

Consumer Assistance/Ombudsman Support Options

Summary

Covered California is planning a broad range of outreach and support for consumers to help them enroll in coverage and access their benefits, including web-based support, and Service Center and in-person support through Navigators and assisters. Through these outreach and support services, Covered California will enable consumers to address enrollment and access issues simply and quickly. Covered California understands, however, that additional assistance for regulators and other partners may be needed to resolve complicated issues. Independent consumer assistance/ombudsman programs can be another important source of help for consumers and a way to identify systemic issues such as problems with eligibility determinations, grievances and appeals, and benefits and coverage.

In September 2012, Covered California released the initial [Consumer Assistance / Ombudsman Support Options Board Recommendation Brief](#) providing a summary of existing consumer assistance and problem resolution services available in California, options for consideration and a staff recommendation. Based on initial Board and stakeholder feedback, Covered California staff have revised the recommendation of partnering with regulatory entities and providing interim support for non-regulatory independent assistance which are reflected in this Board Recommendation Brief.

Covered California staff recommend providing financial support for independent assistance by partnering with regulatory entities and providing interim support for non-regulatory independent assistance (Option 3). Under this option, enrollees who contact Covered California for assistance in resolving their problem will be served by Covered California Service Center staff, and may be transferred to their health plan's complaint unit or to the appropriate State regulatory entity. Enrollees of DMHC-regulated health plans would be referred to the DMHC Help Center and those in CDI health plans will be directed to contact the Consumer Hotline. At the same time, during the initial start-up period, Covered California would request \$3.4 million in federal Establishment funding to support the capacity of non-regulatory independent assistance.

Issue

Covered California believes it is critically important to ensure that individuals who have problems at any point in the process of enrolling in or accessing care get timely resolution to their concerns and have appropriate support. Information on the nature of problems individuals experience can be used for continuous quality improvement. Complaint and problem monitoring systems will be important sources of information for Covered California to identify system problems. Covered California will develop a strategy to provide needed problem resolution informed and strengthened by the findings of ongoing monitoring to build a culture of continuous improvement.

Principles for Consumer Assistance / Problem Resolution

For successful consumer engagement and problem resolution, Covered California proposes the following guiding principles:

- Build systems that foster “one-touch and done” capabilities to quickly resolve consumer concerns and minimize the number of “hand offs” between different entities.
- Resolve problems at the “lowest level”, as often as possible. If a problem is between the consumer and the health plan, the health plan should take responsibility for resolving the issue. Elevation of problems should be the exception, not the norm.
- Collect information on problems and complaints to be used for system improvement (regardless of who handles the problem).
- Consider cost-effectiveness for consumers and purchasers when developing systems. Build on existing consumer assistance programs to lower support costs.
- Ensure that individuals have access to independent assistance when needed. Health plans must be held accountable for problem resolution, but consumers should also have the ability to access help outside of their health plan, including through Covered California, from regulatory bodies and from independent consumer assistance programs.
- Establish formal appeals processes as appropriate and required in state and federal law.

Under any circumstance, consumer assistance services complement, but do not take the place of, effective and efficient customer service and dispute resolution processes Covered California must provide for eligibility and enrollment issues.

Background

Existing Consumer Assistance in California

Consumer assistance in California is provided by health plans, plan sponsors (e.g., employers) as well as regulatory and independent non-regulatory entities. Each of these entities provides information and resources to consumers who have questions about, or problems with, their health coverage. The following are examples of existing sources of consumer assistance:

- Health plans provide customer service support to help enrollees resolve problems.
- The California Department of Insurance (CDI) regulates indemnity-based insurance policies and the California Department of Managed Care (DMHC) regulates managed health care plans. Both have consumer assistance functions reachable through the Internet and toll-free phone numbers.
- The Medi-Cal Managed Care ombudsman provides consumer assistance to people in Medi-Cal managed care plans, helping resolve issues between Medi-Cal managed care members and health plans including appropriate referrals to DMHC.
- HICAP (the Health Insurance Counseling & Advocacy Program) provides free and objective information and counseling about Medicare.
- Legal Services/Health Consumer Alliance (HCA). HCA is composed of nine health consumer centers serving 13 counties that help low-income consumers with a range of

assistance with public programs and commercial coverage including eligibility and enrollment, grievances, medical requests, and billing issues. The National Health Law Program (NHeLP) and the Western Center on Law and Poverty provide statewide support to the nine centers. HCA estimates the costs for serving California health consumers in need of local assistance at \$15 million annually.

