not always occur. As the application at both the Family Assistance and Food Stamp offices include a section for expedited food stamp screening, Alabama should ensure that reception staff always check this section in both offices and immediately connect the applicant with an interview if warranted.

**Duplicate Processes for Mixed Households.** Under Alabama’s current structure, a significant number of families (mixed food stamp households) must apply for or retain food stamp benefits through the Food Stamp Office while also applying for or receiving TANF or Medicaid from the Family Assistance Office. These mixed food stamp households include child-only cases that comprise half the FA caseload as well as Medicaid-only families, such as those who have left FA and receive TMA from the Family Assistance Office. This duplicate process increases the burden on the family and DHR staff.

Alabama could modify the administrative structure so that families needing food stamps and FA do not have to work with two offices at the same time. We suggest that households receiving any benefit from the Family Assistance Office also receive food stamps through this same office. This is how many states handle the issue of mixed food stamp households in agencies structured with separate units for public assistance food stamps and NPA food stamp units. Alternately, there are other ways that DHR could transfer information between the FA and Food Stamp Offices to eliminate or minimize the need for applicants to separately apply and interview at both offices.
Transitioning to the Food Stamp Office When FA Closes. The procedures used in Birmingham for continuing food stamps when an FA case closes appear to promote food stamp retention and ease the transition from the Family Assistance Office to the Food Stamp Office. When FA benefits close, the FA worker continues to hold the case through the certification period. The FA worker does not shorten the certification period or require any additional action of the household simply because FA benefits have closed. While the family needs to receive ongoing food stamp benefits through the Food Stamp Office, this transfer happens when the household applies for recertification. A short, computer-generated, food stamp renewal form is sent to the family and a recertification interview is scheduled at the Food Stamp Office. While some other offices in the state transfer the case to the Food Stamp Office promptly after the FA closes, the same general procedure applies; the household is automatically sent the short NPA renewal form and would contact the Food Stamp Office to reapply.

Food Stamp Office Use of 12-Month Certification Periods with Quarterly Reporting. DHR minimizes the burden on working families to retain food stamp benefits by using 12-month food stamp certification periods with quarterly reporting for employed NPA households. Longer certification periods promote retention of food stamps. The state is considering extending quarterly reporting to non-TANF households with unearned income or child support, as well as to FA households. Both of these options would further improve retention of food stamps, as would another option under consideration, substituting the federal option of semi-annual reporting.

Alabama could improve the procedures it uses for quarterly reporting. Under the current procedure, a recipient who does not file the report and the verification by the deadline (several days before the end of the month) needs to reapply and may face a gap in benefits. If the state suspended benefits and accepted a late report, it could reduce the burdens that reapplication places on families and DHR staff and limit the loss of any benefits. This approach is used in other states. Alabama is considering modifying the procedures accordingly.

Limited Automation in the Food Stamp Office. Food stamp application processing is a largely manual process with a number of steps and a variety of transition points. Each handoff (e.g., to the DMU, back to the case worker) extends processing time and may contribute to errors. For example, Food Stamp Office case workers should be reviewing the information that the DMU enters, but workers rarely have time to do so. Further, entering data from hard copy applications introduces more opportunities for error.

The current automated system limits DHR’s ability to streamline food stamp enrollment. For example, workers cannot conduct interactive interviews and determine eligibility while the client is present. Such an advantage would eliminate the need to hand off an application for entry by the DMU. The FA model, in which case workers directly input client information into the automated FACETS system, could be applied to improve food stamp eligibility processing. Alabama DHR staff indicated that the design of such an enhancement to SCI-II has been documented but is not being developed.

Food Stamp Worker Caseload. We repeatedly heard that the Food Stamp Office does not have the resources to handle its workload. A typical worker carries a high number of cases, usually 450. This volume significantly limits what a worker may accomplish on a case,
particularly given the cumbersome and largely manual system for eligibility processing. Now, a worker only has 20 minutes or less during interviews with clients. State and county officials attribute the increased caseload to a combination of a hiring freeze and a large number of longtime Food Stamp Office staff taking advantage of a time-specific retirement incentive.

Caseload limits workers’ time and ability to mitigate identified risk points. The Food Stamp Office has little time to review applications for accuracy, which results in errors that could compromise access to food stamps. A worker needs adequate time during an interview to gather comprehensive information and to enter it accurately into the system. He or she needs time after the interview to review the DMU entry according to current protocol. A workload reduction is one way to improve quality. If more families received food stamps from the Family Assistance Office, it would decrease the caseload for Food Stamp Office staff and reduce access and retention risks.

