

HB20-1236: HEALTH CARE COVERAGE EASY ENROLLMENT PROGRAM

Concerning a health care coverage enrollment program that uses information gathered from state individual income tax return forms to aid uninsured individuals in obtaining health care coverage.

Details

Bill Sponsors:	House – <i>Lontine (D) and Will (R)</i> Senate – <i>Tate (R) and Bridges (D)</i>
Committee:	House Finance House Appropriations
Bill History:	1/31/2020- Introduced 2/20/2020-House Finance Refer Amended to Appropriations
Next Action:	3/6/2020-Hearing in House Appropriations
Fiscal Note:	<u>3/3/2020</u>

Bill Summary

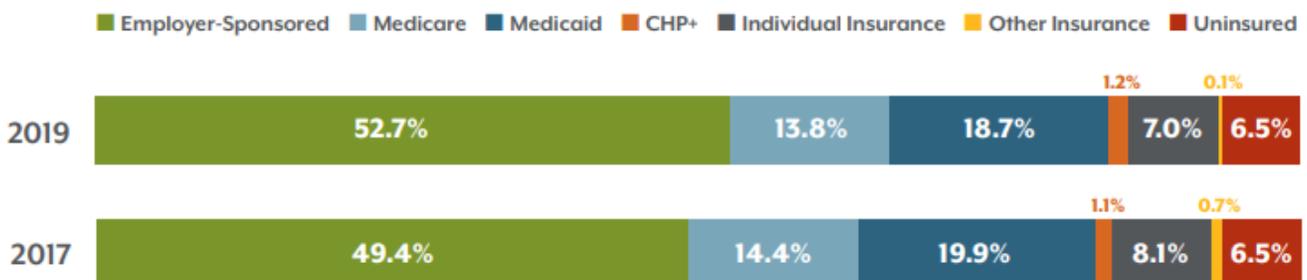
The bill creates the Colorado affordable health care coverage easy enrollment program in order to utilize the tax filing process to connect uninsured Coloradans to free or subsidized health care coverage. The program will allow Coloradans to ask on their state income tax returns for Connect for Health Colorado to assess whether uninsured household members are potentially eligible for coverage. If the tax filer requests that the eligibility of uninsured household members be assessed under the program, they will receive information about coverage options and assistance with enrollment.

Issue Summary

Insurance Coverage in Colorado

Coloradans can get health insurance coverage through a variety of different means, depending on eligibility. There are public programs, such as Medicare, Medicaid, and Child Health Plan Plus (CHP+), or private insurance through an employer, through the marketplace run by Connect for Health Colorado (C4HCO), or insurance that is offered off the marketplace. This figure from the Colorado Health Institute (CHI) demonstrates the proportion of residents in the different types of insurance coverage offered in Colorado since 2017.¹

Employer-Sponsored Insurance Covers More Than Half of Coloradans Again; Medicaid Coverage Drops



¹ Colorado Health Institute (Jan. 2020). *Progress in Peril: 2019 Colorado Health Access Survey Storybook*. Retrieved from https://www.coloradohealthinstitute.org/sites/default/files/file_attachments/CHAS%20Storybook%202019%20for%20Web.pdf

According to the 2019 Colorado Health Access Survey (CHAS) from CHI, 93.5 percent of Coloradans are insured.¹ For those who reported being uninsured in the 2019 CHAS, 89.6 percent cited that the cost of the insurance was a barrier to purchasing coverage, which is much greater than the 78.4 percent that had the same response in 2017.¹ However, the uninsured rate in Larimer County reached 9.7 percent, an increase from 4.9 percent found through the 2017 CHAS.² Each of the 64 counties in Colorado has at least one carrier providing insurance on the marketplace. For the 2020 plan year, 22 of Colorado's 64 counties had only one carrier offering plans, an increase from 14 counties for the 2019 plan year.³

Program in Maryland

During Maryland's 2019 legislative session, the state's General Assembly established the "Maryland Easy Enrollment Health Insurance Program" (MEEHP) through HB0814.⁴ MEEHP took effect January 2020 when returns were filed for the 2019 tax year. By checking a box on a 2019 state tax form, individuals are asking the Maryland exchange to use their tax information and other available records to determine their eligibility for Medicaid, the Children's Health Insurance Plan (CHIP) and premium tax credits (PTCs).⁵ If the available records do not establish eligibility, then the exchange proactively reaches out to the household. Those that qualify for Medicaid or CHIP are invited to choose a managed care organization by a specified date. If the individual does not choose a plan nor opt out of coverage, they are enrolled in Medicaid by default. Those households with income too high for Medicaid or CHIP have a brief special enrollment period (SEP) that is triggered by the filling of the return with the box checked. If the tax filer, or a member of their household cannot be verified as a U.S. citizen, the exchange obtains an additional layer of affirmative consent so that those individuals and families can assess their "public charge" risks before an application for benefits is formally submitted. The following graphic demonstrates the section of Maryland's 2019 tax forms that address health care coverage.⁶

MARYLAND HEALTH CARE COVERAGE
See Instruction 3.

