

Will the Uninsured Enroll into Coverage Under National Health Reform?

Alliance for Health Reform
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Overview

- Enrollment matters
- What works
- Lessons for national reform

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Part I:

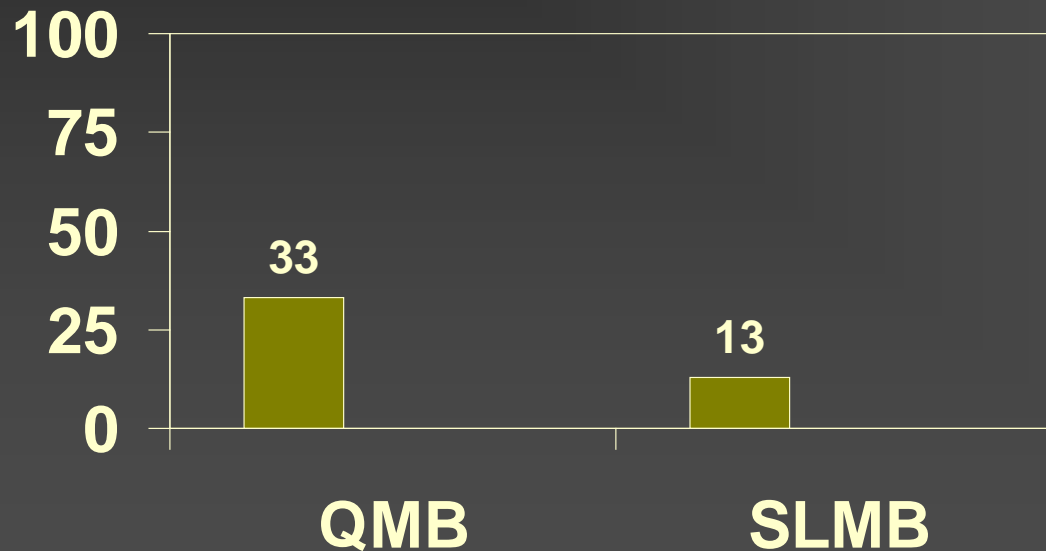
Enrollment matters

If you build it, will they come?



Medicare Savings Programs

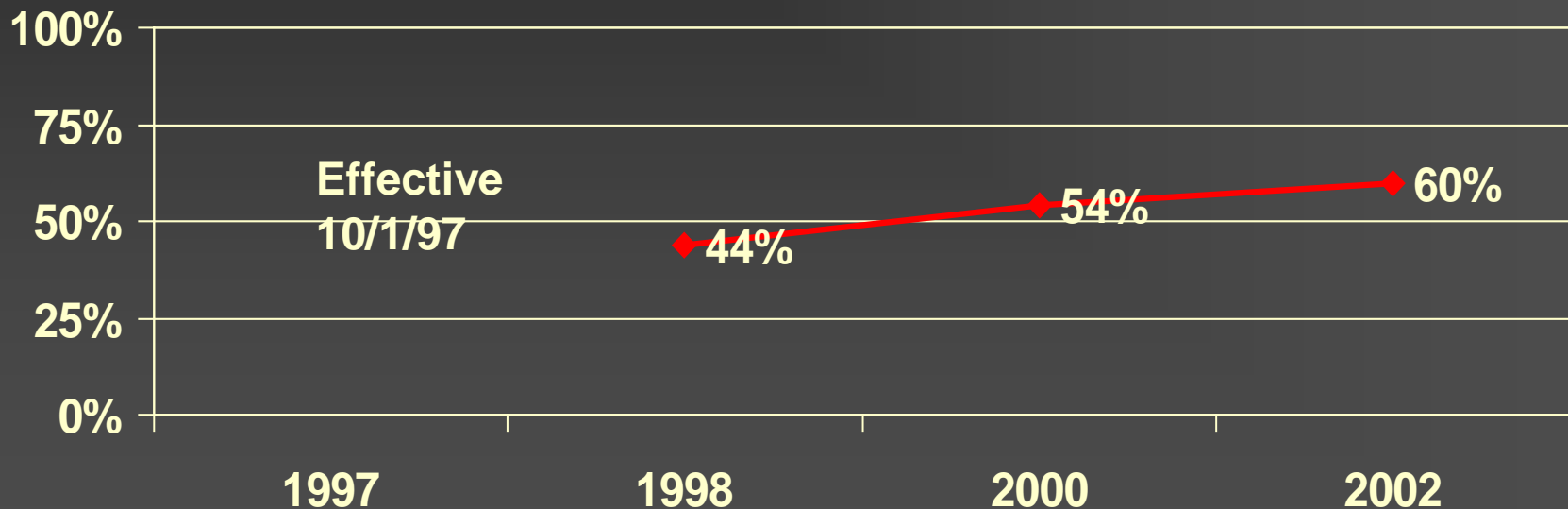
Percentage of eligible beneficiaries participating in MSP: 2001



