

Health Care Reform Update

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Pending Bills

- House: 3 bills reported from 3 committees
 - Each slightly different
 - HR 3200
- Senate: 2 committees
 - HELP Committee reported a bill in July
 - Finance Committee – “Chairman’s Mark” released on Sept. 16
- Administration outline – very general, follows approach that is common in all bills

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

Medicaid Requirements – Senate

- Finance Committee:
 - Most newly eligible adults do not get full Medicaid coverage
 - Only a benchmark benefit package (consistent with DRA law)
 - Benchmark will at least meet requirements for Exchange plan at second (Silver) level
 - Adults and children exempted from mandatory benchmark enrollment by current law would continue to be exempt (PD, medically frail & special needs)
 - Higher federal match for newly eligible group

Medicaid Amendment

- Bingaman C10

Strikes “section 1937” provision, which would permit states to discriminate in providing benefits to new Medicaid expansion populations

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.

Amendments

- Stabenow D5
- Amendment clarifies that Medicaid eligible persons with serious and persistent mental illness would be eligible to receive integrated care under this new Medicaid optional program. Amendment also adds Community Mental Health Centers (CMHCs) to the list of examples of designated providers eligible to participate in the program.

Amendments

- Stabenow C6
- Ensure high quality, specialized care for children and youth with special medical, psychological, social and emotional needs who can accept and respond to the close relationship within a family setting, but whose special needs require more intensive or therapeutic services than are found in traditional foster care.

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

Low Income Subsidies

- House bill:
 - Premium subsidies, sliding scale, for individuals up to 400% FPL
 - Tax credits for out-of-pocket costs
 - Limit \$5,000/individuals (\$10,000/family) on total premium + out-of-pocket cost sharing
- Finance:
 - Tax credits on sliding scale for those up to 300% FPL start in 2013; for those 100-300% in 2014
 - Cost-sharing assistance (based on type of plan chosen) for those up to 300% FPL
 - Those below 300%, cap on out-of-pocket at \$2,000/yr

Purchasing Insurance

- Uninsured and small businesses purchase through Exchange/Gateway
- Individuals get some help in choosing plan
 - Information provided, including toll-free line and web pages
 - Requirements that all materials be understandable and allow easy comparison of plans
 - Navigators authorized in HELP bill
 - Ombudsman at state level

Insurance Plan Requirement

- Benefits:
 - Outlined in bills, details thru admin action
 - MH and SA mandated in all bills
 - Rehabilitation and habilitation in House bill and Senate HELP bill
 - All children get EPSDT benefit (House bill)
 - House bill: MH and SA must be at parity
 - Finance bill: Parity applies to individual and small group policies (current law covers large employers)
 - HELP: Parity only applies to firms with 50+ employees

Finance Committee Amendment

- Stabenow/Wyden/Kerry C2
- To ensure parity for mental health services within the exchange.

Other Finance Committee Amendments

- Stabenow D2 and D3
- To authorize community mental health centers to obtain health information technology grants

End Result

- More public MH system-eligible individuals will have coverage under Medicaid and private insurance
- States will need to expand capacity considerably to meet demand
- For IP and basic OP, individuals might choose to go outside public system
 - How to coordinate when they need additional services may become an issue

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

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