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## Key Issues to Consider for Outreach and Enrollment Efforts under Health Reform

### EXECUTIVE SUMMARY

The Affordable Care Act (ACA) will significantly expand health coverage opportunities through an expansion in Medicaid and the creation of new health insurance exchanges in 2014. Effective outreach and enrollment efforts will be vital for assuring the expansions translate into increased coverage. Based on a discussion with federal and state officials and experts, this report identifies key issues to consider with regard to outreach and enrollment under reform, including the following.

***States are in varying stages of preparing for 2014, with many utilizing new enhanced federal funds to make major improvements in their Medicaid eligibility systems.*** Progress forward to prepare for reform varied widely among discussion participants' states, with some moving ahead and others stalled due to political, administrative, and fiscal challenges. Participants noted that the lack of political support in some states is hindering and complicating efforts to prepare for reform. However, almost all participants reported that their state is using new enhanced federal funding to make major Medicaid eligibility system improvements, even if their state is not moving forward in other areas. Participants commented that system upgrades are sometimes outpacing eligibility policy decisions and states would benefit from increased technical assistance and guidance to design and manage upgrades. Participants also pointed to the need for greater inter-agency coordination for overall planning efforts in some states.

***Preparing for 2014 will entail a significant organizational and cultural shift among eligibility staff.*** As new enrollment systems come into place in 2014, there will be a significant change in eligibility worker roles and responsibilities. Participants agreed that a high degree of organizational and cultural change is needed to prepare workers for their new functions and the new coverage system. Concerns were raised about state capacity to foster necessary change, particularly since details of workers' new roles have yet to be defined and state administrative resources are currently strained.

***Proven Medicaid and CHIP outreach and enrollment strategies will serve as a roadmap for enrolling individuals under reform, but new approaches will also be required.*** Participants were optimistic that effective strategies for enrolling children could be used to reach and enroll parents who become newly eligible under reform. However, there was consensus that new messages and strategies will be needed to connect with other groups, particularly adults without dependent children, moderate-income families who will be eligible for tax credits for exchange coverage, small business owners, and immigrant and mixed citizenship status families. Participants also highlighted the importance of timing outreach efforts appropriately—noting drawbacks associated with initiating efforts too far in advance of the expansion, as well as too late, particularly since the exchanges will have a limited open enrollment period.

***Even with new enrollment systems in place, navigators and application assistants will play a key role.*** Participants noted that some states have begun early planning and thinking about navigator programs to assist individuals in enrolling in coverage under reform. It was noted that there is a growing recognition that it will be important to build on the existing networks of application assistants in developing these programs, but that insurance brokers and agents will also play a useful role for certain individuals.

In sum, effective outreach and enrollment efforts will be key to the success of the ACA coverage expansions. States are moving forward with major Medicaid eligibility system improvements that will facilitate enrollment. However, even with new systems in place, broad and targeted outreach efforts and accessible application assistance will be key components for achieving successful enrollment.

## INTRODUCTION

The Affordable Care Act (ACA) aims to significantly decrease the number of uninsured individuals by providing new coverage options to millions of Americans. Beginning in 2014, the law will expand Medicaid eligibility to 133 percent of the federal poverty level (FPL) for nearly all individuals and provide tax credits to help individuals, without access to affordable employer coverage and with incomes up to 400% FPL, purchase coverage through new health insurance exchanges. Total Medicaid enrollment is expected to increase by 16 million people, or 27 percent, by 2019.<sup>1</sup> Some 24 million people are expected to gain coverage through the new exchanges, 20 million of whom are anticipated to receive tax credits.<sup>2</sup>

Under the ACA, states also are tasked with providing a coordinated and streamlined enrollment system in 2014. Under this system, individuals will be able to apply for Medicaid, CHIP, and exchange coverage using a single application available through multiple avenues, including in-person, online, and by phone. In most cases, eligibility will be determined in real time through electronic data matches. Many states will need to make significant upgrades to their current Medicaid eligibility and enrollment systems to create this new system, and, in April 2011, the Centers for Medicare and Medicaid Services made significant enhanced federal funding available to help states with this effort. Specifically, until 2015, a 90 percent federal matching rate is available for the design, development, and implementation of Medicaid eligibility system upgrades, up from the regular 50 percent administrative matching rate. In addition, a 75 percent federal matching rate is available indefinitely to help states maintain these systems.

