

# Health Law and Policy Update:

## August 24, 2012

### **This week's updates**

- [New funding opportunity](#)
- [Thirty more reasons to expand Medicaid](#)
- [New guide outlines options for state-based exchanges](#)

### What's New

#### **New funding opportunity**

The Centers for Medicaid and Medicare Services announced a new opportunity this week for funding under the Affordable Care Act to support counseling for dual eligibles (those enrolled in Medicare and Medicaid) in states that have approved dual eligible demonstration projects. Colorado is in the process of seeking approval.

The grants are designed to support counseling about options for participants in approved demonstration projects and are limited to states that have approved financial alignment demonstrations. The grants are being coordinated by the Center for Medicaid and Medicare Innovation and the Administration for Community Living. CCLP has written about Colorado's proposed Dual Demonstration project in [prior updates](#).

According to the [CMS fact sheet](#):

This funding opportunity will provide financial assistance to State Health Insurance Assistance Programs (SHIPs) and/or Aging and Disability Resource Centers (ADRCs) to provide options counseling to Medicare-Medicaid enrollees. This will ensure that beneficiaries and their families have access to an unbiased and beneficiary-friendly source of information and counseling on options available under the Financial Alignment Demonstration to help individuals make informed decisions about options they have for receiving their Medicare and Medicaid benefits.

Eligible applicants from the CMS-approved Financial Alignment Demonstration states include any one of the state agencies that administers the ADRC and/or SHIP program(s) within the state (e.g. State Unit on Aging, State Department of Insurance, a State Disability Agency, State Medicaid Agency or other state entity).

CMS and ACL want to assure local counseling and informational resources are available for beneficiaries and/or caregivers who have questions about the options in their states.

CCLP has been concerned that dual eligibles might be confused about their options under Colorado's proposed duals demonstration project. Colorado is proposing a passive enrollment system, where dual eligibles will be assigned to Regional Care Collaborative Organizations (RCCOs) who will coordinate their care. Dual eligible persons will have to affirmatively opt out of the demonstration. While we continue to support an opt in, rather than an opt out, the opportunity for counseling available under this grant opportunity might go a long way towards helping fragile duals understand the demonstration and sort through their options under the proposed opt-out structure.

### **Grant Applications are due September 24, 2012**

Advancing the Debate

#### **Thirty more reasons to expand Medicaid**

The National Health Law Program released three new fact sheets this week each listing ten reasons why expanding the Medicaid program would help to address [health disparities](#), is [good for women](#), and offers [benefits for women living with HIV](#). These are just a few new resources explaining the value of the Affordable Care Act's expansion of the Medicaid program to cover virtually all individuals under the age of 65.

A recent [blog post](#) from The Commonwealth Fund summarizes a number of key benefits of Medicaid expansion including the effect on the federal budget, reduction in uncompensated care for hospitals, and increased access to health care and the corresponding better health outcomes for beneficiaries. An Urban Institute [report](#) released earlier in the month examines the characteristics (gender, age, race and ethnicity) of the uninsured adults who stand to gain coverage from the Medicaid expansion.

#### **New guide outlines options for state-based exchanges**

The Patient Protection and Affordable Care Act (PPACA) requires that all states have health insurance exchanges starting January 1, 2014. States have the option of

establishing their own state-based exchange or allowing the federal government to build and operate the exchange. To date, fourteen states (including Colorado) and the District of Columbia have begun to develop and implement state-based exchanges. States establishing a state-based exchange have a great deal of flexibility to customize the exchange to meet the unique needs of the state and its citizens. A new [guide](#) released by the Center on Budget and Policy Priorities (CBPP) outlines the various policy options and decision points that states will face as they develop their state-based exchanges. These policy decisions include exchange structure and governance, consumer assistance tools, plan management, eligibility and enrollment, Essential Health Benefit (EHB) package design, and many others.

With the passage of SB-200 in 2011, Colorado established its state-based exchange, known as the Colorado Health Benefit Exchange (COHBE). COHBE is a public non-profit governed by a board of directors. Beginning in early 2012, the COHBE Board of Directors began the process of addressing many of the policy options outlined in the CBPP guide. COHBE decisions have ranged from high level structural decision, such as whether to combine the small-group and individual insurance risk pools, to detailed, technical decisions, such as whether to limit plan options within the small group market.

With few exceptions, Colorado is outpacing most states in the development and establishment of its state-based health insurance exchange. However, many further policy decisions remain, including appeals processes, broker and navigator compensation, customer service center functions, and the list goes on. You can learn more about attending COHBE board meetings and weighing in on this process on the COHBE [website](#).