B. ENROLLMENT AND RETENTION OF MEDICAID

Alabama also has a bifurcated structure in its Medicaid eligibility processes—DHR processes Section 1931 Medicaid and TMA, while AMA handles eligibility of children and pregnant women in SOBRA Medicaid. We examined the Medicaid enrollment and retention processes within each agency and the transitions or connections that a family must make between the agencies. We also examined the connections and transitions between the two children’s health insurance programs—SOBRA Medicaid (administered by the AMA) and ALL Kids and the state’s SCHIP program (administered by DPH).

**Enrollment and Retention at DHR.** DHR procedures place unnecessary barriers to Medicaid enrollment. By requiring applicants to restart the FA and MLIF application process if they do not provide verification within 10 days, DHR creates additional work for both families and DHR staff. Instead of repeated application churning, DHR could offer an extension for verification, or it could reopen the original application if the information needed is provided within a designated period after the denial. DHR management informed us that extensions could be provided when clients needed them, but we did not learn of awareness or use of such extensions in of our interviews with workers or clients.

DHR’s use of 12-month reviews for MLIF should help ensure that families do not lose Medicaid for failing to complete a six-month review for food stamps or FA (if it is not also an MLIF review). However, we observed an uneven application of the policy and the worker must manually reset the review date to avoid automatic MLIF closure. In addition, the policy penalizes families who partly respond to a food stamp or FA review by terminating MLIF even if the case is not scheduled for a review.

**Interface Between Section 1931 Medicaid for Families and SOBRA Medicaid for Children.** Because these Medicaid categories are administered by two different agencies, DHR denies or terminates children without considering their eligibility for ongoing Medicaid through the SOBRA coverage category. This procedure is not consistent with federal requirements that Medicaid should not be denied or terminated without a previous determination of eligibility for any other Medicaid category.
One of the ways the state has tried to mitigate this problem is by using continuous eligibility for children in MLIF. Alabama uses this federal option to extend MLIF to the children for 12 months following any eligibility determination. This policy is intended to delay the disruption in benefits that occurs when a family no longer qualifies for MLIF or TMA and needs to apply at another location through another agency for SOBRA Medicaid benefits for which the children continue to qualify. This policy enables the children to continue to receive benefits through DHR, at least for a period after the family otherwise loses eligibility for Medicaid. At the end of the 12-month period, the family still faces the barrier of applying for SOBRA Medicaid at another location.

Ultimately, Alabama proposes to address this problem by transferring all Medicaid programs to AMA. Under the Governor’s Task Force recommendation, all Medicaid eligibility categories would be administered for families and children through outstationed SOBRA Medicaid workers. This would eliminate the current bifurcation of Medicaid eligibility, and it would provide family Medicaid coverage through outstationed locations without the need to go to the welfare office to apply for benefits. While this change would eliminate the fragmentation between Medicaid coverage categories, it would worsen service delivery for low-income families who already are receiving FA from DHR. FA families would be required to go to another location to obtain Medicaid coverage. One way to limit this burden would be to co-locate a SOBRA Medicaid worker at DHR to serve families using the DHR office. Another way to minimize the procedures would be to electronically share eligibility information between DHR and AMA, so FA families do not need to take additional steps to obtain and retain Medicaid.

Meanwhile, Alabama should consider an interim solution to bridge the gap between DHR’s Medicaid programs and SOBRA Medicaid, as the AMA transfer is not slated to occur for several years. An interim solution could include an internal transfer of the application or case to AMA prior to denial or termination, or delegating SOBRA eligibility decisions to DHR with eligible cases being transferred to AMA for enrollment, or some other collaborative effort between the agencies.

Interface Between SOBRA Medicaid and ALL Kids. ALL Kids outreach and marketing efforts have added 50,000 low-income children to SOBRA Medicaid. The two agencies administering these programs have taken a number of steps to ensure that children who apply through ALL Kids but qualify for Medicaid become enrolled without undue delay or barriers. These efforts include aligning many eligibility policies, using joint application and renewal forms, and eliminating delays in processing ALL Kids applications. Eliminating interview and verification requirements in SOBRA Medicaid also would reduce barriers and delays in enrollment.

