Health Care Reform Laws and their Impact on Individuals with Disabilities (Part one)

ONE STRONG VOICE
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Montgomery, Alabama
December 8, 2010

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HEALTH CARE REFORM, PART ONE

- Background
- Health insurance market reforms
- Essential health benefits
- American Health Benefit Exchanges
- Individual mandates
- Employer mandates
- Tax credits and subsidies
- Prevention and wellness
- Disability within data sets

HEALTH CARE REFORM, PART TWO (a separate presentation)

- Medicare changes
- Medicaid acute care changes
- Medicare and Medicaid emphasis on expensive populations
- Medicare and Medicaid prevention and wellness initiatives
- Medicaid long term services and supports changes
- CLASS Act

PATIENT PROTECTION AND AFFORDABLE CARE ACT P.L. 111-148
March 23, 2010

HEALTH CARE and EDUCATION AFFORDABILITY RECONCILIATION ACT P.L. 111-152
March 30, 2010

WHY HEALTH CARE REFORM?

- About 44 million uninsured and increasing
- 2009 health care costs were $2.5 trillion, about 17.6 % of economy (GDP); projected to be $4.7 trillion in 2019
- Half of all personal bankruptcies are caused in part by medical expenses
- Premium increases at double digit and projected to continue; from $4,159 in 2001 projected to $9,120 in 2010
- Barriers for individuals with disabilities and chronic conditions not covered by ADA

WHY SUCH A COMPREHENSIVE LAW?

- Premise: preexisting condition exclusions and annual/lifetime caps are egregious
- Requires individual mandate
- Need to address Medicaid and Medicare
- Need to address technology
- Need to address subsidies
- Need to address cost controls
- Administered by HHS and IRS
- Total cost of $930 billion; reduces deficit by $143 billion

WHAT HEALTH CARE REFORM IS NOT and WHAT IT DOES

- Not “socialism”; mandates personal responsibility with sliding scale subsidies
- No “public option” for health care
- Builds upon employer based system with private insurance companies
- Expands Medicaid
- Ends discrimination based upon disability
- Guarantees access to affordable coverage
- 32 Million uninsured will be covered; 94% of legal uninsured; no undocumented

INSURANCE MARKET REFORMS
to be phased in; many in place today

- Prohibits pre-existing conditions exclusion
- Guaranteed issue and renewal
- Limits range on premiums
- Dependent children covered up to age 26
- Prohibits lifetime and annual caps
- Individual plans prior to 3/23/10 exempted
- Caps out of pocket costs with subsidies
- Establishes essential benefits package
- http://www.healthcare.gov/ website

Protections for enrollment or purchase of a new plan after September 23, 2010

- Right to choose your own doctor within the plan's network
- Choice of emergency room out of network at no extra cost
- Right of appeal to a third party
- Preventative care at no cost: mammograms, colonoscopies, immunizations, prenatal care, and new baby care

PRE-EXISTING CONDITIONS EXCLUSION

- Sept. 23, 2010 the exclusion for children with pre-existing conditions was eliminated
- Potentially great benefit for families with a child living with disability/chronic condition
- Effective January 1, 2014 the exclusion for adults with pre-existing conditions is eliminated; a major victory for access

TEMPORARY NATIONAL HIGH RISK POOL

- For individuals uninsured 6 months prior to applying & who are denied coverage due to pre-existing conditions
- Established July 1, 2010 with $5 Billion
- Secretary of HHS required to establish a website by July 1, 2010 for consumers to identify affordable insurance options in their home state
- Expires on January 1, 2014

GUARANTEED ISSUE AND RENEWAL ON OCTOBER 1, 2010 regardless of:

- Health status
- Medical condition (including both physical and mental illnesses)
- Claims experience
- Receipt of health care
- Medical history
- Genetic information
- Evidence of insurability (including conditions arising out of acts of domestic violence)
- Disability
- Any other health status-related factor determined by the Secretary

RESCISSION OF COVERAGE

- For only two reasons
- For the non payment of premiums after written notice and the expiration of a grace period (time not specified)
- For fraud
- Effective October 1, 2010

COVERAGE OF DEPENDENT CHILDREN

- Effective September 23, 2010
- Parents may choose to enroll their "dependent" children on their health insurance policy until their 26th birthday
- Child does not have to live at home
- Great benefit for families with a son or daughter with disability/chronic condition not receiving Medicare or Medicaid

LIFETIME AND ANNUAL CAPS

- Effective October 1, 2010 lifetime caps on the payment for covered health care items and services were eliminated; impact on 102 million people; average $4.7 million
- Effective Oct. 1, 2010, Sect. of HHS tightly restricts using annual caps by all employer plans and new plans in individual markets; impacts 17 million people
- No annual caps effective January 1, 2014
- Profound impact on millions of folks

INSURANCE COSTS ENSURING VALUE FOR PREMIIUM PAYMENT

- For plan year 2010 individual market policies must spend at least 80% of premiums on medical services
- Large market policies must spend at least 85% of premiums on medical services
- If the insurer does not meet the target, they must provide rebates to the policyholders, effective January 1, 2011

