FOCUS on Health Reform

THE HENRY J. KAISER FAMILY FOUNDATION

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EXPLAINING HEALTH REFORM:
Eligibility and Enrollment Processes For Medicaid, CHIP, and Subsidies in the Exchanges

On March 23, 2010, the Patient Protection and Affordable Care Act (ACA) became law, requiring most U.S. citizens and legal residents to have health insurance and establishing a state-based system of health benefit Exchanges through which individuals can purchase coverage, with financial support for those between 133–400% of the federal poverty level, and expanding Medicaid eligibility to those with income below that level. A number of provisions in the ACA require states to design and operate coordinated, technology-supported enrollment processes to assist Americans who lack access to affordable employer-based coverage in obtaining health coverage through Medicaid, the Children's Health Insurance Program (CHIP), or the Exchange. The law requires states to develop consumer-friendly application processes for these health subsidy programs, coordinate across them to enable seamless transitions, and reduce the burdens of application and renewal by minimizing the up-front information and documentation required to establish eligibility and instead developing procedures that tap available data from other sources.

The accompanying chart summarizes and provides highlights of the legislative language from ACA regarding the main enrollment provisions, particularly those of relevance to low- and moderate-income families. These provisions require enrollment systems that are:

Consumer-friendly: ACA requires states to create enrollment systems that ensure that applicants are screened for all available health subsidy programs and enrolled in the appropriate program, with minimal collection of information and documentation from applicants.

Coordinated: ACA requires states to coordinate efforts across available health subsidy programs to enable seamless transitions between those programs.

Simplified: ACA requires states to operate a streamlined enrollment process and foster administrative simplification, using uniform income rules and forms as well as paperless verification procedures.

Technology-enabled: ACA requires states to operate enrollment Web portals and securely exchange and utilize data to support the eligibility determination. In addition, ACA directs the Secretary of Health and Human Services to establish standards and protocols for electronic enrollment and eligibility systems, to allow for significantly improved streamlining and cross-agency capabilities.

With the passage of health reform, the United States has begun to build a culture of coverage, laying the foundation for this culture shift through new health coverage options, protections, and subsidies, as well as through provisions that promote individual responsibility. The first stone in this foundation has been laid with the July 1, 2010 launch of a federal informational Internet portal (http://www.healthcare.gov) that will ultimately have significant operational capabilities. Further, ACA tasks states with constructing an enrollment system that assists people in understanding their choices and helps them obtain and keep appropriate health coverage. In order to achieve the optimal enrollment process, with the technology that can support it, states need to begin planning and developing their policies, procedures, and systems right away, to ensure deployment by 2014.