A centralized unit for processing SOBRA Medicaid applications received through ALL Kids would expedite enrollment and reduce administrative burdens. Several thousand ALL Kids applications a month are received in the central ALL Kids office and distributed to outstationed SOBRA Medicaid workers. While outstationed workers provide greater local access to clients who are walking into health clinics, it is unnecessary and inefficient to use this decentralized
service delivery for the large number of mailed-in applications. A centralized unit could supplement the outstationed workers.

The state is planning to streamline the enrollment processes among all of these programs serving children and families. This includes MLIF enrollment through the ALL Kids application currently used for children. Due to positive results following initial pilots, Alabama expects to implement statewide self-declaration of income and eliminating interviews for SOBRA Medicaid. Alignment particularly requires extending these procedural changes so that including MLIF does not further complicate procedures or forms. This presents an opportunity to simplify MLIF eligibility, for example, conforming eligibility to SOBRA Medicaid, or at least by eliminating asset tests and simplifying earnings disregards.

C. CONCLUSION

Alabama has an unusually complex administrative structure that creates barriers to enrollment in and retention of food stamps and Medicaid. There are initiatives that could address some of the outstanding problems. One approach Alabama is considering is to better coordinate and share information among agencies and to use adjunct eligibility. The AMA is exploring Web-based solutions to provide better access to clients and partner organizations. Information-sharing approaches should help relieve the burden on needy families by allowing administering agencies and offices to obtain eligibility information, such as income amounts or verifications already provided by the clients. In addition, the state is considering ways to minimize the number of places families have to go to obtain benefits by limiting the in-person contacts required, instead using phone and mail contacts. The state is exploring other options to streamline procedures for clients and staff.
APPENDIX A: RESEARCH METHODS

The information for this report was collected primarily during a three-day visit to Alabama on May 16-18, 2001. Two days were spent in Jefferson County visiting the TANF and Food Stamp offices and outstationed Medicaid workers. One day was spent in Montgomery meeting with state officials and visiting the state’s SCHIP office. We gathered this information through meetings with administrators and staff of the state agencies administering these programs, administrators and staff in Jefferson County’s local welfare offices, and Jefferson County’s staff from the AMA. We met with clients and the community-based organizations that serve clients.

During the site visit, interviews were conducted to explore staff procedures and client interactions, work flow, supervisory structure and the local DHR office environment. Because Alabama clients might receive benefits from multiple agencies or multiple locations, particular attention was paid to the continuity or breaks that resulted from multiple service delivery points.

In Jefferson County, we visited the county’s two DHR offices in Birmingham and Bessemer. We interviewed staff in the Family Assistance Office (which handles TANF, food stamps for most TANF families, and Medicaid programs administered by DHR) and in the Food Stamp Office (which handles food stamps for non-TANF and some TANF families). Information collection methods included:

- Group interviews with Jefferson County DHR director, assistant director, supervisors, and program managers
- Individual and group interviews with the staffs of Jefferson County DHR Family Assistance Office, Food Stamp Office, and JOBS
- Case reviews with DHR case workers handling food stamps and Medicaid
- Job shadowing of workers handling DHR food stamps and Medicaid during interviews with clients
- Observation and shadowing of the reception/front desk area and activities

We visited a health clinic in Jefferson County where an AMA worker is stationed. Information collection methods there included:

- Interview, case review and job shadow of AMA case worker handling Medicaid for children and pregnant women and family planning services
- Interview with Jefferson County’s supervisor of AMA staff handling Medicaid for children and pregnant women and family planning services
Information was gathered from a variety of other sources:

- Individual and group interviews with leadership and policy experts with responsibility for policies and procedures in the TANF, food stamps, Medicaid, and SCHIP programs in the state DHR, AMA, and DPH
- Group interview with DPH staff responsible for administering the state’s SCHIP program
- Systems interview on information management with state and county DHR staff
- Interviews with representatives of community-based organizations serving the clients in Jefferson County and statewide
- Focus group with program clients in Jefferson County
APPENDIX B: CLIENT FOCUS GROUP

The Alabama site visit team held a focus group in Birmingham with current and former recipients of TANF, food stamps, and Medicaid. The focus group, comprising three participants, was held the evening of May 19, 2001, at a community-based organization in Birmingham (JCCEO). In exchange for their participation, they were given a $25 stipend and were reimbursed for their transportation and child care expenses.

A. KNOWLEDGE OF PROGRAMS

Participants generally knew about programs and where to apply for benefits, although one asked what the difference was between Medicaid and ALL KIDS. Participants understood that there was no time limit associated with food stamps and Medicaid beyond the certification periods.