In addition to the formal consumer assistance entities listed above, consumers may receive assistance from other entities including health insurance agents and employers' HR departments. Agents can play a front line role in assisting individuals and businesses with explanations of insurance and health plan coverage and helping resolve claims questions and issues such as claim denials. For group health plans purchased through employers large enough to support in-house human resource staff and departments, HR staff provide employees assistance with health plan choices and enrollment and explaining terms of coverage to employees.

Office of Patient Advocate

In September 2011, Governor Jerry Brown signed AB 922, which effective July 1, 2012, creates Office of Patient Advocate (OPA) within the California Health and Human Services Agency. The role of the OPA is to assist individuals to secure health care services from insurance and health care service health plans and those eligible for Medi-Cal, Covered California, the Healthy Families Program, or any other county or state health care program. In addition, AB 922 requires the OPA to develop in consultation with the Managed Risk Medical Insurance Board, Covered California and the departments of Health Care Services, Managed Health Care, and Insurance, educational and informational guides for consumers describing their rights and responsibilities and informing them on effective ways to secure health care coverage. AB 922 also requires these entities and other public coverage programs to provide the OPA aggregate data concerning consumer complaints and grievances.

Consumer Assistance Program Funding in the Affordable Care Act

The Affordable Care Act created a \$30 million Federal grant program for consumer assistance programs providing health care information and services. The DMHC, in partnership with CDI, has received two grants totaling approximately \$9 million. The current grant period extends to August 2013. As part of the grant, DMHC and the HCA entered into a partnership to provide community-based independent consumer assistance as follows:

- Assist consumers in obtaining health coverage;
- Assist consumers with internal and external grievance and appeal processes;
- Accept referrals from the Help Center;
- Conduct outreach to local groups regarding the expansion of health care coverage and programs under the ACA;
- Develop training materials for CBOs and staff of consumer assistance programs;
- Collect and report data on consumers' issues and outreach events.

There is the expectation that state-based exchanges should support their enrollees in getting needed consumer assistance services. In addition, there is an opportunity for state exchanges to provide limited support for independent consumer assistance activities with establishment grant funding. Guidance released by CCIIO indicated that States may include independent consumer assistance functions and activities in requests for establishment funding, so long as states demonstrate that all such activities are integral to an exchange. (See reference list below to access the guidance.)

Options for Consideration

Consumer Assistance Service Models

Covered California staff considered four models for assuring consumers have access to robust consumer assistance which range from developing consumer assistance capacity within Covered California to partnering with existing regulatory and non-regulatory consumer assistance entities. The options are summarized here and described in more detail in the table below.

Option 1: Refer to existing regulatory entities. Under this option Covered California would minimize its role in consumer assistance by referring enrollees to existing state regulatory agencies for consumer assistance for matters related to care and services of plans contracted by Covered California.

Option 2: Establish internal non-regulatory assistance capacity within Covered California. Under this option, Covered California would create, fund, and staff its own non-regulatory consumer assistance services for Covered California enrollees but would not support external independent referral or assistance processes.

Option 3: Partner with regulatory entities and provide interim support for non-regulatory independent assistance. Under this option, Covered California would partner with the DMHC and CDI to expand the scope of existing consumer assistance functions to assure that Covered California enrollees and eligible individuals have access to independent consumer assistance services.

Option 4: Contract directly with non-regulatory independent consumer assistance programs. Under this option, Covered California would directly fund expansion of the services provided by non-regulatory independent consumer assistance programs to Covered California enrollees and eligible individuals.

