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THE VOICE FOR HEALTH CARE CONSUMERS

State Health Coverage Strategies for COVID-19

As the COVID-19 (the new coronavirus) pandemic spreads, state policymakers are faced with difficult and critically important problems. Many people may lack comprehensive health insurance to get screened and treated without financial barriers to access. Many others, potentially in the millions, will be losing employer-sponsored insurance (ESI). While awaiting additional federal support, many governors, state legislators, Medicaid agencies, and state insurance regulators are leveraging their existing authorities to meet residents' needs.

This analysis catalogues key policy options states are pursuing or considering as part of their emergency response to COVID-19, focusing on the coverage provided by Medicaid and private insurance.

State Enrollment Strategies for Medicaid and Marketplace Coverage, Including for People Losing ESI

People who lose jobs are much more likely to receive insurance if someone reaches out to talk them through their options, explain deadlines, and assist with applications. People losing employer-sponsored coverage are one of very few populations that did not experience coverage gains in 2014, when the Affordable Care Act's (ACA's) main provisions took effect. Previous health programs for laid-off workers succeeded only when a labor union or state agency provided significant individual assistance explaining coverage options and completing paperwork on behalf of the newly unemployed, who rarely have the capacity to learn about and enroll in health coverage while addressing the more fundamental challenges of job loss.

1. States Can Help People Enroll in Insurance

» **Publicize as Widely as Possible That Anyone Who Lost Their Job or Substantial Income Should Immediately Visit the Health Insurance Exchange and See if They Qualify for Free or Low-Cost Health Insurance:** People losing a job that provided health benefits qualify for a special enrollment period (SEP) on the Health Insurance Exchange. Another SEP is triggered whenever someone loses income and qualifies either for premium tax credits or increased protection from out-of-pocket costs. Qualifying income losses happen when income moves from above to below any of the following thresholds: 400%, 250%, 200%, or 150% of the federal poverty level (FPL). Moreover, adults and children who go to the exchange for help can enroll in Medicaid or the Children's Health Insurance Program (CHIP) at any time, whenever their monthly income is at or below specified levels. For adults in Medicaid expansion states, they qualify up to 138% of FPL. For children, they qualify at levels that are much higher in all states.

- **Fund Robust Consumer Assistance:** Without such intensive assistance, very few uninsured who qualify for SEPs enroll. Providing aid can include steps like the following:
  - Increasing phone staff for enrollment hotlines.
  - Funding navigator programs and community groups that operated during open enrollment season to provide telephone outreach and help. Ensure that navigators can talk people through their options to qualify for Medicaid, enroll in the marketplace, increase their premium tax credits and cost-sharing help, enroll in a family member's plan, or take COBRA.
  - Allowing Medicaid eligibility workers to telework to provide enrollment help.
- **Have Health Coverage Experts Inside and Outside State Government Partner with State Workforce Agencies.**
  - Make sure health application assisters and insurance brokers (with protections against conflicts of interest) connect to state workforce agency (SWA) efforts that are working closely with newly unemployed workers.
  - Have SWAs routinely ask clients for permission to share contact information with the exchange or other organizations that can help them sign up for free or low-cost health insurance.
  - Ensure that messages about how to enroll in health insurance and where to get help are prominent on government websites that people visit when applying for unemployment or other benefits. Link from these websites to healthcare.gov or to the state's marketplace website.
  - Emphasize the availability of considerable financial assistance if people go to the exchange to seek coverage, rather than select COBRA.
- **Explore Win-Win Financing Solutions:** Increasing enrollment can take money, but insurers and hospitals benefit financially when fewer people are uninsured. Just as industry has sometimes financed expansions of the Medicaid program, insurers and hospitals might support revenue targeted to increase insurance enrollment, reduce hospital uncompensated care, and draw down significant federal funding for the state's health care system.

Medicaid Strategies

The Medicaid program is the nation's health insurance option most prepared to quickly address a public health emergency, an economic downturn, and many other unexpected changes. Below are a few options highlighting how states can leverage Medicaid's infrastructure.

1. States Can Expand Medicaid Eligibility

- **Medicaid Expansion:** To date, most states have expanded their Medicaid programs to cover low-income adults with incomes up to 138 percent of poverty. The remaining 14 states could quickly protect the 2.3 million uninsured adults who are not eligible for subsidized health coverage in the marketplace and the millions more who will qualify in the coming months as they lose employment and health benefits. Go here for details on how many individuals in your state could quickly benefit from Medicaid expansion. Expansion is especially important during a recession, when it would increase more than five-fold the number of laid-off workers who receive federally funded Medicaid, bringing in significant federal dollars that limit job loss and increase state revenue.