B. PROGRAM EXPERIENCE

Participants discussed their experiences with the food stamp, TANF, and Medicaid programs. They said that scheduling of face-to-face interviews at the county DHR office was a problem, noting that telephone calls were not returned and that it took a very long time to get an appointment. They said it was especially difficult to schedule appointments around their work schedules and that they had to wait a long time to be seen even when they did have a scheduled appointment. However, they said, if they were late, they had to reschedule. Although the participants knew they could apply by mail, they said the mail was so slow it was better to apply in person.

1. Food Stamps

Two participants said the Food Stamp Program application process was confusing and complicated. Although they know they can mail in their applications and verifications, they reported that using the mail lengthened the process. One participant reported mailing his food stamp application in mid-April and in mid-May receiving an appointment for the required face-to-face interview. In contrast, another participant applied in person and received her appointment letter the next day for an appointment scheduled for the next week. Participants said it was difficult to work the food stamp appointments into their work schedules. One said that when she was unable to make the first appointment, she was not given a second one. One participant was currently reapplying for food stamps after having failed to complete a previous application several months earlier.

One participant had received an erroneous letter from DHR stating that she had not used her food stamps in 60 days, even though she was not receiving food stamps at the time and had never received notification of approval for food stamp benefits. Participants reported that expedited
food stamps are difficult to obtain. However, they all agreed it was worth going through the process because they “really need the help.”

2. Medicaid

Participants agreed it was easier to apply for Medicaid than food stamps. However, one participant reported that SOBRA Medicaid would not allow application until after the first trimester of pregnancy could be verified. Participants said it was easier to stay on Medicaid than on food stamps.

C. PROGRAM STIGMA

None of the participants reported feeling stigmatized by receiving Medicaid or food stamps. They all agreed that they were receiving needed help to live and to raise their children.
## APPENDIX C:
ENROLLMENT/INITIAL APPLICATION OVERVIEW

<table>
<thead>
<tr>
<th>Application Forms</th>
<th>Where and How Submitted</th>
<th>Length</th>
<th>Processing Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TANF (FA)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint application includes TANF, food stamps, and 1931 Medicaid (Form 690)</td>
<td>Local DHR Family Assistance Office; submit in person, mail, or drop box</td>
<td>1 page (2 sides); rest of information collected through on-screen interview</td>
<td>Face-to-face interview required; Caseworker uses FACETS system for interactive interview and eligibility determination</td>
</tr>
<tr>
<td><strong>Food Stamps</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pure FA household</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint application that includes TANF, food stamps, and 1931 Medicaid (Form 690)</td>
<td>Local DHR Family Assistance Office; submit in person, by mail, or in drop box</td>
<td>1 page, 2 sides; rest of information collected through on-screen interview</td>
<td>Face-to-face interview required; caseworker uses FACETS system for interactive interview; SCI-II determines eligibility</td>
</tr>
<tr>
<td>Food stamp-only applicant or FA applicants in mixed food stamp households</td>
<td>Local DHR Food Stamp Office; submit in person, by mail, or in drop box</td>
<td>20 pages</td>
<td>Face-to-face interview required unless waived due to hardship; paper-based interview; no system processing during interview; data entered into IEVS system by DMU; SCI-II determines eligibility</td>
</tr>
<tr>
<td>Food stamp-only application</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1931 Medicaid (MLIF)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint application includes TANF, food stamps, and 1931 Medicaid (Form 690)</td>
<td>Local DHR Family Assistance Office; submit in person, by mail, or in drop box</td>
<td>1 page, 2 sides; rest of information collected in on-screen interview</td>
<td>Interview required (need not be face-to-face); caseworker uses FACETS system for interactive interview and eligibility determination</td>
</tr>
<tr>
<td><strong>SOBRA Medicaid</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint application covers ALL Kids, SOBRA Medicaid, and Alabama Child Caring Foundation</td>
<td>SOBRA Medicaid outstationed workers (in person or by mail) or mail to ALL Kids state office, which sends application to SOBRA Medicaid workers</td>
<td>2 pages, 4 sides</td>
<td>Interview (need not be face-to-face) and verification required except in pilot areas; SOBRA worker uses MCICS computer system to determine and authorize eligibility</td>
</tr>
<tr>
<td><strong>ALL Kids</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joint application covers ALL Kids, SOBRA Medicaid, and Alabama Child Caring Foundation</td>
<td>ALL Kids state office (mail-in only) or submit to SOBRA Medicaid outstationed workers for mail-in to ALL Kids</td>
<td>2 pages, 4 sides</td>
<td>No interview or verification required</td>
</tr>
</tbody>
</table>
APPENDIX D

JEFFERSON COUNTY DHR TANF, FOOD STAMPS, AND MEDICAID: CLIENT FLOW AND WORK FLOW
**FIGURE D.1: UPFRONT APPLICATION PROCESS (1.0 - 3.0)**

1.0 Client requests application

1.1 If client present at FA office, will be given joint application which identifies 4 options: FA, FA & Medicaid, FS, Medicaid.