Source: MedPAC 2008.

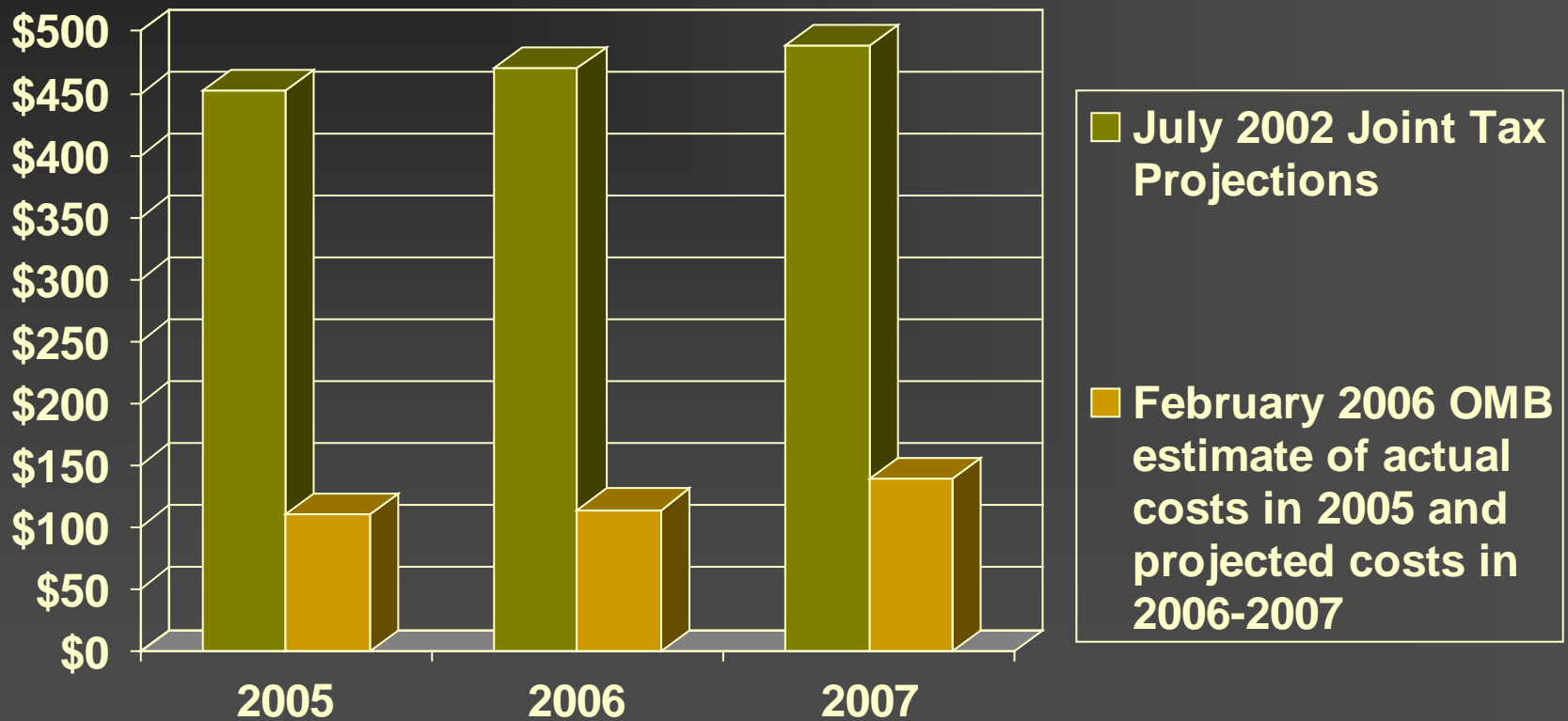
State Children's Health Insurance Program

Percentage of eligible children enrolling in CHIP,
1998-2002



Source: Selden, et al., 2004 (MEPS data).

