

## **Benefits Snafu Enflames Ky ACA Debate**

Ivy Brashear

LEXINGTON, Ky: A new state computer system in Kentucky that was meant to streamline the process by which people apply for and receive public assistance has instead created major problems. Advocates say thousands of people lost access to necessary benefits and have not been adequately helped by the state Cabinet for Health and Family Services in resolving these issues.

The new system, called Benefind, impeded access to Medicaid, SNAP benefits, and other public assistance for more than 50,000 people, according to consumer advocacy group Keep Kentucky Covered. Tens of thousands of people received letters early this year from newly-elected Gov. Matt Bevin's administration telling them they had been dis-enrolled from their benefits.

The snafu comes as the debate over public assistance – particularly as it is impacted by the Affordable Care Act – continues to rage between Republicans and Democrats as the fall presidential campaign begins to kick into gear.

The Bevin Administration said the letters were “erroneous” and sent by mistake, and assured the public that no one had lost any benefits. However, Cara Stewart, a consumer advocate and legal aid lawyer with the Kentucky Equal Justice Center, said the issue wasn't that people lost their benefits altogether. The issue was that they lost access to their benefits.

“Governor Bevin and [Health and Family Services] Secretary [Vickie Yates Brown] Glisson chose the word ‘erroneous’ letters, which I find to be an erroneous use of the word ‘erroneous,’ ” Stewart said. “It's a fuzzy way to explain that [they] really did kick you off of your coverage that [they] really shouldn't have kicked you off of.”

Stewart said Bevin and his administration had not technically taken away benefits from anyone. However, she said the changes have made benefits nearly impossible to access by those who should be receiving them.

The Benefind controversy is part of a more widespread effort by Bevin, a Republican, and his administration to roll back Kentucky's participation in the ACA, which he made a central part of his upset campaign bid last year—a position that continues to be supported by GOP candidates this year, including presumptive Republican presidential nominee Donald Trump.

Kentucky, under former governor Steve Beshear, a Democrat, became something of a poster child for ACA success, with more than 400,000 gaining new coverage through Medicaid expansion. Several weeks ago, Bevin threatened to end Medicaid expansion altogether unless federal authorities agree to a reform plan that would impose new requirements on low-income recipients, including showing proof of employment or that they are actively seeking employment.

The resulting furor illustrates the dangers Democrats predicted the GOP would have in scaling back ACA-related benefits. Once people begin to access new benefits, they don't react well to have them altered or taken away.

“In terms of our entitlement programs, [Bevin] has not reduced Medicaid benefits yet,” Stewart said. “But, he has put up new doors and a little maze and some special locks and a magic code that you have to know to get those benefits. He has taken away the door to those benefits, which is in my mind, the same as taking away those benefits.”

The Bevin Administration set up a “war room” in the state capital of Frankfort in March to handle the backlog of calls from frustrated people who lost access to their benefits. Local state benefit offices had previously been overwhelmed with calls – sometimes up to 400 a day – from citizens with complaints. The

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temporary call center in Frankfort employed nearly 200 state workers to process cases and enter information into Benefind. As of the beginning of May, 28,500 cases – nearly all in the backlog – had been processed.

The administration says the problem occurred because of a glitch within Benefind, which was developed by Deloitte Consulting. When Benefind was released, the old database of people receiving public assistance was transferred to the new system. But because of a system hiccup, Benefind automatically kicked out entries that contained data mismatches.

Benefind Project Manager Brandon Carlson said in a statement that the state Cabinet for Health and Family Services is working diligently to resolve any issues with Benefind so the program can work “at its maximum potential.”

“Our technology partner, Deloitte, has run a number of system upgrades including version 5.2 a couple of weeks ago,” Carlson said. “We’ve seen a significant decrease in reports from citizens who are having difficulties with the system. We have established a rapid response team, which includes staff from our technology vendor Deloitte, to field these cases and provide resolution as quickly as possible.”

Even though fixes have been made, and the system is getting back to normal, advocates are questioning what they have deemed a “too soon” roll-out of Benefind. The new system was originally being developed by the former administration as the fifth and final phase of implementing kynect, Beshear’s highly successful state healthcare exchange.

Kynect has been held up as a national model of a successful state healthcare exchange. According to a report from The Commonwealth Fund, Kentucky’s uninsured rate among working age adults was cut in half from 2013 to 2014, from 21 percent to 12 percent—the largest percentage-point drop of any state.

But those gains are now threatened by Bevin, who has promised to dismantle kynect and transfer everyone currently using it to the federal exchange. Advocates say Benefind was not ready for release in February. They also believe the Bevin administration’s efforts to roll out Benefind before it was ready was an attempt to dismantle kynect sooner.

“I cannot come up with any rational reason why [the Bevin Administration] chose to go ahead with [the Benefind rollout], except to make it fit within the transition timeline to dismantle kynect,” Stewart said.

If the Administration had waited and made sure Benefind was working correctly, Stewart said, it wouldn’t have been able to support the dismantling of kynect. Without kynect, there wouldn’t have been a way for Kentuckians to apply for Medicaid online. So, instead of using an already existing system that was working well, advocates claim that the Bevin administration insisted on creating a hybrid federal-state system through Benefind that caused major problems for the most vulnerable Kentuckians.

Glisson said in a statement that the roll-out of Benefind was based on information gathered from the previous administration, and implied there was no ulterior motive behind its release.

“Benefind was launched just as it was designed and built by the previous administration,” Glisson said. “It was always engineered to integrate all Department for Community Based Services (DCBS) benefits programs, including Medicaid, onto a single platform.”

Glisson said in the statement that problems with the system are “isolated cases,” and when “a person alerts us to an issue he/she is having,” the Cabinet for Health and Family Services is dealing with those issues through its rapid response team approach.

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While initial issues with Benefind may be on the mend, the Bevin Administration has proposed a Medicaid waiver program – officially known as an 1115 waiver – which it says would save the state \$331 million over the next five years. The proposal requires federal approval, but if accepted, the administration would begin charging monthly premiums for Medicaid recipients, end vision and dental coverage, and incentivize healthy behavior and volunteer work.

Bevin has said he would repeal Medicaid expansion if the federal government does not approve the 1115 waiver, which would make Kentucky the first and only state to repeal Medicaid expansion under the ACA.

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*Editor's Note: This article kicks off a new effort at Spotlight on Poverty and Opportunity to feature reported journalism as part of its efforts illuminate news and trends in the field to promote a bipartisan dialogue. To submit pieces, please contact Bill Nichols at [Nichols@TFreedmanconsulting.com](mailto:Nichols@TFreedmanconsulting.com).*