1.2 Worker makes determination if FA Office and/or FS Office

1.3 Applying for FS only?

1.4 If applicant requests Expedited Food Stamps, FS Front Desk Worker uses SCI-II to determine if eligible

2.0 No

2.1 FA Front Desk Worker checks IEVS database to determine if client has received assistance previously

2.2 Client completes Joint Application form 690 (2 pages)

2.3 Pure FA household members are part of FA

2.4 Appointment scheduled with FA worker (usually within 3 days from time application received)

2.5 DMU enters & forwards application to Unit Clerk for appointment scheduling

3.0 Eligible for Expedited Food Stamps?

3.1 Yes

3.2 Appointment Letter Generated by FACETS automatically sent to applicant

3.3 FS Front Desk Worker schedules appointment for 8:00 a.m. next or second business day

3.4 No

3.5 Appointment Letter Generated by FACETS automatically sent to applicant (usually within 5-10 days from time application received)

---

**Family Assistance Office**

* Applicant could be involved in both offices (processes 2.0 & 3.0), with 2 separate workers

---

**Food Stamp Office**

* Applicant in a mixed FS household could be involved in both offices (processes 2.0 & 3.0), with 2 separate workers
FIGURE D.2: INTAKE/ELIGIBILITY DETERMINATION
(4.0-5.0)

Family Assistance Office

4.0

Eligibility determination appointment - face to face only

4.1 4.2

Worker conducts interactive interview; collects and enters information into FACETS

Expedited food stamp screening (if found to be eligible, can be certified for FS benefits same day)*

4.3

Verifications & proof of job search for FA complete?*

4.4

Application pending eligibility determination and denied FA and MLIF in 10 days*

4.4.1

*Total of 10 days allotted to return all verifications for FA; FS held for 30 days.

4.5

FA eligibility determination made (FACETS supported)

4.5.1

Benefits Denied

FA Eligible?

4.5.1.1

FS benefits issued*

MLIF eligibility determination made (FACETS supported)

4.6

FS Eligible?

4.6.1

Benefits Denied

4.6.1.2

MLIF Eligible?

4.7

Benefits Denied

4.7.1

MLIF benefits issued

4.7.1.1

Family referred to SOBRA*

4.7.1.2.1

*May be given SOBRA or ALL Kids application

4.8

*Proof of identification, wages/income, expenses, residence - told at time of application what verifications to bring & indicated on appointment letter.

*Expedited food stamp issuance does not require full verifications.
Client must ask for expedited consideration - there is no automatic screening. Worker may make determination regarding expedited Food Stamp eligibility with or without using SCI-II.

*Workers could do a mock budget in SCI-II to help indicate if eligible (did not observe during site visit).

*Worker may check IEVS for employment/earnings verification.

FIGURE D.2 (cont’d): INTAKE/ELIGIBILITY DETERMINATION (4.0-5.0)

Food Stamp Office

5.0
Eligibility determination appointment

Worker conducts paper-based interview with the applicant, using the hardcopy application

5.2
*Client must ask for expedited consideration - there is no automatic screening.

*Worker may make determination regarding expedited Food Stamps eligibility with or without using SCI-II.