Health Coverage Tax Credit Costs: July 2002 Projections vs. February 2006 Estimates and Projections (millions)





Part II

What works

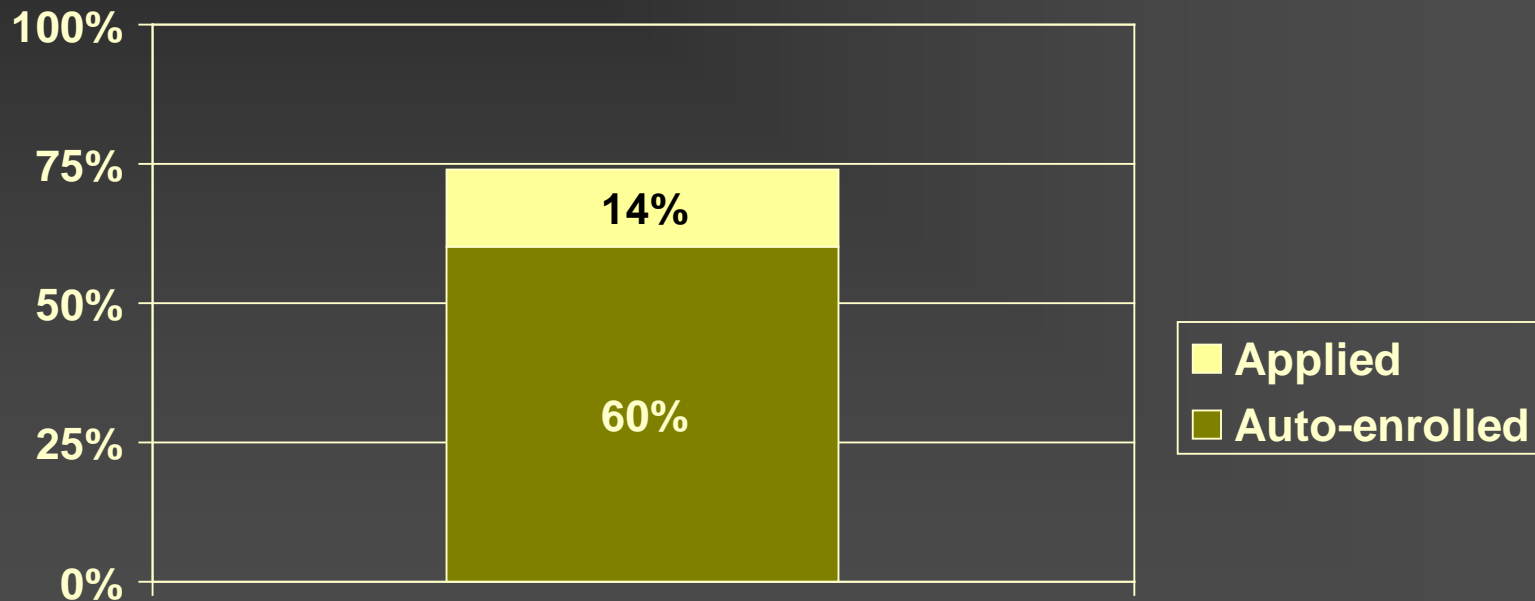
Example #1: Low-income subsidies (LIS) for Medicare Part D



- Automatically eligible and enrolled this year if, last year, you received either:
 - Medicaid; or
 - Supplemental Security Income (SSI)
 - Note: this is even true in states where Medicaid covers people who are ordinarily ineligible for LIS because of excess assets. Eligibility rules change to fit the data.
- If data matches do not establish eligibility, you can apply for LIS

Data-driven eligibility=rapid and high enrollment

LIS Enrollment by Eligible Seniors as of 6/11/06, Less Than Six Months After 1/1/06 Effective Date



Source: Urban Institute calculations from CMS data, 6/06.

