Parent Eligibility Roll-Back in Rhode Island: Causes, Effects and Lessons Learned

Key takeaways for advocates:

- **Build relationships with stakeholders in the state.** Although advocates were not able to stop the parent rollback from happening, their relationships with policymakers enabled them to secure budget provisions to mitigate the impact of the rollback on families.
- **Mitigate impact through effective outreach.** Advocates immediately became involved in planning the implementation of rollback-related outreach, ensuring that the process was as consumer friendly as possible. Connecting with trusted messengers who can bring this information to consumers in their communities can ensure that outreach is culturally competent and increase its effectiveness.
- **Collect data.** Collecting data about the enrollment outcomes of affected families will position advocates to target subsequent outreach and enrollment efforts and enable advocates to demonstrate the negative enrollment impacts and negligible budget impacts of such a change later.

In 2013, the Rhode Island General Assembly decided precipitously to decrease eligibility levels for parents in RIte Care, the state's Medicaid program, effective January 1, 2014. Advocates worked diligently, but unsuccessfully, to avert such a cut. Subsequently, advocates strived to ensure that as many affected parents as possible stayed insured through some form of coverage. This issue brief provides additional detail about the state policy environment at the time of the decision, efforts to mitigate the impact of this policy change, and lessons for states facing similar situations.

Policy environment and legislative process

In 2013, as Rhode Island's state government prepared its 2014 budget, the state had a Democratic governor and Democratic majorities in both houses of the General Assembly. Governor Lincoln Chafee, released his budget, which maintained RIte Care eligibility across all categories at their existing levels.

The issue of a parent eligibility rollback only arose toward the end of the legislative session. Advocates heard from the head of the Senate Fiscal Office that parent eligibility might be at risk, which was confirmed when the Secretary of the Executive Office of Health and Human Services (EOHHS) testified to the Senate that reducing RIte Care eligibility for parents from 175 percent of the federal poverty level (FPL—approximately $34,000 for a family of three) to the Affordable Care Act (ACA) minimum of 138 percent FPL (approximately $27,000 for a family

of three) would generate $5.6 million in savings to the state.[1] Moreover, as this idea gained momentum, advocates heard from members of the House that they assumed affected parents would be able to transition seamlessly from Rite Care into a Health Source RI (HSRI) Marketplace plan.

At this point, advocates were engaged in informal discussions with members of the General Assembly, explaining why a rollback would be detrimental, but there was no opportunity to testify on any proposal to rollback RIte Care eligibility as the budget process continued. In Rhode Island's budget process, after public hearings on the budget, the House conducts closed-door sessions to determine its final budget which is revealed by the House Finance Committee near the end of the session, with no opportunity for a hearing. The budget then goes to the House floor for a vote. While amendments are allowed, the amendment process has not historically provided a viable opportunity to reverse harmful changes. The House-passed budget then moves to the Senate Finance Committee and full Senate. However, in general practice, the House and Senate leadership will have come to agreement in private meetings about the final budget prior to the public announcement by the House Finance Committee, so adoption by the Senate is often pro-forma.

As this process unfolded, advocates leveraged their good relationships with Senate leadership to raise their concerns about eligibility reductions and propose ways to mitigate the harm to families. In particular, advocates noted that "premium stacking"—families paying two sets of premiums, one for parent Marketplace coverage and one for child RIte Care coverage—would be onerous for families and place them at increased financial risk in the event that they incurred significant health care costs. Advocates also shared this information with the Lieutenant Governor's office, including their assessment that some families would not be able to afford both RIte Care and HSRI premiums, even with the assistance of tax credits. Moreover, as advocates noted, the state had been charging no premiums under RIte Care for families under 150 percent FPL, meaning that families between 138 and 150 percent FPL would now be asked to pay significant HSRI premiums when they were never before required to make any premium payments. Around half of the affected families were in this very low-income group, including many families from communities of color and families with limited English proficiency. As a result, advocates were deeply concerned that some parents would be unable to obtain coverage through HSRI. Advocates also pointed out that families enrolled in RIte Care were not responsible for any cost-sharing, so that even if the family could afford the premium for the parent to enroll in HSRI coverage, the added burden of out-of-pocket costs that are part of that coverage might deter a parent from accessing necessary care and cause financial distress for the family.

