

Advocates' churning bill needs a friend on the Hill

By Brett Coughlin

2/10/11

Health advocates for the poor have identified a tough problem, come up with a solution and drafted a bill. Still wanted: a sponsor for that bill.

A variety of advocacy groups are backing legislation that would lock in coverage for Medicaid patients for 12 months, regardless of income shifts – or “churning” back and forth between being eligible for Medicaid or eligible to buy subsidized insurance on the exchanges. The proposal would also provide bonus payments to states that can reduce Medicaid churning.

Churning is a logistical, red-tape nightmare that hasn't been fully addressed by ACA implementation yet.

The basis for the draft legislation – the Medicaid Continuous Quality Act – is being pushed by the Association for Community Affiliated Plans. It is based on evidence that churning may lead to increased administrative costs for states. The gaps in care for the chronically ill may also be more expensive. Think: a diabetes patient who doesn't stay on meds and ends up critically ill in an emergency room.

A comprehensive study published in Health Affairs last week discussed the idea of requiring yearlong Medicaid eligibility. The authors wrote that guaranteed eligibility was considered during the debate on the health reform law “but set aside for cost reasons.”

“This may prove to be shortsighted if churning leads to higher administrative costs of frequently enrolling and disenrolling people or to downstream medical costs resulting from disruptions in continuity of care,” wrote Benjamin Sommers, the lead author of the study and an assistant professor of health policy and economics at Harvard School of Public Health.

The study was based on information collected by the U.S. Census Bureau between 2004 and 2008. It focused on 19- to 60-year-olds who were at or below 200 percent of the federal poverty level. The recipients self-reported their income, but it is unclear which way this skews the findings, the authors suggest.

Meg Murray, the CEO for ACAP, said that the bill “will be a coster” for the government, but will help very needy patients.

“For individuals ... it's going to save money, because they will have access to care and stay out of the hospital. For the system, it will cost the federal government money,” she said.

While she couldn't estimate a cost of a bill, she said research has shown churning results in increased hospitalizations and decreases in breast cancer screenings.

Pano Yeracaris, the chief medical officer of Network Health, a not-for-profit Medicaid-managed care plan in Medford, Mass., which is an ACAP member, explained how one of his patients called him Friday for some advice. She was set to lose her Medicaid coverage March 1 and wanted to talk about whether to continue taking meds for her high blood pressure or for her depression, since she would no longer be able to afford both.

"This is real. This happens even in Massachusetts where we have the most advanced coverage in the nation," Yeracaris said.

Medicaid patients typically suffer from a host of other risk factors, including significant social and behavioral health problems, which are often complicated by homelessness, Yeracaris said. The churning effect is bad enough now, but it will be significantly more complicated once the exchanges are created.

Now – and in 2014 when the exchanges come online – the churning will also cause “real disruption in care management” complicating efforts to improve quality of care, he said.

ACAP says it wants to build on the Children's Health Insurance Program Reauthorization Act. That program gives bonuses for states that simplify or improve children's enrollment or retention. States also get bonuses when child enrollment levels exceed targets.

The National Committee for Quality Assurance, First Focus, Families USA and the National Association of Public Hospitals and Health Systems have endorsed the legislation, but thus far a sponsor has failed to emerge.

Licy Do Canto, who helped form the Partnership for Medicaid and now runs his own lobby shop, the Do Canto Group, lamented the fact that champions for this cause have not emerged. “Where are the people who slapped their shoes on the table five years ago during the battle over the [Deficit Reduction Act]” fighting for Medicaid recipients and the poor, he asked.