

## Health Reform 101 – California’s Health Exchange aka “Covered California”

### What is the Exchange?

- The Affordable Care Act of 2010 (ACA), upheld as constitutional by the U.S. Supreme Court in June 2012, calls for states and federal agencies to set up “Exchanges,” or web-based health insurance supermarkets, by October 1, 2013.
- This “Exchange” is an online marketplace for individuals, families and small businesses to compare, and purchase, different health insurance plans. California’s Exchange has been named “Covered California.”
- Covered California notifies individuals if they qualify for federal financial assistance (Medi-Cal or a federal sliding scale subsidy) that can lower the cost of health insurance plans available on the Exchange.

### What is CalHEERS and How Does it Relate to the Exchange?

- CalHEERS stands for California Healthcare Eligibility, Enrollment and Retention System.
- CalHEERS is the *web-based system* that will determine eligibility and facilitate plan enrollment for Exchange health plans, federal subsidies, and for MAGI\* Medi-Cal.
- An applicant or application Assister will input information, and CalHEERS will complete an electronic verification (income, social security identification, etc). Barring problems, the applicant will be enrolled without any additional follow-up.
- If additional information is required for a MAGI Medi-Cal applicant, Alameda County Social Services Agency staff will complete follow-up and verification as necessary.
- If additional information is required for a non-Medi-Cal Exchange applicant, Covered California staff will complete follow-up and verification as necessary.

*\*MAGI – Modified Adjusted Gross Income: The new methodology for calculating income thresholds using streamlined IRS rules.*

### What are the Call Centers?

- Covered CA established a State Call Center to take calls from individuals inquiring and applying for health insurance, as a complement to the web-portal.
- State-employed agents will conduct an eligibility assessment through a Quick Sort process, where the applicant answers several questions about their family characteristics and income. If applicants are potentially MAGI or non-MAGI Medi-Cal eligible, the agent will transfer the call to the individual’s home county as quickly and seamlessly as possible. They are expected to stay on the line until the county agent answers. This has been labeled a “warm handoff.”
  - The current service standard is that the County will answer 80% of calls within 30 seconds.
  - County Social Service Agencies, who administer Medi-Cal, must establish corresponding call centers to take these calls and finish eligibility and enrollment in Medi-Cal programs.
- If an individual was mistakenly transferred, the County will still complete an Exchange application using the Covered California website, so as to minimize “bouncing” of a customer back and forth.

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### What is the Assister and Navigator Program?

- Assister entities will be compensated by the Exchange for successfully enrolling and renewing individuals in Exchange health plans during the initial enrollment period from October 2013 through March 2014 (\$58/successful application and \$25/successful renewal).
  - Compensation will also be available through The California Endowment for Medi-Cal applications and renewals. Details To Be Determined.
- Navigator entities will help the Exchange outreach to specific groups still uninsured after the initial enrollment period. These entities will be sustained through the Exchange’s operating costs and will be paid through a block grant, rather than a fee-for-enrollment program.
- Insurance Agents can use the CalHEERS system, but will not be compensated through Covered California for the application assistance
- Entities and affiliated individuals **must apply to be certified**, as only trained, enrolled and certified individuals will generate compensation for their certified entities.
- Entity and Individual Assister Applications should be released in early-April 2013. Organizations can now go on the website and fill out an “interest form.”
- Application Assistors, including SSA workers, will be able enroll Exchange applicants during pre-enrollment from October 2013 to January 2014 and on-going after pre-enrollment.
- Application Assistors will be able to use CalHEERS to apply for Medi-Cal (projected start date of January 1, 2014).
- Additionally, all Assistors will be able to help Medi-Cal and Exchange beneficiaries with Plan selection.

### How Does the County Social Services Agency (SSA) Work with the Exchange to Promote “No Wrong Door”?

- Applicants will be able to apply for health insurance through different portals, including the Covered California Website, the State Call Center, and County SSA offices.
- SSA’s CalWIN system will interface with CalHEERS and allow SSA to complete Covered California applications in CalWIN and screen for eligibility in Exchange subsidy programs, MAGI and Non-MAGI Medi-Cal.
- SSA will confirm Non-MAGI Medi-Cal eligibility for those applicants that begin their application through Covered California (MAGI applications are determined in CalHEERS and SSA follows-up if there is an inconsistency).
- SSA will be responsible for case management of MAGI and Non-MAGI beneficiaries. The Exchange will be responsible for case management of Exchange and federal subsidy beneficiaries.

For more information on California’s Exchange, go to their website at: [www.CoveredCA.com](http://www.CoveredCA.com).

Updates, Assister Entity Interest forms and Applications will be found on the Exchange Board’s website at: [www.hbex.ca.gov](http://www.hbex.ca.gov).