



# Healthcare Reform Update

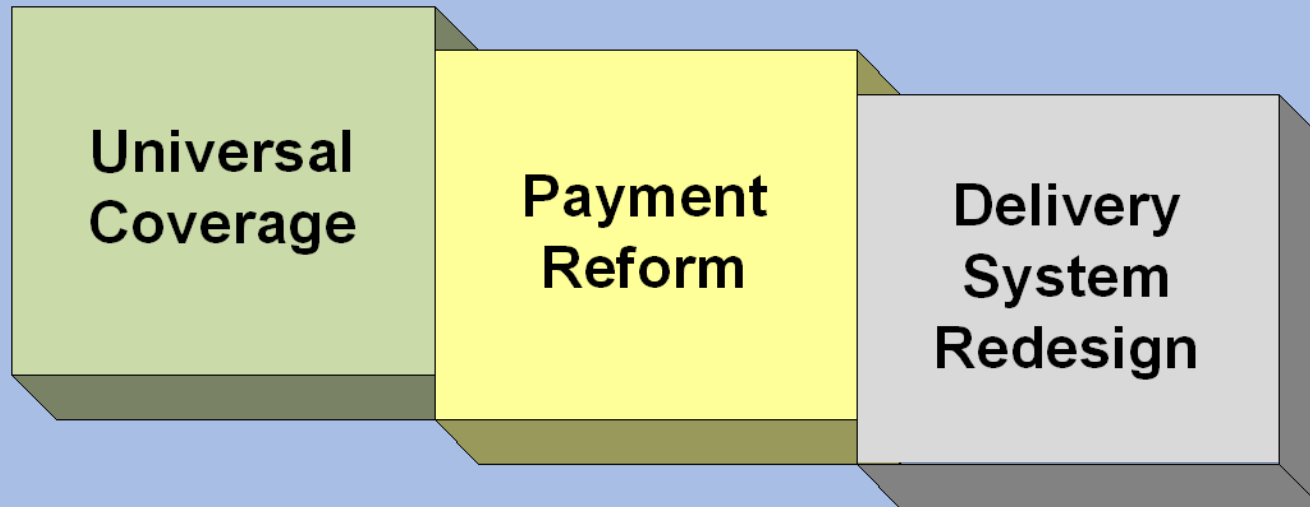
*Charles Ingoglia*

*Vice President, Public Policy*

*National Council for Community Behavioral  
Healthcare*

*June 26, 2009*

# Consensus is Building about the Design for Healthcare Reform



## Why now?

# Obama and Healthcare Reform

- **Activist administration – shift from states rights – with progressive agenda**
- **Crisis as opportunity for change – very difficult in good times**
- **Healthcare and other related industry players at the table**
- **Plan - Congress in lead – June/July debate; vote before August recess; fall reconciliation; October law**

# “Even in fantasy, no one has yet come up with a way to pay for Medicare.”

Ezekiel J. Emanuel, M.D., Ph.D. – *Healthcare, Guaranteed*

- **Access: 46 million uninsured and 25 million underinsured**
- **Quality : \$5,711 per person (Switzerland \$3,847); 31st in life expectancy**
- **Costs: Administrative overhead 25-35%/Chronic conditions and end of life care, 75% of costs are for 4-5% of population**

# Healthcare Reform Details

## House Tri-Committee Bill (*As of 6-23-09*)

- **Public Plan Option**
  - **Requires Secretary of HHS to establish new public health insurance options that ensures “choice, competition, and stability of affordable, high-quality coverage throughout the United States**
- **Individuals must purchase insurance or pay a penalty based on income**
  - **equal to 2% of their income capped at the average cost of premium within the exchange**
  - **hardship waivers included**
- **Employers pay 72.5 % of individual and 65% of family premiums for the lowest cost plan that covers essential health benefits or pay penalty based on payroll for the**
- **Bans rejection based on preexisting conditions**

# Healthcare Reform Details

## House Tri-Committee Bill *(As of 6-23-09)*

- **Expands Medicaid to cover households earning less than 133 percent of the federal poverty level**
  - Children, pregnant women, parents, and childless adults
  - States required to maintain current eligibility standards\
  - States receive 100% FMAP for the expanded Medicaid population
- **Subsidies for purchasing insurance available to individuals/families earning up to 400 percent of the poverty line**
  - Provides cost-sharing credits for individuals/families – on a sliding scale
  - Provides tax credit (up to 50% of premium) for small businesses (up to 25 employees) that provide qualified health insurance to their employees
- **Financing unspecified**

# Mental Health and Substance Use Disorders: House Bill

- **Essential benefits package includes “Rehabilitative and habilitative services” as well as “Mental health and substance use disorder services”**
- **Essential Benefit includes Parity for MH/SUD**
- **Outreach activities to educate individuals about Exchange program to include those with mental illness**
- **Auto-enrollment - Individuals who are eligible for the Exchange are automatically enrolled in appropriate Exchange-participating health benefits plan.**

# Mental Health and Substance Use Disorders: House Bill - cont

- **340B Drug pricing expanded to mental health and addiction treatment organizations**
- **Licensed Professional Counselors and Marriage and Family Therapists covered in Medicare, Rural Health Clinics, and FQHCs**
- **Eliminates 190 lifetime limit on psychiatric hospital stays within Medicare**

# Healthcare Reform Details

## Senate Finance Committee Bill (Assumptions as of 6-23-09)

- **No Government run program – creates a consumer run insurance cooperative**
- **Individuals must purchase insurance or pay a penalty based on average cost of insurance**
- **Employers must pay 50 percent of premiums or pay a penalty btwn \$295 and \$2,400 per worker**
- **Bans rejection based on pre-existing conditions**
- **Medicaid expanded to cover children and pregnant women in families earning less than 133 percent FPL; parents and childless adults up to 100 percent FPL**
- **Subsidies available to households earning up to 300 percent of FPL**
- **Financing unspecified, but likely to include a tax on employer-sponsored premiums**



# **Mental Health and Substance Use Disorders: Senate HELP Committee Bill**

- **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**





# *The National Council's Policy Agenda*

# 2009 Policy Agenda

- **Inclusion in HIT Medicare and Medicaid Incentive Programs**
- **Mental Health and Addiction Benefit in Universal Coverage**
- **\$250 million Medicaid healthcare homes demo for people with serious mental illness and co-occurring disorders**
- **Federal status for community mental health centers – FQBHC – bringing parity to the community safety net**

# 2009 Policy Agenda

- **Mental Health and Substance Use Block Grants Increases**
- **Behavioral Health/Primary Care Grant Program expansion**
- **Regulatory Guidance for Parity Legislation**

# Together We Will!

- **Keep Eye Out for Action Alerts**
- **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**

# Healthcare Reform Unfolding

**Congress continues to wrestle with details with October 15, 2009 deadline from President to sign a bill.**

**Much pressure to maintain status quo.**

**Details are likely to change – stay tuned to the National Council’s Public Policy Update and participate in periodic Healthcare Reform Update calls**

**Sign up – [www.thenationalcouncil.org](http://www.thenationalcouncil.org)**

**Contact me – [chucki@thenationalcouncil.org](mailto:chucki@thenationalcouncil.org)**

# Future Webinars: Health Care Reform Update

All webinars are at 2 pm EST:

- July 8
- July 22
- August 5
- August 19

Register online: [www.thenationalcouncil.org](http://www.thenationalcouncil.org)