CONSUMER-FRIENDLY

Summary	Section	Specifics
Helps consumers understand their options	§ 1103 § 1311(c)(5)	The Secretary of Health and Human Services (Secretary) will create, operate, and update an Internet portal to help consumers identify and compare available affordable coverage options, including Medicaid and CHIP. The portal was launched July 1, 2010: http://www.healthcare.gov/. It will be fully functional as of October 1, 2010. The Secretary will also design, for use by the Exchanges, a model template for an Internet portal that will assist individuals in "determining whether they are eligible to participate in an Exchange or eligible for a premium tax credit or cost-sharing reduction," among other functions.
Helps families apply online	§ 2201 [New §1943(b)(1) of the Social Security Act (SSA)]	States are required to operate an Internet website that links the Exchange, Medicaid, and CHIP (as relevant). These websites shall allow individuals to compare available health subsidy programs and apply for or renew such coverage. State websites shall be in operation by January 1, 2014.
Provides for a single, streamlined application form	§ 1413	The Secretary is required to develop a single, streamlined form that States can use for all those applying on the basis of income to applicable State health subsidy programs and that can be filed by an applicant online, in person, by mail or phone. Applicable state health subsidy programs include: premium tax credits and cost-sharing reductions in the Exchange, Medicaid, CHIP, and § 1331 state qualified basic health plans. States can develop their own single, streamlined form as an alternative to the Secretary's form as long as it meets the same standards. For applicants not applying on the basis of income, such as foster children and SSI beneficiaries, states may use a supplemental or alternative form.
Reduces administrative burdens on applicants	§ 1413(b)(2) § 2002(a)	Individuals filing the single form "shall receive notice of eligibility for an applicable State health subsidy program without any need to provide additional information or paperwork unless... information provided on the form is inconsistent with data used for the electronic verification... or is otherwise insufficient to determine eligibility." No asset test will be applied in Medicaid for individuals whose income is calculated using modified adjusted gross income (MAGI), including parents and other non-elderly adults as well as children.
Expands presumptive eligibility for Medicaid applicants	§ 2202	At state option, all hospitals participating in a state Medicaid program can grant presumptive eligibility to all Medicaid eligible populations (not only pregnant women and children). This option is effective January 1, 2014.
Provides assistance to help consumers obtain coverage	§ 1311(i) § 2201 [New SSA §1943(b)(1)(F)]	Exchanges will set up a Navigator grant program to provide fair and impartial, culturally and linguistically appropriate information concerning enrollment in qualified health plans and available subsidies through the Exchange, facilitate enrollment in qualified health plans, and provide referrals for complaints. In addition, states will establish procedures for conducting outreach and providing enrollment assistance to vulnerable and underserved populations eligible for Medicaid and CHIP.

COORDINATED

Summary	Section	Specifics
Requires coordination between Exchanges, Medicaid, and CHIP so that there is no wrong door into coverage	§ 2201 [New SSA § 1943 (a) and (b)]	Requires, as a condition of Federal financial assistance (i.e., federal Medicaid matching funds) beginning January 1, 2014, that states establish streamlined application and renewal procedures that: • Enable individuals to apply for, be enrolled in, or renew Medicaid coverage through an Internet website that is linked to the Exchange website; • "Enroll… without any further determination by the State and through such website, individuals who are identified by an Exchange… as being eligible for" Medicaid or CHIP; • Ensure that individuals found ineligible for Medicaid or CHIP are screened for the Exchange and any applicable premium assistance and, if eligible, "enrolled in such a plan without having to submit an additional or separate application" and receive information regarding reduced cost-sharing and any other assistance or subsidies that are available through the Exchange.
	§ 1311(a) and (d)(4)(F)	The Secretary will award states Exchange "planning and establishment" grants by March 23, 2011, which may be renewed until January 1, 2015. Planning and establishment must ensure that the Exchange has the ability, among other specified functions, to inform individuals about Medicaid, CHIP, "or any applicable State or local public program," screen their application, and enroll such individuals in any of those programs as appropriate.
Medicaid and CHIP agencies may determine eligibility for premium tax credits	§ 2201 [New SSA § 1943(b)(2)]	A Medicaid or CHIP agency can enter an agreement with an Exchange to determine eligibility for premium assistance if the agreement "meets such conditions and requirements as the Secretary of the Treasury may prescribe to reduce administrative costs and the likelihood of eligibility errors and disruptions in coverage."

