

## Six Important Reasons to Fund State Consumer Assistance Programs

State consumer assistance programs provide information and assistance to health care consumers, helping them deal with insurance problems and gain access to care.

### Program Funding Is in Jeopardy

No federal funding has been appropriated for these programs for 2012. In 2010, states received \$30 million in one-year grants to establish or strengthen their consumer assistance programs. Now, programs established under these grants are in danger of being shut down—and other programs may have to cut back their services—unless federal funding is continued. (Some programs have been able to use limited exchange planning funds to design the services that will be available to consumers in the exchanges, but these funds do not support the programs' broader work.)

### Six Reasons to Support Funding

#### **1** Consumer assistance programs help people understand their rights and responsibilities and resolve problems with their health coverage.

- These programs help consumers use their coverage and overcome barriers to obtaining care: They help patients sort through billing issues, learn about and use their benefits, and exercise their legal rights.
- These programs will provide expert assistance to help consumers resolve any problems that arise with the premium tax credits that will be offered to make coverage affordable for middle-class families in 2014.

#### **2** Consumer assistance programs serve as a “one-stop” source of assistance for consumers with any type of coverage.

- These programs serve consumers with private insurance, including self-funded plans, as well as those with public coverage, and they fill gaps in services by connecting consumers with community-based resources. (In the past, states rarely assisted with problems in self-funded plans, since these plans are not regulated by states.)
- They facilitate communication and referrals among government agencies, advocacy organizations, and medical providers.

#### **3** Consumer assistance programs save money.

- These programs help consumers resolve billing disputes (many programs have put more than \$1 million back in consumers' pockets each year), and they help consumers find coverage they can afford so they don't have to pay for care out of pocket.
- They help consumers enroll and stay enrolled in coverage, reducing the burden of uncompensated care on hospitals and taxpayers and decreasing states' administrative costs.

## 4 Consumer assistance programs help people get medically necessary care.

- These programs help consumers get erroneous adverse coverage decisions overturned, gathering relevant medical evidence and putting patients' doctors in touch with health plan reviewers. Consumers who receive such expert assistance with appeals are more successful in having these decisions reversed. For example, 68 percent of the medical necessity appeals mediated by one program are decided in the consumer's favor, versus 45 percent on average.
- They will provide critical assistance in ensuring that individual consumers get appropriate, essential care in the future. A recent Institute of Medicine report discussed the importance of appeals in determining whether individuals' treatment is medically necessary, appropriate, and in keeping with the latest clinical guidelines. Many plans now list consumer assistance programs' contact information on appeals notices.

## 5 Consumer assistance programs spot problems with the health care system and help policy makers address them.

- These programs collect, track, and quantify consumer problems and share these data with federal and state governments.
- They guide consumers through changes in the health care system.
- They help states implement new policies by catching glitches that harm consumers before the problems become widespread.

## 6 The bottom line: Consumer assistance programs need continued federal funding to serve more people, especially the most vulnerable consumers.

- These programs serve consumers who have lost coverage or are unable to pay for care due to economic hardship, job loss, and cuts to state health programs. Since 2008, the number of uninsured clients helped by these programs has increased steadily, tripling in some states.
- They help reduce disparities in access to care by reaching the most vulnerable consumers. Using grant funding, more programs began to work with community-based organizations that have trusted relationships with low-income and culturally and linguistically diverse communities, and many programs enhanced their language assistance capacity.
- They improve the overall services of state health insurance departments. As one program established under a federal grant explained, "[C]onsumers are experiencing a new way of doing business . . . . I can't tell you how much better it is."

Federally funded consumer assistance programs are a successful model. In many ways, state consumer assistance programs are analogous to Medicare State Health Insurance Assistance Programs (SHIPs). These programs are funded to provide Medicare beneficiaries with free and individualized information and counseling, and they receive funding equivalent to about \$1 per beneficiary in a state. Consumer assistance programs provide this type of help to other health care consumers, including those with job-based coverage, individual insurance, or coverage through other public programs.



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