

The Ideal Application Process for Health Coverage

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Introduction

Beginning in 2013, millions of Americans—all with different health needs, family compositions, incomes, literacy levels, and language proficiencies—will be applying for health coverage across the nation. Some will be enrolling in private, commercial health plans, while others will be enrolling in Medicaid, the Children's Health Insurance Program (CHIP), or the Basic Health Program. The Affordable Care Act (ACA) replaces outdated, burdensome application processes with a vision for a single, simple, and streamlined application process that anyone can use to apply for all types of coverage.

This issue brief outlines a vision for an online application process that is simple, seamless, and automated, building on the ACA and making health coverage applications and enrollment easy for both consumers and states (see the illustration on page 3). Many of these principles still apply, even if applicants are not applying on their own. Navigators, call centers, and other stakeholders that provide enrollment assistance will be able to complete the online application on the applicant's behalf. This brief explains the key steps of the application process, why they are important, and how they will promote optimal enrollment under the ACA.

What's in the law?

The ACA requires a "no wrong door" approach to enrollment. This means that people seeking coverage should only need to complete one application in order to learn which program(s) they and their family members may enroll in. People should no longer need to submit different applications to different agencies for different health coverage programs. Instead, the agencies must coordinate behind the scenes to make the process easy for consumers.

What is an exchange?

Health insurance exchanges, as created by the ACA, are designed to be “one-stop shops” that provide tools to help Americans quickly and easily enroll in health coverage, including private plans (with or without financial assistance), Medicaid, CHIP, or other public insurance programs. Exchanges will be up and running by 2013, and they may be run by the state, the federal government, or a partnership between the two.

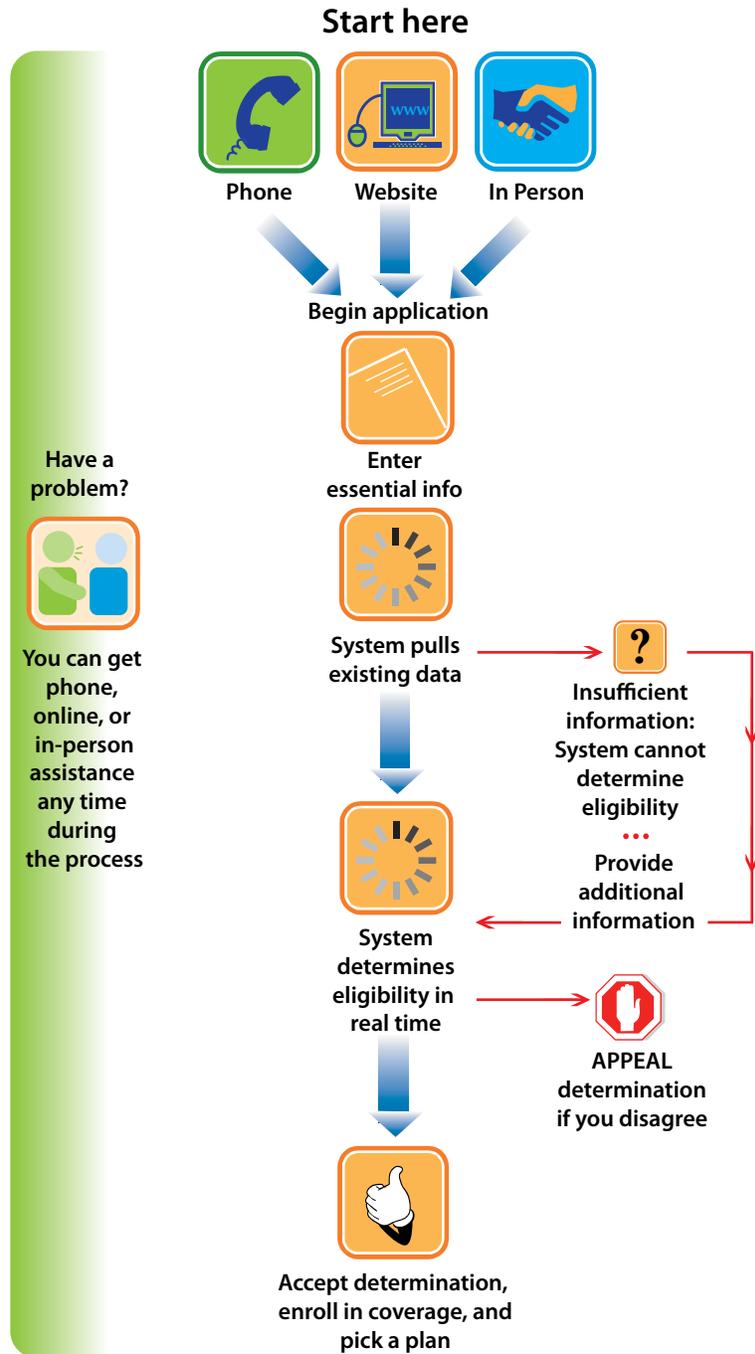
Under the ACA and the proposed federal rules that guide its implementation, states will be required to provide a single easy application to apply for and enroll in Medicaid, CHIP, Basic Health, and exchange coverage (see “What is an exchange?” on the left).¹ The application must be available in online and paper formats,² and consumers must be able to apply for coverage online, in person, or by phone, fax, or mail.³ To the greatest extent possible, states must conduct data-matching to automatically establish, verify, and update eligibility.⁴ Exchanges must also establish call centers and Navigator programs to ensure that people can get help with the application and enrollment process (see “What is a Navigator?” on page 8).

