

# **HEALTHCARE COVERAGE UNDER THE AFFORDABLE CARE ACT:**



## **A Preliminary Report on Enrollment Barriers in New Mexico**

New Mexico Center on Law and Poverty  
Southwest Women's Law Center

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**The New Mexico Center on Law and Poverty** is dedicated to advancing economic and social justice through education, advocacy and litigation. We work with low-income New Mexicans to improve living conditions, increase opportunities and protect the rights of people living in poverty. Contact the Center by calling (505) 255-2840 or visiting: [www.nmpovertylaw.org](http://www.nmpovertylaw.org).

**The Southwest Women's Law Center (SWLC)** creates opportunities for women to realize their full economic and personal potential by eliminating gender bias, discrimination and harassment; lifting women and their families out of poverty; and ensuring that all women have full control over their reproductive lives through access to comprehensive reproductive health services and information. Contact SWLC by calling (505) 255-0502 or visiting: [www.swwomenslaw.org](http://www.swwomenslaw.org).

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# INTRODUCTION

The Affordable Care Act (ACA) has given New Mexico an unprecedented opportunity to expand healthcare coverage and strengthen the healthcare system throughout our state. Nearly 400,000 people who were previously uninsured may now access low cost or no cost coverage through Medicaid or the newly created Health Insurance Exchange (NMHIX). The changes will improve the health and financial well-being of our children and families, bring in billions of federal dollars that will boost the state's economy and create jobs, and help steady the rising costs of health insurance.

This massive overhaul has required building new enrollment and outreach systems – a process that was plagued by serious and egregious problems in New Mexico. Medicaid enrollment became severely hampered by computer errors, overloaded caseworkers, and processing delays. **Hundreds and possibly thousands of people who were already enrolled in Medicaid unexplainably lost coverage** each month. The complaints ultimately led the Center on Law and Poverty to bring a federal lawsuit against the Human Services Departments (HSD). The court has ordered the Department to undertake significant steps to improve the application process.

**Enrollment in the Exchange was especially low;** only 32,000 people out of 200,000 eligible people enrolled in the marketplace. The NMHIX had initially aimed for 80,000 people during the first open enrollment period, placing New Mexico far off its original projected target. Inaccessibility of in-person assistance, especially in rural areas, underfunded outreach campaigns, confusing marketing, and unaffordability of plans account for much of the failure to reach enrollment targets.

## Executive Summary

This report provides an assessment of New Mexico's healthcare enrollment systems launched on October 1, 2013. The preliminary findings and recommendations offered in this report are intended to serve as a resource and basis for discussion among policymakers, Medicaid and Exchange officials, and stakeholders that have been involved in planning, implementation and advocacy for better outreach and enrollment systems.

The timing is critical as the Exchange develops a state level enrollment process that is expected to be ready by the next enrollment period in November of this year. Medicaid is also making on-going changes to its application process. There are four areas that must be addressed immediately:

- 1. Outreach:** Both Medicaid and the Exchange engaged in minimal outreach prior to October 1, 2013, when the programs began taking applications for new coverage. The outreach efforts were fragmented and failed to reach uninsured people. Without a stronger outreach strategy moving forward, enrollment disparities will widen for populations that have historically faced healthcare barriers including people in rural areas, racial and ethnic minorities, and low income communities. Recommendations for the future include analyzing data to identify enrollment disparities, using innovative outreach strategies, and streamlining enrollment processes to efficiently enroll people into Medicaid and the Exchange.
- 2. Application Barriers:** The enrollment process was fraught with errors and delays. The Exchange suffered from a federal enrollment website that was non-functional for the first two months of the open enrollment period. The state also met with significant technical problems when using new computer systems for Medicaid and the other public benefits programs. Many

people never received notification of their enrollment status or were unexplainably denied coverage. Medicaid applications were also routinely lost, and Income Support Division (ISD) workers were not well trained to answer questions. Compounding these issues were deeply confusing notices, which did not clearly apprise applicants of their enrollment status.

Given the extreme frustration caused by the failure of Healthcare.gov to work during the first few months of open enrollment, it is essential that New Mexico ensure that development of individual Exchange in the state is not marred by the same technical problems as the federal website. The Exchange must accurately and easily enroll New Mexicans. If there is any doubt that the website will not be fully functional at its launch in November, New Mexico should continue to use the federal Exchange platform for another year. Exchange board members are currently looking at this option, and their decision-making should not be clouded by pressure to disengage from the federal system to create a unique enrollment platform for New Mexico.

3. **Affordability Concerns:** One of the most often cited reasons for why people did not obtain coverage through the Exchange was the lack of affordable health plans. Even with federal subsidies, the monthly payments were out of reach for many families at the lower income levels. The least expensive plans came with very high co-pays, deductibles and other out-of-pocket costs. The state must consider statewide solutions to this significant problem.
4. **Transparency:** Very little data has been released about enrollment in Medicaid and the Exchange, despite requests for more transparency from advocates and through a legislative memorial passed earlier this year. HSD has withheld data about enrollment in the new Medicaid expansion category, making it difficult to analyze the scope of enrollment barriers.

If the state succeeds in these areas, New Mexico can expect to see greater administrative efficiency, widespread public awareness about new coverage options, higher satisfaction with the Exchange and Medicaid, and ultimately more robust enrollment in healthcare coverage.

## Report Sources

Information in this report was primarily gathered from the following sources:

- Dozens of individual clients across the state who sought help from the New Mexico Center on Law and Poverty (NMCLP) and the Southwest Women’s Law Center (SWLC).
- Online survey distributed to consumers and enrollers (including healthcare guides and outreach workers). The survey was developed by NMCLP and SWLC, and distributed by these agencies as well as Health Action New Mexico, Planned Parenthood, and other organizations with statewide distribution networks. To date, over 50 enrollers and over 100 consumers have completed the survey.
- Public information from the Human Services Department (HSD), the New Mexico Health Insurance (NMHIX), and the federal Centers for Medicare and Medicaid Services (CMS).
- Regular and periodic consultation with numerous agencies and individuals, including advocacy organizations that participate in the Medicaid Coalition and Health Care for All Coalition, healthcare facilities and community agencies that host healthcare guides and/or engaged in outreach work, and legal clinics and other social service providers.

# I. OUTREACH

Extensive outreach and education is the key to any successful campaign to improve public health. The task of ensuring that all New Mexicans who qualify for new coverage under the ACA knew about their options and enrolled was monumental. However, instead of starting early to engage local residents on these new healthcare options, outreach began late and was limited in scope.

