

enrollment momentum

Enrollment

Accelerating the Affordable Care Act's Enrollment Momentum: 10 Recommendations for Future Enrollment Periods

SPECIAL REPORT / APRIL 2014

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The Purpose of the Recommendations

On March 31, 2014, the Affordable Care Act's first enrollment period ended. Though enrollment continues for some (for example, low-income individuals who are eligible for Medicaid, people with life transitions such as family changes or job loss, and those who began the enrollment process but could not complete it before March 31), general enrollment now ceases until November 15, 2014, when the next enrollment period begins.

This initial enrollment period has been an important first step toward securing health insurance for millions of uninsured people living in the United States. But there is still much work to be done to achieve the true promise of the Affordable Care Act. Learning from the lessons offered by this first enrollment period, we have identified 10 key steps that would significantly increase the number of people who can enroll in health insurance during the next open enrollment period. These steps should be taken promptly and well before November 15 to ensure that future enrollment periods fulfill the health coverage goals of the Affordable Care Act.

Background

The Affordable Care Act created an historic opportunity to provide health insurance to all legal residents of the United States. By offering unprecedented financial assistance to middle- and moderate-income families, and by expanding Medicaid for low-income people in approximately half the states, the health care law reduces uninsured rates across the country. A recent Gallup poll found that the uninsured rate dropped from 17.1 percent in the last quarter of 2013 to 15.9 percent in the first quarter of 2014.¹ The Affordable Care Act has significant potential to reduce the uninsured rate further—but its success will depend on robust, effective outreach and enrollment processes.

Fulfilling this goal is not easy, especially in the early stages of implementation. As we learned from other health program initiatives, such as the Children's Health Insurance Program (CHIP), the Medicare Part D prescription drug benefit, and the health reform program in Massachusetts, outreach and enrollment successes tend to be modest in the beginning. Due to the demographics, educational levels, and language limitations of uninsured Americans, the enrollment challenges we now face are even greater.

Initial problems with the federal website initially hampered enrollment, but those problems have been fixed, and enrollment has gained significant momentum. Millions of people have new health coverage: Enrollment in private health insurance has accelerated, with more than four out of five enrollees qualifying for financial assistance in the form of tax credit subsidies. And an even larger number of people have new coverage through Medicaid.

10 Key Steps for Strengthening Future Enrollment

We have identified improvements that will build on and strengthen the momentum gained over the past six months. The 10 recommendations summarized below share the following attributes:

- » They would significantly improve the success of future enrollment efforts.
- » They do not require the enactment of new legislation.
- » The U.S. Department of Health and Human Services (HHS) and/or state marketplaces (exchanges) can undertake them.

The first seven of these recommendations have a direct impact on the enrollment process, while the latter three focus on improving coverage affordability—the key factor for uninsured people when they decide if they should enroll in health insurance.

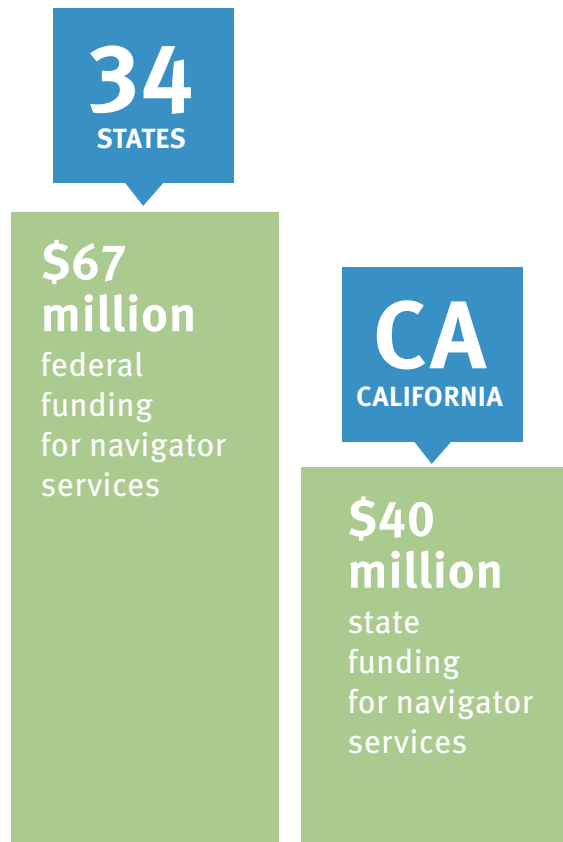
1 Increase the number of, and resources for, enrollment navigators and assisters:

HHS and states should increase the resources available for enrollment assistance as much as possible to ensure that assisters have the tools they need to maximize their effectiveness generally, and especially in communities of color and other communities that experience significant barriers to coverage.