Recommendation

Covered California staff recommend providing financial support for independent assistance by partnering with regulatory entities and providing interim support for non-regulatory independent assistance (Option 3), with additional implementation steps discussed below. Under this option, enrollees who contact Covered California for assistance in resolving their problem will be served by Covered California Service Center staff, and may be transferred to

their health plan's complaint unit or to the appropriate State regulatory entity. Enrollees of DMHC-regulated health plans would be referred to the DMHC Help Center and those in CDI health plans will be directed to contact the Consumer Hotline. At the same time, during the initial start-up period, Covered California would request federal Establishment funding to support the capacity of non-regulatory independent assistance.

Complaints and inquiries would be handled consistent with existing state regulatory standards, and Covered California would work with the regulators to define roles and responsibilities. Covered California would also provide training to regulatory staff on Covered California-related issues such as actuarial tiers and benefit structure. Covered California would coordinate with the existing programs to provide common protocols and training materials to train and support program staff to handle issues related to qualified health plans.

As part of this process, Covered California would partner with DMHC, CDI, OPA and independent consumer assistance programs to develop common metrics related to assessing the types of consumer problems, problem resolution and standards to measure the effectiveness of services provided. Covered California will also work with these organizations to develop appropriate questions to determine whether the consumer is receiving coverage through Covered California.

This recommendation builds on the current DMHC review, selection, monitoring and funding distribution process, which has focused on maximizing assistance to low income and non-English speaking communities and is consistent with Covered California priorities and goals. As part of this support, Covered California would work with DMHC to assure the community-based CAP funding recipients would collect and report on problems faced by Covered California eligible and enrolled individuals – in particular providing for regular updates during the early launch and enrollment processes to provide fast response and inform the quality improvement process.

Integral to this recommendation is for Covered California to partner with the DMHC and CDI to provide additional support for CAP-funded community-based organizations. These resources will fund initial infrastructure and capacity building prior to open enrollment in October 2013 and consumer assistance service funding once open enrollment begins. Subject to approval of federal Exchange Establishment support, Covered California proposes to request \$3.4 million to be allocated as follows:

- Allocation of up to 25 percent of the total funding for the period January 1, 2013 through September 30, 2013, to support CAP funding recipients in developing capacity to provide assistance with Covered California eligibility determinations and coverage issues prior to 2013 open enrollment; and
- Allocation of the remaining funding from October 1, 2013 through December 31, 2014, for CAP funding recipients to provide consumer assistance to Covered California-eligible individuals starting with the Covered California open enrollment period through the end of 2014.

The recommended funding amount is based on the estimated \$15 million annual cost for independent consumer assistance. Covered California staff recommend providing a two year total of \$3.4 million to be directed to CAP-funded organizations. (See Table 2 for a discussion of funding considerations.) This funding level is based on the following factors:

- Covered California enrollees will comprise approximately 5.5 percent of health plan covered lives regulated by DMHC and CDI; and
- Assumption that Covered California enrollees will seek services twice as often as individuals with other types of coverage in the initial years of the program, resulting in approximately 11 percent of services sought attributable to Covered California enrollees.

This support is considered an important element of Covered California's start-up. After the two-year period 2013 through 2014, Covered California staff will evaluate the consumer assistance program and recommend to the Board if there should be ongoing support for this model, or changes deemed necessary in the service model or funding amount. During this period, Covered California will also provide approximately \$40 million in outreach and education grants to community-based organizations to provide additional consumer support in understanding coverage options and enrollment opportunities.

Consumer Assistance Service Models not Recommended

Option 1 was not recommended as it would not provide for sufficient engagement of Covered California in important consumer assistance functions. Option 2 was not recommended because while Covered California must develop some capacity in its Service Center to identify and resolve problems, it should also be sure to use existing consumer assistance functions. Finally, staff concluded that Option 4 was not a viable option because Covered California did not believe developing its own capacity to screen and assess independent consumer assistance programs and would be better served relying on existing capacity of DMHC to review and select independent consumer assistance programs.

