

# Health Reform and the Insurance Expansion: Does your State Have an Enrollment Strategy?

*Beginning on January 1, 2014, the Patient Protection and Affordable Care Act mandates that state Medicaid programs cover all individuals who are younger than age 65 and have incomes at or less than 133% of the federal poverty line. Additionally, the legislation will require states to create state-based American Health Benefit Exchanges which will offer private insurance with subsidies for residents with incomes up to 400% of the federal poverty line.*

National health reform includes a significant expansion of Medicaid in order to “cover millions more low-income, uninsured individuals – primarily, working-age adults who have no previous experience in the program<sup>2</sup>.” As illustrated by Figure 1, **the large decrease in the uninsured will be in part due to the significant Medicaid expansion and creation of the state insurance exchanges<sup>3</sup>.** Data demonstrates that uninsured individuals have high rates of mental illnesses and substance use disorders<sup>4</sup>. As indicated by the Kaiser Commission on Medicaid and the Uninsured, **“easy enrollment and renewal processes are fundamental to achieving robust participation in Medicaid<sup>5</sup>.”** The National Council for Community Behavioral Healthcare urges states to take action now, in order to assist new Medicaid beneficiaries including those individuals with mental illnesses and substance use disorders to take advantage of new coverage opportunities.

Figure 1: Estimated Changes in Insurance Status in 2019 (in millions)<sup>1</sup>

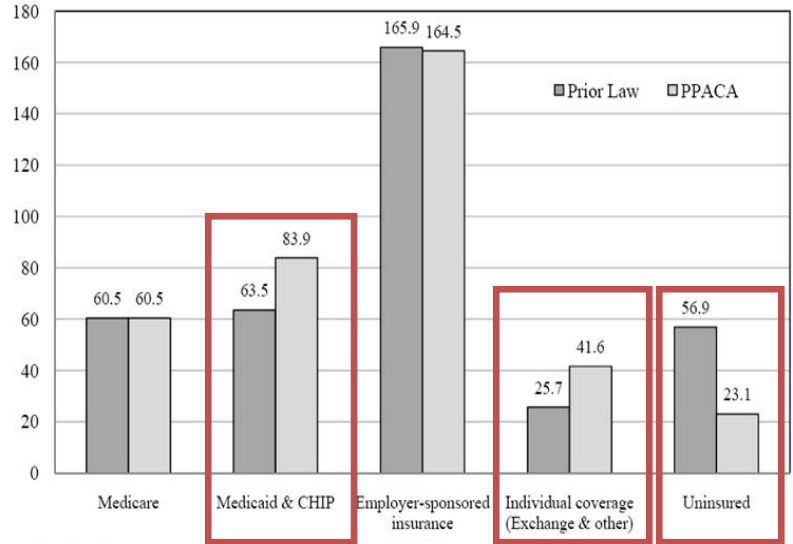


Table 1: Amount of Federal Funds provided to States for Expansion of Medicaid and Children’s Health Insurance<sup>6</sup>

Year(s)	Percent Federally Funded
2014-2016	100%
2017	95%
2018	94%
2019	93%
2020 and thereafter	90%

**Who is paying for this expansion?** Federal Funds will be distributed to states in order to support the expansion of Medicaid & CHIP as indicated by Table 1. In addition, states must set aside funds for the establishment of the enrollment systems.

**What should be the goals of the states’ enrollment processes?** Because there is a large population of potential Medicaid beneficiaries, it

is necessary to include “automation and streamlining in state enrollment systems<sup>7</sup>.” States should have easy enrollment processes to take advantage of the 100% FMAP that will be available in 2014-2016.

***How will residents gain access to Medicaid & CHIP?*** In order to streamline enrollment into Medicaid, “each state must establish a website through which individuals can apply for Medicaid or CHIP as well as coverage offered in the state-based exchange<sup>8</sup>.” Such features will help to increase information and outreach concerning Medicaid. When considering streamline enrollment systems, the Kaiser Family Foundation encourages states to simplify enrollment with technology in order to “[enable] Medicaid agencies to obtain information they need to determine or renew Medicaid eligibility from other assistance programs with similar eligibility rules in which applicants or enrollees may already participate<sup>9</sup>.”

***How can states utilize community-based organizations to facilitate enrollment?*** Kaiser Family Foundation reports that “community-based organizations play a vital role as partners in outreach and enrollment assistance, particularly with regard to populations with no previous experience with public programs<sup>10</sup>.” For instance, case managers or other onsite enrollment workers within a community-based organization could be utilized in the enrollment process. The National Council encourages states to partner with community based organizations in order to facilitate the development and implementation of enrollment strategies in 2014.

***Are there enrollment strategies that work?*** When creating a user-friendly enrollment process, it is important to consider programs that increase administrative simplifications. The Children’s Health Insurance Program Reauthorization Act of 2009 (CHIPRA) utilized an Express Lane Eligibility option in order to ease and simplify eligibility determinations. The Express Lane model encouraged states to consolidate its eligibility determinations for Medicaid and CHIP into an “Express Lane agency.” According to the Centers for Medicare and Medicaid Services, “CHIPRA opens up many possible arrangements for State Medicaid and CHIP programs to work with other public agencies to streamline enrollment and renewal<sup>11</sup>.” Although there is not one express lane model for states to follow, states should consider all factors when determining an enrollment strategy including whether or not to consider automatic enrollment, what age to apply the Express Lane option, and whether to utilize the Express Lane option for initial eligibility determinations and/or renewals?

***What can be done to educate consumers about the expansion?*** States should also consider partnering with providers in order to distribute the appropriate educational tools to ensure an easy transition in 2014.

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<sup>1</sup>Foster, R. S., Centers for Medicare and Medicaid Services. (2010). *Estimated Financial Effects of the “Patient Protection and Affordable Care Act,” as Amended.*

<<http://thehill.com/images/stories/whitepapers/pdf/oact%20memorandum%20on%20financial%20impact%20of%20ppaca%20as%20enacted.pdf>>

<sup>2</sup> Kaiser Family Foundation. (2010). *Optimizing Medicaid Enrollment: Perspectives on Strengthening Medicaid’s Reach under Health Care Reform.* <<http://www.kff.org/healthreform/upload/8068.pdf>>.

<sup>3</sup>Foster, R.S., Centers for Medicare and Medicaid Services. (2010).

<sup>4</sup> Kaiser Family Foundation. (2009). *Expanding Health Coverage for Low-Income Adults: Filling the Gaps in Medicaid Eligibility.* <[http://www.kff.org/medicaid/upload/7900\\_ES.pdf](http://www.kff.org/medicaid/upload/7900_ES.pdf)>

<sup>5</sup> Kaiser Family Foundation. (2010).

<sup>6</sup> California State Association of Counties. (2010). *2010 Federal Health Reform: Medicaid and Children’s Health Insurance Program Fact Sheet.* <<http://www.counties.org/images/public/Advocacy/hhs/Medicaid%20CHIP%20fact%20sheet%20apr%202010.pdf>>

<sup>7</sup> Kaiser Family Foundation. (2010).

<sup>8</sup> Ibid.

<sup>9</sup> Kaiser Family Foundation. (2010).

<sup>10</sup> Ibid.

<sup>11</sup> Centers for Medicare and State Operations. (2010). *Express Lane Eligibility Option.*

<[http://www.insurekidsnow.gov/professionals/federal/express\\_lane.pdf](http://www.insurekidsnow.gov/professionals/federal/express_lane.pdf)>