

## Apply & Connect:

Implementing the new Medicare and Medicaid programs for the implementation of  
Medicare and Medicaid programs with the implementation of  
Medicare and Medicaid Exchange and the new Medicare and Medicaid

*July 10, 2012*

Jim Jones, Jennifer Jordan &  
Lisa Chan-Sawin

This report examines the options for how the major human services programs in California, including CalFresh (federal name SNAP), CalWORKS (TANF), Aged/Blind/Disabled Medicaid and Long Term Care Medicaid, could be horizontally integrated into California's Health Benefit Exchange and the California Healthcare Eligibility, Enrollment and Retention System (CalHEERS).

The Affordable Care Act (ACA):

- Includes a large expansion and revision of the current Medicaid groups and rules, as well as provides states with the opportunity to establish Health Benefit Exchanges.
- Requires that states seamlessly integrate the Medicaid (Medi-Cal) and CHIP (Healthy Families Program) with the federal subsidy programs during the consumer's visit to the website, during a telephone conversation with the Exchange Call Center, or during an in-person visit with an Exchange representative when the required information and verification is available.
- Fundamentally changes the methodology used to determine financial eligibility by moving to the Modified Adjusted Gross Income methodology, which varies according to whose income and financial needs are counted together and what, as well as how, income is counted.
- Requires that the Health Benefit Exchange be interoperable, but not necessarily integrated, with human services programs (CalFresh, CalWORKS, etc.).

California currently has an integrated approach to the automated systems and business processes, with Medi-Cal and the human service programs (CalFresh, CalWorks, some child care programs and other local programs) co-existing in the processes and systems operated by county governments. Only the Healthy Families Program, California's Children's Health Insurance Program (CHIP), has a separate, but interoperable with Medi-Cal and the human service programs, process and system. (The Healthy Families Program is scheduled to be integrated into Medi-Cal in the coming year.)

In our research, which included the review of documents and statistics made available to us and extensive discussions with state leaders, Exchange board members, county leaders, advocates, vendor management, and eligibility workers, we found that:

- California is unique in terms of its geography and population, but also in the history and culture of the way that it administers its health and human services programs.
- In California, counties do much of the same work that state agencies do in other states, with the state agency acting in an oversight and supervisory role currently for the Medi-Cal, CalFresh and CalWORKS programs.
- Counties have, with state assistance, developed, implemented, and operated business processes and automated systems that manage the health and human service programs.
- In the three counties with whom we spoke, automated systems and business processes are equal or better than most other states, taking advantage of innovations, not only in the various county consortia systems and county business processes, but also across states.
- Health and Human Service program performance is, at best, uneven in California with:
  - Low participation, high rates of inaccurate terminations and denials and poor timeliness, but a good payment accuracy rate for CalFresh.
  - High participation and timeliness in the Medi-Cal program.
  - High rates of timeliness in the Healthy Families Program.

- California’s cost per case is the highest in the nation in the CalFresh program in dollars, and second worst in terms of the administrative costs as a percentage of benefits.
- California uses a disproportionate share of the federal SNAP information technology dollars.
- The California Health Benefit Exchange Board, State agencies, county human service directors, and advocates are committed to the continuation of a horizontally integrated system. However, federal deadlines for proving operational readiness of a State-facilitated exchange and a very limited amount of time to implement that Exchange have made horizontal integration a long term, not a short term, objective.
- The California Health Benefit Exchange has decided to use a state-based system, CalHEERS, as the system of record for MAGI Medi-Cal and the Exchange programs. The Statewide Automated Welfare Systems (SAWS) will remain the systems of record for non-MAGI Medi-Cal and human service programs.
- The California Health Benefit Exchange has chosen Accenture as the IT system developer for the Exchange. The notice of intent to award was made on May 31, 2012 and the Exchange announced that the contract had been signed on June 26, 2012. NOTE: Exchange staff were not able to share the contract and non-proprietary portions of Accenture’s CalHEERS proposal before this report was completed. Therefore, assumptions were made about the CalHEERS model, especially how it will support the business model, as the report was developed.
- The Exchange must meet federal standards for operational readiness by January 2013, with enrollment of individuals and health plans beginning on July 1, 2013.

Based upon the information we have been provided and gathered, this paper provides two scenarios for proceeding with the creation of the California Health Benefit Exchange, including its system, CalHEERS, in a manner that can lead to the integration of human service programs administered by the counties, using their SAWS systems. These scenarios are meant to show options to be considered along a continuum, and various components can be chosen based upon available resources (time, staff, funds, etc.). Obviously, Scenario #1 will have a more positive impact on human services program enrollment, but it will require much more time, staff and funds to complete. It is possible that some additional automation in Scenario #1 would not be cost-effective considering that the longer term vision for CalHEERS appears to be full integration with other health and human services programs by December 31, 2015.