Applying for Health Coverage— One Step at a Time

1. Applicants begin the application (online, by phone, or in person).
 - Consumers who set up an account can save their application and complete it over multiple sessions. They can also update personal information or renew or change their coverage using their online account.
2. Applicants enter essential personal information, like name, date of birth, and Social Security number.
 - The system matches the information applicants provide with existing federal and state databases.
 - In some cases, the system may request more information in order to proceed.
3. Applicants receive an eligibility determination in real time.
 - If the eligibility determination seems incorrect, applicants can begin the appeals process.
4. Applicants enroll in coverage and pick a health insurance plan.

Note: Applicants should be able to obtain assistance with their application online, by phone, or in person at any time in the process, including when they are applying, enrolling in a program, selecting a plan, or learning how to use their coverage.

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Note: Paper applications will also be available, but the process will be different and may take longer.

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An Ideal Application Process

The process described below is a vision for how an optimal online application process should work for consumers. The ACA and the proposed federal rules require the Department of Health and Human Services (HHS) to give states a model application for health coverage programs. The application must be available in both electronic and paper formats. The application and all related materials should be culturally and linguistically appropriate, as well as accessible for people with disabilities. A project to create a consumer-focused online application process is already underway. The federal government, 11 states, a design firm, and several health foundations are working together to create Enroll UX 2014, a “first class user experience design for exchanges.” This online application design will be made available to every state that would like to use it.⁵ States are also given the option to create their own application, which is then subject to approval by HHS.⁶

The application process will be different in each state, but the steps below are essential components of a user-friendly process.

1. Applicants begin the application.

The website should be easy to locate on the Internet with a simple and memorable web address, and the application should be easy to find on the website itself.⁷ The online application process must be entirely web-based; an electronic PDF that must be printed and mailed is insufficient. The system should walk applicants through all of the questions required to make a real-time eligibility determination and allow applicants to enroll in a program and choose a plan.

Not everyone will feel comfortable applying online without assistance, so the proposed federal rules allow applicants to designate a proxy, such as a family member, community organization, or Navigator, to complete the application on behalf of a consumer.⁸ There must be strict privacy and security measures for proxy access to protect applicant information.

... applicants cannot be required to provide extra information about themselves or family members that is not needed to determine eligibility.

When applicants arrive at the exchange website, they should be given the option to create an account. With an account, applicants can save the application and complete it in multiple sessions from any computer or compatible mobile device with a secure internet connection. This allows applicants to begin the application and, if they need help, save an incomplete application and seek in-person assistance without losing their work. It is crucial, however, that registering for an account does not become a barrier to enrolling. The username and password must be easy to create. Complex user name and password requirements (like requiring numbers, symbols, and upper and lower case letters) can be difficult for applicants to understand and adhere to, and can therefore be a barrier to setting up an account and, ultimately, to enrolling.⁹

Once they are enrolled in coverage, consumers should be able to maintain their online account and make changes when necessary. The online account should give enrollees the ability to update personal information at any time, renew or change coverage, and be notified if their eligibility for assistance changes.

