

Medicaid 2.0

Issue Brief: Eligibility and Enrollment

Background

In NJ, Medicaid eligibility can be obtained by submitting an application to any one of the following: County Welfare Agencies (CWA), Xerox (the state contractor), or the Federal Marketplace. In 2016, the State estimates that 1.3M applications (new and renewal) will be processed through these sources. Of these applications, 800,000 are expected to be processed by the CWAs, with the balance of 500,000 processed by Xerox including those referred directly from the Federal Marketplace which routes the Medicaid applications it receives through Xerox. In addition, all applications submitted through the online NJ FamilyCare portal are processed by Xerox. The cost to process these 1.3M applications is approximately \$235M. The counties, as part of the State's share, account for approximately \$44M of the total. The State's contribution to these costs is approximately \$15M with the balance of \$176M covered by federal Medicaid funds. In recognition of the importance of the eligibility function, CMS increased the federal match for these administrative services from 50%-75%.

The technology used by the CWA's to administer these services is widely considered antiquated. During the ACA Medicaid expansion, some CWAs could not report on application backlogs due to lack of automation. The use of income data by the CWAs for other programs, such as SNAP and child care, further complicate automation efforts. For nearly 20 years, the State has unsuccessfully attempted to modernize these systems globally. Although there have been incremental improvements to the existing framework, the larger integration of these systems has remained elusive. The salvageable elements of the last modernization effort – CASS -- are currently being reconsidered.

Problem Statement

- **Delays in application processing** – Medicaid applications are subject to delays for a variety of reasons: NJ FamilyCare applications submitted to multiple entities, missing information being sent to the wrong entity, and the lack of coordination between the CWA and Xerox. The more complicated applications for long-term care eligibility are processed exclusively by the CWA's. These applications which are subject to an asset test, can often be delayed by local discretionary processing decisions. Delays in long-term care eligibility processing can result in individuals being admitted to a nursing home – the only provider that will provide services while the application is pending. This bias leads to higher levels of nursing home admissions and the added administrative burden of working to return clients to their home, which may have been forfeited during the nursing home admission.
- **Churn** – Many Medicaid eligible individual experience short-term enrollment, dis-enrollment, and re-enrollment that often occurs year after year. Typically, this results from seasonal employment or overtime that temporarily increase earnings which in turn cause the individual to lose eligibility, only to become eligible again when the temporary income is lost, and re-enroll when the extra income

ends. Another major reason for churn is the failure of individuals to file a renewal application. At times, this failure to file a renewal is simply the result of using an outdated mailing address from the Medicaid eligibility system.

- **Continuity between Medicaid and Federal Marketplace products** – Individuals transitioning between Medicaid and the Federal Marketplace face challenges in maintaining provider relationships. This inconsistency in health plan participation also affects individuals going from Marketplace coverage to Medicaid. For the near Medicaid income levels, those who remain uninsured will continue to rely on charity care. For the Marketplace as a whole, the cost sharing requirements of the metallic plans -- even with the federal subsidies -- are cost prohibitive for low incomes families.

Goals

- Identify strategies to improve system performance that result in higher rates of retention of eligible individuals
- Improve application processing times and accuracy
- Foster flexibility in eligibility processing that permits cases that statistically are not outliers to receive approval pending documentation
- Identify strategies to improve coverage rates for near Medicaid eligible populations

Possible Options

- Take up the 12 Month Continuous Coverage option
- Change Spend Rules to Allow for Spend Down During First Month
- Use Presumptive Eligibility for Long Term Care
- Pending Eligibility IT Solutions, Suspend Paper Redetermination and Aggressively Audit Existing Tax Records/Data Sources
- Consolidate Eligibility Under One Entity
- Benchmark Performance Standards and Establish Bonus Payments for CWAs
- Expand Medicaid to 200% FPL
- Offer a Medicaid Buy-in Option, Including Undocumented

Research Links

Association for Community Health Plans: Overlap Between Medicaid Health Plans and QHPs in the Marketplace. April 2016.

<http://communityplans.net/Portals/0/Exchanges/2016%20ACAP%20QHP%20Analysis%20Brief.pdf>

The Commonwealth Fund: Testimony: Consumer Experiences in the ACA Marketplaces, Marketplace Stability, and Remaining Challenges to Covering the Uninsured. June 10, 2016.

<http://www.commonwealthfund.org/publications/testimonies/2016/jun/consumer-experiences-aca-marketplaces>

*Health Care Association of NJ: Medicaid Eligibility Determinations: Statutory/Regulatory Provisions that Make It Faster in Other States.

http://www.njhcqi.org/wp-content/uploads/2016/09/2015-HCANJ-Eligibility_Multi-State-Regs-and-Statutes-Analysis.pdf

*Health Care Association of NJ: New Jersey Medicaid Eligibility Reform: The Solution is Pending.

<http://www.njhcqi.org/wp-content/uploads/2016/09/2015-HCANJ-Medicaid-Eligibility-Reform-Plan.pdf>

Kaiser Family Foundation: Medicare Advantage 2016 Spotlight: Enrollment Market Update. May 2016.

<http://files.kff.org/attachment/Issue-Brief-Medicare-Advantage-2016-Spotlight-Enrollment-Market-Update>

Kaiser Family Foundation: Modern Era Medicaid: Findings from a 50 State Survey of Eligibility, Enrollment, Renewal, and Cost-Sharing Policies in Medicaid and CHIP as of January 2015. January 20, 2015.

<http://kff.org/report-section/modern-era-medicaid-eligibility-and-enrollment-systems/>

*KPMG: Assessment of NJ Eligibility and Enrollment System (CASS Gap Analysis). September 10, 2015.

http://www.njhcqi.org/wp-content/uploads/2016/09/Final-Assessment-Report_CassGapAnalysis.pdf

National Institute of Health: Evaluating State Options for Reducing Medicaid Churning. July 2015.

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC4664196/>

New Jersey DMAHS: NJ FamilyCare 1115 Comprehensive Waiver Demonstration Application for Renewal. June 10, 2016.

http://www.nj.gov/humanservices/dmahs/home/NJ_Comprehensive_Waiver_Renewal_for_public_comment.pdf

New Jersey DMAHS: NJ FamilyCare Report 2015. August 2016.

http://www.state.nj.us/humanservices/dmahs/news/NJ_FamilyCare_2015_Annual_Report.pdf

*The NJHCQI website is being updated. Documents save on the NJHCQI website may have different links once the new site launches.