Check here ► If you do not have health care coverage DOB (mm/dd/yyyy) ► _____

Check here ► If your spouse does not have health care coverage DOB (mm/dd/yyyy) ► _____

Check here ► I authorize the Comptroller of Maryland to share information from this tax return with the Maryland Health Benefit Exchange for the purpose of determining pre-eligibility for no-cost or low-cost health care coverage.

E-mail address ► _____

The act also required that an advisory work group be established in order to assist in evaluating MEEHP effectiveness as well as providing recommendations regarding the feasibility of automatic enrollment.⁷

This Legislation

The bill creates a special enrollment period (SEP) when the exchange (Connect for Health Colorado [C4HCO]) notifies an individual that the information that was provided through the Colorado Affordable Health Care Coverage Easy Enrollment Program found the person or household to be potentially eligible for the program. A health care coverage affordability program is defined as Medicaid, the Children's Health Plan Plus (CHP+),

² Colorado Health Institute (n.d.) *2017 CHAS Regional Data*. Retrieved from <https://www.coloradohealthinstitute.org/data/2017-chas-regional-data>

³ Norris, L. (Jan. 16, 2019). *Colorado health insurance marketplace: history and news of the state's exchange*. Retrieved from <https://www.healthinsurance.org/colorado-state-health-insurance-exchange/>

⁴ HB0814, 2019 Regular Session, Maryland General Assembly, Retrieved from <http://mgaleg.maryland.gov/mgaweb/Legislation/Details/hb0814?ys=2019RS&search=True>

⁵ Dorn, S. (May 13, 2019). Maryland's Easy Enrollment Health Insurance Program: An Innovative Approach to Covering the Eligible Uninsured. *Health Affairs Blog*. Retrieved from <https://www.healthaffairs.org/doi/10.1377/hblog20190510.993788/full/>

⁶ Comptroller of Maryland (n.d.) *Maryland Form 502: Resident Income Tax Return*. Retrieved from https://www.marylandtaxes.gov/forms/19_forms/502.pdf

⁷ Maryland Health Benefit Exchange (2019). *Maryland Easy Enrollment Work Group*. Retrieved from <https://www.marylandhbe.com/policy-legislation/work-groups/maryland-easy-enrollment-work-group/>

and a health plan offered through C4HCO for which a premium tax credit or cost-sharing reduction is available. The Colorado Affordable Health Care Coverage Easy Enrollment Program is created in order to leverage the individual income tax filing process to maximize enrollment of eligible uninsured individuals into a health care coverage affordability program. An advisory committee is created, with the Executive Directors of C4HCO and the Department of Revenue (CDOR) serving as co-chairs. By September 1, 2020, the Board is to appoint 9 more members to the advisory committee. When making the appointments the Board is to consider the geographic, economic, ethnic, and other characteristics of the state. Members of the advisory must include:

- A representative of HCPF
- A representative of the DOI
- A representative of consumer advocacy groups
- A representative of small employers
- A representative of insurers
- A health care consumer
- A health coverage guide or other person with expertise in applying for federal insurance or assistance
- An insurance producer
- A provider of income tax preparation services

To ensure staggered terms, the initial term of office of five of the members is two years and for the other four it is four years. After the initial terms, every member will have a four year term. Members may be removed for cause by the Board or by a majority vote of the advisory committee members. The advisory committee is to meet as often as needed to carry out its duties. Members are only entitled to be reimbursed for actual and necessary expenses, including dependent care, while engaged in performing official duties. The advisory committee is repealed September 1, 2030.

The advisory committee is to determine the minimum information that is necessary to collect through tax forms to identify uninsured individuals and allow C4HCO to assess whether they are potentially eligible for enrollment into a coverage affordability program or other creditable coverage.⁸ Additionally, the committee is to determine the procedures to be used to transfer tax filer information from the CDOR to C4HCO. Finally, the committee is to recommend revisions to the income tax form, supplemental schedules, or both, that are needed to implement the program. The recommendations must include:

- A question asking if the tax filer wants C4HCO to assess whether the uninsured individuals in the household are potentially eligible using information from the income tax return and other sources available to C4HCO
- For tax filers that want their eligibility assessed, a request for the identity of the uninsured individuals and any additional information that is not otherwise available to C4HCO and deemed essential by the advisory committee for making assessments of eligibility. The request for additional information cannot include requests for citizenship, immigration, or health status.

The advisory committee is to draft recommended instructions for the individual tax form instruction booklet that explain how to answer the questions added to the return form or schedules as well as the effects of indicating that the tax filer would like C4HCO to assess eligibility. The advisory committee will determine the process that C4HCO will use to assess potential eligibility for and assist with enrollment, including a timeline for assessing potential eligibility, a process for notification regarding the outcome of eligibility assessment, and a process for handling citizenship status' that cannot be verified. The advisory committee must also

⁸ Defined at C.R.S. § 10-16-102(16) as benefits or coverage provided under Medicare, Medicaid, CHP+, an employer plan, group health insurance plan, individual health benefit plan, state health benefits risk pool, a program under the federal Indian health service or a tribal organization, or a plan under the Peace Corps Act.

determine the feasibility of, and if feasible, recommend a process for automatic enrollment of eligible individuals into Medicaid or other zero-net-premium creditable coverage.