SIMPLIFIED

Summary	Section	Specifics
Increases uniformity in income rules for all health subsidy programs	§ 2002 § 2101(d)	Modified adjusted gross income (MAGI) will be used to determine eligibility for all subsidized health programs. MAGI is defined in § 1401 (newly added § 36B(d)(2) of the Internal Revenue Code of 1986). • A standard 5% income disregard will be used to determine Medicaid eligibility. • Provides exceptions to the use of MAGI, including when eligibility is determined for elderly individuals, dual eligibles, medically needy individuals, and those for whom eligibility is based on receipt of other aid (such as SSI and foster care assistance) and when an income finding has been made by an Express Lane agency.
Standardizes information required to establish eligibility for individual coverage, financial assistance, or exemption from individual mandate	§ 1411(b)	All applicants to the Exchange in the individual market will provide: • Name, address, date of birth (DOB). • Citizenship (attestation and social security number (SSN)) or immigration status (attestation, SSN, identifying information as determined by Secretary and Homeland Security). Individuals applying for a premium tax credit and/or cost-sharing reduction, or for exemption from the individual mandate, must also supply the following information: • Information about income and family size. This can be supplied by the tax return, pursuant to § 1414. • As applicable, information related to changes in circumstances. • As applicable, information about available employer coverage.
Requires paperless verification and determination processes for the Exchange	§ 1411(c)	The Secretary shall provide that verifications and determinations of eligibility for participation in the Exchange, premium tax credits, and cost-sharing reductions, and eligibility for exemptions from the individual mandate are done electronically or by checking information submitted against federal records. The Secretary can modify the required verification methods if doing so will "reduce the administrative costs and burdens on the applicant." One possible modification specifically mentioned in ACA is the possibility of allowing an applicant to request the Secretary of the Treasury to provide information directly to the Exchange or Secretary.
Maximizes role of data-matching to support eligibility determination processes	§ 1413(c)	"Each applicable State health subsidy program shall participate in a data matching arrangement for determining eligibility for participation..." Using the data matching arrangement, each health subsidy program shall, to the maximum extent practicable: "(i) establish, verify, and update eligibility for participation in the program using the data matching arrangement...; and (ii) determine such eligibility on the basis of reliable, third party data... obtained through such arrangement." An exception applies if the Secretary determines that "the administrative and other costs of use in the data matching arrangement... outweigh its expected gains in accuracy, efficiency, and program participation." The data matching program will apply only to individuals who receive assistance from a health subsidy program or who apply for such assistance by filing the single, streamlined application form or by requesting an eligibility determination and authorizing disclosure of information required for that purpose.

TECHNOLOGY-ENABLED

Summary	Section	Specifics
Maximizes role of the Internet for purposes of application and enrollment	§ 1413 § 2201	Individuals will have access to an Internet website through which they can apply for and renew coverage online using the single, streamlined application for all health subsidy programs. Through the website, applicants who are eligible for Medicaid, CHIP, and premium tax credits or other subsidies through the Exchange will be able to compare their options.
Provides for secure electronic exchange of data	§ 1413(c) § 2201	Requires states to securely exchange data to determine eligibility. "Each state shall develop for all applicable health subsidy programs a secure, electronic interface allowing an exchange of data (including information contained in the application forms...) that allows a determination of eligibility for all such programs based on a single application."
Creates information technology standards and protocols to facilitate electronic enrollment	§ 1561	The Secretary shall establish standards and protocols for electronic enrollment that allow for the following: (1) "Electronic matching against existing Federal and State data, including vital records, employment history, enrollment systems, tax records, and other data determined appropriate by the Secretary to serve as evidence of eligibility and in lieu of paper-based documentation." (2) "Simplification and submission of electronic documentation, digitization of documents, and systems verification of eligibility." (3) "Reuse of stored eligibility information... to assist with retention..." (4) "Capability for individuals to apply, recertify and manage their eligibility information online..." (5) "Ability to expand the enrollment system to integrate new programs, rules, and functionalities, to operate at increased volume, and to apply streamlined verification and eligibility processes to other Federal and State programs, as appropriate." (6) "Other functionalities" necessary to streamline the process for applicants. Provides for grants to states and localities to develop or adapt existing systems to meet the new standards and protocols. More broadly, the Secretary "shall notify" states about these standards and procedures and "may require, as a condition of receiving Federal funds for the health information technology investments, that States or other entities incorporate such standards and protocols into such investments."

This brief was prepared by Beth Morrow of The Children's Partnership and Julia Paradise of the Kaiser Family Foundation's Commission on Medicaid and the Uninsured.

For further information about ACA, beyond its enrollment provisions, please go to the Kaiser Family Foundation's Health Reform site, at: http://healthreform.kff.org/.

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