This first enrollment period has demonstrated the importance of in-person assistance, particularly for people who face barriers such as limited English proficiency, limited access to and experience with technology, low literacy levels, limited knowledge of health insurance, or complex family situations related to immigration status. These factors complicate the application process and make it much more difficult for people to complete the application on their own.

However, the need for individual assistance with the application process goes well beyond people in these groups. Research conducted by Enroll America before open enrollment began found that three out of four consumers would like in-person help with applying for health insurance.² Research conducted more recently ▶

1 Increase the number of, and resources for, enrollment navigators and assisters
(continued)



by the Urban Institute found that almost half of uninsured people who did not plan to buy insurance in a marketplace (but who were aware of their option to do so) would be more likely to buy that insurance if they had in-person support.³

Buying health insurance is a complex matter. It requires people to make difficult decisions that affect whether their families can get the health care they need from providers they prefer, and that affect their families' financial well-being. The next open enrollment period runs for just three months (and includes the Thanksgiving and Christmas holidays), compared to six months for the first open enrollment period, making enrollment assistance even more important.

This year, HHS allotted a mere \$67 million for navigator services across all 34 states with federally managed marketplaces. State-managed marketplaces, which did not experience the same congressional limitations on funding, had significantly more dollars per uninsured person. In California alone, for example, the funding for navigator services was approximately \$40 million. Although budget pressures are likely to be more significant in the future, HHS and the states should allocate larger portions of their administrative funds to increase the effectiveness of navigators and assisters.

2 Build a substantial, sustained public education campaign coordinated between the public and private sectors about the tax credit subsidies that are available to make insurance premiums affordable:

HHS, state-managed marketplaces, insurers, and other private sector organizations that are interested in expanding health coverage should come together soon to develop a broad, coordinated, well-resourced public education campaign about the availability of these tax credits. This combined effort should use demographic data to create targeted, culturally-appropriate, consumer-friendly materials that will motivate uninsured people (especially in communities of color) to sign up for health insurance.



7 in 10

uninsured adults do not know financial help is available to reduce the cost of health insurance.

This year, HHS and private sector stakeholders spent less on advertising than originally planned, in part due to concerns that *healthcare.gov* was not working well enough to handle more traffic when open enrollment began. The advertising that did take place was, understandably, directed mostly to states with high rates of uninsured. This meant that large areas of the country lacked paid advertising to help educate consumers about affordable health insurance options and the financial help available to pay for health insurance.

Throughout 2013 and the open enrollment period that just ended, polling continued to show that many people remained unaware that financial help was available to reduce the cost of health insurance, and these people were therefore not applying for coverage.⁴ Survey research shows that about seven in 10 uninsured adults (69 percent) do not know about this financial assistance.⁵ The problem is particularly acute in communities of color, where ongoing work is needed to continue the progress made so far. Expanding existing public education campaigns between now and November 15 is critical.

3**Coordinate enrollment opportunities with tax filing:**

The Administration should create a “special enrollment opportunity” for people who learn they will have to pay a tax penalty for being uninsured in 2014. Such an opportunity would give people a short window to enroll in a plan after they file their taxes, thereby minimizing the chances they will incur a second penalty for remaining uninsured in 2015.

“Fully aligning the open enrollment period with the tax filing period would significantly increase enrollment.”

In 2015, for the first time, people who were uninsured in 2014 will pay penalties for going without insurance when they file their taxes. But data show that many of the uninsured are not aware that they will face a tax penalty if they don’t buy insurance.⁶ Based on current rules, just when consumers realize the impact of their decision to go without insurance, they will have to wait another year—and pay another penalty—before they can correct their error and sign up for health insurance. This is because the next open enrollment period runs from November 15, 2014, through February 15, 2015, while the tax filing season runs from January 1 through April 15, 2015.

If the Administration creates a special enrollment opportunity for the tax filing period between February 15 and April 15, 2015, this time could be used to educate uninsured consumers and increase enrollment. It would also correct the unfair situation in which consumers have to pay an extra penalty by giving them time to correct the problem.

Fully aligning the open enrollment period with the tax filing period would significantly increase enrollment: It would enable professional tax preparers to play a much larger role in enrollment efforts, and it would help people have a better understanding of the tax consequences they would experience if they don’t enroll in health insurance. Although it may be too late to establish such a change for the second open enrollment period, we encourage HHS to consider making such a change for future open enrollment periods. Those enrollment periods could start later than November 15 and end at or around April 15.

4 Continue streamlined Medicaid enrollment for people already enrolled in other public benefit programs:

HHS should allow states to indefinitely extend streamlined Medicaid enrollment (this permission is currently set to expire in 2015).