- **Other Eligibility Expansions:** Under existing law, states have the option to expand coverage beyond 138 percent of poverty, including for children and pregnant women. Go here for a breakdown of income eligibility standards for select populations. Additionally, recent federal legislation, called the Families First Act, created a new, optional categorically needy group of "uninsured individuals," with services limited to screening and testing for COVID-19. This group can include immigrants. This new category qualifies for 100% federal funding, so state costs are minimal.
- **Eliminate the Five-Year Waiting Period for Children and Pregnant Women:** Legal permanent residents are generally banned from receiving Medicaid benefits for five years. However, states have the option to cover lawfully present children and pregnant women during those five years. Go here to see whether your state has enacted this option.

2. States Can Make It Easier to Get and Keep Medicaid

- **Implement Presumptive Eligibility:** States can offer uninsured individuals immediate, temporary Medicaid if they appear to be eligible based on income. Go here to see if your state offers this option. Aggressive implementation of presumptive eligibility is critical to maintaining health insurance for people losing employer coverage in the midst of a pandemic. California's waiver proposal goes further, requesting to extend presumptive eligibility to individuals on the basis of both income and age or disability.
- **Suspend Medicaid Redeterminations:** States can suspend redeterminations set to take place over the next few months. A few states – including Arizona, California, Indiana, Iowa, Missouri, New Jersey, and Washington, D.C. – have taken action or indicated they will take action to suspend redeterminations. California's approach was effectuated by an Executive Order from the governor.
- **Implement Continuous Eligibility:** To ensure continuity of coverage, states have the option to implement 12-month continuous eligibility for children. Go here to see which states already have implemented this option. Additionally, implementing 12-month continuous eligibility for adults requires a Medicaid Section 1115 waiver, which states can request on a highly expedited basis under the national emergency declared by the White House.
- **Reinstate Retroactive Eligibility:** A few states – including Arizona, Florida, Iowa, and Indiana – received approval to waive the federal requirement to provide three months of retroactive eligibility for Medicaid. These states should request to reinstate retroactive Medicaid to prevent major payment disruptions to hospitals and clinics and financial burdens on consumers as employer coverage losses take place.

3. States Can Eliminate Barriers to Receiving Services:

- **Eliminate Copayments and Premiums:** A state that has enacted copayments can and should eliminate these unnecessary barriers to care, especially during a public health crisis. Go here to see your state's cost-sharing and premium policies for adults and here for children.
  - The Families First Act required all states to eliminate copayments for COVID-19 screening/testing.
  - Some states may want to eliminate copayments for treatment of COVID-19. Without a waiver, however,

most states would need to broadly eliminate all copayments, since there is no regular authority to eliminate copayments for treatment of a specific condition.

- States with Medicaid premiums can and should eliminate them. Arizona and Iowa have proposed waivers to suspend premiums and cost-sharing for Medicaid beneficiaries.

- **Relax Prescription Drug Policies:** One of the most common efforts across states has been around easing rules to allow beneficiaries to refill their prescriptions early. Several states are also removing limitations to allow beneficiaries to obtain a 90-day supply of certain medications. Additionally, some states have expressed concerns over stockpiling medications, especially for drugs used to treat substance use disorders. As such, many states are ensuring that access to these drugs is at the discretion of beneficiaries' prescribing providers.

- **Ease Prior Authorization Protocols:** During a public health crisis such as COVID-19, strict prior authorizations will unnecessarily inhibit access to necessary treatment. Depending on the structure of the state's prior authorization (PA) policy, some states will be able to administratively remove PA protocols without CMS approval. Other states may require a blanket waiver under the more streamlined 1135 waiver process to relax these protocols. Washington State's approved 1135 waiver eases prior authorization requirements. Go here for CMS' most recent guidance on the issue, which highlights the more streamlined state plan amendment route.

- **Delay Work Requirements:** Currently, Utah is the only state with an approved and implemented work requirements program. Utah beneficiaries could begin losing coverage later this year as a result. Utah should consider following the example of New Jersey, which suspended work requirements for its SNAP program. Go here to see other states with approved work requirement waivers.

4. States Can Improve Access to Providers

- **Liberalize Telemedicine Rules:** Medicaid already provides states with considerable flexibility to implement telemedicine programs. CMS recently reiterated its guidance here. Although telemedicine uptake has been slow among states, many states are modernizing policies in response to COVID-19. One of the big changes from states is the expansion of telemedicine into beneficiaries' homes. States are also expanding the scope of allowable telehealth services to include services that normally require an in-person visit, such as evaluation and monitoring services, behavioral health services, requests for durable medical equipment, and eligibility and redetermination appointments. Notably, many Medicaid beneficiaries lack access to broadband video and need access to telephonic remote consultations and other nonprocedural services. Go here for a 50-state scan of Medicaid telemedicine policies prior to COVID-19.