2. Applicants enter essential personal information.

Once applicants initiate an application online, they should be asked to provide only essential personal information, such as their full name, date of birth, and Social Security number.¹⁰ The ACA makes it very clear that applicants cannot be required to provide extra information about themselves or family members that is not needed to determine eligibility.¹¹ To ensure that the application only asks for necessary information, the system should use dynamic questioning. This means that answers to initial questions are used to determine later questions. As a result, the application only asks questions that are relevant to that particular applicant.¹² For example, if an applicant indicates that he is male, a dynamic application would not ask for his pregnancy status.

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With the applicant's permission,¹³ the system should use basic personal information to search various electronic databases for relevant applicant information, such as income and citizenship status.¹⁴ The system should then import that information to automatically fill in the application. The applicant can review the information to ensure that it is correct, make necessary additions or changes, and continue with an eligibility determination. An applicant should only be asked for paper verification as a last resort.¹⁵ Federal electronic databases, like those available from the Social Security Administration and the Internal Revenue Service, may contain sufficient information to make eligibility determinations. States should also tap into their own databases, such as quarterly wage databases, since these may contain more accurate, up-to-date information.

States have already had success using electronic data to provide documentation. The Children's Health Insurance Program Reauthorization Act of 2009 gave states the option to conduct a data match with the Social Security Administration to fulfill the citizenship documentation requirement in Medicaid and CHIP. As of April 2010, the 24 states that were using the electronic data match had, on average, a 94 percent success rate, and today, more than 30 states are successfully verifying citizenship for Medicaid and CHIP applicants in this way.¹⁶ The success of the Social Security data match shows that electronic verification can be even more effective, and undoubtedly more efficient, than requiring paper documentation.

According to the proposed federal rules, states can either accept an applicant's attestation of information or require additional verification.¹⁷ Accepting attestation would expedite and simplify the process and should be used to the greatest extent possible. If a state does not accept attestations for certain eligibility criteria, it should be as flexible as possible in the types of documentation that it accepts. For example, in order to verify income, states could consider making phone calls to employers (with the applicant's permission) when pay stubs are not

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available. Additionally, in order to facilitate submission of documentation, states should maximize the available avenues that applicants can use to provide documentation. In addition to allowing applicants to mail, fax, or hand-deliver paper documentation, states may want to consider accepting photographs of documentation electronically, just like some banks allow accountholders to deposit checks by taking a photograph of the check with a mobile device and sending it to the bank.¹⁸

3. Applicants receive an eligibility determination in real time.

In order to keep applicants engaged, the eligibility and enrollment process should be quick—ideally occurring in real time.¹⁹ Although designing an eligibility system with real-time capability is an enormous undertaking, some states have already started to pave the way. For example, Oklahoma’s online application for Medicaid and CHIP (mySoonerCare.org) does not require applicants to submit any paper documentation if these data can be retrieved from databases. As a result, the system can usually determine eligibility in real time.²⁰

4. Applicants enroll in coverage and pick a health insurance plan.

If the system determines that a person is eligible for coverage (through the exchange, Medicaid, CHIP, or Basic Health), the person should be able to immediately enroll in that coverage and, if appropriate, view plan choices and select a plan. Many people will need to pick a plan in order to fully enroll in coverage. Since this can be a complicated decision, people should be given instructions about how to get help choosing. The exchange website must provide tools to help consumers make sense of all the options and choose a plan that meets their financial and health coverage needs. Such tools will include standardized information to compare plans, a calculator to determine the cost of premiums after adjustments from tax credit assistance, and information about consumer assistance resources, including the exchange’s call center and the Navigator program (see page 8).²¹

What is a Navigator?

