

Health Care Reform Update

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Quote of the Day

I am pleased by the progress we're making on health care reform and still believe, as I've said before, that one of the best ways to bring down costs, provide more choices, and assure quality is a public option that will force the insurance companies to compete and keep them honest. I look forward to a final product that achieves these very important goals."

President Barack Obama



Today...

- Latest Senate HELP Committee Activities
- HELP Committee Chairman's Mark
- Congressional Action: What's Next?

Senate HELP Committee

- Draft proposal for the Affordable Health Choices Act released in June
- Immediate response was that the proposal was too expensive
 - CBO report
- Last week: HELP Committee Chairman's Mark released to address these concerns
 - Changes to coverage expansion to decrease cost

Chairman's Mark vs. Original Proposal

- Chairman's Mark would cost about \$611B over 10 years and cover 21M uninsured
- Original Proposal would cost over \$1T between 2010-2019 and cover 16M people
- Assume Medicaid expansion, but not included in this bill

So where are the savings coming from?

Savings

- Employers who do not provide insurance must pay a penalty
 - \$750/year for full-time employees
 - \$375/year for part-time employees
 - Employers with less than 25 employees are exempt
- Coverage expansion subsidies
 - Original Proposal: Up to 500% of FPL
 - Chairman's Mark: Up to 400% of FPL

Mental Health and Substance Use Disorders: Chairman's Mark

- Essential health care benefits include “Mental health and substance abuse services” and “Rehabilitative and habilitative services”
- More limited Parity application than House bill – applies to parity requirements to individual plans but does not broaden definition of group plans

These provisions are unchanged from original proposal

Other Features of Chairman's Mark

- Establishes “Affordable Health Benefit Gateways” in each state.
 - State flexibility in administration
 - States given grants to subsidize costs of administering Gateways
 - Based on formula set by the Secretary of HHS: standard rate for each state + add'l funding “based on population”.
- Insurance plans would be offered through the Gateways

Other Features of Chairman's Mark (cont.)

- Subsidies available for individuals/families with incomes less than 400% of the FPL and greater than 150% of FPL
- Parity applies, but no expansion of definition of group plans.
- Assume individuals with income below 150% of FPL to Medicaid



Opportunities and Challenges

Questions Remain

Design Questions

- **Subsidies Adequate?**
- **Employer Mandate?**
 - **Wal-Mart letter to President**
- **Inclusion of a Public Plan Option**
- **Fear of Rationing**



Questions Remain

Funding Questions

- Tax Health Benefits?

Opportunity: Reed Amendment

- **Authorizes \$50M in funding for primary care-behavioral health integration**
 - **Program currently funded at \$7M**
- **Targeted Advocacy to Dem Members of HELP Committee to support Reed Amendment**

Opportunities for Behavioral Healthcare

- **Medicaid expansion may add up to 30 million people to the program – providing coverage to large numbers of persons with mental illness and substance use disorders**

Good Signs – Not Business as Usual

- **PhRMA puts \$80 Billion on table**
- **Hospitals put \$155 Billion on table**
- **House Committees offer joint bill**
- **President and Congress working together**

Congressional Action: What's Next?

- Congress continues to wrestle with details with October 15, 2009 deadline from President to sign a bill.
 - Senate Finance expected to release proposal next week
 - House Committees and Senate HELP will continue to review their respective bills
- Much pressure to maintain status quo.

Together We Will!

- **Keep Eye Out for Action Alerts, PPU**
- **Start Planning for Hill Day Next Year**
- **Become Part of our Key Contact Network:**
 1. **Three contacts with members of Congress**
 2. **Build relationships – share information; offer assistance; participate in campaign activities**

Contact me – chucki@thenationalcouncil.org

Future Webinars: Health Care Reform Update

All webinars are at 2 pm EST:

- July 22
- August 5
- August 19

Register online: www.thenationalcouncil.org