

Redesigning
THE MEDICAID PROGRAM



NEW YORK
state department of
HEALTH



Approved Recommendations

***Medicaid Redesign Team Work Group on Program
Streamlining and State/Local Responsibilities***

September 27, 2011

Exchange Recommendation

- ▶ New York should establish its own Exchange to best meet the needs of its residents and small businesses.
- ▶ We urge the State to enact authorizing legislation establishing a New York Health Benefits Exchange to allow the State to be deemed “operationally ready” by January 1, 2013.
- ▶ Failure to enact Exchange legislation in a timely manner jeopardizes significant federal funding for the establishment of New York’s Exchange, increases the likelihood of a federally run Exchange in New York, impedes Medicaid modernization, and enhances the potential for adverse impacts on the state insurance market.

Financing Recommendation

- ▶ In most of the 50 states, Medicaid is financed almost exclusively with state and federal tax dollars. In New York State, approximately 30% of the non-federal cost of Medicaid is paid through local taxes.
- ▶ The fiscal structure is unsustainable for several reasons:
 - *Reliance on local property taxes to fund Medicaid has contributed to making New York's local tax burden the highest in the nation.*
 - *Use of a narrowly defined and regressive tax for such a large State program contributes to both negative perceptions of the program and inconsistent eligibility policies across counties.*
 - *The new property tax cap imposes annual growth limits on revenue that are far below the expected growth rate in Medicaid costs.*
 - *This fiscal structure creates challenges as the State implements the requirements of the Affordable Care Act. It will be difficult to accomplish the goals of the ACA – to move the culture of Medicaid away from a welfare program toward health insurance – if the funding continues to be derived from local property taxes.*
- ▶ The State should develop and implement a plan for more sustainable Medicaid financing that phases out reliance on local taxes (e.g., property taxes) and includes the examination of financing structures in other states.

Eligibility System Recommendation

New York must have one eligibility determination and enrollment system for its Medicaid program and all Medicaid-eligible sub-populations (i.e., over 65, non-MAGI, under 65, MAGI, those who need health care services, those who need long term care services). While the State may implement this system incrementally for these populations, there must be a plan that sets certain implementation dates for each Medicaid sub-population. These dates should fall within the period during which the federal government will fund the development and implementation of this system at 90% FMAP.

State/Local Roles in Eligibility and Enrollment

Adopted Recommendations

Guiding Principles for Implementing Exchange Coverage Goals

- ✓ Recognize that implementation of the ACA is a state responsibility
- ✓ Maximize gains in coverage and reduce the number of uninsured.
- ✓ Demand robust performance accountability for customer service.
- ✓ Maximize automation so more time can be spent with vulnerable populations.

Guiding Principles for Implementing Exchange Coverage Goals

- ✓ Create a cost-effective administrative approach that improves the consumer experience.
- ✓ Promote uniformity and consistency in eligibility and enrollment.
- ✓ Ensure program integrity
- ✓ Involve stakeholders.
- ✓ Develop a plan for phased implementation that minimizes disruptions during the transition.

State/County Roles & Functions – 2014 Recommendations

- ▶ Centralize eligibility determinations for MAGI online applications, wherever initiated.
- ▶ Centralize processing of MAGI mail and phone applications.
- ▶ Provide local in-person assistance (i.e., government, community organizations) to help consumers apply for all Insurance Affordability programs with eligibility determinations centralized through a common eligibility system. Provide local specialized “hands on” help for non-MAGI individuals and centralized supports for assistors.

State/County Roles & Functions – 2014 Recommendations

- ▶ De-link Medicaid MAGI eligibility determinations from human service program determinations by local districts, and in accordance with the prior recommendations, require all Medicaid MAGI applicants be entered in the new automated eligibility system, with MAGI determination and any follow up by the central processing unit (assumes categorical eligibility continues for non-MAGI Medicaid).

State/County Roles & Functions: Post-2014 Recommendations

- ▶ The state, working in collaboration with counties, should develop an appropriate transition plan for state/local administration of non-MAGI Medicaid populations within a reasonable time after 2014, taking into account the ongoing development and phasing of the statewide, automated eligibility and enrollment system.
- ▶ Counties should have the option, in consultation with and subject to the approval of the state, to continue responsibility for non-MAGI Medicaid eligibility and enrollment, consistent with standards determined by the state.
- ▶ We further endorse the continued development of a statewide health insurance eligibility system that is interoperable with human service programs/systems, including the capacity for appropriate electronic communications and transactions supporting health consumer eligibility determinations.

State County Roles & Functions - 2014

DEPARTMENT OF HEALTH

- IT System
- Medicaid/CHIP/Exchange Policy Rules
- Oversight
- Provide supports, education training

EXCHANGE

- Customer Assistance (Call Center)
- Support Website/online application
- Centralized eligibility and enrollment determination for all MAGI online applications ,wherever initiated
- Centralized processing of mail and phone applications
- Centralized eligibility determination and enrollment for in-person applications, wherever initiated
- Automated non-MAGI
- Automated special populations
- Penalty exemptions

THIRD-PARTY ASSISTORS (MAGI)

- Navigators
- Facilitated enrollees
- Brokers
- Local Districts

THIRD PARTY ASSISTORS (NON-MAGI)

- Community-Based Organizations
- Providers
- Health Plans

LOCAL DISTRICTS

(MAGI):

- Assist with applications for health insurance and facilitate enrollment by electronically submitting applicant information to the central processing center

(NON-MAGI):

- Eligibility and enrollment
- Eligibility and enrollment for special programs not automated
- Other social services programs

CONSUMERS

Long-Term Care

Adopted Recommendations

Long-Term Care Guiding Principle

- ▶ Medicaid recipients who need long term care should share in all the eligibility and enrollment simplification, streamlining and automation, to the extent allowed by federal law, that will be developed and implemented for Medicaid recipients who need health care services.

Medicare Savings Program Recommendation

- ▶ Centralize and automate eligibility and enrollment processes for the Medicare Savings Programs by January 2014.

Asset Verification System Recommendation

- ▶ The State should invest in an Asset Verification System (AVS) to permit the electronic verification of assets (including assets in the 5 year look back period) for determining eligibility for aged, blind, and disabled Medicaid applicants and recipients. AVS should be deployed as soon as possible in existing systems and this functionality should also exist in any new eligibility system.

Spend Down Recommendation

- ▶ Automate spend down by linking eMedNY to WMS and using provider billing to track spend down similarly to an insurance deductible. This spend down automation function should be deployed as soon as possible in existing systems and this functionality should also exist in any new eligibility system.

Enrollment Assistance Recommendation

- ▶ Disabled and elderly New Yorkers in need of long term care services should have the same access to enrollment and eligibility assistance as other applicants for Medicaid. New York's plan for meeting consumer assistance needs must include a focus on this vulnerable population, whether it is through the use of Navigators, Consumer Assistance Programs, Facilitated Enrollers or some other funded initiative.

Work Group Recommendation

Create a Work Group of consumer representatives (including who benefit from specific programs, like the consumer-directed program), providers, workers and local and state officials to assist the state in:

- *evaluating eligibility and enrolment processes for long term care and identifying further reforms and tracking implementation of those agreed upon;*
- *evaluating the implementation of managed long term care and identifying further reforms and tracking implementation of those agreed upon;*
- *ensuring appropriate training and support of long term care stakeholders, including consumers, providers, workers and local officials as new systems and new programs are implemented.*