

Audio Report Transcript

Headline: New ACA Rules, Forms Complicate And Confuse State's Medi-Cal Renewal Effort

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California had enormous success in rolling out the expansion of Medi-Cal -- it enrolled more than two million additional Californians into the program. But during that enrollment frenzy much less attention has focused on making sure the roughly eight million people already on Medi-Cal successfully renew their coverage. That effort has been complicated by a new federal rule requiring different eligibility information -- and that has caused large-scale confusion in the state.

This is a report for *California Healthline*, a daily news service of the California HealthCare Foundation. I'm Kelley Weiss.

[AMBI 1 of county waiting room]

In Placer County -- just east of Sacramento -- staff can barely keep up with all the new applications for Medi-Cal coverage.

(Davis): "We're in the lobby of our Rocklin Office [FADE UNDER] on a very busy day of the month."

That's Cheryl Davis, Placer County's Human Services director. She says her county's Medi-Cal population has more than doubled in a year.

[AMBI 2 back to intake area]

Many applications are coming in through the call center.

(Davis): "Our Placer HCR line is the one directly to us, you can see that we have 34 calls there ... [FADE UNDER] and none from CalHEERS."

But Davis says the phone lines have been unusually quiet when it comes to people renewing their Medi-Cal coverage. Every year, anyone who is on Medi-Cal has to reapply to continue receiving benefits. Right now, Davis says, the state is in the exact middle of its massive effort to get 8 million Californians to renew -- but she says so far, only half of the renewal forms sent out have been returned.

(Davis): "What we're finding is we've only had about a 48.5% return rate and we usually range closer into the 80% range return rate."

What that means in actual numbers is frightening to Davis. If those numbers hold up over the entire renewal effort, that would bump millions of Californians off of Medi-Cal. The reason for the low return? Davis says it's the confusing new forms the state has sent out.

(Davis): "Folks are confused, folks are frustrated."

She wishes California had delayed changes until next year -- like many other states did.

(Davis): "It just wasn't necessary to have that kind of experience for our folks."

Right now, Davis says her staff doesn't have time to deal with the renewal effort. They're too busy dealing with a huge backlog of new Medi-Cal applications. It's only after most of those are resolved, she says, that her staff will start the arduous task of tracking down all those unreturned renewal forms. Mostly through making a mountain of phone calls to help people renew.

(Davis): "When we redeploy our staff I think that will be when they'll feel the strain of that workload. Because reaching out to folks, trying to catch folks, trying to process stuff is challenging, you know."

Those people who still haven't sent in their renewal forms will not lose coverage, Davis says...at least for now. The state is giving counties more time to do outreach, and just how much leeway counties will get is unclear at this point.

Health advocates say all of this confusion and scrambling to track down the forms didn't need to happen.

Jennifer Flory is a senior attorney with the Western Center on Law and Poverty.

[AMBI 3 mouse clicks]

At her computer she pulls up the form.

(Flory): "If you go to the DHCS web page on letters, information, notices and bulletins [FADE UNDER] it's ACW appended so that at the end is the request for ta.."

She scrolls down the screen and points out while the old renewal form was one page long it's now four pages.

(Flory): "It asks how often they're paid, it asks what kind of deductions they take, things like alimony, student loan interest, [FADE UNDER] these"

are deductions you take on your taxes, how often you take those deductions, some things are things you pay out on a monthly basis."

Flory says the tax information can be especially problematic for this population.

(Flory): "A lot of people who are on Medi-Cal don't actually file taxes because they have such limited income -- it's not required -- so a form that asks about tax household information is actually a very confusing form."

A lot of the time and effort the state spent on signing up new Californians for the Medi-Cal expansion will be undone, she says, because this new form could cause an enormous number of people to lose their state health insurance.

(Flory): "I mean these are people who already had coverage on the Medi-Cal program. So it kind of feels like two steps forward, one step back. It's hugely disappointing."

But Anastasia Dodson says, at some point, the change had to happen. She's the associate director for policy with the California Department of Health Care Services.

(Dodson): "We know that this transition has to take place anyway, whether it's in 2014 or 2015, so we're trying to use this year to collect that information, get people converted to the new rules, so that in 2015 we can do everything in a much more streamlined way."

Once the state collects the tax household information it's matched with the federal government's database. And this will mean many Medi-Cal members can be automatically renewed in the future.

But Dodson says getting there hasn't been easy because of all of the strain Obamacare has put on the enrollment system.

(Dodson): "There is a lot of change going on and a lot of new things being implemented for Medi-Cal this year pretty much all at once."

Which leads back around to the main question that has been raised, both by advocates and also by Gerald Kominski, director of the UCLA Center for Health Policy Research. Why didn't the state delay this renewal process?

(Kominski): "I think this could have been avoided and should have been avoided."

Kominski says it would be hard to find an enrollment renewal process with so many red flags in other insurance markets.

(Kominski): "If this kind of disruption was occurring in the private market there would be tremendous uproar because middle and upper class

families would be losing their coverage. It's easier to ignore the problems of low-income families."

And to top it off, Kominski points out the state also refused a \$6 million foundation grant -- that was a turn-down of a total of \$12 million when matched by federal funds -- to help with the Medi-Cal renewals. He says it's hard not to think that the Administration did that to keep people off the rolls and save money.

(Kominski): "The facts are disturbing. Confusing forms have been released and the state has turned down literally free money to facilitate enrollment."

But the Legislature quickly passed a measure to force the state to take that free money. Governor Brown has until the end of September to sign or veto the measure.

This has been a report for *California Healthline*, a daily news service of the California HealthCare Foundation.

If you have feedback or other issues you'd like to have addressed, please email us at chl@chcf.org. I'm Kelley Weiss, thanks for listening.