Example #2: Medicare Part B means-testing



- Federal income tax data from 2 years ago determines this year's means-tested premium
- What if income changes?
 - If it goes up, subsidies decline in a future year
 - If it goes down, you can apply for more help right now
- Upshot: 100% of Part B enrollees received a preliminary income determination and corresponding premium subsidy without needing to file an application
- Note: prior-year income tax data also used for
 - 2008 stimulus rebate checks
 - College student aid

Example #3: Massachusetts

- Less than 2 years after 2006 reforms enacted, only 2.6 percent of non-elderly residents were uninsured
- 56 percent of expanded coverage came through Medicaid and Commonwealth Care (CommCare), a new subsidy program
- The usual explanations don't suffice
 - With most subsidized enrollees, the individual mandate was inapplicable or not enforced



Key factors

- **Major public education campaign.**
- **Data-driven eligibility.** By December 2007, roughly 1 in 4 newly insured qualified for CommCare based on data from the state's former free care pool
- **Intensive application assistance.** More than half of all successful applications for Medicaid and CommCare were completed by CBOs and providers via the "Virtual Gateway"
- **Upshot:** Most eligible, low-income residents qualified for subsidies and received coverage without needing to fill out paperwork
 - Just like with Medicare!

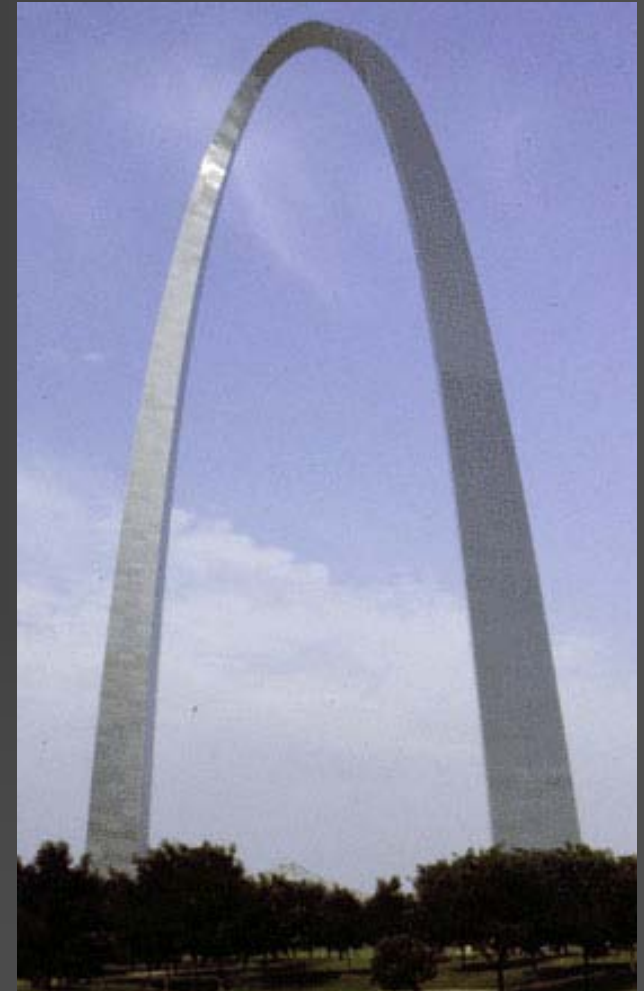
A single application and eligibility process for many subsidy programs



- Multiple subsidy programs
 - Medicaid (includes CHIP, premium assistance, etc.)
 - CommCare
 - Health Safety Net (successor to free care pool)
 - State-funded program for certain immigrant children
- 1 application form, processed by a statewide office inside Medicaid, using logic-driven, computerized routines