Implementation Considerations

If the staff recommendation is adopted, Covered California will work with DMHC, CDI and other partners and stakeholders to:

- Define the roles and responsibilities of each entity with respect to the scope of consumer assistance provided, the capacity developed to serve Covered California subsidy-eligible individuals, data and information to be shared, and processes for tracking cases across systems to ensure appropriate follow up and problem resolution for the consumer.
- Develop common performance metrics for use by Covered California, regulators and non-regulatory entities in evaluating the effectiveness of consumer assistance services, the coordination among entities and consumer outcomes.
- Develop training and referral protocols for state partner staff and Covered California service center.

Table 1. Consumer Assistance Options

<p>Option #1 Refer to existing regulatory entities</p>	<p>Option #2 Establish internal non regulatory assistance capacity within Covered California</p>	<p>Option #3 Partner with regulatory entities and provide interim support for non regulatory independent assistance</p>	<p>Option #4 Contract directly with non regulatory independent assistance</p>
<p>SUMMARY All consumer assistance/ ombudsman functions would be provided by CDI and DMHC.</p>	<p>SUMMARY Covered California would create, fund, and staff its own consumer assistance center for Covered California enrollees.</p>	<p>SUMMARY Covered California would partners with the appropriate regulatory agencies (CDI, DMHC) to make customer referrals and would expand the scope of existing consumer assistance functions to include Covered California enrollees.</p>	<p>SUMMARY Covered California would contract with and provides funding to the HCA to expand its current resources to handle direct referral of Covered California enrollee issues.</p>
<p>PROS</p> <ul style="list-style-type: none"> ▪ Requires no Covered California resources. ▪ Utilizes existing health plan issuer regulator consumer assistance/ombudsman services. 	<p>PROS</p> <ul style="list-style-type: none"> ▪ Covered California would have a robust and engaged process, along with more control for accountability and outcomes. ▪ Easy to monitor quality of customer service and track performance metrics. ▪ Staff would be trained to focus entirely on Covered California-specific issues. (Non-Covered California consumers directed to the appropriate regulatory agency for assistance). 	<p>PROS</p> <ul style="list-style-type: none"> ▪ Cost-effective from the standpoint that Covered California would utilize existing infrastructure and resources. ▪ Utilizes existing knowledgeable, trained staff that could be further trained on Covered California-specific issues. ▪ Utilizes existing consumer assistance programs prevents further fragmentation of consumer assistance in California. 	<p>PROS</p> <ul style="list-style-type: none"> ▪ Provides unique “on the ground” assistance to low-income consumers. ▪ Utilizes existing knowledgeable staff who could receive additional Covered California-specific training. ▪ Lessened administrative burden to Covered California relative to Covered California-provided services.
<p>CONS</p> <ul style="list-style-type: none"> ▪ Does not promote Covered California core values of partnership and being consumer-focused. ▪ Does not allow Covered California to directly obtain information from enrollees on issues and problems they may be encountering with health plans offered through Covered California, providing useful information for development of health plan issuer conditions of Covered California participation. 	<p>CONS</p> <ul style="list-style-type: none"> ▪ Presumably the most costly option, as Covered California would have to develop the entire infrastructure and provide all administrative resources and training. ▪ October 2013 deadline to be operational may be infeasible with current staff and resources. ▪ Unclear how a Covered California-run system would function alongside existing programs. 	<p>CONS</p> <ul style="list-style-type: none"> ▪ Covered California would have to coordinate with other programs to effectively monitor assistance provided to Covered California enrollees and develop common metrics to evaluate performance and service quality. ▪ Covered California would have less ability to directly guide and manage consumer assistance services provided to enrollees in Covered California coverage. 	<p>CONS</p> <ul style="list-style-type: none"> ▪ Funding (other than Covered California funds) is uncertain. ▪ Expansion of the Alliance’s current resources to absorb the anticipated volume of Covered California enrollees may be unrealistic. ▪ No existing “consumer services center.” The HCA is a partnership comprised of community-based legal services organizations in only 13 counties. ▪ Staff accustomed to dealing with primarily one market segment (low income). Considerable training would be necessary. ▪ No IMR process (but could refer to DMHC).