- **Ease Provider and Site Participation Requirements:** CMS has started approving states' requests for 1135 waivers to, among other things, temporarily streamline enrollment of providers in Medicaid. Florida received the first approval on March 16. These waivers would allow providers with out-of-state licenses to enroll as Medicaid providers. Some states are also waiving application fees, screenings, and site visit requirements normally associated with provider enrollment in Medicaid. Washington State's 1135 waiver approval and North

Carolina's proposal allow reimbursement for unlicensed sites, such as a temporary shelter, when a provider's facility is inaccessible due to evacuation.

5. States Can Expand Services

- **Expand Home-Based and Housing Services:** States can also request waivers for additional flexibilities related to home-based services and housing assistance. North Carolina's proposed 1135 waiver would provide federally matched funds to compensate home care and community health workers who are unable to serve beneficiaries due to the pandemic, and they would provide housing assistance to homeless beneficiaries.
- **Increase Home-Delivered Meals:** Arizona and Iowa's proposed 1115 waivers would also expand eligibility for home-delivered meals. Arizona's proposed 1115 waiver would also allow family caregivers to be paid for home- and community-based services and provide temporary housing to beneficiaries who are or will be homeless.
- **Support Individuals Experiencing Homelessness:** Arizona is proposing to provide temporary housing, not to exceed six months, if a beneficiary is homeless or is at imminent risk of homelessness and has tested positive for COVID-19. Under an 1135 waiver, California is proposing to offer temporary housing for the homeless as a result of the emergency for quarantining, treating individuals who test positive for COVID-19, or who have a high risk for exposure.

Private Insurance Strategies

States can also improve the coverage private insurance provides during the COVID-19 crisis. Note: Kaiser Family Foundation and Commonwealth Fund are tracking which states have taken action on many of these issues. Their tables and maps usefully supplement this catalog of state policy options.

1. States Can Facilitate Enrollment and Renewal

- **Create an Emergency Special Enrollment Period (SEP) in State-Based Marketplaces:** In response to the COVID-19 pandemic, a number of states have provided an SEP for uninsured individuals to enroll in marketplace plans. To date, these SEPs last through April. Although deadlines may encourage consumers to take prompt action, states should consider extending these deadlines when they near – or they should establish a much longer SEP from the outset.
- **Prevent Health Plans Cancellations During this Period of Isolation:** Employers may miss premium payments or renewals while offices are closed. Enrollees in individual coverage may be experiencing a loss of income and dealing with multiple other issues that may cause them to miss premium payments. The District of Columbia illustrates one possible approach, forbidding insurers from canceling or failing to renew health insurance without express permission from the Insurance Commissioner.

2. States Can Ensure Coverage of Necessary COVID-19-Related Services Without Out-of-Pocket Cost-Sharing in Private Insurance

- Require State-Regulated Insurance to Cover COVID-19-Related Testing Without Cost-Sharing. The federal Families First Coronavirus Response

Act, described below, requires group and individual health insurance to cover certain tests for COVID-19 without cost-sharing, but it still leaves gaps. To fill those gaps, states can require carriers to ensure zero cost-sharing for all diagnostic testing recommended by a clinician that relates to a patient identified as potentially suffering from the virus, including testing for other respiratory illness. This is particularly important given the continuing shortage of COVID-19 tests. The Miami Herald profiled a patient who was charged more than $3,270 for testing to rule out related illnesses when he developed COVID-19-like symptoms. His short-term health insurance plan eventually waived these charges, but this example shows the testing costs others might face. Note that the approach taken by New Mexico, described next, would address this problem.

- Forbid Cost-Sharing for Treatment Related to the COVID 19 Virus, as the District of Columbia, Massachusetts and New Mexico have done. New Mexico, observing that "The symptoms of COVID-19 are similar to the symptoms of influenza, and COVID-19 can lead to pneumonia, such that a patient may not know whether he or she has COVID-19, pneumonia, or influenza," forbids cost-sharing for "the provision of testing and delivery of health care services for COVID-19, pneumonia, influenza, or any disease or condition which is the cause of, or subject of, a declared public health emergency." The District of Columbia similarly bars cost-sharing with "treatment for COVID-19 or suspected COVID-19 or respiratory diseases and illnesses detected in the course of seeking screening, testing, or treatment for COVID-19." Nine states, as of publication, mandate coverage of zero-cost COVID-19 vaccine whenever it becomes available – a step that other states could take as well.

- Forbid Cost-Sharing for Telemedicine Until the COVID-19 Emergency Ends. Many insurers have taken this step voluntarily. We are all placed at risk when any insurer imposes financial barriers that force patients to seek care in person that could have been delivered remotely.