The ACA requires that exchanges establish a “Navigator” program—funded through grants from the exchange—that will help people learn about their new coverage options and enroll.²³ Navigators will, among other functions, educate the public about new coverage options, distribute unbiased information about financial assistance available through the exchange, help people with the enrollment process, and refer people who are having problems to other available resources, such as consumer assistance programs and state agencies. Navigators must offer linguistically and culturally appropriate assistance for the population in the exchange area. Although they will be an important source of information and assistance with exchange coverage, they should not necessarily be the only source.

Once the consumer has enrolled in coverage, the online system should provide a clear notice regarding information about the plan and what to expect. Many people who enroll beginning in 2013 may have never had coverage before, or they may be unfamiliar with insurance concepts like premiums, copayments, and provider networks.²² The health plan should contact enrollees via their preferred contact method to give them information about benefits, premiums, and other plan- or program-related information.

Applicants should also be made aware of their right to appeal eligibility determinations, and the ability to initiate an appeal should be integrated into the eligibility process.

Application Assistance: Available at Every Turn

In an ideal application process, applicants should be able to get assistance online, over the phone, or in person—at any time of day on any day of the week—when they are applying, enrolling in a program, selecting a plan, or learning how to use their coverage.

While a simple and quick online application process should make it much easier for people to apply for coverage, many applicants are still going to need help. A recent study found that, among people expecting to purchase health coverage online through an exchange, only 3 percent plan to do so online without any help. On the other hand, 60 percent plan to purchase coverage online with the help of a community resource, such as a community-based organization or a social worker, or with the help of a customer service representative.²⁴ This was true when Massachusetts health reform began. There was a significant need for application assistance, and application assistors played a crucial role in the success of health reform. As of 2009, community-based organizations and safety-net hospitals and clinics were responsible for submitting more than 50 percent of the applications for Medicaid and Commonwealth Care.²⁵ Considering the experience in Massachusetts, it is crucial that exchange websites make it easy to get help.

Learning from Retail Websites

States may find models for successful live chat functions from existing retail websites. While few states currently offer a live chat option for their online Medicaid and CHIP applications, many retail websites have been using live chat for years. For example, the retailer L.L. Bean provides a live chat feature on its website 24 hours a day, 7 days a week with minimal wait times.²⁷ The chat function is easy to find on the website under the heading “Customer Service” on the top and bottom of the main page.

- **Online and Telephone Assistance**

Many applicants will be applying for coverage from home after business hours or on the weekends. To accommodate these applicants, there should be online assistance in the form of a live chat function as well as a toll-free telephone hotline with live customer assistance agents. There should be customer service representatives or caseworkers available both during and outside of normal business hours, assisting applicants from the first page of the application through enrollment and plan selection. In order to ensure that applicants complete the enrollment process, consumers should be able to use these consumer assistance tools without waiting for a response for more than a few minutes. Private contractors that provide customer service agents for state call centers are often required to help a customer within a few minutes.²⁶

- **In-Person Assistance**

Sometimes, online or telephone assistance will not be sufficient. If applicants cannot complete the application on their own, this must not be a permanent barrier to completing the enrollment process. Applicants should be able to save an incomplete application online and finish it through a different mode so that they can start the process on their own and seek assistance as needed in order to complete the application and enroll in coverage.

Alternate Routes to Coverage

The process described above is one example of an ideal application process, but it is not the only effective way for applicants to enroll in coverage. Below are a few additional avenues that states should explore to increase enrollment in health coverage without requiring applicants to complete the full application on their own.

- **Maximize the use of existing government databases to enroll people who are likely eligible for public coverage but are not currently enrolled.** Many people who currently receive assistance through human services programs, such as the Supplemental Nutrition Assistance Program (SNAP), will be eligible for public coverage after

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the Medicaid expansion takes effect in 2014. A state could use data from programs such as SNAP to identify people who would likely be eligible for Medicaid and initiate their application process. These databases may also be effective at identifying hard-to-reach individuals, allowing states to target outreach efforts.

- **With the taxpayer's authorization, income data derived from an applicant's tax return could be shared with the exchange to prepopulate an application for health coverage.** This concept is not new—taxpayers can currently authorize disclosure of tax return information to prepopulate the Free Application for Federal Student Aid (FAFSA).²⁸ Adopting this approach would greatly simplify the health coverage application process.