Reaching and enrolling eligible individuals under reform will be key for ensuring that the ACA expansions translate into increased coverage. In November 2011, the Kaiser Commission on Medicaid and the Uninsured (KCMU) convened a meeting with federal and state officials and other policy experts to discuss their perspectives on key issues to consider with regard to outreach and enrollment under reform. This report is based on that structured discussion, which centered on state efforts to prepare for outreach and enrollment in 2014, potential outreach and enrollment challenges, and successful outreach and enrollment strategies that could be applied under health reform.

## KEY ISSUES

***States are in varying stages of preparation for 2014, with many utilizing new enhanced federal funds to make major improvements in their Medicaid eligibility systems.***

In preparation for 2014, states must develop the necessary infrastructure to enroll millions of newly eligible individuals in Medicaid using new streamlined processes, establish exchanges, and coordinate Medicaid and exchange eligibility determination and enrollment functions. As noted, many states will need to make significant upgrades to their existing Medicaid eligibility and enrollment systems to achieve the new streamlined, coordinated enrollment system required under reform.

Nationwide, there has been growing progress to establish exchanges and begin major Medicaid eligibility system improvements. As of February 2012, 18 states had established an exchange or had plans to do so.<sup>3</sup> In addition, as of January 2012, 29 states had approved or submitted plans to make major Medicaid eligibility system improvements utilizing the available enhanced federal funding.

Discussion participants described a mix of progress among their states to prepare for 2014. With regard to exchanges, several participants noted that their states had made significant progress forward, having established an exchange or having passed authorizing legislation. These participants noted that their states are now in various stages of working through issues of exchange governance, design, and function, for example, deciding how to coordinate implementation across different state agencies and

who will run and own the exchange. Other participants, however, noted that their states have not moved forward with exchange development due to lack of political leadership and support, including lack of authorizing legislation. Several participants noted the significant challenges of preparing for reform without political support or legislative action for implementation. These participants highlighted the difficulty of preparing for the Medicaid expansion amid uncertainty about the eventual structure and format of their state's exchange. However, it was recognized that preparations must begin now, even with this uncertainty, in order to be ready for 2014. It was also noted that, although significant federal funds are flowing into states for implementation, tight state budgets have hampered implementation efforts.

While progress forward on exchange development was mixed, all participants noted that their states are moving forward with major improvements to their Medicaid eligibility systems, even if they are not moving forward in other areas. Participants indicated that their states were in varying stages of their system upgrades. A few had begun work upgrading their systems prior to the passage to the ACA and already have new systems in place that will be adjusted to meet the ACA requirements. Others are earlier in the process—either in the midst of procuring a vendor to implement the upgrade or having just completed procurement and initiating work.

Participants highlighted the importance of states beginning Medicaid system improvement efforts early, particularly given the length of time and complexity associated with procurement processes and development work. However, it was noted that the work to upgrade systems is sometimes outpacing key eligibility policy decisions, including fundamental decisions about the state's overall coverage system under health reform. For example, some states are moving forward with new Medicaid eligibility systems while the structure of their exchange remains uncertain. Participants noted that this is leading to concerns that system design decisions may drive policy decisions instead of policy decisions driving system design. Several participants also pointed to communication challenges between state officials and system programmers, noting that the programmers have no grounding in policy and many state officials lack the necessary technical expertise to fully understand or manage the system upgrades. However, participants stressed the need for state policy staff to coordinate with system developers and address problems as they arise because of the difficulty and time required to make changes once coding for new systems is already in place.

Given this array of challenges, participants suggested that states would benefit from more technical assistance and guidance on systems development to assure they are building systems that will provide the necessary functions and allow for seamless connections across coverage types under health reform. Participants specifically noted the need for greater technical capacity at the state level and the value of increased support to assist states with procurement processes, particularly guidance on how to execute effective contracts with the vendors conducting the system upgrades. References were also made to initiatives underway that will help states with their development processes, including the "Enroll UX 2014" project, which is working to develop a first class user experience design for exchanges that will be made available for all exchanges to utilize as part of their operations.

