

Testimony for Budget and Oversight Hearing on the Department of Health Care Finance

**District of Columbia Council Committee on Health
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Thank you, Chairman Catania, for the opportunity to testify today on several important issues related to the District's Medical Assistance programs. This has been an eventful year for health care in the District, and my testimony will address important issues around changes to the Alliance program, Health Reform, and improper terminations within the Elderly and Persons with Disabilities (EPD) waiver program.

1. Alliance Program Changes

The last year has brought significant changes to the Alliance program, and more are to come. One major change was last year's implementation of face-to-face interviews during the recertification process, as well as a decrease in the certification period from 12 months to 6 months. Since implementation of this policy change there has already been a significant decline in the number of people enrolled in the Alliance program.

Legal Aid supports reasonable efforts to ensure that only District residents are enrolled in the Alliance, but we are concerned that this change is leading to eligible residents being terminated from coverage due to language barriers, confusion, or an inability to complete the interview process on the day they show up to the Economic Security Administration (ESA). Since implementation of the new recertification policy, we have seen an increase in our own intake of residents who have attempted to recertify their Alliance coverage, but for one reason or another been unable to do so.

The Language Access barriers are of particular concern to Legal Aid. It is our understanding that ESA's Automated Client Eligibility Determination System (ACEDS) is capable of printing notices only in English and Spanish. Accordingly, we fear many Alliance enrollees who speak other prevalent languages – such as Amharic, Mandarin and Vietnamese – are receiving notices they do not understand. When enrollees do not know that they must recertify sooner – and in person – they risk losing their coverage all together, subjecting them to

¹ The Legal Aid Society of the District of Columbia was formed in 1932 to “provide legal aid and counsel to indigent persons in civil law matters and to encourage measures by which the law may better protect and serve their needs.” Over the last 80 years, tens of thousands of the District's neediest residents have been served by Legal Aid staff and volunteers. Legal Aid has been practicing in the area of public benefits for a number of years, representing clients with TANF, SNAP, and Medicaid cases.

potentially crushing medical debt, or worse, denial of medically necessary services and treatments.

Another significant change is the proposal contained in the Mayor's FY 2013 budget to eliminate Alliance coverage for in-patient hospital services and emergency health care services. Legal Aid is concerned that this change could potentially leave thousands of vulnerable District residents subject to medical bills they cannot afford to pay. This, in turn, frequently leads to harassment from collection agencies, and ruined credit reports that can severely affect an individual's or family's ability to achieve financial independence.

Regarding emergency medical services, we urge the Department of Health Care Finance (DHCF) and the Council to ensure that hospitals aggressively seek reimbursement from Emergency Medicaid for emergency health services provided to Alliance enrollees. Second, under this proposal, disproportionate share hospitals (DSH) should be reimbursed for uncompensated in-patient hospital care provided to Alliance enrollees through DSH funds. Even so, it is not clear that those providers would be specifically prohibited from also seeking reimbursement from Alliance enrollees affected by this change. Should this proposed change take effect, we hope to be able to work with the committee, as well as DHCF representatives, to find ways to ensure that Alliance enrollees will not be subject to unfair medical bills.

The District has historically been a leader in providing health coverage to all of our residents. While we understand the need to make difficult choices, they must be made in a way that continues this commitment to universal health coverage. We hope to work with your staff and that of DHCF and the Department of Human Services (DHS) to ensure that these program changes do not result in District residents going without Medical Assistance they qualify for.

2. Health Reform

During this past year, there has been much activity around implementation of health reform. Indeed, Legal Aid is pleased that so many agencies are working together to ensure the smoothest transition possible for District residents who will be affected by these changes. We and other advocates have participated in numerous meetings held by the Mayor's Health Reform Implementation Committee, the Committee on Health's staff, and DC government agencies including the Department of Health Care Finance, the Department of Insurance, Securities, and Banking, and the Department of Human Services. Much work remains, but we look forward to a continued open process in which all interested parties are at the table.

One population of particular concern to Legal Aid is the current Medicaid population between 134% and 200% of the Federal Poverty Level (FPL). The District took a progressive step by transitioning many Alliance enrollees between 134% and 200% of FPL to full Medicaid in December 2010, thereby granting them access to expanded benefits and saving the District money. It is not yet clear, however, if this population will continue to remain in Medicaid or be transitioned to exchange coverage (or a Basic Health program) once implementation is complete.

Legal Aid's primary concern is ensuring a smooth transition and positive outcomes for individuals who are currently receiving Medicaid but will be moved to exchange coverage or a

Basic Health program. Legal Aid has extensive experience with this type of transition (which has been anything but smooth) through our annual project to help Medicare enrollees choose a Part D prescription drug plan that will best cover their medications for the following year. Despite genuine efforts to make the Part D plan selection and enrollment process as simple and user-friendly as possible, it is still a daunting challenge for many individuals who do not receive assistance. Likewise, should the District transition the 134% - 200% FPL population to exchange or Basic Health coverage, these individuals are likely to face a series of options that may simultaneously be difficult to understand and carry profound implications for their access to health services. Potential barriers to an enrollee's ability accurately select the best available plan include, literacy, internet access, language access and disability, to name a few.

We are particularly concerned about moving this population to exchange coverage. First, the cost-sharing associated with exchange coverage may be unaffordable for some, regardless of their level of premium assistance, given the District's high cost of living. Another concern is whether, in light of DC Medicaid's generous benefits package, this population would lose access to important health services that are not covered in the exchange's insurance plan's Essential Health Benefits package.

We understand that a final decision on this issue has not been made, and that the Departments of Health Care Finance and Human Services are awaiting an actuarial analysis by Mercer to better inform this decision. If people in this population are to be transitioned to exchange coverage, however, it will be critically important to provide the support necessary to make the best possible decision based on their individual needs. Additionally, we urge the District to continue exploring the option of a Basic Health plan as a possible way of ensuring a smoother transition from full Medicaid coverage. We look forward to participating in this and other aspects of health reform as the process continues.

3. Improper Terminations from EPD Waiver Coverage

Finally, over the past few months, Legal Aid has seen a number of EPD waiver recipients being improperly terminated from coverage. When they contacted Legal Aid, these recipients were in danger of losing important home health services – and some enrollees' services had already been terminated. In most cases, the underlying reasons for the termination were incorrect. Additionally, the home health agencies in most cases issued improper notices that utterly failed to explain the nature of the termination or what recipients would need to do to have their services restored. Many of our applicants, when they followed-up with the health agencies, were told they had failed to submit certain recertification documents when those documents in fact had been submitted. Once this error was pointed out to the agency, some applicants were told that, because their services had been or would be stopped, they would be placed on a waitlist to get services restored rather than having them restored immediately.

While Legal Aid's cases were quickly resolved by DHCF, we are extremely concerned about the potentially large number of enrollees who were improperly terminated but unable to get connected with a legal services or other advocacy organization. Advocates have been in discussions with DHCF about ways to resolve this and hopefully prevent similar errors in the

future. We strongly urge DHCF and this committee to exercise increased oversight of the health agencies that provide these critical health services to the elderly and physically disabled.