

Submission for Oversight Subcommittee Hearing titled

"Hearing on the Verification of Income and Insurance Information Under the Affordable Care Act" on June 10, 2014

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Recommendations for simplifying the verification of income for Obamacare applicants and for improving customer service for Obamacare:.

- Give Medicare cards to those affected by churning until issues are resolved especially if an appeal or an investigation is pending.
<http://obamacarerundown.blogspot.com/> describes a possible plan
- Avoid using estimated income and Base Obamacare subsidies and Medicaid entitlement on previous year earnings when we know the exact amount. This would mirror the income rules used for the Extra Help with Medicare Prescription Costs which is another program based on need.
- HHS/CMS must establish a physical presence in communities across the nation, just like Social Security does. <http://whitecollargreenspace.blogspot.com/> describes a possible plan

On The Last Word on 1/6/14, Lawrence O'Donnell discussed churning with his guests, Jenni Bergal of Kaiser Health News and Ezra Klein. Re: WashPost article titled: "Churning between Medicaid and exchanges could leave gaps in coverage, experts warn" http://www.washingtonpost.com/national/health-science/churning-between-medicaid-and-exchanges-could-leave-gaps-in-coverage-experts-warn/2014/01/05/cf858d7e-73fa-11e3-8def-a33011492df2_story.html

On 1/5/14, I was on the phone for 90 minutes talking to a service rep at the Obamacare 800#. I have a friend who had earning just below the federal poverty level (FPL) in 2013. The benefit estimators on healthcare.gov tell him he must apply for Medicaid if expects to earn the same income in 2014. He just started a new job where he should earn about a \$1,000 more or around \$16,000. Since that figure is above the FPL and the estimators tell him that he qualifies for a monthly subsidy toward his premium of \$488 per month. We ask the rep what happens if he estimates \$16,000 and signs up for a Silver plan with a premium around \$488/mo but then when he files his taxes at the end of 2014 his earnings total only \$15,000. Since this is below the FPL, does he owe IRS back the \$488/mo or about

\$6,000.00 since the subsidy is a tax credit? He won't have that kind of money. Will he get Medicaid retroactively for 2014. It took her a long time to look it up and the only thing she could say was that if he earns more than his estimate he might owe some of the subsidy back but if he earns less, he should not owe any of the subsidy back. She could not give us a reference to a regulation, a pamphlet, or a web page at cms.gov. She also explain exactly what would happen if he calls in July to let HHS know is earnings will be less. Will his subsidy stop? If so, what month? And what if it takes his state 90 days to process a Medicaid application? Will there be a gap in coverage? Will he owe the first 6 months of subsidy money to IRS at the end of the year? Very Confusing?

Questions about the implementation of ACA regulations published at:

<https://www.federalregister.gov/articles/2013/01/22/2013-00659/medicaid-childrens-health-insurance-programs-and-exchanges-essential-health-benefits-in-alternative#h-6>

1 - Eligibility to expanded Medicaid and for ACA subsidies are based on estimated income for 2014. A person living in a state that did not expand Medicaid could estimate 2014 income a few hundred dollars over 133% of the federal poverty level (FPL) and be given an ACA subsidy for 2014 totaling several thousand dollars. 12 months later he finds that his income for 2014 is only 132% of FPL. Will he have to pay back \$2,000 to \$3,000 in ACA subsidies even though his income was a few hundred dollars less than he estimates? And he still does not qualify for Medicaid. Eligibility for ACA subsidies should be based on 2013 income which is already known and not an estimate. This is how SSA determines eligibility for Extra Help with Medicare Prescription Drug Costs where the govt pays the Medicare Part D premiums and gives low income people lower co-pays and deductibles.

2 - ACA regulations change Medicaid rules and neither program looks at a persons assets or lump sum payments like lottery winnings to determine eligibility. People could be rich and have millions of dollars assets and have his own corporation but not pay himself a wage and could get Medicaid or ACA subsidies. It was a big news item in Michigan a few years ago when a major lottery winner bragged about still being on Medicaid.

3 - Medicaid counts income on a monthly basis and ACA counts income on an annual basis. This can lead to a phenomenon called churning where a person can go back and forth between being eligible for Medicaid and then an ACA subsidy.

Go to this link and search for the word churning, This link includes comments that HHS received about the ACA regulations and what several commenters thought about the problem of churning.

<https://www.federalregister.gov/articles/2012/03/23/2012-6560/medicaid-program-eligibility-changes-under-the-affordable-care-act-of-2010#h-28>

4- Exempting the dis-insured from penalties and allowing them to sign up for crappy catastrophic plans or keep their old and non-compliant plans seems to go against the whole principal of providing universal coverage.