***As new eligibility and enrollment systems and processes come into place in 2014, eligibility worker roles and responsibilities will change.***

As one participant noted, an IT system alone is not the sum of an eligibility and enrollment system. Participants agreed that, even with the new rules-based electronic enrollment systems, eligibility workers will continue to play a key role in 2014. However, they noted that there will be a significant change in the function and roles of eligibility workers that will require major organizational and cultural changes. Participants commented that, in states in which the bulk of the eligibility determination process currently resides with the eligibility worker and documentation requirements are based on worker discretion, the shift to use of a rules-based, electronic system will be very significant. Moreover, participants indicated that the move to a focus on getting all eligible individuals enrolled into coverage will be a significant cultural change for staff in many states.

Participants raised concerns about whether states have adequate time and capacity to plan for these changes, particularly since eligibility workers in many states are not yet familiar with the new policies that will come into effect under health reform. In addition, participants noted concerns about whether eligibility workers would be able to handle the significant influx of new applications following the expansion, particularly since many states are currently short-staffed. Another challenge participants highlighted is that, while it is clear workers' roles will change, the specific nature of their new roles still remains uncertain. It was also pointed out that past state experience has shown that cultural change can sometimes take years to effectively implement and take root. A number of participants indicated that states would benefit from increased guidance for planning staffing needs under reform given the new roles of Medicaid eligibility workers and their new responsibilities coordinating with exchange coverage.

***Proven Medicaid and CHIP outreach and enrollment strategies will serve as a roadmap for enrolling eligible individuals under reform, but new approaches will also be required.***

There was a general consensus among participants that multiple outreach strategies will be needed to reach the diverse population who will be eligible for coverage in 2014. Participants also recognized that outreach messages and strategies will need to bridge across Medicaid, CHIP, and exchange coverage as the enrollment process moves to a "no wrong door" system.

Participants were optimistic about the ability to reach and enroll newly eligible low-income parents in Medicaid by utilizing and building on many of the effective strategies already in place for enrolling children. It also was suggested that, beginning in 2013, children's Medicaid and CHIP application and renewal forms could include a question asking about their parents' insurance status and provide information about the new coverage options that will become available in 2014.

However, there was broad recognition that new messaging and strategies would be needed to reach other newly eligible individuals, particularly hard-to-reach groups, including low-income adults without dependent children, moderate income families who will be eligible for tax credits for exchange coverage, small business owners, and immigrant and mixed citizenship status families. It was noted that low-income adults without dependent children have historically been ineligible for Medicaid. Most states, therefore, have limited experience working with this population and outreach messages will need to effectively convey to these adults that the rules have changed and they are now eligible for the program.

Participants also noted that most states have no experience working with individuals with incomes between 200 and 400 percent of poverty who will be eligible for tax credits for the purchase of exchange coverage. It was recognized that it will be important for outreach messaging to this group to effectively convey the value of coverage since they will have to pay a share of premium costs. Participants also noted that this group will be at risk for repaying their tax credits if their circumstances change during the year, which could make them reluctant to apply for the advance tax credits to help purchase coverage.

Several challenges specific to reaching and enrolling individuals in immigrant and mixed citizenship status families also were identified by participants. One participant commented that many lawfully present immigrants falsely believe that the coverage expansions do not pertain to them. Participants also stressed that immigrant families are more likely to have complex situations in which different family members may be eligible for different types of coverage. For example, citizen children may be eligible for Medicaid or CHIP while their lawfully-residing non-citizen parents may be eligible for exchange coverage. As such, these families are more likely to require assistance understanding their coverage options and enrolling in coverage.

Participants also noted that outreach and enrollment needs and challenges will vary by state, based on a number of factors. For example, states vary significantly in their existing Medicaid eligibility levels for adults, meaning that the size and scope of the Medicaid expansion for adults will differ across states. Moreover, the extent to which state leadership has embraced the ACA and the strength of the state's existing application assistance programs will impact outreach and enrollment needs and efforts under reform.