Conclusion

Determining the best application process will only be possible through trial and error. The online application will require regular updates, and these should be informed by feedback from applicants and those providing assistance. States should conduct focus groups and consumer usability testing to improve the process, and the application itself should allow for anonymous user feedback. States should learn from the successes of other states, programs, and retail websites, and they should remember that the application will not work on its own—applicants are going to need help applying for coverage. Building a simple, streamlined, web-based application is not only required by law, but it will also benefit states and consumers by creating an easy, efficient path to coverage for millions of Americans.

Endnotes

¹ Department of Health and Human Services, *Patient Protection and Affordable Care Act; Establishment of Exchanges and Qualified Health Plans, Proposed Rule* (Baltimore: Department of Health and Human Services, July 15, 2011), Section 155.405.

² Ibid.

³ *Patient Protection and Affordable Care Act*, op. cit. Title 1, Subtitle E, Section 1413(a)(1)(A)(ii).

⁴ *Patient Protection and Affordable Care Act*, op. cit. Title 1, Subtitle E, Section 1413.

⁵ *Enroll UX 2014, About UX 2014*, accessed on September 9, 2011, available online at <http://www.ux2014.org/about-ux-2014>; *Enroll UX 2014, Who's Involved*, accessed on September 9, 2011, available online at <http://www.ux2014.org/whos-involved>.

⁶ *Patient Protection and Affordable Care Act*, op. cit.; Department of Health and Human Services, op. cit., Section 155.405.

⁷ In-person conversation between Elisabeth Rodman, Families USA, and Penny Lane, MAXIMUS Center for Health Literacy, on July 12, 2011.

⁸ Department of Health and Human Services, op. cit. Section 155.405. This section allows the application to be submitted by “(i) An applicant; (ii) An authorized representative; or (iii) Someone acting responsibly for the applicant.”

⁹ Office of Disease Prevention and Health Promotion, *Health Literacy Online: A Guide to Writing and Designing Easy-to-Use Health Web Sites* (Washington: Department of Health and Human Services, 2010).

¹⁰ People who are completing an application on behalf of another individual (a dependent child, for example), but are not themselves applying for coverage, cannot be required to provide their Social Security number. Centers for Medicare and Medicaid Services, *Medicaid Program; Eligibility Changes under the Affordable Care Act of 2010, Proposed Rule* (Baltimore: Department of Health and Human Services, August 17, 2011), Section 435.907.

¹¹ Department of Health and Human Services, op. cit. Section 155.405. This section of the proposed rules stresses that the application for health coverage programs must be a single streamlined application. It also states that if exchanges choose to use an alternative application, that application “must request the minimum information necessary” for determining eligibility.

¹² In addition to only requesting information from applicants that is necessary to make an eligibility determination, it is crucial that applications require minimal information from non-applicants. This is especially important for those in mixed-status families applying for coverage for a citizen family member, such as a child. Requiring personal information, such as a Social Security number, from individuals in the household who are not applying for coverage violates established federal guidance, and can push the family away from applying for coverage altogether. United States Department of Agriculture, *Policy Guidance Regarding Inquiries into Citizenship, Immigration Status and Social Security Numbers in State Applications for Medicaid, State Children's Health Insurance Program (CHIP), Temporary Assistance for Needy Families (TANF), and Food Stamp Benefits* (Washington: Department of Health and Human Services, November 21, 2000), available online at <http://www.fns.usda.gov/snap/rules/Memo/pdfs/triagencyletter.pdf>; Food and Nutrition Service, *SNAP – Conforming to the Tri-Agency Guidance through Online Applications* (Alexandria: United States Department of Agriculture, February 18, 2011), available online at http://www.fns.usda.gov/snap/rules/Memo/pdfs/Tri-Agency_Guidance_Memo-021811.pdf.

¹³ If applicants do not want the option to enroll in public coverage or receive premium tax credits or cost-sharing reductions, they must be given the option to go directly to the exchange to purchase unsubsidized coverage. Department of Health and Human Services, *Patient Protection and Affordable Care Act; Exchange Functions in the Individual Market: Eligibility Determinations; Exchange Standards for Employers, Proposed Rule* (Baltimore: Department of Health and Human Services, August 17, 2011), Section 155.310.