## 1) Medicaid Outreach

Under the Affordable Care Act, states are required to develop procedures for “conducting outreach to and enrolling vulnerable and underserved populations” into Medicaid. This outreach has specific importance for people living in poverty, people in rural areas, and racial and ethnic minorities who have consistently faced inequitable barriers to enrollment. Data has shown that these populations are at higher risk for being without health insurance. For example, 90 percent of the children in New Mexico who are currently eligible for Medicaid but are still not enrolled are Native American or Latino, and the majority of these children are living under the poverty line.

The state has been reluctant to engage in any outreach to people who qualify for the new Medicaid expansion category. The lion’s share of Medicaid outreach has been done by the Exchange (NMHIX) as part of its efforts to educate New Mexicans about the new health insurance marketplace. The Human Services Department, on the other hand, only held a series of town hall meetings around the state about its transition to “Centennial Care” – the new name of Medicaid after major components of its delivery system were redesigned. These meetings were largely about the managed care system, and they were not geared towards new applicants for Medicaid expansion.

The only clearly successful strategy employed by the Department has been to automatically transfer everyone who had been enrolled in State Coverage Insurance (SCI) or in Family Planning categories into the new Medicaid expansion category. Unfortunately, individuals were not given notice about the status of their enrollment and many individuals continue to be placed onto Family Planning before they are switched over to the Medicaid expansion category. This has resulted in denial of payment for needed healthcare services, widespread confusion, and in some cases, people prematurely withdrawing their applications because they did not want Family Planning services.

### Recommendations for Medicaid Outreach

- **Targeted outreach strategies:** The state must review enrollment data and determine where there are disparities, for example by location, race/ethnicity, age, and income level. This data is integral to determining effective strategies for outreach.
- **Find and enroll SNAP eligible children and adults into Medicaid:** States have the option to enroll every person who receives SNAP (food stamps) into Medicaid. However, New Mexico has repeatedly rejected this option despite encouragement from advocates and from officials at the federal Centers for Medicare and Medicaid Services (CMS). At least six other states are successfully pursuing this option.

## **2) Exchange Outreach**

Even when accounting for glitches in the federal enrollment system, New Mexico's enrollment numbers in the Exchange are far lower than similarly situated states, such as Idaho and Montana. Much of New Mexico's failure to enroll individuals rests on insufficient planning and delays in the implementation of outreach strategies. Education and outreach efforts, as developed by the NMHIX Marketing and Outreach Committee, also relied heavily on traditional insurance industry marketing practices, including television advertising and marketing materials developed by an out-of-state advertising agency. Funding for in-person outreach efforts was significantly limited; what in-person outreach funding existed was largely provided to business-oriented associations to attract employers to SHOP coverage.

The NMHIX's marketing and outreach campaigns were launched to minimal fanfare only in October 2013, losing precious months ahead of that time to educate New Mexico consumers about their coverage options. As the second open enrollment period approaches this year, NMHIX has allowed its education and outreach efforts to ebb, continuing to lose precious time to educate New Mexicans who are eligible for Exchange coverage.

### **Marketing Strategies Ineffective**

In June 2013, NMHIX hired a Milwaukee advertising firm, BVK, for nearly \$8 million to develop and place advertising, develop branding, and create other marketing materials. This advertising and marketing campaign had limited impact, and was largely ineffective. Only 35% of consumers responding to our survey indicated that they heard of their new healthcare coverage options through television or radio, and many of these consumers wrote clarifications to state that they heard of the new healthcare coverage options not through advertising, but through local and national news programming. The response was similar for the 40% of consumers who heard of their new healthcare coverage options through newspapers, magazines and brochures. However, over 80% of respondents said that they had learned about their new coverage options from in-person outreach or word-of-mouth.

Advertising and marketing for the NMHIX was not targeted to the specific, diverse, hard-to-reach populations. While messaging was translated into Spanish and appeals were made to Native American populations through brochures featuring basic information about Native American healthcare rights, limited in-person outreach occurred with diverse populations around the state.

Likewise, messaging was not aligned with known, effective strategies for educating New Mexicans about their healthcare coverage options. Advocates have noted that advertisements failed to distinguish the Exchange from other health insurance companies that were also producing advertisements to sell their products. The Exchange did not clearly express that most uninsured people can now access healthcare coverage at deep discounts because of financial assistance that is only available through the Exchange. Furthermore, many of the outreach brochures and materials distributed to consumers only had the website listed and did not have the telephone number for the NMHIX call center. This included postcards mailed to moderate-income families during the final weeks of the open enrollment period. A large number of New Mexicans, especially those living in rural areas, have limited Internet access.

## Outreach Not Aligned With Enrollment

NMHIX's enrollment program was fragmented by design; outreach and in-person assistance components were funded through separate agencies. Funding was given to "healthcare guides" to provide in-person enrollment assistance through the Primary Care Association and Native American Professional Parenting Resources (NAPPR). Separate funds were distributed to community-based agencies to conduct outreach. Ten organizations, including the Southwest Women's Law Center, received \$10,000 grants to conduct outreach to local communities about new healthcare coverage options.

*"Lack of online appointment-setting for healthcare guides; health care guides inaccessible on evenings or weekends, so unable to set up appointments and the contact did not respond to follow up; too many steps to get assistance from health care guides."*

-Enroller response to survey question on enrollment challenges

Early in the enrollment period, outreach organizations learned that community members had limited interest in events where they could learn about their healthcare options but not receive assistance getting enrolled. Initially, NMHIX did not allow outreach organizations to house healthcare guides, making it difficult to schedule events where enrollment assistance from another agency could be provided. Many outreach agencies tried to partner with enrollers for events, but found these enrollers were tied to 9:00 a.m. to 5:00 p.m. work schedules. Any work at evening and weekend outreach events were beyond their contracted, paid work-hours. Only close to the end of the open enrollment period did NMHIX allow outreach organizations to house healthcare guides.

Without direct access to healthcare guides, outreach workers would collect post cards at events with the names and contact information of consumers seeking to enroll in coverage. These post cards were given to healthcare guide organizations, which would then call the individuals to make enrollment appointments, sometimes engaging in prolonged cases of phone tag. This system, which advocacy groups began calling the "three-touch system," was deeply inefficient. Healthcare guides across different agencies reported success rates of only 10% to 40% in contacting and scheduling appointments for individuals who filled out post cards. Early in the open enrollment process, NAPPR, the organization that housed healthcare guides targeting Native American populations for enrollment, eliminated this problem by using a smart phone application to make appointments while out in the field. NAPPR thus had greater success rates in translating outreach into enrollment.

## Outreach Limited in Scope and Duration

Delays and disconnected enrollment and outreach functions created isolation for both outreach workers and healthcare guides. Outreach agencies did not receive essential materials from NMHIX for conducting outreach until well after October 1, 2013 when enrollment had already started. The healthcare guides who provided in-person assistance similarly did not receive training before the enrollment period. The capacity of healthcare guides slowly increased as federal website glitches were resolved and organizations completed planning and hiring processes.

