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For Medicaid Clients, New Hurdle Looms By RICHARD PEREZ-PENA

A unique program that helps poor New Yorkers enroll in Medicaid could be abolished in the next few months by the state and federal governments, a decision that the program's supporters say would leave hundreds of thousands more people uninsured across the state.

New York is the only state where H.M.O.'s, community groups and clinics are allowed to help people fill out applications for Medicaid, the government health plan for the poor. In other states, people must either do the paperwork on their own or go to government welfare offices to apply. The state's strategy, adopted five years ago, has helped the number of New Yorkers in Medicaid soar by more than a million people, as H.M.O.'s now fill out enrollment forms.

Federal law prohibits such "facilitated enrollment," but Gov. George E. Pataki's administration asked for a waiver, and the Clinton administration granted it. That exemption will expire April 1, and the program will end unless the state asks for a new waiver and the Bush administration approves it.

The state is scheduled to decide by Dec. 1 whether to request a new waiver from the federal Centers for Medicare and Medicaid Services. But the Pataki administration has not decided whether

to do so -- a disappointment to advocacy groups and the health care industry, which hailed Governor Pataki, a Republican, for creating the program. People who have lobbied the administration to preserve the program say that they think the state probably will ask to keep it alive, but that it remains far from certain.

And they and state officials say they are not optimistic about getting permission from Washington. A spokeswoman for the Medicaid agency said it could not comment on a request that had not yet been made, but it is clear that the Republican leaders in Congress and the Bush administration have been looking for ways to cut fast-rising Medicaid spending, not expand it.

New York has already asked federal officials for special Medicaid treatment on another front -- \$1.5 billion to help pay for the expected closings of some hospitals because of a surplus of beds. Officials here say the two proposals could hurt each other's chances in Washington -- and that plays into the Pataki administration's hesitance to ask for the enrollment waiver.

"We've got a lot of issues up with the feds, and we're trying to pick our fights," said Mark L. Kissinger, the governor's health care adviser. As for getting a new

enrollment waiver, he said, "it's going to be a fight."

He said the administration understood the importance of facilitated enrollment, but "we haven't made a final determination."

Pataki administration officials say that the program has made it easier for ineligible people to enroll in Medicaid, and has allowed H.M.O. workers to use unscrupulous tactics in steering applicants to their own companies. The program's supporters say such concerns are overstated, and can be addressed without eliminating the program.

Traditionally, people went to city welfare offices to apply for Medicaid or renew it annually, but for many people the offices are not convenient and the wait for help often took hours. People can now renew their coverage by themselves, by mail, but that means making sense of paperwork that many of them find overwhelming.

With facilitated enrollment, applicants can go to places, like neighborhood clinics and H.M.O. clinic vans parked at busy intersections in their own neighborhoods, where experts quickly walk them through the process and even complete the forms for them. The H.M.O.'s that administer Medicaid patients' benefits have been particularly aggressive about signing people up -- it wins them new customers -- by trolling for business at schools, street fairs and busy shopping areas.

"Community-based enrollment is the true success story of New York's program, and it has changed people's perceptions of Medicaid to be health

insurance, not welfare," said **Anne Marie Costello**, director of programs at the Children's Defense Fund-New York. "Without it, enrollment will shut down. The social service offices will not be able to absorb the crush of people they'll get, and a lot of people will just give up if they have to go to those offices again."

Dr. Thomas R. Frieden, New York City's health commissioner, said enrollment by H.M.O.'s and others "has been essential to ensuring that New Yorkers who are eligible for Medicaid get enrolled." Continuing the program, he said, "is extremely important." Even with the program, there are about a million people in New York State who are eligible for Medicaid but not enrolled, and each year an even larger number fail to re-enroll and lose their insurance.

"We still have an enormous amount of churning and confusion," said Deborah Bachrach, a lawyer for the H.M.O.'s who has tried to persuade state officials to save the program. "Without this, enrollment would drop like a rock."

Advocates for the poor and insurers say that if the program ended, the number of people in Medicaid would fall by hundreds of thousands, a prediction that Mr. Kissinger called exaggerated.

"Undoubtedly, it would hit enrollment very hard, whatever the actual number is, so we should keep it," said State Senator Kemp Hannon, Republican of Long Island, the chairman of the Health Committee. "Without it, the health care system would become, per capita, more costly. The uninsured people will go to emergency rooms for treatment, and they'll get sicker and costlier to treat before they seek treatment."

"If I had to guess, it's my sense the governor will try to keep it," he said. "But the challenge of going to Washington, in this climate, and asking for two very big things at once, is very real."

Though he helped create facilitated enrollment, Mr. Pataki has shown some ambivalence about it for years.

The state gives millions of dollars to community groups to pay for them to employ Medicaid enrollers, but the governor has cut those grants and has tried more than once to eliminate them. He has also curbed state payments to the H.M.O.'s, saying that they spend too much money on marketing -- money that the insurers say goes largely to promote enrollment.

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