ADDITIONAL CONSUMER PROTECTIONS

- Insurance companies must have in place both internal and external grievance and appeal processes that are timely by October 1, 2010
- The Secretary of HHS will make funds available to states to create state offices of health insurance consumer assistance

HEALTH INFORMATION TECHNOLOGY

- By September 23, 2010 the Secretary shall develop standards and protocols that facilitate enrollment of individuals in Federal and State health and human services programs with one application
- The Secretary shall provide notification of eligibility and verification of eligibility required under such programs.
- Grants will be provided to the States to implement the program

ESSENTIAL HEALTH BENEFITS

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices, (DME)
- Laboratory services
- Preventative/wellness services and chronic disease management.
- Pediatric services, including oral and vision care

ESSENTIAL HEALTH BENEFITS

- The “devil” is in the definitions……….
- What is “medically necessary”?
- What is “habilitation”?
- Will cognitive rehabilitation be covered?
- Will all currently used prescription drugs be listed on the formulary?
- Will psychosocial rehabilitation and recovery be included?
- The Secretary of HHS must provide notice and take public comments

ESSENTIAL HEALTH BENEFITS: Directions to the Secretary

- "The Secretary of HHS shall:
- (A) ensure that such essential health benefits reflect an appropriate balance among the categories described in such subsection, so that benefits are not unduly weighted toward any category;

ESSENTIAL HEALTH BENEFITS

- (B) not make coverage decisions, determine reimbursement rates, establish incentive programs, or design benefits in ways that discriminate against individuals because of their age, disability, or expected length of life;

ESSENTIAL HEALTH BENEFITS

- (C) take into account the health care needs of diverse segments of the population, including women, children, persons with disabilities, and other groups;

ESSENTIAL HEALTH BENEFITS

- (D) ensure that health benefits established as essential not be subject to denial to individuals against their wishes on the basis of the individual's age or length of life or the individual's present or predicted disability, degree of medical dependency, or quality of life."

“ACCESS TO THERAPIES”, sec 1554

- “The Secretary of HHS shall not promulgate any regulation that…
- (1) creates any unreasonable barriers to the ability of individuals to obtain appropriate medical care;
- (2) impedes timely access to health care services;
- (3) interferes with communications regarding a full range of treatment options between the patient and the provider;

"ACCESS TO THERAPIES", cont.

- (4) restricts the ability of health care providers to provide full disclosure of all relevant information to patients making health care decisions;
- (5) violates the principles of informed consent and the ethical standards of health care professionals
- (6) <u>limits the availability of health care treatment for the full duration of a patient's medical needs."</u>

AMERICAN HEALTH BENEFITS EXCHANGE(s)

- A marketplace to assist uninsured individuals and small employers in purchasing health insurance; competition
- January 1, 2014 for individual coverage and small employers up to 100 employees
- January 1, 2017 for large employers
- Exchanges must be either government sponsored or sponsored by a non profit corporation

HEALTH BENEFITS EXCHANGE(s)

- Secretary of HHS, in cooperation with the National Association of State Insurance Commissioners (NASIC) will develop proposed regulations for multi state exchanges by January 1, 2013
- Congress and Congressional staff to be included within exchange
- Employers must offer equal value vouchers for employees who choose to go to the exchange

HEALTH BENEFITS EXCHANGE(s)

- State legislatures must pass authorizing statutes for exchange(s)
- Secretary of HHS provided planning and establishment grants to states or non profit organizations established by the state no later than in October, 2010 with federal support through January 1, 2015
- Where is it in your state?

HEALTH BENEFITS EXCHANGE(s)

- An exchange shall consult with stakeholders, including…
- (A) health care consumers who are enrollees in qualified health plans;
- (B) individuals and entities with experience in facilitating enrollment in qualified health plans

HEALTH BENEFITS EXCHANGES(s)

- (C) representatives of small businesses and self-employed individuals;
- (D) state Medicaid offices; and
- (E) advocates for enrolling hard to reach populations
- Exchanges shall award grants to establish Navigators with the following purposes:

EXCHANGE NAVIGATORS

- (A) conduct public education…
- (B) distribute fair and impartial information concerning enrollment, premium cost sharing and cost sharing reductions
- (C) facilitate enrollment in qualified health plans (QHP)
- (D) provide referrals to offices of insurance consumer assistance, etc.
- (E) provide information in a manner that is culturally and linguistically appropriate

VARIATION IN PREMIUMS

- Health insurance premiums can only vary based upon age, geography and family size
- Age range bands will be set by the Secretary of HHS
- Maximum range of 3:1
- Prohibits higher premiums for women
- Effective January 1, 2014

CAPS ON PREMIUMS FOR LOW INCOME INDIVIDUALS AND FAMILIES

- Premiums are capped based on a percentage of the individual's or family's income
- The range of income caps are from 2.8% of income for 134% of poverty up to 7.0% of income at 400% of poverty ($88,000 for a family of four)