Healthcare guides engaged in limited outreach. Most guides were housed in hospitals and medical clinics and thus only served the populations that approached their offices. The NMHIX website also did not clearly list the locations of all healthcare guides until several months after enrollment started. Some individuals thus turned to health insurance brokers instead for assistance, although few brokers were properly trained to take on the enrollment needs of these consumers.

## Recommendations for Exchange Outreach

- **Expand the range of healthcare guides:** SWLC and other organizations have recommended that the Exchange increase the number of healthcare guides not located at clinics and hospitals. While hospital and clinic workers were essential to the Exchange enrollment process, they were flooded with the enrollment needs of their workplaces and were unable to reach out to the uninsured, who, for lack of insurance, did not access their hospital or clinic's services. The NMHIX should seek out more diverse, non-medical-setting, community agencies around the state to station healthcare guides.
- **Support capacity of community based organizations to engage in outreach and enrollment:** To streamline outreach and enrollment functions, healthcare guides should be embedded with community-based outreach organizations to maximize potential enrollment of hard to reach communities. Additionally, the NMHIX should fund more community-based outreach and enrollment organizations around the state, and not just task centrally located organizations with state-wide efforts. Among these organizations and agencies should be promotor groups, schools, churches, and other associations.
- **Allow outreach workers to make appointments for consumers with healthcare guides during field-based outreach:** The technology is available to allow for outreach workers to connect consumers directly with appointments with healthcare guides. NMHIX should eliminate ineffective post card outreach efforts that lose opportunities to connect consumers with enrollment assistance.
- **Target and test outreach and marketing for effectiveness:** NMHIX needs to extensively evaluate its marketing efforts to ensure that it uses the tactics that have proven most effective in enrolling consumers. This evaluation should look at what efforts worked best locally and in other states to enroll difficult to reach populations, such as Spanish-speaking individuals and families and the young invincibles. Messaging and marketing methods that did not resonate with consumers should be discarded. NMHIX should adjust the proportion of spending on marketing efforts to reflect the general consumer preference to learn about healthcare coverage options through individual contact.
- **Pursue innovative marketing and outreach ideas:** NMHIX should get creative with its marketing and outreach efforts. For instance, many Exchange eligible individuals are self-employed or are employed at multiple jobs. These individuals often seek the assistance of accountants to reconcile their tax filings. The NMHIX could engage in outreach and education efforts with accountants to ensure that their Exchange eligible clients have the info they need to get enrolled and avoid tax penalties. NMHIX should also look at other, non-traditional outreach methods for reaching the Exchange-eligible.
- **Run a coordinated outreach campaign:** In order to significantly increase Exchange enrollment to ensure the Exchange's ongoing viability, New Mexico needs to run its outreach and enrollment efforts like a true and coordinated campaign. The NMHIX should be flexible and swift in analyzing and allotting resources to programs that have proven success in enrolling New Mexicans. This also means discontinuing or redirecting programs and funding where outreach and enrollment efforts have not been doing well.

## II. APPLICATION BARRIERS

The experience of trying to enroll in Medicaid and the Exchange was met by widespread frustration due to numerous application problems and barriers during the enrollment process. The Medicaid application process was characterized by delays, lost applications, confusing notices and caseworkers who were unable to access applications and provide help. The Exchange enrollment process was unworkable for several months due to major technical errors with the federal website. A lack of communication between Medicaid and the Exchange further aggravated enrollment delays, leaving many individuals mired in an enrollment process that took months to resolve.

### 1) Medicaid Application Barriers

In the earlier months of the year, dozens of people could be found lined up outside Income Support Division offices in Albuquerque as early as 6:00 am, in near freezing temperatures, waiting for assistance with Medicaid and other public benefits. Some made it inside while others waited for hours only to be told they should come back the next day. Meanwhile individuals who had already tried to submit applications were calling community agencies and legal service providers frustrated that they never heard back about their applications, or that they could not complete the applications. Calls also poured in from people who had been enrolled in Medicaid in the past and unexplainably lost their coverage. Mothers were learning that their children were no longer enrolled when they tried to fill prescriptions or schedule exams. Adults with disabilities were being terminated from Medicaid even when they were clearly still eligible for services.

These and other widespread and disruptive enrollment problems led to a lawsuit filed by the Center on Law and Poverty against the state's Human Services Department (HSD). On May 15, 2014, a federal judge ordered HSD to resolve processing delays with Medicaid and other public benefits, suspend automatic closures of cases, and release enrollment data that had been withheld, among other requirements. These changes are anticipated to help ***thousands of individuals who would otherwise be automatically denied or dis-enrolled*** from the program each month.

Progress with resolving these barriers must be carefully monitored. Additionally, enrollment barriers are still occurring that were not addressed by the lawsuit including the routine placement of individuals into the wrong category of Medicaid and misinformation provided by caseworkers.

**Unlawful Terminations of Coverage for Children and Adults:** The state replaced the outdated IT system for Medicaid and the other public benefits programs at the same time that tens of thousands of people were expected to apply for the Medicaid expansion. Technical glitches and processing delays ensued, creating unanticipated and severe problems. Many children and adults who were already enrolled in Medicaid, including those with disabilities, had their coverage terminated. Some lost coverage right around their renewal time, while others were not due for renewal. In some cases, individuals received letters stating their coverage was terminated, but without further explanation. When they called ISD, they were often told to apply again.

Extent of Problem/Survey Responses: The Center on Law and Poverty received dozens of phone calls from clients and agencies to report the problem. Preliminary results from the survey shows that out of 32 healthcare guides and enrollment workers responding to the survey, 90% have

encountered Medicaid terminations without explanation and most indicate this is an ongoing problem as of the beginning of May 2014.

HSD has released an enrollment report showing an alarming drop in enrollment for children between October and November 2013. Over 3,500 kids had lost Medicaid coverage from the prior month – right at a time when Medicaid should have seen many more children enrolled. While the next month showed enrollment increasing again, the terminations had not stopped. Instead, they may have been masked by higher than average enrollment due to the Affordable Care Act.

*“We should not have to call the HSD secretary’s office to resolve issues or get ISD to respond to us. We should not have to spend months getting approved, only to get another letter telling us it is time to recertify within a month of being on Medicaid.”*

– Consumer response to survey

**Resolution:** The Center on Law and Poverty uncovered information suggesting that in many cases, coverage was terminated due to a computer function that automatically closes cases that have not been renewed within a certain number of days, even when a person has turned in renewal paperwork and the fault is with the agency. HSD has been required by court order to suspend the automatic closure function to ensure cases are not denied or closed without an individualized eligibility review. This is likely to greatly reduce closures. However, this issue must be monitored. Enrollers and consumers have indicated that individuals are losing coverage even at times when their cases are not due for renewal.

