

# *Presentation to SJM 1 Health Care Reform Working Group*

## **Information Technology Issues & Interface with Medicaid**

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# Changes in Medicaid eligibility

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- ◆ Expands eligibility to 133% FPL for all non-pregnant, non-disabled individuals between the ages of 19 and 64 years – “newly eligible”
  - 133% FPL - \$14,404 for an individual, and \$29,327 for a family of four (2009)
  - Establishes a standard 5% income disregard (effective income threshold of 138% FPL)
  - Begins January 1, 2014
- ◆ Must use Modified Adjusted Gross Income (MAGI) to determine eligibility
  - Based on Taxpayers IRS Returns
  - Eliminates all asset tests and other income disregards
  - Establishes uniformity for Medicaid eligibility across the states
  - Much more straightforward eligibility determination
- ◆ Exemption from use of MAGI
  - Eligible w/o income determination (e.g. foster care, SSI)
  - 65 and older
  - Blind or disabled
  - Medically needy
  - Qualified Medicare Beneficiaries
  - Eligible for Part D subsidies
  - Eligible for LTC services
  - Eligible through an Express Lane option
  - Enrollees who would lose coverage solely on the basis of applying MAGI
    - Grandfathered coverage until the later of 3/31/14 or next eligibility redetermination date



# Requirements of Eligibility Procedures

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- ◆ Enable individuals to apply for, be enrolled in, or renew Medicaid coverage through **an internet website that is linked to the Exchange website**
- ◆ “Enroll... **without any further determination by the State** and through such website, individuals who are identified by an Exchange...as being eligible for” Medicaid
- ◆ Ensure that **individuals found ineligible for Medicaid** are screened for the Exchange and any applicable premium assistance and, if eligible, “enrolled in such a plan **without having to submit an additional or separate application**” and receive information regarding reduced cost-sharing and any other assistance or subsidies that are available through the Exchange



# Requirements of Medicaid Eligibility System

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- ◆ IT system must:
  - Have an enrollment Web portal
  - Exchange and utilize data from other systems to determine eligibility
  - be secure to protect confidential information
- ◆ Applicants can apply online, by phone, mail or in person; IT tools needed included Automated Voice Response Systems (AVRS), scanning & document imaging
- ◆ Must be an agile system that can handle modifications as HCR requirements are phased in
- ◆ Must support the requirement that HSD be able to determine and track “newly eligible” individuals and those who are eligible under current criteria for purposes of:
  - Applying differential FMAP
  - New annual reporting requirements on Medicaid enrollment, disaggregated by multiple population groups
- ◆ Must support eligibility determination under both the “traditional” rules and the new rules



# HSD's Information Technology Systems

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## ◆ ISD2

- Eligibility system for Medicaid, SNAP, TANF, General Assistance
- RFP will be issued in November 2010; contractor to be selected in early spring 2011
- Generally takes 3 to 4 years to replace a complex IT system
- We must have the Medicaid eligibility component replaced in 2013
- Still do not know the business rules for determining Medicaid eligibility or for the interactions with the Exchange



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# Significant Issues

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- ◆ Business rules for determining eligibility for individuals using the single application for both Medicaid and the Exchange will be available late this year or early next year
- ◆ USDA needs to be part of the discussion
- ◆ The majority of states will have to make some significant modifications to their system; concern that the federal match does not provide enough financial assistance to states needing to replace their IT systems
- ◆ Concern that there could be 50 RFPs; 50 different systems; need to think about services shared across IT systems
- ◆ Need to consider timing of other IT issues and demand on scarce IT resources – Medicaid Management Information System (MMS) RFP, ICD-10 deadlines, HIPAA 5010 Compliance deadlines



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# Key functions of the Exchange

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- ◆ Maintain an on-line portal where consumers can obtain standardized information on insurance products
- ◆ Make comparison shopping for insurance easy (like Orbitz or Insurance.com)
- ◆ Centralize enrollment and screen individuals for Medicaid and link to Medicaid system for enrollment
- ◆ Provide customer service and call center
- ◆ Transition between commercial and government programs
- ◆ Determine eligibility for and administer subsidies
- ◆ Provide electronic calculator to determine the cost of coverage after tax and cost sharing
- ◆ Enroll individuals and businesses into plans through standardized electronic forms
- ◆ Maintain customer confidentiality
- ◆ Enforce consumer protections
- ◆ Promote competition



# Requirements of the Exchange

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- ◆ HHS Secretary shall establish IT standards and protocols for electronic enrollment that allows for:
  - “Electronic matching against existing Federal and State data, including vital records, employment history, enrollment systems, tax records, and other data determined appropriate by the Secretary to serve as evidence of eligibility and in lieu of paper-based documentation.”
  - “Reuse of stored eligibility information...to assist with retention...”
  - “Capability for individuals to apply, recertify and manage their eligibility information online..”
  - “Ability to expand the enrollment system to integrate new programs, rules and functionalities...to other Federal and State programs...”



# Significant Issues for the Exchange

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- ◆ Health Benefit Exchange applications will require:
  - Pricing Engines to quickly allow construction of coverage/premium options for target populations
  - Comparison Engines to enable consumers to compare plan options, premiums, deductibles and copayments and make informed decisions
  - Links between the public and private entities
- ◆ IT Standards and Protocols not yet known
- ◆ Discussion about developing a prototype with some states that will be available to others
- ◆ Limited vendors and multiple RFPs
- ◆ Must have a well functioning customer service center that interacts with the Exchange
- ◆ Business rules needed to determine how individuals will go back and forth from Medicaid to Exchange



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