



July 21, 2010

Mr. Joel Ario, Pennsylvania Insurance Commissioner
Mr. Michael T. McRaith, Director, Illinois Department of Insurance
Lead Regulators, Exchanges (B) Subgroup
Health Insurance and Managed Care (B) Committee
National Association of Insurance Commissioners

Re: Exchange Enrollment Systems and Coordination with Medicaid/CHIP

Dear Mr. Ario and Mr. McRaith,

Georgetown University's Center for Children and Families (Georgetown CCF) is an independent, nonpartisan policy and research center whose mission is to expand and improve health coverage for America's children and families. Central to our work is providing research and policy assistance to state administrators and state-based organizations on strategies for covering children and their families in Medicaid and CHIP. We also conduct research and analysis to inform federal and state policymakers about issues impacting children and families in health care reform and to improve Medicaid and CHIP, particularly around streamlining enrollment and renewal systems.

We appreciate the opportunity to comment from the consumer perspective in terms of exchange enrollment procedures and coordination with Medicaid and CHIP.

As you know, among the most important functions of the exchange is helping families to secure affordable coverage. Exchanges are expected to play a major role in determining eligibility for the new premium tax credits and cost-sharing reductions, as well as, facilitating the enrollment of low-income people into Medicaid and CHIP. According to the Congressional Budget Office, close to eight in ten people signing up for exchanges coverage – some 19 million people nationwide – are expected to receive subsidies. The number of people signing up for Medicaid or CHIP under the Affordable Care Act (ACA) is almost as high – 16 million new people nationwide are expected to enroll in those two programs. The people seeking coverage in 2014 are unlikely to know whether they are eligible for a premium subsidy or for Medicaid or CHIP, and exchanges will have a vital role to play in fostering their enrollment in the right program so they can afford coverage.

It also is vital that exchanges coordinate closely with Medicaid or CHIP because many people will move back and forth between subsidized exchange coverage and public program eligibility as their income fluctuates. Moreover, some families will be "divided," with parents in subsidized exchange coverage and children in Medicaid and CHIP. (This is because Medicaid and CHIP already cover children at income levels well above the 133

percent of the poverty line cutoff that will apply to most parents, and are obligated to continue doing so through at least 2019.)

At the most basic level, it is important that policymakers and others understand the central role that exchanges will play in helping people to secure subsidies for coverage and in facilitating their enrollment into Medicaid and CHIP. While not as widely recognized as some of the more traditional features of exchanges, this responsibility is critical to making the health reform law work as intended.

It will also be important for exchange officials and Medicaid/CHIP officials to work closely from the beginning to jointly build a coordinated enrollment system. Many states may want to consider the feasibility and effectiveness of housing responsibility for the subsidy eligibility process with the Medicaid/CHIP agency. Even if this is not an option in a state, it will be important for exchange and Medicaid officials to identify the best options for aligning enrollment policies between the programs.

More specifically, policies that federal authorities, insurance commissioners, and state Medicaid/CHIP administrators could adopt to facilitate the development of a seamless enrollment structure should include:

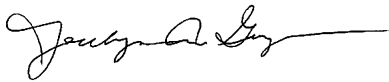
- Aligning, to the greatest extent possible, Medicaid/CHIP rules and verification requirements with the exchanges to facilitate the development of a streamlined eligibility process.
- Building coordination between the delivery systems used by exchanges and Medicaid/CHIP plans to promote continuity of care, including ensuring that some health plans offered in the exchange also serve Medicaid and CHIP beneficiaries.
- Creating simple and efficient procedures for families to report “change of circumstances” at the time of enrollment and during the enrollment year (if differences in income would affect eligibility and/or subsidy levels). When a person’s eligibility changes, individuals should also be automatically enrolled (with consent) in the appropriate program without requiring additional information.
- Establishing a “safe harbor” of default Medicaid coverage for people lost between Medicaid/CHIP and the exchange, such as when someone is deemed ineligible for Medicaid and exchange subsidies because of differences in how the programs calculate and verify eligibility data.
- Supporting funding for state technology systems to coordinate coverage, including the development of enrollment portals and electronic interfaces to verify eligibility.

- Coordinating the development of the uniform health plan enrollment form (as is the NAIC charge) with HHS' development of a single application form that states will be required to utilize for subsidized exchange coverage, Medicaid, or CHIP.

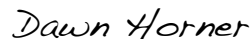
The success of the exchanges, and more broadly, the health reform law will depend on the ability of individuals and families to easily access affordable coverage. The ACA includes many important provisions aimed at creating a coordinated, seamless enrollment system for families in need of subsidized coverage, and the exchanges will have a major role to play in it.

We appreciate the opportunity to provide our input to the Exchange Subgroup and look forward to working with you on these critical issues. Should you have any questions, please contact us at (202) 687-7651.

Sincerely,



Jocelyn Guyer
Executive Director



Dawn Horner
Senior Program Director