**Medicaid Application Processing Delays:** Medicaid applications are not being processed within the 45 day timeframe required by law. Many applications that were submitted prior to January 1, 2014, were never processed at all. Those that were turned in after that date have routinely taken at least 60 days to be processed, causing individuals to delay seeking healthcare.

**Extent of Problem/Survey Responses:** The timeliness problem is impacting the entire state. Over a hundred clients and agencies - from Bernalillo, Dona Ana, Curry, Valencia, Sandoval, and San Juan counties - have contacted the Southwest Women’s Law Center and the New Mexico Center on Law and Poverty about the problem. In the surveys for consumers and enrollers, many cited this issue as a significant enrollment barrier. More specifically, 58% of consumers surveyed said that they did not hear back from Medicaid about their application within the 45 day timeframe required by law. Of the individuals who applied for Medicaid and did not get enrolled, 41% never heard back from Medicaid about their application. Likewise, 95% percent of enrollers surveyed stated that 45-plus day delays in application processing were still a problem as of the beginning of May 2014.

**Enroller Survey Responses:**

*“We had clients whose applications were lost, most of the people did not get anything after 45 days. I average a 75 day wait.”*

*“The 45-day wait time has only been adhered to in only a handful of applications.”*

*“Pregnant 19 year olds couldn’t get PEMOSA. The pregnant women who got PEMOSA lost their coverage after the time expired and were not given Medicaid while in critical stages of their pregnancy, we called the office and were told to stick it out – that is an outrage.”*

## Consumer Survey Responses

*"My son has been waiting since November 2013 – no response yet. Very frustrating."*

*"You shouldn't have to wait four months for an answer."*

*"Never heard back about my disabled daughters' approval for Medicaid."*

*"6 months after my initial enrollment and I am STILL not covered. I checked with ISD in March, and they said my paperwork was complete, but they hadn't processed it..."*

*"My son... turned 19 years old in Feb... He has several food and environmental allergies and asthma, has been diagnosed with Lyme's disease... We have had to cancel 2 allergists appointments and am trying to ration asthma medicine. I work and cannot be on the phone with Medicaid. I am so tired of this."*

*"I am disabled but trying to continue working. I was looking for additional insurance to help me with my medical situation. I applied in January and still have no answer. I only make about 1200 a month and I believe given my special situation I should have had an answer. I don't understand why no one will help me continue working while several agencies have offered to help me apply for disability and quit working completely."*

**Resolution:** Legal organizations, including Law Access New Mexico, Legal Aid New Mexico, and the Center on Law and Poverty routinely filed Fair Hearing Requests for individuals who had waited beyond the 45 day timeframe to hear back about the status of their applications. The Center on Law and Poverty included this issue as part of its federal lawsuit against the Human Services Department, and on May 15, 2014, the court ordered HSD to come into compliance with the law.

**Medicaid Denials without Explanation or with Incorrect Reason:** In part due to processing delays, Medicaid applicants were automatically denied from coverage due to the automatic closure function in the computer system that closed cases that had not been processed within a certain amount of time. This caused applicants to instead seek coverage on the Exchange, only to be sent back to Medicaid. It also created confusion in later months when individuals received denial notices and then within several weeks received approval paperwork.

Additionally, many individuals appeared to have been checked for eligibility under the old "legacy" rules for Medicaid before determining eligibility for Medicaid expansion. For example, the Southwest Women's Law Center assisted with a client who applied for Medicaid but who was denied based on the income of her husband, who had died more than a year ago. In another case, a college student received rejection letters stating that he was ineligible for children's Medicaid, even though he applied as a 19-year old for Medicaid Expansion coverage.

**Extent of Problem/Survey Responses:** Several dozens of people called the Center on Law and Poverty and the Southwest Women's Law Center about having been denied Medicaid without explanation, usually even after they had submitted all requested information with the Department. In response to the survey, 18% of consumer respondents who had applied for Medicaid said that they did not receive an explanation for why they were denied Medicaid coverage. An additional 58% of consumers surveyed described Medicaid eligibility letters as difficult to understand.

### **Consumer Survey Response:**

*"I was initially denied with the explanation that I didn't have a Medicaid eligible child. I tried for 2 days to call the number on the denial, and each time I called, after being on hold for 10 minutes, I was always disconnected. There was no way to leave a message. I tried calling a "backdoor" number and the person refused to talk with me and put me back in the queue. I never got through. I called the number to set up a hearing request and left my information. There's no way of knowing if they received it or not. Earlier this week, I got a call from BCBS for an interview to get me set up with Centennial Care. Needless to say, I was really confused. After that call, when I went to get my mail, I had information from both the state and BCBS saying I had been approved. This was a colossal waste of time for both me and for the state, with the erroneous denial letter. I hope that situation doesn't happen to many other folks."*

### **Enroller Survey Responses:**

*"I have had clients that received denial letters because they have no children."*

*"Wrong determinations: immigration status, requesting information from deceased spouse, wrong category, past 45-day wait, ISD determining men pregnant."*

Resolution: On May 15, 2014, a federal judge ordered the Department to suspend the automatic denial function so that each case is reviewed for eligibility before a notice of denial is sent. HSD will also be working with the Center on Law and Poverty to create a revised set of notices in the next six months for Medicaid applicants and recipients.

**Medicaid Applicants Wrongly Placed on Family Planning Benefits (Rather than Full Medicaid):** A widespread problem is occurring with adults who apply for Medicaid wrongfully being placed into the "Family Planning" category rather than into the new category of expanded coverage for adults. This error led to some individuals withdrawing their application and applying for the Exchange only to be sent back to Medicaid. Prior to January 1, 2014, the Department placed applicants into the Family Planning category with the intention of transferring them into Medicaid Expansion once enrollment started on January 1<sup>st</sup>. However this transfer never took place for many individuals and it appears that applicants are still routinely being placed in the Family Planning category instead of being screened and enrolled in full coverage Medicaid.

Extent of Problem/Survey Responses: This problem is widespread throughout the state. Dozens of client and advocates have reported the issue to the Center on Law and Poverty and the Southwest Women's Law Center. Of approximately 25 enrollers responding to a survey question about the frequency of assisting individuals who had wrongfully been placed into Family Planning Medicaid, each saw an average of about 50 individuals who had encountered this issue. Additionally, of approximately 29 enrollers who answered the question, 62% rated this issue as a significant barrier in the enrollment process.