Streamlined enrollment saves outreach resources and makes it easier for eligible people to enroll in Medicaid. HHS currently allows states to streamline eligibility and enrollment for people who receive help through SNAP (the Supplemental Nutrition Assistance Program, formerly food stamps) or whose children are enrolled in other public programs by using the information those families have provided to “fast track” Medicaid applications.

When states already have the information needed to complete a Medicaid application, it makes sense for them to use that information to help people who are uninsured get coverage quickly and easily. This benefits consumers and states by reducing bureaucratic red tape, easing the burden on marketplaces, and getting people coverage more quickly. During the first open enrollment period, **Arkansas, California, Illinois, Oregon, and West Virginia** successfully used this strategy to increase Medicaid enrollment.

5 Provide applications that can be completed in multiple languages, not just English and Spanish:

Making the application available in additional languages will help more people complete it independently, thus reducing the burden on call center staff and in-person enrollment assisters.

Many legal immigrants with limited English proficiency have difficulty completing English-language application materials. So far, the federally facilitated marketplace application can be completed only in English and Spanish. Although there are some tools to help people who speak other languages, the failure to provide applications that can be completed in other languages makes the enrollment process more complicated for many people. It also makes it hard for people who speak languages other than English or Spanish to complete the application without help from an enrollment assister.

6 Strengthen coordination among the marketplaces and Medicaid to prevent applications from being lost or unduly delayed:

HHS should work with states to better coordinate computer systems and speed up the transfer and evaluation of applications for people who appear to be eligible for Medicaid. The agency should ensure that Medicaid eligibility assessments are transferred to state agencies within 24 hours, and state agencies should process these applications quickly. Individuals who apply through the marketplace should be notified when their application is transferred and informed about how to check its status.

The Affordable Care Act envisions a health insurance system that is coordinated and streamlined, with “one-stop shopping” for consumers. People who apply for insurance through the marketplace at *healthcare.gov* and appear to be eligible for Medicaid should be able to get an eligibility determination quickly and easily.

But in this first open enrollment period, the technology behind the federal website was not yet fully coordinated with the computer systems in most states. This led to communication problems among HHS and state Medicaid agencies, and it complicated the Medicaid eligibility determination process. Ultimately, it meant that many low-income consumers had to wait longer for coverage.

Speeding up these processes is especially important because the next open enrollment period will be significantly shorter than the first one.



7 Fix the roadblocks that prevent people from completing their applications:

Many consumers have now had significant experience using the online application for health coverage at *healthcare.gov* and in state marketplaces.

Throughout the open enrollment period, HHS significantly improved the online application in response to concerns raised by consumers and enrollment assisters. However, several significant issues remain that make it difficult for many people to complete the enrollment process. These issues, described here, should be addressed before the next open enrollment period.

- › The Administration should establish alternative avenues for verifying identity when a consumer creates an account on *healthcare.gov*: Consumers should be able to either 1) upload electronic copies of their documents to be verified in real time by the marketplace, or 2) find out whether they qualify for financial assistance and be allowed to enroll in a plan pending the outcome of the alternative identity verification process.

One of the first steps that happens when a consumer applies for insurance is verification of his or her identity. This is important for many reasons, including preventing fraud and protecting consumers' privacy. The current system relies on Experian, a credit monitoring agency, to verify consumers' identities using their credit history. But people who lack a credit history because they rely on debit cards and/or cash (particularly people who have low incomes or who have recently come to the United States) must undergo a longer, paper-based verification process—often without much communication in the interim—before they find out if they are eligible for financial assistance and can enroll in a plan.

- › The Department of Labor should require employers to automatically provide a completed Employer Coverage Tool to all employees who have an offer of health insurance so that more people come into the application process with the information they need to apply: We recommend that the Department of Labor implement this requirement because employees need this information to apply for financial assistance with premiums. Currently, employers are encouraged—but not required—to complete the tool for employees if requested to do so. ▶

7 **Fix the roadblocks that prevent people from completing their applications**
(continued)

HHS and state marketplaces should establish a clear system for consumers and enrollment assisters to resolve application problems.

Currently, anyone applying for health insurance who has an offer of coverage from an employer (or who might have an offer of coverage during the year) can ask the employer to complete an Employer Coverage Tool document before that employee applies for insurance in the marketplace. This document allows the marketplace to confirm that an employer's coverage is either too expensive or too limited for the employee. Without that document, consumers cannot easily find out whether they qualify for financial assistance for a marketplace plan. This step has prevented many people from completing the enrollment application.

- › **Provide clear mechanisms for resolving problems with applications:** Establishing a better process for resolving application problems will make the process easier for consumers and administrators.

Some people will experience problems filling out their application for health insurance, either because they have complicated life circumstances or because of technological glitches. HHS and state marketplaces should establish a clear system for consumers and enrollment assisters to get problems resolved using expert staff with the ability to override computer application systems and make decisions.