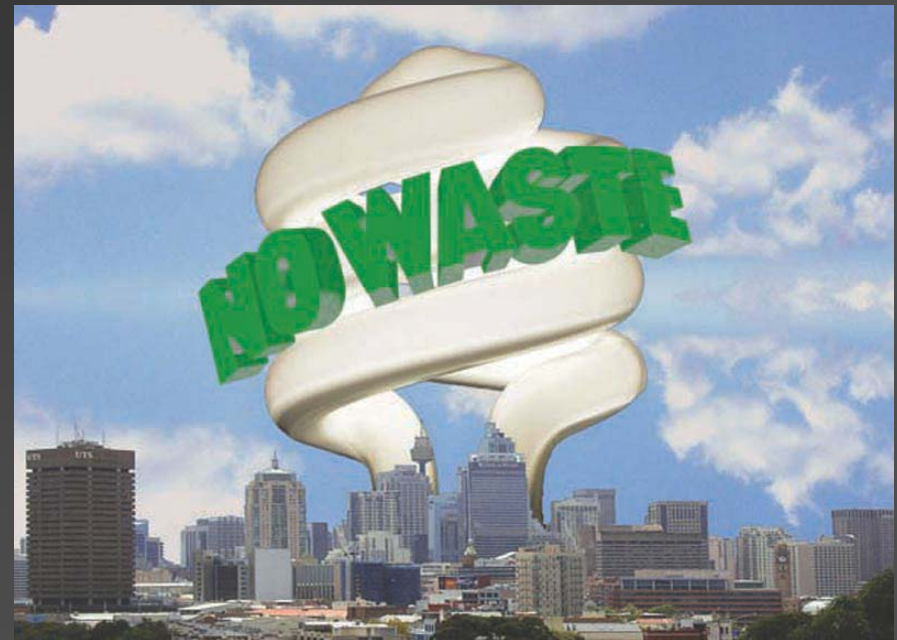
The Virtual Gateway

- Trained staff of providers & CBOs can file applications on-line
- Provider incentive – no payment for a patient unless an application is completed
- Mini-grants to CBOs for community education and application assistance



The results

- High and rapid enrollment
- Fewer errors
- Lower operational administrative costs



The miracle of data-driven eligibility: access PLUS integrity and efficiency

U.S. Government Accountability Office:

“Program administrators told us of several strategies that increase access while maintaining and even improving integrity. The complementary strategies we identified are enabled by information systems, data sharing, and technological innovations, changes in the application and eligibility verification process, and outreach and coordination with other programs.”

-GAO, “Means-tested Programs: Information on Program Access Can Be an Important Management Tool,” 3/05, GAO-05-221

GAO, continued

“Improved information systems, sharing of data between programs, and use of new technologies can help programs to better verify eligibility and make the application process more efficient and less error prone. These strategies can improve integrity not only by preventing outright abuse of programs, but also by reducing chances for client or caseworker error or misunderstanding. They can also help programs reach out to populations who may face barriers. One strategy involves sharing verified eligibility information about applicants across programs. Data sharing prevents applicants from having to submit identical verification to multiple programs for which they may be eligible, and it can also speed up the sometimes-lengthy application process. In addition, data sharing allows programs to check the veracity of information they receive from applicants with other databases.”