### **Enroller Survey Responses:**

*"Another issue is the fact that we would receive denial letters stating that our clients were denied for reasons that were not accurate such as being denied according to income even though they were income eligible[,] being denied for a reason not fully understood and given family planning benefits when they qualify for more comprehensive benefits. B/c of this we had connected clients to the appropriate agencies to begin the appeal process."*

*"I have a lot of clients that are very upset because they had no problems when they had the County Indigent program and now they can't get Medicaid and if they do it is family planning or they were denied and have to go wait in line at the ISD office and the person they talk to is rude and will not help them about appealing it. When they know they qualify. This has put a big hardship on these clients."*

### **Consumer Survey Responses:**

*"Application lost, no communication - letters stating enrolled or denied, finally placed in wrong category, no further communication on enrollment into new category or any other formal HSD letter. Had to search for status online as the last letter (period) was for family planning services only."*

*"At 64 yrs. of age was placed Approved for Family Planning Only; Quite confusing. Eventually received Centennial Care Insurance for expanded services."*

**Resolution:** Each case is being resolved individually. The issue has been repeatedly brought to the attention of the Department. While the HSD Secretary has publicly acknowledged the issue, the Secretary has not offered a resolution.

**Immigrants who are lawfully residing children or pregnant women wrongfully denied Medicaid:** New Mexico has implemented federal rules that allow for all lawfully residing children or pregnant women to enroll in Medicaid without having to wait for five years. However, the Department has not correctly and uniformly applied these rules and as a result, eligible immigrant women and children have been unable to get Medicaid coverage.

**Extent of Problem/Survey Responses:** Of 32 enrollers who answered a question as to whether they considered this issue to still be a problem as of May 2014, 52% of respondents indicated this was still a barrier to enrollment for immigrant women and children.

**Resolution:** The Center on Law and Poverty filed a lawsuit earlier this year on behalf of several clients experiencing this problem, and by order of the court on March 3 2014, HSD was required to issue policy directives and provide training to ISD staff on the issue. HSD reported that continued incorrect eligibility decisions to lawfully residing clients were caused by a computer glitch in the department's new IT system. HSD has issued an interim business practice that will allow workers to issue correct eligibility decisions, and HSD reports that the glitch will be fixed by June 22, 2014.

**Medicaid Caseworkers Overloaded and Poorly Trained:** Income Support Division (ISD) workers were expected to learn a new IT system that was plagued with glitches and new income eligibility rules for Medicaid. Poor training and heavy caseloads led to widespread dissemination of misinformation, unwarranted application rejections, and rude treatment. Specific problems include:

- *Caseworkers not adequately informing individuals of coverage options:* Prior to January 1, 2014, clients reported persistent problems with Medicaid caseworkers not telling people about Medicaid expansion. Brochures incorrectly stated that people could apply for Medicaid starting January 1, 2014, due to a departmental decision to deliberately not inform individuals that they could apply for Medicaid before that date. The materials were fixed after the NM Center on Law and Poverty took action. Individuals continue to report that ISD workers are not providing information about the Exchange when an individual is not eligible for Medicaid.
- *ISD workers unable to access case records for applicants or run into technical errors.* Medicaid applicants who had not heard back about their cases were told when they called the ISD offices that the caseworker did not have access to their computerized records. Many were told to reapply. Consumers currently report that technical glitches are still problematic; caseworkers are manually inputting certain answers to application questions due to computer errors.
- *Incorrect information being disseminated about income eligibility rules.* Automatic income disregards means that eligibility for Medicaid Expansion should almost in every case be calculated at 138% of the Federal Poverty Level, and yet ISD workers have insisted the level is 133%. Materials on the HSD website provided contradictory information about these levels.

Extent of Problem/Survey Responses: In addition to the very basic issue of poor training around Medicaid eligibility determination levels, as outlined above, 71% of enrollers surveyed reported that rude Medicaid caseworkers were a significant barrier to enrollment for the consumers.

#### **Consumer Survey Responses:**

*“Medicaid staff need to be more helpful. Possibly they are overwhelmed with the high volume of people they are having to service?”*

*“First the ISD receptionist told me he couldn’t accept my marriage license as it was not the policy to recognize my [same-sex] marriage. ‘You can leave it but good luck with that. It won’t do any good.’... By the time I got the personal letter from Secretary Squier, it was TOO LATE to meet deadlines. She denied us Medicaid and gave us no information on appealing. I am still uninsured!!!”*

In response to “What parts of the healthcare enrollment experience would you change?”:  
*“Everything that directly involved the state of New Mexico. Once the app got forwarded to them, it’s been a mess.”*

*“Do not allow the Department of Human Services to be in any part of this.”*

#### **Enroller Survey Responses:**

*“Xerox was supposed to be the contact agency to obtain info on applications but they weren’t capable, they referred us to contact HSD/ISD and ISD wasn’t accessible, most [of the] time uncooperative. I assume it’s because they were short staffed.”*

### **Enroller Survey Responses (continued):**

*"I am a Determiner and Healthcare Guide. I have clients that [have] gone to ISD office and they referred them to our office... They would not help them with the process on the Computer. Most of my Clients said that the ISD people were rude and would not help them. There [have] been quite a few clients that [have] called or went to ISD office to find out the status of [their] application and they were told that there was not an application, so they come back to me very upset. I call local ISD office and I cannot even speak to a caseworker or supervisor. I leave messages on voicemail and no return calls. I even email them and no response."*

**Resolution:** Both the Southwest Women's Law Center and NM Center on Law and Poverty approached Medicaid officials about the issue of ISD workers and Medicaid enrollers telling clients about the wrong eligibility levels. Medicaid officials have made corrections to ensure that ASPEN is applying income disregards correctly to assess individuals at 138% FPL for Medicaid Expansion. However, the materials provided to ISD workers and publicly on the Department's website remain incorrect. Other training issues and technical errors with ASPEN remain unresolved.

**Inordinately Long Wait Times at ISD Offices:** Medicaid applicants are routinely expected to wait for over four hours at the ISD offices, and in various locations earlier this year, applicants were forced to wait outside in the cold during the morning hours. Some offices told consumers that ISD would stop seeing anymore applicants after at 10 am and to come back the next day.

**Extent of Problem/Survey Responses:** Only 8% of consumers surveyed who applied for Medicaid found wait times to meet with ISD caseworkers to be "reasonable".

### **Consumer Survey Responses:**

*"Had to drive 100 miles to be sent away. Left many phone messages only to be returned after calling HSD secretary's office." – Consumer Survey*

*"Wait times and attitude of ISD WORKERS." – Consumer Survey response (In response to "What parts of the healthcare enrollment experience would you change?")*

**Resolution:** The Center on Law and Poverty included this as an issue in its lawsuit against the Department. While the motion was pending, the Department changed its intake process that appeared to solve some part of the problem. The wait times have gone down at ISD offices in recent months, although each office is different.

**Medicaid Online Application Burdensome and Not Dynamic:** Applicants were required to fill in an employer name into the online application for Medicaid even though by law, there are alternative ways to prove income. In addition, the online application does not allow a person to only apply for Medicaid and avoid numerous questions associated with the other benefits programs like SNAP or TANF. Both issues can be resolved by using a "dynamic" application system that allows a person to bypass questions that are not relevant to them.

