



Consumer Assistance Programs

How the Affordable Care Act Affects Consumer Assistance Programs

What Are Consumer Assistance Programs?

State consumer assistance programs resolve problems and help consumers understand their rights as they find, apply for, and use health insurance.

In addition to assisting consumers who actively seek help, consumer assistance programs reach out to people, especially those who are most vulnerable. They educate communities, providers, employers, insurers, and program administrators about changes in the health care system, new consumer protections, and coverage options.

Consumer assistance programs are often the first to hear about problems that consumers are facing in the health care system. They can therefore play an important role in improving health care services for everyone by telling administrators and policy makers about ways to address the problems that have been encountered.

Consumer Assistance Grants under the Affordable Care Act

While some states and nonprofit organizations have established their own consumer assistance programs over the last two decades, the Affordable Care Act gave these programs a big boost. It appropriated \$30 million to fund consumer assistance programs in 2011. With this new federal funding, 38 states and territories established new programs or strengthened existing ones. The programs also received training and technical assistance from the federal government.

The Affordable Care Act sets forth five duties for these programs:

1. Assist with filing of complaints and appeals
2. Collect, track, and quantify inquiries and problems encountered by consumers
3. Educate consumers about their rights and responsibilities with respect to job-based and individually purchased health insurance
4. Assist consumers with enrollment in health plans by providing information and referrals
5. Resolve problems with obtaining premium tax credits when that portion of the law goes into effect in 2014

The Future of Federal Funding for Consumer Assistance Programs

The Affordable Care Act allowed for further appropriations for consumer assistance programs beyond the initial one-year grants, but unfortunately, Congress failed to extend federal funding for general consumer assistance in 2012. While some states are continuing this important work with their own funds, such as through previously established state tax assessments, they will need additional federal funding to continue providing the [range of services performed with the federal grants](#) to all consumers seeking assistance. (See [“Six Important Reasons to Fund State Consumer Assistance Programs”](#) for more talking points on funding.)

Looking Ahead: What Kinds of Consumer Assistance Will Exchanges Be Responsible For?

The Affordable Care Act requires each exchange to perform several consumer assistance functions for those who are eligible for exchange coverage. They must set up websites and toll-free hotlines to help consumers select health plans and resolve problems with their coverage. Exchanges must also offer information on and answer questions about coverage appeals and help people learn about their eligibility for other programs. Until 2014, states can get federal funding through exchange grants to establish these services, but consumers who seek coverage outside of the exchanges will not have access to these services.

Exchanges must operate a toll-free hotline to respond to requests for assistance. Since states that have received consumer assistance grants already have toll-free hotlines, exchanges may decide to use these existing hotlines to satisfy the consumer assistance requirements. An exchange may also decide to operate a separate hotline for simple requests and refer more complex cases to a consumer assistance program.

Exchanges must also fund Navigators, which are entities that conduct public education about health plans, distribute information about enrollment and the availability of premium credits, facilitate enrollment, and refer people to consumer assistance programs and other appropriate agencies when they have questions or concerns about their coverage. Navigators must provide culturally and linguistically appropriate information to the people who are served by an exchange. Navigator grants can be awarded to a variety of entities, including community and consumer-focused nonprofit groups, trade or professional associations, chambers of commerce, small business association partners, ranching and fishing organizations, licensed insurance agents and brokers, or others that have relationships with people who are likely to need and qualify for exchange coverage.

While exchanges must help consumers with issues related to exchange coverage, the Affordable Care Act envisions that broader consumer assistance programs will still provide expert assistance to consumers in and outside of the exchanges. While states may still be able to use state-generated revenue to support these programs (and Medicaid funding for the services that are provided to Medicaid beneficiaries), it will be impossible to continue the progress they made in 2011 without additional federal support. Therefore, federal funding must be devoted to these programs to allow them to continue helping all consumers navigate health coverage, a service that will be increasingly important as we approach universal coverage for Americans in 2014.

More information about consumer assistance programs can be found online at <http://www.familiesusa.org/resources/resources-for-consumers/consumer-assistance-programs.html>



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