During the first open enrollment period, resolving application problems was often difficult. As a result, many consumers could not get their problems resolved, or they were forced to resolve their problems by appealing their eligibility decision (a process that is unnecessarily bureaucratic and that causes additional delays and administrative burdens) or by deleting their application and starting the process over again. This must be addressed before the next open enrollment period.

8 Ban health plans from continuing to impose premium surcharges that make insurance unaffordable for people who use tobacco:

To prevent people from being priced out of coverage by “tobacco rating,” all states should either ban these surcharges or significantly reduce the amount that can be charged. For states that continue to allow this practice, HHS should require insurers to stop applying tobacco surcharges mid-year if people have quit using tobacco since they enrolled.

Although insurers can no longer charge people higher premiums because of their health status or gender, in most states, they can still charge people up to 50 percent more for insurance if they use tobacco, a practice known as “tobacco rating.” Right now, when people apply for insurance, they may face this surcharge if they have used tobacco regularly in the previous six months. And even if they quit mid-year, insurers do not have to remove the surcharge.

These surcharges cannot be offset by tax credit subsidies, meaning tobacco rating can make insurance premiums unaffordable. Some states have barred insurers from establishing such surcharges or have limited surcharges to well below 50 percent.

9 Ensure that marketplaces offer low-deductible silver plans:

To make it easier for insurers to design their plans, HHS has provided models of some plan designs that meet the required actuarial values. HHS should add models of low-deductible plans and/or plans that include routine care for people before they meet their deductible, especially for “bronze” and “silver” plans. HHS should encourage every state to make such plans more widely available.

Currently, as long as the total value of health plans meet certain actuarial levels, insurers have no guidelines that restrict how they design the cost-sharing that consumers must pay. This has been an impediment to enrollment. In particular, insurance plans with high deductibles deter people from seeking coverage because the upfront costs (premiums plus deductibles) can be too expensive.

10**Exclude health plans that set unacceptably high premiums:**

Since making premiums affordable is crucial to improving enrollment, HHS should exclude plans with unreasonable premiums from the marketplace in 2015.

Some, but not all, states review the premiums charged by marketplace insurers (a process called “rate review”) to ensure that premiums stay affordable and that rate increases are reasonable. Some states that conduct rate review require insurers to reconsider proposed premium increases that are too high. Rate review has been an important way to keep premiums affordable, but not all states use it to do so.

As part of this report, Families USA will issue additional materials on how these recommendations should be implemented.

Conclusion: Applying Action to Lessons Learned

During the first enrollment period, we made significant progress toward securing health insurance through private health plans and expanded Medicaid. We also built real momentum in our enrollment efforts. But since tens of millions of Americans remain uninsured, it is clear that our efforts need to go further—we must continue and accelerate this momentum. A major part of our success will hinge on our ability to look critically at this first enrollment period and act on the lessons that we learned. These 10 recommendations allow us to do just that. And, if implemented promptly and effectively during the seven and one-half months until the next open enrollment period, we hope to see even stronger enrollment efforts, a higher-quality consumer experience in the marketplace, and a greater decrease in the numbers of uninsured as the promise of the Affordable Care Act continues to become a reality for all Americans.

Endnotes

1 *Gallup-Healthways Well-Being Index*, March 10, 2014, available online at <http://www.gallup.com/poll/167798/uninsured-rate-continues-fall.aspx>.

2 Lake Research Partners, *Informing Enroll America's Campaign: Findings from a National Study* (Washington: Lake Research Partners, February 2013), available online at http://www.enrollamerica.org/wp-content/uploads/old-files/best-practices-institute/public-education-resources/Enroll_America_Survey_Final_Report.pdf.

3 Garret et al., "Who among the Uninsured Do Not Plan to Look for Health Insurance in the ACA Marketplaces?," *Health Reform Monitoring Survey*, March 21, 2014.

4 Ibid.

5 PerryUndem, *The Uninsured Midway through ACA Open Enrollment*, available online at http://www.enrollamerica.org/wp-content/uploads/2014/01/Perry_Undem_Uninsured_Survey.pdf.

6 Kaiser Family Foundation, *Kaiser Health Tracking Poll: March 2014*, March 26, 2014, available online at <http://kff.org/health-reform/poll-finding/kaiser-health-tracking-poll-march-2014/>.

A selected list of relevant publications to date:

Financial Assistance and the Affordable Care Act: Who Benefits (March 2014)

Pre-Existing Health Conditions and the Affordable Care Act: Who Benefits (March 2014)

Young Adults and the Affordable Care Act: Who Benefits (February 2014)

For a more current list, visit:

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Publication ID: 019ENR040114

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