

Health Care Reform Update

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Today...

- Update on Action to Date
- Senate Developments
- Substance Use and Mental Health Highlights
- Call to Action!

Impact of August Recess

- “Conservatives are still leery of supporting a government-funded, or public, insurance option. Freshman lawmakers from suburban districts remain fearful of increasing taxes for their wealthy constituents to pay for the new measure and await alternatives from moderate Senate Democrats. And progressives, who are demanding the most far-reaching reform since the Great Depression, are still threatening to bring down the legislation if it does not contain a robust version of the public option.”

Washington Post

Current Status of 3 Approaches

- In the House, Democratic leaders are synthesizing the proposals of three committees, but floor debate has not begun.
- In the Senate, a bill close to the expected House blueprint has been approved by the HELP committee.
- Less liberal version is being developed by the Senate Finance Committee, where moderate Democrats are negotiating with a handful of Republicans.

Brief Summary

- We have discussed overall structure of the bills
 - Medicaid expansion
- Health insurance exchange/gateway
 - Minimum benefit package that includes MH and SUD services

Preliminary Release of Baucus “Framework”

- Senate Finance Committee Chairman Max Baucus, D-Mont., has proposed a health care overhaul "framework" that would cost under \$900 billion over the next decade. The measure would:
 - Expand Medicaid coverage to 133 percent of the federal poverty level, including new eligibility category for childless adults.
 - Provide tax credits for people with incomes up to 300 percent of poverty and
 - Establish a series of health insurance exchanges to help individuals find affordable coverage

Baucus Framework Continued...

- **Parity:** Plans sold in the non-group and small group market would be required to cover “mental health and substance abuse services that meet minimum standards set by federal and state laws”.
- **Insurance industry reforms:**
 - Health insurance plans in the individual market would be required to offer coverage on a guaranteed issue basis
 - Would be prohibited from excluding coverage for pre-existing health conditions.
 - Limited benefit plans and lifetime limits would be prohibited, and health insurance companies would be prohibited from rescinding health coverage.

Creation of Consumer Operated and Oriented Plan (CO-OP) program

- \$600 million (CO-OP) program would foster the creation of **nonprofit, member-run health insurance companies** that serve individuals in one or more states.
- Compete in the non-group and small group insurance markets.
- Federal loans to assist with start-up costs, and federal grants to meet state solvency requirements.
- **Not** sponsored by a state, county, or local government, or any government instrumentality.
- CO-OPs would be permitted to enter into collective purchasing arrangements for services and items that increase administrative and other cost efficiencies, especially to facilitate start-up of the entities, including claims administration, administrative services, health information technology, and actuarial services.

House Tri-Committee Bill: America's Affordable Health Choices Act

In General:

- Prohibits pre-existing condition exclusions
- Guaranteed issue and renewal for insured plans
- Ensuring adequacy of provider networks

Substance Use and Mental Health Provisions



- Nondiscrimination in benefits; parity in mental health and substance abuse disorder benefits
- Essential benefits package includes “Rehabilitative and habilitative services” as well as “Mental health and substance use disorder services”
- Includes 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.

Substance Use and Mental Health Provisions



- Discount pharmaceutical pricing (340B) expanded to mental health and addiction treatment organizations
- Licensed Professional Counselors and Marriage and Family Therapists covered in Medicare, Rural Health Clinics, and Federally Qualified Health Centers
- Promotes the coordination of health services (inc. MH) through medical homes and Accountable Care Organizations
- Awards grants to mental health and substance professional training programs

Medicaid Expanded based on Federal Poverty Status

- All persons at 133% of FPL eligible - including childless adults.
- 2013 – 2015: 100% Federally financed; after 2015: 90% Federally financed

Energy and Commerce Committee Amendments

Amendment offered by Reps. Eliot Engel (D-NY) and Doris Matsui (D-CA).

Creates “Federally-Qualified Behavioral Health Centers” to be certified by SAMHSA.

First step in the development of national standards and benefits for these entities.

Senate Pressure Points

- **“Gang of Six” negotiations**
 - Chairman Baucus, Sen. Conrad, Sen. Bingaman, Sen. Grassley, Sen. Enzi, Sen. Collins
 - Sept. 15 unofficial deadline for release of proposal
- **Role of Senate Moderates**
 - Ben Nelson (D-NE), Senators Lincoln and Pryor from Arkansans, Joe Lieberman (CT) and Evan Bayh (D-IN)
 - Voinovich (R-OH) and Snowe (R-ME)

What's on the Horizon?

- Timing...if not this year, then unlikely
- Reconciliation of 3 bills in House – done by the Rules Committee
- Regular order of Budget Reconciliation in Senate?
- Negotiation over size (House v. Senate)

Together We Will!

- Call Congress today and tomorrow, September 9th and 10th, using the Families USA toll free call-in number to reach the Capitol switchboard: 1-800-828-0498.
- Keep Eye Out for Action Alerts, PPU
- Become Part of our Key Contact Network

For Questions Contact: alexae@thenationalcouncil.org or chucki@thenationalcouncil.org

Future Webinars: Health Care Reform Update

All webinars are at 2 pm EST:

- Sept. 23
- TBD...every 2 weeks

Register online: www.thenationalcouncil.org