Importantly, while advocates realized the political climate made it difficult—if not impossible—to reverse the RIte Care parent eligibility rollback, they recognized the opportunity to negotiate for measures that would insulate families from the full economic impact of this policy change. As noted above, advocates feared parents would lose coverage as a result of two factors:

[1] Supporters also suggested that the change would save $5.7 million in federal matching funds. It is worth noting, however, that the federal government would bear some of the cost of this change if parents no longer eligible for RIte Care enrolled in Marketplace plans with federal subsidies; effectively, this policy change shifted Medicaid spending to Marketplace subsidies, with consumers left to bear the balance of the cost.

- Premium stacking for families between 150 and 175 percent FPL ($30,135 to $35,158 for a family of three) expected to pay both RIte Care premiums for children and HSRI premiums for parents
- Economic shock of premium prices for parents between 138 and 150 percent FPL ($27,724 to $30,135 for a family of three)

Advocates worked with the Senate and the Lieutenant Governor to press for policies in the final budget to address each of these issues:

- To address premium stacking, Rhode Island would eliminate RIte Care premiums for children at all income levels.
    - This measure cost the state $1.2 million in general revenue; it cost the federal government an additional $1.6 million in premium collections remitted by the state.
- To address HSRI premium prices for parents, Rhode Island would implement a small premium assistance (also known as a premium wrap) program to provide additional subsidies on top of federal subsidies set under the ACA.
    - Specifically, the program was designed to pay half the cost of parents' qualified health plan (QHP) premiums in 2014. It cost the state $1.4 million in general revenue and drew down $1.5 million in federal funds; the program required federal approval.

The budget passed by the House and Senate included both these policies alongside the parent eligibility rollback.

Efforts to mitigate impacts

Once the budget passed, advocates immediately took action to ensure implementation would be as consumer friendly as possible for the 6,574 parents expected to lose RIte Care eligibility. This effort included several complementary approaches.

Redetermination process. First, advocates sent a memo to the Secretary of EOHHS stating that before any parents were removed from RIte Care enrollment, it was necessary to conduct an **ex parte review to identify individuals eligible under another category** (e.g., pregnancy or disability). They outlined steps the department should follow in conducting these reviews and were instrumental in developing the questionnaire that parents were asked to complete for their redetermination. Ultimately, 1,546 parents (24 percent of the affected population) remained in RIte Care when their eligibility was reviewed, a testament to the fact that low-income parents might actually be eligible for Medicaid on a basis other than income and should always be screened as such.

Notices and outreach to affected families. Advocates recognized that one of their best opportunities to improve the redetermination process would be to influence the content and timing of notices parents received and to conduct as much outreach as possible. Advocates shaped the content and form of notices, reviewing drafts and providing feedback on issues such

as readability (whether consumers would be able to understand the message) and visibility (whether consumers receiving the notice in the mail would open it and look at it).

Additionally, advocates coordinated outreach efforts to ensure that families who might be affected by the eligibility rollback were receiving messages about it from multiple trusted sources. Advocates participated in an outreach and enrollment group that included representatives from EOHHS, HSRI, and the Navigator program, although the Marketplace was strongly focused on the first Open Enrollment process and was initially reluctant to include information about RIte Care in its outreach. However, this forum was a useful venue for advocates to update key stakeholders about the redetermination process. In terms of partners who actively supported outreach to affected families, advocates found the state's consumer assistance program (CAP), community health centers (CHCs), and Neighborhood Health Plan of Rhode Island (NHPRI), a Medicaid managed care plan, to be strong partners. Both CHCs and NHPRI had an interest in reaching out to their clients who would be affected by the transition (in the case of NHPRI, because it was offering a commercial product for the first time and hoped RIte Care parents would transition to its QHP). These entities, along with the CAP, worked to ensure the RIte Care parents they served were connected to enrollment assistance.

Timing of redeterminations and plan transitions. Advocates assessed the timing of the redeterminations and reenrollment into QHPs. Realizing that this process was set to occur around the winter holidays (when parents would be more likely to have other demands on their time and potentially miss notices) and during the first ACA open enrollment period (when RIte Care, HSRI, and Navigator personnel would have limited capacity), advocates pushed for the parent redeterminations to be delayed until March 2014 (instead of needing to be enrolled in a QHP by January 1, 2014). This effort was unsuccessful.