5 - Miscellaneous Miscellaneous Questions

What efforts are made to help applicants that have limited abilities due to medical mental health issues. This should include trying to find advocates, guardians, or relatives that assist applicants.

Has HHS or their contractors run Obamacare applicants against Social Security, SSI, VA, etc not just to confirm income but to confirm which claimant's have fiduciaries, representative payees, guardians, or conservators that are responsible for their business.

Social Security has procedures for paying fees to attorneys that represent claimants that appeal subsidy decisions. Will Obamacare have similar procedures?

Possible Solution to items 1 through 5

Since:

Obamacare will remain complex and ever-changing and

1. It involves tax returns
2. Citizens will need a place to report changes and/or discrepancies in income
3. Citizens will need a place to go to resolve disputes with insurance companies

It will be imperative for Obamacare to have a presence on the community.

I worked for the Social Security Administration for 34 years and for the last several years we were tasked with contacting 10's of thousands of citizens to verify income and assets for the Medicare Part D prescription program. Claimants filed initial applications and redetermination online or by mailing paper forms to a scanning facility. The call center would try resolve simple discrepancies. For more complex cases lists would be sent to one of the 1300 field offices to call, write, or have face-to-face interviews and accept documents. These lists were monitored constantly by management and we were supposed to resolve issues within 30 days. We also got lists of cases to work when claimants failed to return redetermination forms or they lost Medicaid coverage. Let me know and can identify the agency instructions on SocialSecurity.gov. And we had always handled enrollments in Parts A and Part B. We have over 1300 offices nationwide. See my submission to the house ways and means committee below for a plan to roll-out ACA customer service and verification quickly and cheaply. It would take HHS significant time and money to do it on their own.

I also believe that HHS/CMS will need a physical presence in all communities in order to reach their goal of 7 million enrollees. There may be close to a million people who have started the process but it may be weeks before we know how accurate and timely the enrollment data is that HHS/CMS sends electronically to insurance companies. With hundreds of insurance companies it may take a month or more to know how well their software and staff are operating. Their software is new too.

CMS/HHS will need to have face-to-face interviews if claimants appeal subsidy decisions &/or overpayments or ask for waivers of overpayments. Video conferencing units are available in many field offices and CMS could add more. Face-to-face interviews will also be needed when guardians or representatives have disagreements with claimants or for developing fraud cases.

On October 29, 2013, I submitted a plan to the House Ways and Means committee that asks SSA to partner with HHS and all state Obamacare exchanges to allow ACA navigators and application helpers to use the empty workstations in all 1300 SSA offices nationwide. There are between 5,000 and 15,000 desks and computers available. This office space available is worth close to \$200 million and they are unused due to staffing losses. There would be little to know costs since SSA has lost 15% of its staff in the last 6 years.

Making Obamacare enrollment campaign successful will be a long slog, especially, after all the negative publicity. We must put pressure on HHS and SSA to put Navigators and application helpers in all 1300 SSA offices. It could be done within 30 days. This would rebuild confidence in Obamacare. It will help people believe that it will be just as good as Medicare. The following plan could help make up for the confusion and frustration citizens are experiencing when trying to use Healthcare.gov

My plan is to have 5,000 to 10,000 Obamacare Application Helpers use the 5,000 to 10,000 empty workstations in the 1300 Social Security Offices nationwide. These organizations received grants to develop the roll-out of Obamacare. This would be a win-win for HHS and SSA as SSA is paying for office space they are not using and managers do not want to see dozens of local SSA offices shut down. Having Navigators in all 1300 SSA offices would make more efficient use of office space and equipment that has already been paid for and it would give HHS one simple location in most communities that is more trusted than any other agency.

POSSIBLE SAVINGS:

SSA has office space for 5000 people times annual overhead cost of \$24,000 each/year = \$120 million per year wasted if not used by ACA navigators. SSA has office space for over 25,000 available in evenings times \$24,000 per year = another \$600 million wasted if not used ACA navigators. Total savings if ACA workers use space already paid for by Social Security Offices = \$720million/yr times 10yrs= \$7 BILLION. If federal government saves this much it might pay for a single payer plan.

Possible Solution to Item 4 Give Temporary Medicare coverage for those with actions pending that have medical emergencies.

The dis-insured would be helped a lot more if they were given the option of enrolling in Medicare with HHS subsidizing the Medicare premiums:

<http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html>

Monthly premiums are:

\$426 for Medicare Part A (inpatient)

\$105 for Medicare Part B (outpatient)

\$31 for Medicare Part D (prescriptions)

\$562 total