Activity/Order	Scenario #1: Maximum Automation and Coordination	Scenario #2: Minimum Automation and Coordination
<p>Health Insurance then Human Services Applications via CalHEERS Web Portal or CalHEERS Call Center</p>	<ul style="list-style-type: none"> <li>• CalHEERS Web Portal collects information and verification to determine real-time eligibility for MAGI Medi-Cal and Exchange programs and facilitates selection and enrollment into a Qualified Health Plan.</li> <li>• Part of the CalHEERS process includes a real-time check with SAWS to import data available and to use eligibility for CalFresh for Express Lane Eligibility (ELE) for MAGI Medi-Cal for children.</li> <li>• CalHEERS Web Portal screens</li> </ul>	<ul style="list-style-type: none"> <li>• CalHEERS Web Portal collects information and verification to determine real-time eligibility for MAGI Medi-Cal and Exchange programs.</li> <li>• CalHEERS Web Portal screens for Human Services Programs.</li> <li>• If potential eligibility exists, CalHEERS Web Portal directs individual to the SAWS Web Portal or county office or allows them to print an application.</li> <li>• The individual enters their information into the SAWS Web Portal, calls the county, mails in an application or appears in-</li> </ul>

	<p>for Human Service Programs and collects additional information needed to determine human service program eligibility.</p> <ul style="list-style-type: none"> <li>• CalHEERS transmits data and verification documentation to SAWS so that eligibility can be determined.</li> <li>• The SAWS system creates case for county worker review and public interview.</li> <li>• County worker identifies missing information and verification.</li> <li>• County worker conducts an interview of the individual (phone or in-person).</li> <li>• SAWS determines eligibility, generates a notice and benefits.</li> </ul>	<p>person.</p> <ul style="list-style-type: none"> <li>• The county worker, during the review of the application, reviews the information collected in CalHEERS and uses some of that information to determine eligibility for human service programs.</li> <li>• County worker conducts an interview of the individual (phone or in-person).</li> <li>• SAWS determines eligibility, generates a notice and benefits.</li> </ul>
<p><b>Human Services then Health Insurance via SAWS Web Portal or Telephone Application</b></p>	<ul style="list-style-type: none"> <li>• SAWS Web Portal screens for MAGI Medi-Cal and Exchange program eligibility.</li> <li>• SAWS Web Portal links directly to CalHEERS Web Portal, providing common information.</li> <li>• CalHEERS Web Portal proceeds to ask those questions and secure that verification necessary to determine MAGI Medi-Cal and Exchange program eligibility.</li> <li>• If eligible, web portal directs individual through plan comparison and selection process, where s/he can enroll in a health plan.</li> </ul>	<ul style="list-style-type: none"> <li>• SAWS Web Portal screens for MAGI Medi-Cal and other Exchange program eligibility and directs the individual to the CalHEERS Web Portal.</li> <li>• SAWS provides only basic information to CalHEERS Web Portal.</li> <li>• CalHEERS determines eligibility for MAGI Medi-Cal and Exchange programs and guides individuals through health plan comparison and selection.</li> <li>• Once data has been entered through portal or by worker, SAWS determines eligibility for non-MAGI Medi-Cal and human services programs.</li> </ul>
<p><b>In-Person at County</b></p>	<ul style="list-style-type: none"> <li>• The county collects information from the individual via the SAWS Web Portal or a personal interview with the individual.</li> <li>• The county worker, during the interview process, enters information on SAWS pages that will be needed for the CalHEERS MAGI Med-Cal and</li> </ul>	<ul style="list-style-type: none"> <li>• Worker enters data into CalHEERS for determination of eligibility for MAGI Medi-Cal and Exchange Programs.</li> <li>• Worker enters data into SAWS for determination of eligibility for human service programs and Non-MAGI Medi-Cal.</li> </ul>

	<p>Exchange program eligibility determination and plan comparison and selection.</p> <ul style="list-style-type: none"> <li>• SAWS sends information to CalHEERS for a determination of eligibility in the system of record.</li> </ul>	
<p>Ongoing Case Maintenance and Renewals</p>	<ul style="list-style-type: none"> <li>• Individual reports changes via the web portal, phone call, mail or in-person to the county worker.</li> <li>• Changed information is shared by SAWS and CalHEERS based upon business rules for what data changes are needed by which set of programs.</li> <li>• Renewals in SAWS update Medi-Cal renewal dates in CalHEERS.</li> <li>• Renewals in SAWS or CalHEERS share changed information, if needed by the other set of programs, with the other system.</li> </ul>	<ul style="list-style-type: none"> <li>• Worker enters changes and renewals in both systems separately.</li> </ul>