5.3
Verifications complete?

Yes

5.4
Application receives a status of pending*

No

5.5
Worker completes paperwork/application (1-5 days to complete)*

5.6
Application sent to DMU for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.7
SCI-II determines eligibility/amounts & generates notification letter

5.8
FS Workers reviews print out/checks for accuracy*

5.9
Client notified via mail

5.10
Worker completes paperwork/application (1-5 days to complete)*

5.11
Application sent to DMU for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.12
SCI-II determines eligibility/amounts & generates notification letter

5.13
FS Workers reviews print out/checks for accuracy*

5.14
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.31
Application receives a status of pending*

5.41
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.42
SCI-II determines eligibility/amounts & generates notification letter

5.43
FS Workers reviews print out/checks for accuracy*

5.44
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.32
Application receives a status of pending*

5.45
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.46
SCI-II determines eligibility/amounts & generates notification letter

5.47
FS Workers reviews print out/checks for accuracy*

5.48
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.33
Application receives a status of pending*

5.49
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.50
SCI-II determines eligibility/amounts & generates notification letter

5.51
FS Workers reviews print out/checks for accuracy*

5.52
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.34
Application receives a status of pending*

5.53
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.54
SCI-II determines eligibility/amounts & generates notification letter

5.55
FS Workers reviews print out/checks for accuracy*

5.56
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.35
Application receives a status of pending*

5.57
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.58
SCI-II determines eligibility/amounts & generates notification letter

5.59
FS Workers reviews print out/checks for accuracy*

5.60
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.36
Application receives a status of pending*

5.61
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.62
SCI-II determines eligibility/amounts & generates notification letter

5.63
FS Workers reviews print out/checks for accuracy*

5.64
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.37
Application receives a status of pending*

5.65
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.66
SCI-II determines eligibility/amounts & generates notification letter

5.67
FS Workers reviews print out/checks for accuracy*

5.68
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.38
Application receives a status of pending*

5.69
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.70
SCI-II determines eligibility/amounts & generates notification letter

5.71
FS Workers reviews print out/checks for accuracy*

5.72
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.39
Application receives a status of pending*

5.73
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.74
SCI-II determines eligibility/amounts & generates notification letter

5.75
FS Workers reviews print out/checks for accuracy*

5.76
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.40
Application receives a status of pending*

5.77
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.78
SCI-II determines eligibility/amounts & generates notification letter

5.79
FS Workers reviews print out/checks for accuracy*

5.80
Client notified via mail

*Workers do not always perform this step due to time constraints.

5.41
Application receives a status of pending*

5.81
Application sent to DMU  for entry into SCI-II to determine eligibility

DMU Enters application information into SCI-II

5.82
SCI-II determines eligibility/amounts & generates notification letter

5.83
FS Workers reviews print out/checks for accuracy*

5.84
Client notified via mail

*Workers do not always perform this step due to time constraints.
FIGURE D.3: CASE REVIEW/REDETERMINATION PROCESS (6.0-7.0)

Family Assistance Office

6.0

6.1
FA/FS recertification letter sent to client (auto generated by FACETS & SCI-II)*

6.2
Client contacts worker to schedule appointment for case review if yes, review conducted (go to 6.5)

6.3
Second notice sent to client to schedule appointment (if client does not respond to first letter)*

Yes

Client responds to second notice

6.4

FA closed*

No

All information provided?

6.6

6.6.1
* Child’s Medicaid benefits will continue for 12 months from last determination period

Yes

Eligibility determination

6.8

6.9

6.10

6.5
Case review conducted

6.6.1
FA & Adult Medicaid benefits terminated*

6.7

6.8

6.9

6.10
Family Assistance Office, continued

6.8
FA eligible?
Yes
FA benefits continued*
6.8.1

FA closed*
6.8.2

No

6.9
FS eligible?
Yes
FS benefits continued
6.9.1

FS closed
6.9.2

No

6.10
MLIF eligible?
Yes
MLIF benefits continued
6.10.1

TMA certified for 12 months
6.10.2.1

MLIF closed for adult, child continues*
6.10.2

TMA ends & client notified that may be eligible for SOBRA/ALL Kids, separate application process, external to DHR*
6.10.2.2.1

*Client may be given an application in person

6.10.2.2.2

*FACETS generates notice

6.10.2.2.2.1

6.10.2.1.1

TMA ends & client notified that may be eligible for SOBRA/ALL Kids, separate application process, external to DHR*

6.10.2.1.2

TMA closed

* Transfer is seamless for client. SCI-II sends notice to household along with short Food Stamp recertification form.

6.0

* See 6.9 for Food Stamp review process.
* MLIF reviewed every 12 months. See 6.10 for 12 month review process.

6.0

* Client remains eligible for 12 months beyond last determination

6.9.1.1

FS continue, FA closes. FS case transferred to FS office*

6.9.1.1.1

7.0

*FA benefits remain open?