Table 2. Funding Considerations for Partnering with Regulatory Entities

Reference Amount	Funding Formula	Funding Timing
<p>CONSIDERATION</p> <p>Covered California staff considered different reference amounts for the purposes of requesting consumer assistance resources in its upcoming federal establishment grant request which is planned for November 15, 2012. Staff considered using as a reference point the annual cost of independent consumer assistance in California, approximately \$15 million. Staff considered, and initially recommended, using a reference point California’s federal CAP grant amount, which provides approximately \$4.6 million per year to support community-based consumer assistance. Covered California staff also considered using other state exchanges as a reference point. For example, Massachusetts received \$1.1 million and New York received \$5 million through Level 1 Exchange Establishment grants to support consumer assistance activities.</p>	<p>CONSIDERATION</p> <p>Covered California staff considered different funding formula options to determine the amount of federal establishment funding it will request to support consumer assistance/ombudsman activities within the broader context of consumer assistance funding available through other government and private entities. Staff considered using a formula based on the number of individuals who are expected to enroll in Covered California in 2014 (approximately 1.4 million or 5.5 percent of covered lives). Staff also considered, and initially recommended, developing a formula based on the number of Covered California subsidy-eligible individuals in 2014 as a percent of all individuals who are covered by regulated health plans in the state (approximately 2.6 million or 10 percent of covered lives).</p> <p>In addition, staff considered using a multiplier of their eligible or enrolled individuals to be prepared for a disproportionate high volume of requests for consumer assistance by Covered California eligible individuals in the initial years of the program.</p>	<p>CONSIDERATION</p> <p>Covered California staff considered different timing options for providing consumer assistance funding. Funding could coincide with the start of Covered California coverage (January 1, 2014), or the beginning of open enrollment (October 1, 2013), when consumers will be able to receive eligibility determinations for Covered California. Staff also considered funding consumer assistance activities prior to open enrollment to build capacity to serve Covered California customers.</p>
<p>RECOMMENDATION</p> <p>Based on feedback on the initial recommendation, Covered California staff recommend using the annual cost for independent consumer assistance. This approach more closely aligns Covered California’s support with the cost of providing independent consumer assistance in California.</p>	<p>RECOMMENDATION</p> <p>Covered California staff recommend using a funding formula based on the number of individuals enrolled in Covered California coverage in 2014. This approach more closely aligns with the potential cost of serving the Covered California population.</p> <p>Staff also recommend using a multiplier for eligible individuals to prepare for double the normal consumer assistance requests.</p>	<p>RECOMMENDATION</p> <p>Covered California staff recommend funding both initial capacity building during the period January – September 2013, and ongoing consumer assistance services from October 2013 through December 2014.</p>

Reference Material

California Assembly Bill 922 (Chapter 552, Statutes of 2011). Accessed at:

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<http://healthconsumer.org/USCFinalEval.pdf>

Expanding Capacity to Provide Consumer Assistance for California. September 2012. Health Consumer Alliance. Accessed at:

<http://www.healthexchange.ca.gov/BoardMeetings/Documents/September%2018,%202012/Health%20Consumer%20Alliance%20-%20Comments%20on%20Consumer%20Assistance.pdf>

Getting Health Care Consumers the Help They Need: Streamlining California's Fragmented Consumer Assistance Systems, November 29, 2011. Accessed at:

<http://www.familiesusa.org/conference/health-action-2012/conference-materials/Cajina-Getting-Health-Care-Consumers-the-Help-They-Need.pdf>

Putting All the Ingredients Together: A Recipe for Getting Ready for Health Reform. Based on Results from a Consumer Assistance Assessment Survey Of California State Health Agencies, 2012. Accessed at: <http://www.health-access.org>

State Consumer Assistance Program Participation in Exchange Core Area 10. November 21, 2011. Accessed at:

http://ccio.cms.gov/resources/files/Files2/11172011/cap_exchange_funding_memo.pdf.pdf