CAP ON OUT OF POCKET COSTS

- Cap on all deductibles and co-pays set at $5,000 per year for individuals and $10,000 per year for families
- Sliding scale subsidies of 1/3 to 2/3 of costs for deductibles and co-pays for individuals and families up to 400% of Federal Poverty ($29,000 for individual and $88,000 for family of 4)
- Special rules for Native Americans with incomes under 300% of poverty

LIMITS ON COST SHARING

- Deductibles, coinsurance and copayments
- 100-200% FPL: $1,963/individual; $3,697/family
- 200-300% FPL: $ 2,975/individual; $5,950/family
- 300-400% FPL: $ 3,987/individual; $7,973/family

SMALL BUSINESS TAX CREDIT

- For employers with 25 or fewer FTE
- Average salary of $50,000
- IRS issued notice on April 26, 2010 to small businesses, including non profits
- Employer must pay at least 50% of employee's health insurance premium
- Tax credit of 35% of employer's costs
- Increases to 50% on January 1, 2014
- Credit to be applied to payroll taxes paid

INDIVIDUAL HEALTH INSURANCE MANDATE

- Effective January 1, 2014 everyone must have some type of health insurance
- Penalties per person in 2014 will be $95 with a maximum of 3 per household
- Penalty increases to $350/person in 2015
- Penalty increases to $750/person in 2016
- Penalty increases every year with a cost of living adjustment (COLA)

EMPLOYER MANDATES

- Employers with 200 or more employees that provide health insurance coverage for employees must enroll all employees
- Employers with 50 or more employees who do not offer coverage for employees will be fined $750 to $3,000 per employee
- Effective January 1, 2014

INNOVATION & FUNDING OPPORTUNITIES

- $ 105 billion worth of programs require Congressional appropriations for items such as……
- Community-Based Collaborative Care Networks
- CMS Center for Medicare and Medicaid Innovation
- Medicaid Global Payment System
- Demonstration to enhance uninsured access

INNOVATION & FUNDING OPPORTUNITIES, cont.

- Medicare and Medicaid payment bundling
- Grants to states for community health teams
- Medicare & Medicaid Pediatric ACO's
- Medicaid health homes for beneficiaries with chronic conditions
- Funding for primary care residency programs
- Trauma funding

PREVENTION AND WELLNESS PRIORITY

- Establishes at the Centers for Disease Prevention and Control, the National Prevention, Health Promotion and Public Health Council to develop a national strategy and goals to improve the nation's health through federally-supported prevention, health promotion and public health programs; chaired by Surgeon General
- Disability is an identified category

PREVENTION AND WELLNESS, cont.

- Establishes a new Prevention and Wellness Fund at the CDC to support programs authorized by the Public Health Service Act, such as Healthy Start, for prevention, wellness and public health activities
- Provides $15 billion over 10 years ramping up from $500 million this year to $2 billion in fiscal year 2015

PREVENTION & WELLNESS GRANTS

- Community Transformation Grants
- Comprehensive workplace wellness programs
- Education and Outreach Campaign
- Oral health prevention
- Individualized wellness plans for at-risk individuals

COMMUNITY TRANSFORMATION GRANTS

- To implement, evaluate and disseminate evidence-based programs to:
  - Prevent the development of secondary conditions
  - Reduce chronic disease rates
  - Address health disparities
  - Plan activities must focus on 7 areas including individuals with disabilities
  - Funding dependent on appropriations

DISABILITY AS A NEW DATA COLLECTION CATEGORY FOR HEALTH

Requires the Secretary of HHS to:

- Locate where persons with disabilities access primary, acute and long-term care

- Determine the number of providers with accessible facilities and equipment to meet the needs of individuals with disabilities

DISABILITY AS A NEW DATA COLLECTION CATEGORY FOR HEALTH

- Determine the number of employees of health care providers trained in disability awareness and patient care of individuals with disabilities
- Sect. of HHS, through the National Coordinator of Health Information Technology will analyze the data for trends in health disparities and make reports

DISABILITY AS A NEW DATA COLLECTION CATEGORY FOR HEALTH

- Requires any federally conducted or supported health care or public health program, activity of survey to collect and report to the extent practicable data on disability status, including disability subgroups (using oversampling if needed
- Effective January 1, 2012

QUALITY INITIATIVES IMPACTING INDIVIDUALS WITH DISABILITIES

- Improving the training of physicians, dentists and other allied health professionals on how to treat persons with disabilities; specific oral health priorities
- Ensuring that prevention programs include a focus on individuals with disabilities
- Creating a non-profit Patient-Centered Outcomes Research Institute to support comparative effectiveness research, 2010

QUALITY INITIATIVES IMPACTING INDIVIDUALS WITH DISABILITIES

- January 1, 2011 a new trauma center program to strengthen emergency department and trauma center capacity
- Requires development of technical accessibility and use ability standards for diagnostic and other medical equipment within 2 years; exam tables, chairs including eye and dental, weight scales, mammography, x-ray machines and other radiological equip.

STUDY ON AFFORDABLE HEALTH INSURANCE COVERAGE

- The Comptroller General shall conduct a study on the affordability of health insurance coverage including the role and appropriate level of subsidies, not later than March 23, 2015

FOR ADDITIONAL INFORMATION

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