¹⁴ Health Information Technology Policy Committee and Standards Committee, *Patient Protection and Affordable Care Act, Section 1561 Recommendations* (Washington: The Office of the National Coordinator for Health Information Technology, September 2010). Centers for Medicare and Medicaid Services, *Medicaid Program; Eligibility Changes under the Affordable Care Act of 2010, Proposed Rule* (Baltimore: Department of Health and Human Services, August 17, 2011), Section 435.949.

¹⁵ Centers for Medicare and Medicaid Services, op. cit. Sections 435.945 and 435.952.

¹⁶ Donna Cohen Ross, *New Citizenship Documentation Option for Medicaid and CHIP Is Up and Running* (Washington: The Center on Budget and Policy Priorities, April 20, 2010).

¹⁷ Centers for Medicare and Medicaid Services, op. cit. Section 435.952. Citizenship or immigration status must be verified, but states may accept attestation of all other information relevant to eligibility.

¹⁸ Chase, *Chase QuickDeposit*, J.P. Morgan Chase & Co., accessed on December 6, 2011, available online at <https://www.chase.com/online/services/check-deposit.htm>; USAA, *USAA Deposit@ Mobile*, United Services Automobile Association, accessed on December 6, 2011, available online at https://www.usaa.com/inet/pages/deposit_at_mobile_main.

¹⁹ Centers for Medicare and Medicaid Services, op. cit.

²⁰ Telephone conversation between Elisabeth Rodman, Families USA, and Jo Kilgore, Oklahoma Health Care Authority, on November 10, 2010.

²¹ *Patient Protection and Affordable Care Act*, op. cit. Title 1, Subtitle D, Section 1311; Department of Health and Human Services, op. cit. Section 155.205.

²² Health Research Institute, *Change the Channel: Health Insurance Exchanges Expand Choice and Competition* (Delaware: PricewaterhouseCoopers, July, 2011).

²³ *Patient Protection and Affordable Care Act*, Public Law 111-148 (March 23, 2010), as modified by the *Health Care and Education Reconciliation Act of 2010*, Public Law 111-152 (March 30, 2010), Title 1, Subtitle E, Section 1311(i).

²⁴ Health Research Institute, op. cit.

²⁵ Commonwealth Care is Massachusetts's subsidized coverage program for adults with income up to 300 percent of the federal poverty level. Stan Dorn, Ian Hill, and Sara Hogan, *The Secrets of Massachusetts' Success: Why 97 Percent of State Residents Have Health Coverage* (Washington: The Urban Institute and the Robert Wood Johnson Foundation, November 2009).

²⁶ Email communication between Elisabeth Rodman, Families USA, and Penny Lane, MAXIMUS Center for Health Literacy, on July 12, 2011. Contracts with states often require the customer service agent to answer the customer's call within thirty seconds, and the agent cannot place the customer on hold for longer than one, two, three, or six minutes without facing a financial penalty. Wait times depend on how many customer service agents the state can afford.

²⁷ L.L. Bean Customer Service, *Live Help*, accessed on September 14, 2011, available online at <http://www.llbean.com/customerService/contactUs/help.html?aicEscDWDesc1=L.L.Bean%20Our%20Guarantee&aicEscDWurl1=http%3A%2F%2Fwww.llbean.com%2FcustomerService%2Findex.html%3Fnav%3Dgn-hp&aicEscDWDesc2=Previous%20Page&aicEscDWurl2=http%3A%2F%2Fwww.llbean.com%2F%3Fnav=gn>. Note that Enroll America does not endorse any specific merchant's services or products.

²⁸ Internal Revenue Service, *Free Application for Federal Student Aid (FAFSA)*, (Washington: IRS, June 14, 2010), accessed on January 10, 2012, available online at http://healthit.hhs.gov/portal/server.pt/gateway/PTARGS_0_12059_912224_0_0_18/6-Rushin_IRS-FASFA-06142010.pdf.

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