**Resolution:** In response to the Center on Law and Poverty, the Department agreed to fix these issues by submitting a "change request" for the IT system.

## 2) Exchange Application Barriers

The problems with the Exchange application process are well-known, with much media publicity about the technical errors of the federal website. These problems took several months to resolve, and by the end of the open enrollment period in April 2014, many issues had been addressed. However, individuals continued to receive errors with tax credit amounts, immigrants faced persistent application barriers, and in-person assistance was still difficult to access in certain areas.

The lessons from this first enrollment experience should be closely examined as New Mexico develops its state level Exchange for individuals. The NMHIX is creating a new online application and enrollment system that will be accessible to consumers and individuals providing in-person enrollment assistance. Enrollment barriers that must be resolved include:

**Inability to Access In-Person Application Assistance:** During the last month of the open enrollment period, the Southwest Women’s Law Center advertised its consumer assistance services via KUNM. During this time period, SWLC received between 25 and 60 calls per day from consumers seeking assistance. Many had tried calling both the state and federal call centers, and had no luck connecting with in-person assistance to help with enrollment. Even more callers had no idea that in-person enrollment was even available. A number of callers, especially those from rural areas, had not been able to make appointments with healthcare guide or application counseling agencies due to backlogs. Many stated that they had made appointments with their local clinic or hospital, but that their appointment was scheduled after the end of the open enrollment period. Additionally, the structure of the healthcare guide scheduling program only allowed for healthcare guides to make appointments from 9:00 a.m. to 5:00 p.m., leaving out many working individuals who could only find the time to enroll on nights and on the weekend.

Extent of Problem/Survey Responses: Preliminary survey results show that 44% of respondents found it difficult to access in-person application assistance. When consumers did reach out for in-person application assistance, the majority received assistance through healthcare guide organizations or a certified application counselor at a local clinic or hospital. 6% of respondents received assistance from an insurance broker or agent. Survey responses reveal that individuals who did not seek in-person assistance with their enrollment, including those individuals who relied on the state and federal call centers to enroll, had far more difficult enrollment experiences.

### **Consumer Survey Responses:**

In response to question, “In general, what did you like about the healthcare enrollment experience?”: *“Once I [knew] what I needed I was able to find someone to help me.”*

In response to question, “In general, what did you like about the healthcare enrollment experience?”: *“My navigator at NAPPR was excellent!!”*

*“The enrollment site itself could have been simplified. Without a healthcare guide to clarify it would have been very misleading and confusing.”*

*“I was extremely displeased that the enrollment form on healthcare.gov apparently passed over on my phone number to a bunch of insurance salesmen who called me and tried to sell me health insurance over the phone – in one case, it was private insurance for which there would have been no tax credit available.”*

**Incorrect Advanced Premium Tax Credit (APTC) Determinations and Technical Errors Calculating Eligibility:** Enrollment issues with the federal enrollment website are well-documented. New Mexicans who encountered problems with filing their applications with the website faced mounting frustration and delayed access to healthcare. The Exchange, through the healthcare.gov website, often provided an incorrect display of federal tax credits and subsidies to certain applicants, making it appear that insurance was more expensive than it should have been. More frequently, consumers faced issues technical glitches determining even their basic eligibility for financial assistance through the health insurance marketplace.

Extent of Problem/Survey Responses: While half of the consumer survey respondents found the application for healthcare easy to complete, only 37% felt that website had shown them the appropriate amounts of tax credits and subsidies. The Center on Law and Poverty received about a half dozen phone calls about incorrect advance premium tax credit determinations, and filed appeals for two clients. The Exchange has responded to the appeals; however, a resolution is still pending. The Southwest Women's Law Center's healthcare guides also saw a small handful of incorrect APTC determinations and filed one appeal. SWLC's healthcare guides, more regularly, came across technical glitches that kept the healthcare.gov website from determining a consumer's eligibility for financial assistance or Medicaid coverage at all.

#### **Consumer Survey Responses:**

*In response to "What parts of the healthcare enrollment experience would you change?": "I'd make the website work properly and have the phones and live chat working. And I'd not have a website that comes up with different results even when you input the same information! I really lost faith when she told me we could run my numbers through again to see how it would come out. What the heck!?"*

*"Clients had to come back several times to complete the Exchange because of technical difficulties or problems on the website."*

*"Frustrating it took 2 ½ days to fill out the form on-line. Never got a response back as to what my daughter qualifies for if anything."*

*"I had trouble submitting my application and it ended up setting me back on having healthcare by 2 months. The whole getting enrolled situation was a huge pain... I had to call the Healthcare.gov call center 3 times before I could actually submit my application and be able to access it online, so I could enroll myself in a plan."*

**Individuals Stuck in Loop Between State and Federal Websites and Call Centers:** Many individuals who were not assisted by a healthcare guide or certified application counselor reached out to state and federal call centers and websites for support. Many of these callers found themselves in a transfer loop between the state and federal call centers seeking help. Few call center employees could handle complex questions including inquiries from individuals who were seeking to enroll, but were borderline Medicaid/Exchange eligible, were self-employed and had questions about income reporting, had mixed-status families, or had an immigration status other than citizenship. Many call center employees seemed to lack basic training or information about connecting consumers to in-person assistance.

Extent of Problem/Survey Responses: Towards the end of the open enrollment period, NMHIX's call center began referring calls to the Southwest Women's Law Center for resolution. Preliminary survey result of healthcare consumers showed that approximately 27% percent of individuals who applied for both Medicaid and the Exchange were forced to resubmit documents in order to gain coverage. Consequently, it is unsurprising that initial survey results show that 31% of respondents who applied to both programs described the enrollment process as confusing and burdensome.

**Consumer Survey Responses:**

*"When I was applying for coverage under the exchange, I was shuttled between the federal and state call centers and websites multiple times when I was denied subsidies. No one had answers, and each side pointed fingers at the other when I tried to figure out the appeals process. No navigators were listed on the state's website, so I called Senator Udall's office for assistance. They referred me to the Center for law and Poverty to get appeals information, which was never laid out on either website. The state didn't have information on the exchange website so I had to muddle through that, as described above. The whole process was inefficient at best."*

*"NM web site and call center sent us to the public school for assistance, they know nothing about application nor do they have time to assist."*

*"It was difficult to get the right information because the state referred people to the federal site and vice versa."*

**Immigrants unable to efficiently verify identity:** Immigrants were unable to verify their identities with the Exchange if they did not have credit histories. Instead, they had to wait on the phone to talk with Experian, and then either wait for processing to complete the application, or mail in the documentation to a Kentucky processing center.

Extent of problem: This was a national problem that is currently being addressed.

