



Consumer Assistance - Contracting & Budgeting Issues

SHRAN Consumer Assistance Small Group
Consultation Meeting

October 4, 2012

Agenda

- Consumer assistance services: Build or Buy?
- What should a state consider when developing a budget and a funding source for consumer assistance?
- Funding options for Navigators and In-person Assisters

Build or Buy?

- Decision will generally hinge on an assessment of the following:
 - Level of existing infrastructure within the state?
 - Ability to leverage community based organizations (CBOs) and providers
 - Effectiveness of resource to engage target population
 - Cost and scalability of resource

Build or Buy (con't)

- Level of existing state resources:
 - Due to state budgetary constraints, not a likely path for a full solution
 - Many states have only a handful of state personnel overseeing a partnership-based program
 - Some exceptions exist: NM utilized federal CHIPRA funding to build stand-alone Kiosks
 - Processes and personnel to administer RFP/RFI/RFR and mini-grants may also be available

Build or Buy (con't)

- Ability to leverage CBOs
 - This path presents the best opportunity for states to leverage
 - As a result of state resource constraints, partnerships with CBOs are prevalent so existing relationships exists
 - Will still require a modest amount of state resources
 - Oversight
 - Contractual
 - Measurement & Reporting

Build or Buy (con't)

- Effectiveness of resource:
 - State will need to evaluate historical performance of existing resources, but also assess likely future performance with target populations
 - New populations, regulations, and processes will require enhanced training
 - Preferred solution may vary by geography, population, and strength of state resource or CBO
 - Ex. Safety Net Providers for Medicaid

Build or Buy (con't)

- Cost and scalability
 - Using federal funding to build infrastructure will require ongoing funding needs
 - Outsourcing may be more expensive, but will generally provide greatest amount of flexibility to scale up or down
 - Need to balance ability to leverage short-term free funding with longer-term sustainability of resource (build or buy)

Budget & Funding Considerations

- Must balance the short-term resource need with the longer term financing implications
- Could be a tendency to over-resource due to funding opportunities
- Need to create financial discipline...create a reasonable budget that meets the need and manage actual expenses to the budget

Budget & Funding Considerations (con't)

- Budgeting Assumptions:
 - Fee per successful enrollment or mini-grant
 - Target population
 - Expected total enrollment and percent needing assistance
 - Ongoing administration and oversight
 - Reporting & Monitoring
 - Technology solutions (build & ongoing M&O)

Budget & Funding Considerations (con't)

Illustrative Model:

	Enrollee Take-up by FPL				% impacted by Navigator	2014	2015	2016	2017
	2014	2015	2016	2017					
138-200% poverty	30,000	42,000	45,000	50,000	60.00%	18,000	25,200	27,000	30,000
200-400% poverty	70,000	78,000	85,000	100,000	30.00%	21,000	23,400	25,500	30,000
Above 400% poverty	35,000	41,000	44,000	52,000	5.00%	1,750	2,050	2,200	2,600
	135,000	161,000	174,000	202,000		40,750	50,650	54,700	62,600
Blended Total % Impacted By Navigator						30.19%	31.46%	31.44%	30.99%
					\$ 50.00	\$ 2,037,500	\$ 2,532,500	\$ 2,735,000	\$ 3,130,000
					\$ 75.00	\$ 3,056,250	\$ 3,798,750	\$ 4,102,500	\$ 4,695,000
					\$ 100.00	\$ 4,075,000	\$ 5,065,000	\$ 5,470,000	\$ 6,260,000

Budget & Funding Considerations (con't)

Illustrative Model:

	Enrollee Take-up by FPL				% Impacted by Navigator			
	2014	2015	2016	2017	2014	2015	2016	2017
138-200% poverty	30,000	42,000	45,000	50,000	60.00%	50.00%	40.00%	30.00%
200-400% poverty	70,000	78,000	85,000	100,000	30.00%	25.00%	20.00%	15.00%
Above 400% poverty	35,000	41,000	44,000	52,000	5.00%	4.00%	3.00%	2.00%
	135,000	161,000	174,000	202,000	40,750	42,140	36,320	31,040
Blended Total % Impacted By Navigator					30.19%	26.17%	20.87%	15.37%

Funding Options

Start-up

- Federal grants
- Not-for-profit and Foundations
- Exchange assessment depending on methodology, and timing of implementation.

Ongoing Operations

- Cost built into exchange assessment
- Allocation to Medicaid
- Not-for-profit and Foundations
- Preferred partnerships with CBOs (expense reduction)