* See 6.9 for Food Stamp review process.
* MLIF reviewed every 12 months. See 6.10 for 12 month review process.
FIGURE D.3 (cont'd): CASE REVIEW/REDETERMINATION PROCESS (6.0-7.0)

7.0* SCI-II generates & sends appointment letter to client with recertification appointment date/time along with short form application

7.1 *Letter generated on 25th of the month; appointment set for first 15 days of the month.

7.2 Case review appointment (complete short form application)

7.3 Worker conducts paper-based interview with client, using the hardcopy application

7.4 Verifications complete?* 7.4.1 Benefits terminate/case closed recertification date*

7.5 Worker completes paperwork/application (1-5 day turn-around)

7.6 Application sent to DMU for entry into SCI-II

7.7 DMU Enters application information into SCI-II

7.8 SCI-II determines eligibility/amounts & generates notification letter*

7.9 FS Workers reviews print out/checks for accuracy

7.10 Client notified via mail

7.11 Still eligible? 7.11.1 FS case closed

7.12 FS benefits re-issued

*Client with earnings set-up for 12 month certification with quarterly reporting requirement.

*This process could be applicable to NPA clients and PA clients who lost FA eligibility during certification period.

*Client does not necessarily know if still eligible at the time of the interview; worker may tell client to keep checking EBT card &/or of notification letter will come in the mail; if no changes, likely still eligible.

*For 30 days after closure, will still treat as recertification if verifications returned (can use short form).
## APPENDIX E: HOW ALABAMA’S POLICIES AND PRACTICES FOR HANDLING KEY TRANSITION POINTS SUPPORT OR RISK ENROLLMENT AND RETENTION IN FOOD STAMPS AND MEDICAID

<table>
<thead>
<tr>
<th>Transition Point</th>
<th>Treatment to Support Enrollment or Retention</th>
<th>Risks for Loss of Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Application and Enrollment</strong></td>
<td>FA Office combined application for TANF, MLIF and food stamps is short (both sides of 1 page).</td>
<td>Food stamp-only application is long (20 pages) and some applicants may not and submit while at office.</td>
</tr>
<tr>
<td></td>
<td>FA Office can give applicant a food stamp-only application if s/he needs to apply there as well or instead.</td>
<td>Applicants may start at one window (FA or food stamps) and be sent to the other.</td>
</tr>
<tr>
<td></td>
<td>Joint combined application for benefits—used by FA Office covers all DHR benefits—applicant indicates benefits being sought on form (FA, FA/Medicaid, food stamps, Medicaid).</td>
<td>Some applicants need to go through two separate application processes for FA/MLIF and food stamps.</td>
</tr>
<tr>
<td></td>
<td>FA Office workers handle all the programs so are knowledgeable about other benefits might qualify for.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>FACETS will only run eligibility on programs that worker selects for eligibility determination (FA or Medicaid). SCI-II determines eligibility for food stamps.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Applicants in the Food Stamp Office will not be informed about Medicaid or TANF benefits.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Applicants at FA Office not eligible for MLIF will not be considered for SOBRA Medicaid or ALL Kids for the children. They may be referred or given an application to the local health department for these benefits.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Expedited food stamps not screened for until interview at FA Office. In Food Stamp Office, screening form included with application, though may not be acknowledged until intake interview is scheduled.</td>
<td></td>
</tr>
<tr>
<td><strong>Application started but not completed</strong></td>
<td>If applicant fails to provide needed verification, food stamp application not denied until 30th day. If information provided within 30 days after denial, earlier application can be reopened.</td>
<td>FA Office cannot determine eligibility for any benefits without information that is collected in the interactive interview.</td>
</tr>
<tr>
<td></td>
<td>MLIF can be determined with a telephone interview.</td>
<td>Applicants must provide verification of meeting job search requirement before FA can be authorized.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If requested verification or job search information is provided later than 10 days, application for FA and MLIF is denied, and applicant must start process over and conduct additional job searches for FA.</td>
</tr>
<tr>
<td>Transition Point</td>
<td>Treatment to Support Enrollment or Retention</td>
<td>Risks for Loss of Benefits</td>
</tr>
<tr>
<td>------------------</td>
<td>---------------------------------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Applicant job search requirement</td>
<td>If applicant gets a job, s/he is unlikely to qualify for FA, but if all needed information is provided, eligibility for MLIF and food stamps would be considered separately. If applicant is eligible for food stamps but not FA, food stamps would be authorized and case is transferred to Food Stamp Office.</td>
<td>Because of limited disregard of earnings of an applicant, when an applicant gets a job, the family may not qualify for FA or MLIF. Eligibility of children for SOBRA Medicaid not considered.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Families who obtain employment may not complete application process, so DHR would be unable to provide any benefits (most likely food stamps) for which they qualify.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If an application is denied because verification of job search comes in after 10th day, applicant must start process over including conducting a new job search.</td>
</tr>
</tbody>
</table>