- Apply COVID-19 Cost-Sharing Limits to Non-Network Care, When Appropriate. For example, Massachusetts forbids cost-sharing for out-of-network care when in-network care is unavailable for COVID-19--related testing or treatment. The District of Columbia provides helpful operational specifications by requiring insurers to "cover all out-of-network charges … unless the enrollee was first offered the service in-network without unreasonable delay." States could also bar cost-sharing if a patient reasonably believes they are seeking care from an in-network provider, like a hospital. One media account of an insured COVID-19 patient who was charged tens of thousands of dollars by a non-network anesthesiologist, pathologist, or emergency physician could deter hundreds of local residents from seeking care promptly when illness first strikes, endangering themselves and their communities.

- Address Substandard Plans' Failure to Provide Adequate Coverage of COVID-19 Care. Consumers who buy short-term, limited-duration insurance or other coverage that falls outside ACA insurance protections may not know about such plans' coverage gaps. One possible state approach mandates notice. New Mexico, for example, requires plans with limited benefits to send their members a notice that the plan does not provide comprehensive coverage for COVID-19 and that consumers can contact Medicaid, the marketplace, a broker or agent, or New Mexico's medical Insurance pool for better coverage. Alternatively, states can require these

plans to abide by COVID-19-related standards. Washington State, for example, ordered short-term, limited-duration medical plans, like other health plans, to cover testing and treatment of COVID-19.

3. States Can Eliminate Non-Financial Barriers to COVID-19 Testing and Treatment

- **Waive Prior Authorization and Utilization Review Requirements for All COVID-19 Testing and Treatment.**
- **Require Insurers to Suspend Normal Restrictions on Prescription Refills and Charges for Home Delivery of Prescription Drugs.** For example, California imposes detailed requirements for suspending prescription refill limitations, waiving charges for home delivery, and otherwise minimizing the need to leave home to obtain essential medication.
- **Require Full Reimbursement of Telehealth on Terms Comparable to In-Person Care.** This includes removing any barriers to reimbursement of telehealth for behavioral health providers and ensuring payment parity. Families should be encouraged to consult medical professionals about health problems during this period of isolation without leaving home. The full array of behavioral health providers should continue to be available to people who normally use in-person services and to other people coping with the stress of isolation and grief. Children face particular fear and stress during a pandemic and need help to cope with the illness and loss of loved ones. It is essential that these measures include telephonic access to address the needs of many people who lack rapid broadband internet. Their numbers are certain to grow as the recession grows.

4. States Can Take Other Steps to Ensure Affordability of Coverage and Promote Enrollment

- **Carefully Target Additional Financial Assistance in Marketplace Plans to Make Private Coverage More Affordable:** The main reason people are uninsured is the cost of coverage, which is especially hard to pay for people who just lost their jobs. Massachusetts showed how to solve this problem in 2006 by giving low- and moderate-income families extra financial help. The bipartisan program eliminated deductibles and cut premiums to a fraction of what people pay in other states under the ACA. It's an important reason why only 3% of Massachusetts residents are uninsured, compared to 9% of Americans as a whole. Advocates could explore, with insurers and hospitals, win-win financing solutions that provide such assistance in ways that benefit consumers and industry alike. Funding mechanisms could sunset in January 2021, at which point, unless the legislature acts, state assessments would drop to a level that insurers are paying the federal government in 2020. Go here for more details.

Federal Support Coming

On March 18, 2020, the Families First Coronavirus Response Act was signed into law. The bill will provide significant relief to states and consumers, including:

1. Medicaid

- Institutes a 6.2% increase in federal contributions to Medicaid expenditures
- Requires states to maintain eligibility standards and payment methodologies that were in effect as of January 1, 2020.

- Waives cost-sharing for COVID-19 testing and testing-related services during the emergency period.
- Creates a new, optional Medicaid eligibility category for uninsured individuals covering COVID-19 testing and testing-related services, and the federal government finances 100% of the cost.

2. State Private Insurance

- Private health plans are required to provide coverage for COVID-19 diagnostic testing, including the cost of a provider, urgent care center, and emergency room visits needed to receive testing. Coverage must be provided at no cost to the consumer.

3. Other Key Provisions

- $1 billion for the Public Health and Social Services Emergency Fund for providers delivering COVID-19-related services (in addition to $3.1 billion provided under "COVID-19" legislation passed a few weeks ago)
- $500 million for the Women, Infants and Children (WIC) nutrition program
- $250 million for the Senior Nutrition Program, including home delivery food programs, for the elderly and disabled
- Suspends certain requirements for SNAP food programs

Congress is expected to consider and pass additional packages in response to COVID-19 over the next few weeks. Families USA will continue to update you as new opportunities for states arise.

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