**Consumer Survey Response:**

*"There was a problem with the citizen proof documents. It asked whether my name now is the same as that on my citizenship document. It is. Then it asked for both my citizenship certificate number AND my alien number. It then rejected me because the name on my green card was different to my current name. It didn't give me the option to say that...."*

**Exchange guides were not providing language access to non-English speakers.** The New Mexico Asian Family Center reported early in the enrollment period that healthcare guides were unable to provide their clients who are limited-English-proficient with language interpretation services as required by law. Likewise, the Southwest Women's Law Center encountered difficulties obtaining sign language interpreter assistance for deaf consumers seeking enrollment assistance.

### 3. “No Wrong Door” Barriers with Medicaid and Exchange

The Affordable Care Act envisions a unified and streamlined enrollment process for healthcare coverage. States must provide one single application for both Medicaid and the Exchange. If an applicant is screened and found to be ineligible for either Medicaid or the Exchange, the application must be automatically sent to the other program via an electronic interface between computer systems. A person that applies for either Medicaid or the Exchange should thus be enrolled in the right coverage without having to answer application questions or submit paperwork twice. In other words, there should be “no wrong door” to access coverage.

In New Mexico, the Human Services Department has been especially resistant to developing this streamlined enrollment system, and only recently agreed to ensure that its Medicaid application system is aligned and electronically interfaces well with the Exchange. Miscommunication and technical problems characterized the first open enrollment period, with technical errors abounding. These problems aggravated delays with obtaining coverage and left consumers “in limbo” and frustrated without adequate assistance to resolve enrollment barriers.

**Applications Not Transferred Properly between Medicaid and Exchange, Leaving Consumers “In Limbo”:** During the first open enrollment period, applications that were transferred between the programs were routinely lost and application information provided by the federal Exchange website to the state Medicaid agency was undecipherable. NMHIX was also unable to account for thousands of applications that were transferred from Medicaid to the Exchange. As late as February 2014, the Medicaid Department had not transferred the names and contact information for individuals it had deemed eligible for marketplace coverage to the Exchange. Adding to the confusion, both Medicaid and the Exchange suffered from technical errors and an inability of call center representatives and caseworkers to resolve cases because application information could not be found or accessed. This resulted in people sending multiple applications into the system, resulting in even further confusion about the stages of application processing.

Extent of Problem/Survey Responses: The Center on Law and Poverty and the Southwest Women’ Law Center routinely heard accounts of clients having submitted information to either Medicaid or the Exchange, calling the agency to find out what happened with it, and being told they were ineligible (and thus the application had been sent to the other agency), or that the application could not be located or accessed. Of the surveyed individuals who found themselves looping back and forth between Medicaid and the Exchange, 27% of respondents agreed that they did not who to contact for help with their applications.

#### **Consumer Survey Responses:**

*“I helped my daughter in Arizona and another daughter in New Mexico. Both qualified for Medicaid as they are students. The Exchange told them that their state Medicaid office would contact them, but they never did so we contacted Medicaid and they had never heard of them. Then we had to go to the Medicaid office, wait all day to see someone and then it was 3 more months but the coverage was retroactive.”*

*“The two programs are apparently not allowed to access each other’s records: they both say ‘there’s nothing I can do from my side.’”*

**Medicaid Failure to Notify Applicants about Exchange:** Federal law requires the Medicaid agency to send correct notices to applicants who have been denied coverage that states the specific reasons why applications are denied. However, the notices that are being sent to Medicaid applicants in New Mexico simply states they have been denied from Medicaid, but fails to notify individuals that their application is being transferred to the Exchange for review.

Extent of Problem: The Medicaid denial notice that is sent to applicants is deficient and impacting everyone who has been denied Medicaid.

Resolution: As an outcome of the lawsuit against HSD, the Department has provided the Center on Law and Poverty with a model notice that includes information about the Exchange. The Center is working with HSD on the contents of the notice.

**Cumbersome Application for Immigrants within 5 Year Waiting Period for Medicaid:**

Many immigrants are required to wait for five years before they may apply for Medicaid benefits, including most lawful permanent residents (green card holders) who are not children or pregnant women. Immigrants who come up against the “5 year bar” may apply for Exchange coverage and receive federal financial subsidies to help with the cost. However, many immigrants had difficulty applying for the Exchange even though they should have been eligible. They were required to first get Medicaid denial notices before they could apply for the Exchange. This meant undergoing a full application process with Medicaid and waiting for a decision, which often took months. Once they had a decision, they often encountered incorrect Advance Premium Tax Credit (APTC) determinations on the Exchange showing the wrong amount of federal credits and subsidies, which could not be fixed unless the person filed an appeal. The appeals process also took several months.

Extent of Problem: This is a national problem that consumers experienced across the country. The Center on Law and Poverty worked with several clients to assist them with obtaining Medicaid denial notices and filing appeals on the Exchange when they received federal subsidy determinations. Although the Exchange has responded for both cases, the resolution is still pending.

## Recommendations for Resolving Application Barriers

### *Medicaid*

- **Ensure individuals are not wrongfully denied or losing coverage.** Medicaid must evaluate enrollment processes and data to immediately identify and resolve improper case denials, case closures and placements of individuals into the wrong Medicaid category.
- **Audit the application process and ASPEN system for programming and technical errors.** Technical errors continue to pose major problems for consumers and for caseworkers, resulting in administrative inefficiency. The computerized application and enrollment system should be audited to identify and resolve these barriers.
- **Improve consumer experiences by fixing backlogs and setting consumer satisfaction standards.** Medicaid should hire more caseworkers to help with processing delays, ensure all workers are trained on program eligibility rules, and institute consumer satisfaction goals.

### *Exchange*

- **Increase access to in person assistance** outside of hospitals and clinics, and outside of the 9:00 am to 5:00 pm business week hours.
- **Devote ample time to testing new application systems.** NMHIX should implement lessons learned from the failures of the healthcare.gov website. The Exchange should ensure that any IT platform has been well tested with multiple enrollment variables before launching the site for public use. These variables should include tests of immigrant enrollment systems. The Exchange should avoid launching a website with significant enrollment barriers at all costs.
- **Call center staff's duties should be well defined.** Call Center staff should be engaged in the same training as healthcare guides to answer basic and specialized consumer questions. NMHIX call center staff should be trained to properly refer or make appointments for consumers with healthcare guides or other enrollers.
- **Ensure language access.** Call center staff and healthcare guide organizations should have clear instructions and easy access to in-person and phone-based language interpretation services. Any outward-facing appointment scheduling system should indicate to consumers whether an enroller speaks Spanish or any languages other than English.