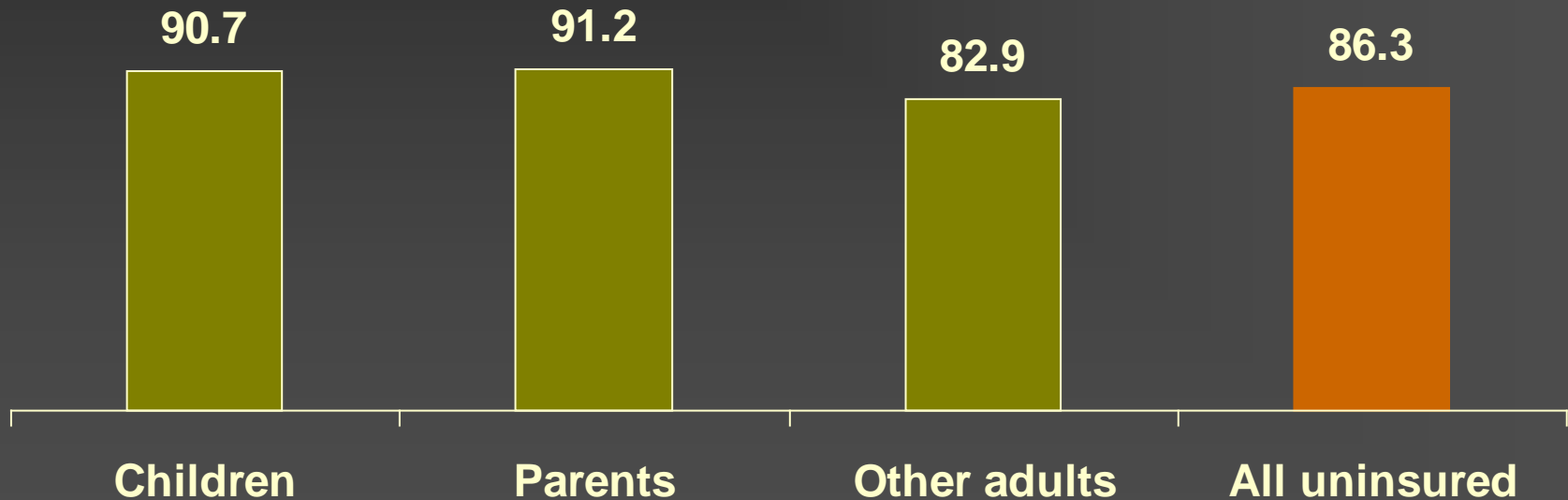


Part III

Lessons for national health reform

Lesson #1: Use data, not paperwork from consumers, to establish eligibility, whenever possible

The percentage of uninsured who file federal income tax returns, by relationship to children:
2004



Source: Urban Institute December 2009.

The Senate bill is almost there

- Tax data determines income for all subsidies, including Medicaid and CHIP
- Reconciliation between prior-year and current-year income
 - Disincentive to apply is reduced by “safe harbors”
- Some ability to show that income has fallen and more subsidies are needed
- General provisions requiring data matching, maximizing use of data to establish, update, and renew eligibility

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Obstacles in Senate bill

- General requirement to complete application forms, even if all the necessary information is already in government hands
- No specific provision for automatically updating prior-year tax data based on new income data
- Special Medicaid rule seems to require current income data at initial application (pay stubs, etc.)
- No ability to use income tax data to show that immigrants are legal residents
 - Before issuing an SSN, SSA requires proof of citizenship or work authorization



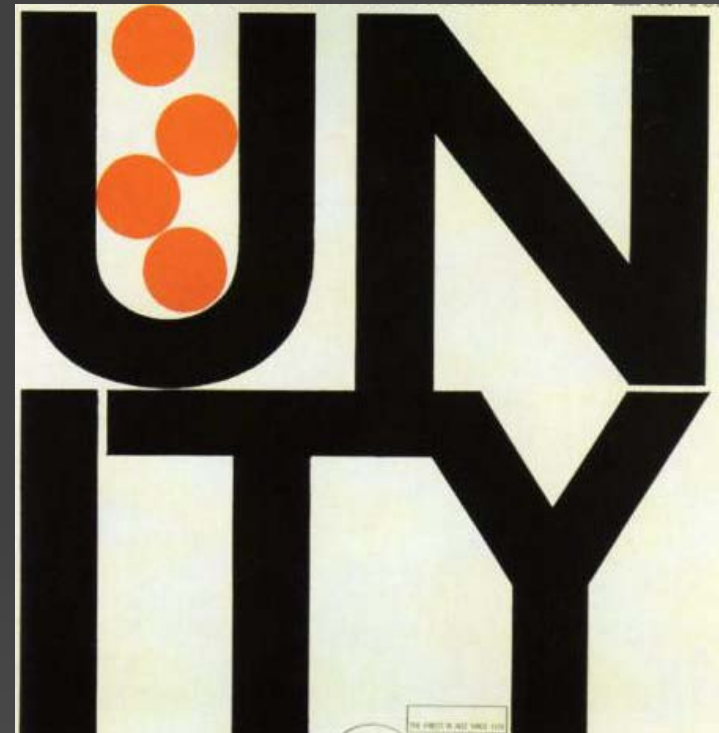
House bill has farther to go

- Income tax data can establish eligibility for subsidies in the Exchange, but not Medicaid (except perhaps for childless adults)
- No maximization of data-driven eligibility
- Changed circumstances
 - No “safe harbor” limits repayment of excess subsidies
 - Affirmative obligation to report changes in income—sets up potentially serious program integrity problems down the road



Lesson #2: Use a single form and single eligibility determination system for all subsidies

- Senate bill does this
- House bill is heading in the right direction
 - Applications to Exchange also establish Medicaid eligibility
 - Works the other way, with some limitations
 - But no single application form



Lesson #3: When applications are required, enlist CBOs and providers to complete them

■ Neither bill

- Provides significant funding to CBOs for community education and enrollment
- Gives providers incentives and mechanisms to complete application forms on behalf of patients



Conclusion

- Eligibility rules and mechanisms for enrollment and retention will have an enormous impact on whether national reform legislation actually covers the uninsured
- Pending legislation is moving in positive directions
- Further adjustments are needed