However, as a result of this pressure from advocates, the state developed a transition plan that provided affected parents more time to adjust to enrolling in a QHP. All RIte Care parents who were found ineligible for continued coverage were moved for the month of January 2014 into a plan offered by NHPRI, which was offering a commercial product for the first time. The state used the parents' tax credits toward the cost of the premiums and paid the remainder of the premium costs through state funds. This scheme gave advocates and outreach workers an extra month to contact parents and explain that, if they wished to remain on the NHPRI plan, they needed to open an account and pay the premium for February. At this point, advocates' prior concerns about limited call center capacity and support for consumers reemerged. Advocates urged the state to set up the account for the parents and provide them with a login and temporary password; while this happened, advocates reported that it was unsuccessful, either because of technical issues or low uptake of the accounts.

Advocates do not know the details of whether and how the state received federal approval for this arrangement and note that the state received pushback from CMS about it.

Outcomes and lessons for other states

While advocates were successful in ensuring that some parents subject to the eligibility rollback found other sources of coverage, some became uninsured immediately and others are likely to

have churned off their initial post-RIte Care coverage since the transition. With respect to policymakers' savings motivation, the RIte Care rollback ultimately saved only $3.4 million in general revenue, compared to the projected $5.6 million savings.

Unfortunately, it is not possible to identify the coverage outcome for every parent who was subject to the eligibility rollback. The available data is summarized here and is illustrated in Appendix A.

Limited data on health coverage outcomes for parents affected by RIte Care rollback

Out of 6,574 affected parents:

- 1,546 remained eligible for Medicaid when their eligibility was reviewed in January 2014
  - 500 remained eligible via RIte Share, the state's premium assistance program, in which the individual enrolls in employer sponsored coverage and the state pays the employee share of the premium
  - Approximately 800 remained eligible under a category such as disability or pregnancy (although they might have subsequently lost eligibility)
  - Notably, 890 parents' redeterminations were still in process as of May 2014, so they continued to be enrolled but could have subsequently lost coverage.
- 1,374 enrolled in a QHP through HSRI
  - 724 enrolled and paid their premiums, thus starting coverage
  - 650 signed up for a plan but never made a payment; they likely became uninsured

1,271 never submitted an application to enroll in a QHP and likely became uninsured

Data collection. Advocates in Rhode Island note that better data collection would have allowed the state to better understand the impact of the rollback and support advocates' efforts to reach uninsured parents for follow-up. For example, it is possible that parents who initially qualified for another RIte Care category or completed enrollment in a QHP have subsequently lost coverage, but without data on churn in both HSRI and RIte Care, there is no way to comprehensively assess this issue. Beyond knowing the numbers of individuals who have lost coverage since the rollback took effect, advocates also stress the need for geographic and demographic information (such as race/ethnicity and language preference) about these individuals. Such data would allow advocates to target outreach effectively and provide materials that are culturally and linguistically appropriate.

Dedicated resources for affected parents. Further, given the timing of Rhode Island's parent eligibility rollback, which coincided with ACA open enrollment, advocates believe a dedicated renewal line for affected parents would have significantly improved the redetermination and enrollment process. RIte Care and HSRI both faced heavy demand during open enrollment and,

as a result, were not well-equipped to provide special support to parents subject to the rollback. Given that these parents might have been confused about the policy change or in need of additional help selecting the best QHP, a separate workstream at HSRI that could have focused on this population's needs might have eased the process both for parents and for agency staff. Moreover, increasing the capacity of the CAP and other entities that help consumers with questions about health coverage and the enrollment process would have further eased demand on RIte Care and HSRI and improved the consumer experience.

Overall, the experience of rolling back parent eligibility in Rhode Island demonstrates the importance of sustained relationship building over time. Existing relationships with policymakers and organizations serving communities directly allowed advocates to engage immediately when a policy threat emerged and maximize their effectiveness when time-sensitive implementation decisions arose. Moreover, the unanswered questions about the eligibility rollback—notably, did affected parents remain covered in some way, and what are the characteristics of those who did and did not—demonstrate the imperative to improve data collection and reporting related to Medicaid enrollment. These factors are two important building blocks in our efforts to ensure health care policies serve the needs of our communities.

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For additional information on the events described in this brief, you may contact Rhode Island KIDS COUNT, at 401-351-9400, and The Economic Progress Institute, at 401-456-4634.

Appendix A: Data on Rhode Island parents affected by RIte Care eligibility rollback.