### *No Wrong Door between Medicaid and Exchange*

- **Develop protocol for transferring applications between Medicaid and the Exchange, and standards to evaluate success.** Applicants must be consistently informed about the status of their applications. Both agencies should collect data on the number of applications transferred, received, and successfully enrolled.
- **Work towards "real-time" eligibility determinations.** Immediate decisions are possible if Medicaid and the Exchange use data matching systems to verify eligibility information.

### III. AFFORDABILITY CONCERNS

One of the most common reasons cited by individuals surveyed for not enrolling in healthcare coverage was that the cost is too expensive. The cost of the health insurance premium was the number one factor cited by consumers in the surveys for selecting a health plan. While New Mexico has some of the lowest health insurance premiums in the nation, the financial assistance applied to individuals' premiums was often not enough and did not realistically account for other living expenses. Basic costs of living, such as car and childcare payments, housing costs, and students loan repayments often took precedent over signing up for healthcare coverage.

Extent of Problem/Survey Responses: Enrollers regularly assisted consumers who decided not to enroll in coverage after seeing their share of the premium amount with tax credits, even for Bronze level plans – the least expensive plan offered on the Exchange. At the Southwest Women's Law Center, at least one consumer per day declined to enroll due to concerns about the costs of care. Consumer responses to the survey reveal that only 34% agreed with the statement that "the Exchange plans offered were affordable to me."

#### **Consumer Survey Responses:**

*"Enrollment was too expensive, my relative couldn't afford to get insurance."*

*"Can't afford medical insurance for spouse...."*

*"I would have been subsidized almost \$300, but that forced me into a specific category of \$129/month, which I could not afford, therefore I STILL have no health insurance..."*

*"Due to very high student loan payments I could not afford to pay for health insurance."*

*"The deductible was too high. Exorbitant."*

*"It was pretty easy to navigate, I just couldn't find something I could afford—"*

In response to question: "How important are these factors for choosing a health plan?":  
*"Cost from a realistic perspective."*

In response to question: "How important are these factors for choosing a health plan?":  
*"My son has some very specific needs and some of these plans either didn't fit with our budget, or did not provide the help he needs."*

In response to: "Did you learn about your options or get help with enrollment from any of the following?": *"No and now we are having trouble because [sic] surgery copays are expensive."*

### **Enroller Survey Responses:**

*"I felt like the plans offered had too high deductibles and out of pocket costs for the income that the majority of the people that I assisted made."*

*"Lots of clients were frustrated because of the costs of the premiums..."*

These affordability problems have been anticipated in New Mexico, but little action has been taken to resolve them. Many lower income families who live under 200% of the federal poverty level (FPL) are struggling to make ends meet. The "family budget" calculator offered online by the Economic Policy Institute shows that a family of three people living at 150% FPL in Albuquerque is **nearly \$500 short** of meeting basic monthly living expenses, before they buy any health insurance. The budget uses federal data to estimate the costs of basic living expenses in different localities to include shelter, food, clothing, childcare, transportation, taxes, and other necessities. Low-income families in New Mexico simply cannot afford the cost of health insurance or expensive medical bills.

In 2012, the state's Legislative Finance Committee raised concern over affordability problems, and published a report by the Center on Law and Poverty detailing these problems and possible solutions. The state could choose to expand Medicaid to cover more individuals, implement a "Basic Health Program" or provide premium assistance programs. These options cannot be implemented without further study into their costs and benefits. In both the 2013 and 2014 legislative sessions, the legislature attempted to appropriate \$50,000 to cover the costs of an actuarial study of these options, but the funding was line item vetoed by Governor Martinez at the consultation of the Human Services Department.

### **Recommendations for Affordability Gap**

- **Expand Medicaid to individuals with incomes up to 200% of the poverty level:** States have the option to expand Medicaid eligibility beyond the current levels for those whose incomes fall below 138% of the poverty level. New Mexico could cover everyone with incomes up to 200% of the poverty level and receive the regular federal matching rate for Medicaid. This would greatly improve coverage levels.
- **Study the feasibility of Basic Health Program:** Alternatively, New Mexico should act immediately to fund a study of the feasibility of the Basic Health Program. The program would serve individuals making less than 200% FPL by creating a Medicaid-like program that channels funding from the tax credits these individuals would otherwise receive for the Exchange into a publicly-funded healthcare program.
- **Explore possibility of an Exchange premium assistance program:** A final option is for the state is to provide additional subsidies that help individuals pay for the monthly premium costs of health plans. Like the other options, the state would need to conduct an actuarial study to determine the costs to the state and the appropriate subsidy levels for helping individuals obtain affordable coverage.

## IV. TRANSPARENCY AND REPORTING

The Human Services Department normally publishes Medicaid enrollment reports that show the number of adults and children enrolled in the program, including a breakdown by Medicaid category and the counties where people live. However, *the Department stopped publishing even this minimal data* when Medicaid Expansion took effect on January 1, 2014. The Department has cited technical problems with its new computer system as the reason for withholding this information. NMHIX has not provided this data because enrollment was largely controlled by the federal government. Data needs are being considered as NMHIX develops a state-based Exchange.

With billions of federal and state dollars channeled to healthcare coverage each year, the state has every incentive to ensure that healthcare spending is meeting its targets. In the 2014 legislative session, the House of Representatives passed a memorial requesting both Medicaid and the Exchange to report enrollment data that would help identify administrative barriers. The memorial called for Medicaid and the Exchange to go beyond reporting enrollment numbers, and to also collect and report upon the reasons why applications are denied or people lose coverage. This data is reported in several other states. The Human Services Department in the past stated its intention to report this data, but at the time cited problems with the old computer system. The state has since replaced that system and has new opportunities for reporting useful enrollment data.

### Recommendations for Data Collection and Reporting

To create transparency and improve the administration of programs, both the Exchange and Human Services Department should publicly report data on enrollment. The agencies should comply with the House Memorial 66, which among other data sets, requests the following:

1. How many applications are denied each month and the reasons for denial of enrollment.
2. The rate of successful enrollment when applications are transferred between Medicaid and the Exchange.
3. Healthcare coverage retention rates and the reasons for disenrollment.

## CONCLUSION

New Mexico has new opportunities for expanding healthcare coverage, but the state will only see success by engaging in better outreach strategies, solving systemic enrollment barriers that have impeded progress, and addressing affordability problems. Medicaid and the Exchange can improve outreach strategies by identifying enrollment disparities, engaging in proven methods for outreach, and streamlining enrollment processes. These efforts should work hand in hand with enrollment efforts of in-person assisters, which should be well-funded and made more accessible to people.

While many of the enrollment barriers that occurred earlier this year are in the process of being resolved, problems continue and monitoring is needed to ensure solutions are implemented well. Medicaid and the Exchange should set consumer satisfaction goals and address backlog and caseworker training problems. Finally, a rigorous evaluation and data reporting process is necessary to resolve barriers and create a user-friendly enrollment system for New Mexico.