



# Health Care Reform Update

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# Senate Update

- Senate Majority Leader Reid continues to lead negotiations to combine the Senate Finance and HELP Committee bills.
  - Floor debate expected to begin by end of October.
- On Oct. 19, Senate Finance Committee released legislative language for America's Healthy Future Act
  - Includes two key changes

# #1: Medicaid Expansion

- Beginning Jan. 1 2014, any benchmark/benchmark equivalent plan must offer mental health and substance use disorder services
- Must be offered at parity
  - Treatment limitations
  - Financial requirements

## #2: Medicaid Chronic Disease Demo

A new Medicaid State Option to provide health homes to beneficiaries with chronic conditions.

- ‘mental health condition’ and ‘substance abuse’ now included in list of chronic conditions

# House Update

- HR 3200 has been reported out of all 3 committees of jurisdiction
  - Slightly different versions
  - House Speaker Pelosi has been leading negotiations to reconcile differences
- House floor debate expected for the end of October.

## Outline of All Proposals

- Universal coverage (95% or so covered) through
  - Employer's insurance
  - Health plan through a health care exchange system
  - Medicaid expansions
  - Medicare or other government program
- Health insurance reforms
- Quality of care; prevention; cost containment provisions
- Medicaid & block grant amendments included

# Exchange/Gateway System

- All federal bills are relying on a system of Exchanges (Gateways in HELP bill) to:
  - Facilitate access and choice of plan
  - Act as a broker for purchase of insurance
- House bill sets up national Exchange; allows states to set up own or to join together in regional Exchanges
- Senate Finance and HELP bills set up state-level Exchange (called Gateways in HELP bill)

# Medicaid Eligibility

- Medicaid eligibility expanded (effective 2013 in House; 2014 in Finance proposal):
  - All individuals with incomes under 133% of poverty would be eligible (Hs and Finance)
  - This includes single adults with no children: many of whom are people with SMI
  - States must maintain current eligibility rules until Exchange is operational
  - Increased federal match

## Medicaid Proposals in the Senate

- Prescription drugs become a mandatory Medicaid service
- DSH payments phased down as uninsured numbers drop
- New State Plan Option – Medical homes for beneficiaries with Chronic Illnesses.

# SCHIP

- HR 3200 terminates SCHIP once provisions of reform are in place
- Finance requires states to maintain SCHIP eligibility levels thru 2012
- SCHIP income floor set at 250% of FPL
- Beginning 2013, SCHIP beneficiaries enroll in Exchange plans with state wraparound that must include EPSDT benefits

# Some Danger Going Forward

- SMHAs will need to hold on to current funding as legislatures may see opportunity to withdraw funds
- Federal advocates will have to ensure SAMHSA funds are similarly maintained

# Next Steps

## Senate

- Senate Majority Leader Harry Reid has begun working on combining Finance and HELP proposals
- Entire Senate will then have to vote on this combined bill

## House

- Differences in committee versions of HR 3200 must be reconciled by Rules Committee
- Speaker Pelosi and others have been meeting to identify ways to reduce overall cost of HR 3200 from \$1.1 trillion to \$900 billion
- Before House floor vote, CBO must score proposal that emerges out of negotiations

## Next Steps (cont.)

Once a health care reform bill passes out of both the House and Senate...

1. A conference committee, comprised of Representatives and Senators, will meet to reconcile differences between House & Senate versions
2. Both the House and Senate must vote to pass this reconciled health care reform bill



# National Council for Community Behavioral Healthcare

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