C4HCO, through procedures determined by the advisory committee, is to:

- Assess whether identified uninsured individuals are potentially eligible
- Notify the uninsured individuals regarding their potential eligibility
- Enroll or assist with enrolling the individuals in creditable coverage
- Not take additional steps to determine eligibility or enroll an individual if C4HCO cannot verify that the individual is a U.S. citizen until the individual provides affirmative consent using procedures developed by the advisory committee

The bill clarifies that all of the information collected can be provided by C4HCO to HCPF to facilitate assessment of potential eligibility and enrollment in coverage through the easy enrollment program. Any information provided remains confidential.

For income tax years commencing on or after January 1, 2021, the individual income tax forms must allow filers to request the C4HCO assess eligibility and identify uninsured household members and provide other information to facilitate the easy enrollment program. The individual tax form instruction booklet must explain how to answer the questions added to the tax form as well as the effect of asking C4HCO to assess eligibility. The Executive Director of the CDOR is to promulgate rules as necessary to implement the tax forms and schedules and implement the sharing of information.

The bill is effective on August 5, 2020, unless a referendum petition is filed against the bill, then the bill does not take effect until it is approved by the people at the November 2020 general election.

Fiscal Note

For state fiscal year 2021-2022, the bill requires an appropriation of \$28,372 to the Department of Revenue. The funds are needed in order to update computer programming related to the need to update tax forms.

If the bill increases enrollment in Medicaid and CHP+, state expenditures will increase. Such an increase is addressed through the annual budget process.

Connect for Health Colorado (C4HCO) is estimated to have costs of \$750,000 to develop the system to receive and evaluate tax payer data from the CDOR. Since C4HCO is funded primarily through a health insurance carrier fee charged on plans purchased through the marketplace, any increase in enrollees will increase revenue to the exchange.

Reasons to Support

Not only does the tax-filing season provide an opportunity to identify the uninsured, the leveraging of tax-filing could overcome one of the most serious obstacles to coverage: namely, a lack of information about available assistance. This is a novel method to conduct outreach to those individuals that are eligible for Medicaid or CHP+ but not enrolled in a health insurance program. Getting uninsured individuals connected to coverage translates to fewer uninsured individuals accessing care through providers, facilities, and hospitals and not being able to pay. Additionally, increasing the amount of people enrolled in insurance is not only beneficial for individual health but also community health, since people with an infectious disease are more likely to seek care when insured. There is an increasing financial burden on federally qualified health centers (FQHCs) with the recent decline in Medicaid enrollment, which is leading to staff cuts for an already strained system providing needed primary care in communities throughout Colorado. This bill could help alleviate this issue by increasing the number of insured individuals seeking care at FQHCs.

Supporters

- 9to5 Colorado
- AARP
- Association of Colorado Centers for Independent Living
- Children's Hospital Colorado
- Chronic Care Collaborative
- Colorado Academy of Family Physicians
- Colorado Behavioral Healthcare Council
- Colorado Center on Law & Policy
- Colorado Children's Campaign
- Colorado Community Health Network
- Colorado Consumer Health Initiative
- Colorado Fiscal Institute
- Colorado Hospital Association
- Connect for Health Colorado
- Healthier Colorado
- Mental Health Colorado
- National Multiple Sclerosis Society
- Northwest Colorado Health
- Raise Colorado Coalition

Reasons to Oppose

Increasing enrollments into public insurance programs like Medicaid and CHP+ equates to an increase in cost to the state budget. With a tight state budget, this could mean fewer funds for other priority programs.

Opponents

- Any formal opposition has not been made public at this time.

Other Considerations

It will be essential for C4HCO, the Department of Revenue, and HCPF to carefully construct regulations and public outreach to ensure that the general public clearly understands what this program will and will not do. It is important to carefully screen for the 'family glitch' so people do not get their hopes up for more affordable coverage when further in the enrollment process they are told they are not eligible due to having "affordable" employer coverage.

The 'family glitch' refers to how some lower middle income families may be unable to receive financial assistance to purchase health coverage through the C4HCO. Eligibility is not only income-driven, it is also subject to whether a family has access to affordable employer-sponsored insurance. The problem is that the definition of "affordable"--for both an individual employee and a family--is based only on the cost of individual-only coverage and does not take into consideration the often significantly higher cost of a family plan through the individual's employer.

About this Analysis

This analysis was prepared by Health District of Northern Larimer County staff to assist the Health District Board of Directors in determining whether to take an official stand on various health-related issues. The Health District is a special district of the northern two-thirds of Larimer County, Colorado, supported by local property tax dollars and governed by a publicly elected five-member board. The Health District provides medical, mental health, dental, preventive and health planning services to the communities it serves. This analysis is accurate to staff knowledge as of date printed. For more information about this analysis or the Health District, please contact Alyson Williams, Policy Coordinator, at (970) 224-5209, or e-mail at awilliams@healthdistrict.org.