**Application and Enrollment (cont’d)**

| Denial from TANF | At FA office, eligibility for food stamps and MLIF will be determined if client is determined ineligible for TANF. If applicant is eligible, food stamps will be authorized and case is transferred to Food Stamp Office. | If not eligible for MLIF, eligibility for SOBRA Medicaid or ALL Kids will not be considered; Medicaid application will be denied. |
| | | If eligible for MLIF and food stamps (but not TANF), family will receive ongoing benefits from two different offices—FA and food stamps. |

**Retention/Recertification**

| Maintaining eligibility at recertification for benefits | **FA Office:** Because of 12-month MLIF certification periods, families generally should not lose Medicaid if fail to complete the 6-month FA/food stamp review that is not also an MLIF review. |
| | If family loses eligibility for MLIF because of partial response (even though MLIF review not due), benefits will continue for children for 12-months from last eligibility determination. |
| | **Food Stamp Office:** 12-month certification periods with quarterly reporting for employed food stamp recipients limits the frequency of certification and office visits. |
| | Short food stamp renewal form lets families avoid completing long 20-page application at each review. | **FA Office:** Families can lose MLIF at 6-month FA and food stamp review that is not an MLIF review if they provide partial response but do not provide complete information or verification requested. Also, manual worker action needed to continue MLIF at a 6-month FA review, but action may not occur given inconsistent worker awareness that MLIF should continue. |
| | | **Food Stamp Office:** Some food stamp households will have to complete separate recertification or reporting processes for food stamps and FA or Medicaid—these include mixed FA and non-public assistance food stamp households and families getting Medicaid (MLIF or TMA) but not TANF. |

**Closure of TANF**

<p>| TANF benefits closed due to earnings | MLIF is considered independently of FA eligibility; family may become ineligible for MLIF before, at the same time, or after FA closure. If family is also ineligible for MLIF, transferred to TMA if eligible. | A family that qualifies for TMA will receive TMA from the FA worker but will receive food stamps from the Food Stamp Office. Employed family will be subject to two sets (unsynchronized) of quarterly reports. |</p>
<table>
<thead>
<tr>
<th>Transition Point</th>
<th>Treatment to Support Enrollment or Retention</th>
<th>Risks for Loss of Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>TANF benefits closed due to earnings (cont’d)</td>
<td>If family not eligible for MLIF or Transitional Medical, children remain eligible for 12 months from determination of MLIF ineligibility. Food stamps are adjusted based on the earnings; no change in the certification period. Case converted to QR and remains with FA Office until recertification. When food stamp recertification is due, family automatically sent short food stamp renewal form to renew at the Food Stamp Office.</td>
<td>Limited MLIF disregards result in some families not qualifying for TMA if they lose MLIF eligibility before receiving it for three months. When 12 months of TMA (if eligible) or MLIF for children ends, eligibility of the children for SOBRA Medicaid is not considered. Families are notified that they can apply for these benefits through outstationed SOBRA Medicaid workers.</td>
</tr>
<tr>
<td>TANF closed for other reasons</td>
<td>Food stamps are adjusted based on circumstances; no change in the certification period. Case converted to QR (if earnings) and remains with FA Office until recertification. When recertification is due, family automatically sent short food stamp renewal form to renew at the Food Stamp Office. MLIF continues unless reason for FA closure also made family ineligible for MLIF. In any event, MLIF continues for children for 12 months.</td>
<td>When family is ineligible for MLIF and the 12-month extension for the children ends, eligibility of the children for SOBRA Medicaid is not considered. Families are notified that they can apply for these benefits through outstationed SOBRA Medicaid workers.</td>
</tr>
<tr>
<td>TANF benefits reduced or closed due to sanction</td>
<td>Because food stamp and MLIF eligibility are considered separately, these benefits do not close just because FA benefits close if the children or family is still eligible.</td>
<td>Because Alabama has chosen to extend FA sanctions to the adult for MLIF (unless pregnant) and to the whole household for food stamps (unless exempt from food stamp work requirements), adults or families often lose eligibility for food stamps and MLIF when subject to an FA work sanction.</td>
</tr>
</tbody>
</table>