Overall, participants felt that, in light of these challenges, it will be important to explore new outreach avenues and conduct research to better understand the messages that will resonate with different groups as well as how and where they want to enroll in coverage. Providers, such as community health centers and hospitals, were suggested as one potential avenue for reaching individuals. It was also noted that some individuals, such as small business owners, may feel more comfortable going through an insurance broker. The value of peer-to-peer outreach and partnerships with trusted community based organizations for all eligible groups was stressed.

In addition, participants highlighted the importance of timing outreach efforts appropriately—noting drawbacks associated with initiating efforts too far in advance of the expansion, as well as too late, particularly since there will be a limited open enrollment period for exchange coverage. Participants agreed that in order to be ready to implement outreach efforts at the appropriate time, it will be necessary to begin the research and work to identify and develop effective outreach messages and strategies now. It was also recognized that not everyone will get enrolled during the first year, and it will be important to view outreach and enrollment work as a long-term effort.

***Even with new enrollment systems in place, navigators and application assistors will play a key role.***

The ACA established a new role of an insurance navigator to educate consumers about their health coverage options and assist individuals with enrollment. There was agreement among participants that even with new enrollment systems in place under reform, direct one-on-one assistance will be a key component of enrollment efforts, particularly for families with complex situations in which members of a family will be eligible for different types of coverage.

The ACA provided states with considerable flexibility in designing their navigator programs. Several participants noted that their states had begun planning for their navigator programs. They commented that insurance agents and brokers have been very engaged in discussions related to navigator program development. However, there is growing recognition and understanding of the importance of designing navigator programs that utilize the strengths of existing networks of application assistors, as well as agents and brokers, to reach the diverse population of newly eligible individuals. Some participants suggested that the navigator program should not be viewed as a new program or concept, since many states already have programs and individuals in place to help individuals navigate their health coverage options and assist them in enrolling in coverage and connecting to care. It was noted that existing application assistors will face the challenge of learning how to help individuals navigate new exchange coverage choices and, at the same time, it will be important for new navigators, such as brokers and agents, to have a thorough understanding of Medicaid.

## CONCLUSION

Beginning in 2014, the ACA will create new coverage options for millions of individuals through an expansion in Medicaid and new exchange coverage. However, effectively reaching and enrolling eligible individuals will be key to translating the ACA's expansions into increased coverage. With approximately two years remaining until the ACA coverage expansions go into effect, states are in varying stages of preparation. As participants in this discussion noted, some states have moved forward to establish exchanges, while efforts in other states have been stalled due to political, administrative, and fiscal challenges. However, the availability of enhanced federal funding has spurred many states to initiate major improvements in their Medicaid eligibility systems, a key piece of preparing for 2014. Beyond these systems changes, participants stressed that a high degree of organizational and cultural change will need to occur within Medicaid eligibility offices.

Participants recognized that a broad range of outreach and enrollment efforts will be important under reform, including targeted strategies to reach hard-to-reach groups, such as low-income adults without dependent children, moderate income families who will be eligible for tax credits for exchange coverage, small business owners and immigrant and mixed citizenship status families. While many proven practices for reaching and enrolling children will be useful in enrolling newly eligible parents, it will be important to employ new messages and strategies to reach and enroll other groups. Moreover, even with new systems in place, direct one-on-one assistance to help families through the application and enrollment process will remain an essential part of outreach and enrollment efforts, and it will be important to build on existing networks of assistance under reform.

## ENDNOTES

<sup>1</sup>Holahan, J. and I. Headen, "Medicaid Coverage and Spending in Health Reform: National and State-By-State Results for Adults at or Below 133% FPL," Kaiser Commission on Medicaid and the Uninsured, May 2010, [www.kff.org/healthreform/8076.cfm](http://www.kff.org/healthreform/8076.cfm)

<sup>2</sup> Congressional Budget Office, "CBO's March 2011 Baseline: Health Insurance Exchanges," March 18, 2011, available at [www.cbo.gov/budget/factsheets/2011b/HealthInsuranceExchanges.pdf](http://www.cbo.gov/budget/factsheets/2011b/HealthInsuranceExchanges.pdf)

<sup>3</sup> Compiled through review of state legislation and related documents by the Kaiser Family Foundation. Data available at [www.statehealthfacts.org](http://www.statehealthfacts.org)

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