

# Health Care Reform Update

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**Charles Ingolia**  
**Vice President, Public Policy**

# The Political Will to Continue with Reform is Strong

*“We’ll go through the gate. If the gate’s closed, we’ll go over the fence. If the fence is too high, we’ll pole-vault in. If that doesn’t work, we’ll parachute in. But we’re going to get health care reform passed for the American people, for their own personal health and economic security, and for the important role that it will play in reducing the deficit.”*

– Speaker of the House Nancy Pelosi

President Obama urges Congress to continue its work on reform...

*“Let us find a way to come together and finish the job for the American people. Let's get it done.”*

## But We Need to Remind our Elected Officials that We Support Reform

- Last week: Over 200 email messages sent to Congress from National Council members
  - Go to: <http://capwiz.com/thenationalcouncil/home/>
- This week: Sign on letter to the President
  - Email

# The Road Ahead

- Several options still being considered:
  - House passes Senate bill; Senate agrees to a package of changes that can be passed through reconciliation
  - Scale back bills to only include provisions that have broad support
  - Eliminate non-budgetary provisions so the entire bill can be passed through reconciliation

# Reconciliation Process

- Bills considered through this process:
    - Are limited to spending and/or tax issues
    - Cannot add to the federal deficit
    - Only need 51 votes in the Senate
  - There have been 19 bills passed through reconciliation and signed into law since 1980 including:
    - The Welfare Reform Act -1996
    - CHIP - 2008
    - Tax cuts - 2001 & 2003
    - COBRA – 1985
- \*\* CBPP: *“Using Reconciliation Process to Enact Health Reform Would be Fully Consistent with Past Practice”*

<http://www.cbpp.org/files/1-26-10health.pdf>

# Guidance Released on Implementation of Mental Health and Addictions Parity

# Background

- Paul Wellstone and Pete Domenici Mental Health Parity and Addictions Equity Act passed on Oct. 3, 2008
- Required equity in coverage for MH/SU and medical/surgical benefits
- Applied to group health plans of 50 or more employees and Medicaid managed care
- Instructed the Depts. of Health & Human Services, Education, and Labor to issue regulations providing guidance on implementation

## Jan. 29, 2010: Interim Final Rule Released

- > IFR goes into effect on April 5, 2010
- > Applies to insurance plans with plan years starting on July 1 or later
- > Comment period open through May 3, 2010
- > IFR published in the Federal Register on Feb. 2, 2010 (<http://www.gpoaccess.gov/fr/>)

# Who Must Comply with the IFR

- > Group insurance plans with more than 50 employees
- > This IFR does NOT apply to Medicaid Managed Care
- > Guidance on how Medicaid Managed Care plans should implement parity will be released by HHS at a future date

# Scope of Services

- IFR divides benefits into 6 classifications:
  1. Inpatient, in-network
  2. Inpatient, out-of-network
  3. Outpatient, in-network
  4. Outpatient, out-of-network
  5. Emergency care
  6. Prescription drugs
- **Plans that offer MH/SU services in a classification must offer them at parity with medical/surgical benefits in that classification**

# Limits on Use of Services

- Distinguishes between “quantitative” and “non-quantitative” limits
- “Quantitative”= limits on dollar value of benefits, number of visits, other benefits with a numerical value
- “Non-quantitative” = medical management services such as:
  - Prescription formulary design
  - “Fail-first” or step therapies
  - Prior authorization
- **The IFR expressly prohibits non-quantitative limits, unless similar limits exist for medical/surgical benefits**

# Cost Sharing / Financial Requirements

- > No separate deductibles for MH/SU and medical/surgical benefits
- > No separate co-pay requirements
- > No separate out-of-pocket limits
- > **Deductibles, copays, and out-of-pocket limits must be integrated and cumulative for all services**

# Exemptions

- Insurance plans may be granted a 1-year exemption if they experience total increased costs of 2% in the first year after implementation and 1% in subsequent years
  - Criteria for this exemption not included in IFR
  - they will be issued at a later date
- Under HIPAA, non-federal government plans (e.g. state and local govt. plans) may seek a waiver to opt out of certain federal requirements

# President's FY11 Budget

- Released Feb 1
- \$23M to IHS for comprehensive substance abuse prevention services
  - Early risk factors
- \$56M for drug courts
- \$23M for re-entry programs
- Level funding for mental health and substance abuse block grant programs
- \$25.5B for 6-month extension of FMAP Increase

# FMAP Extension

- Included in President's FY11 budget
- Included in the House healthcare reform bill
- Included in House Jobs bill
- Effort to have it included in the Senate Jobs bill

# Next Healthcare Reform Update Webinar

Save the Date: February 16<sup>th</sup>, 1pm EST

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

[ChuckI@thenationalcouncil.org](mailto:ChuckI@thenationalcouncil.org)