



Health Reform

An Interim Report Card

The Roles of States

Association of Health Care Journalists
Denver, Colorado - March 28, 2014

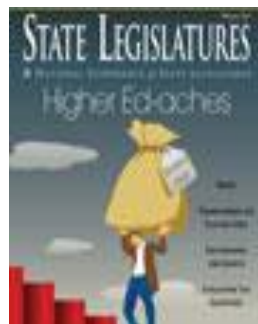
Presented by
Richard Cauchi, Program Director
NCSL

3/26/14 update



National Conference of State Legislatures

- Your best connections to the 50 state legislatures.
 - Every legislator (7,383) is an NCSL member
 - Bi-partisan
 - Works directly for the 50 legislatures in states + territories.
 - Does not take positions on state laws or Legislation.
 - 120 NCSL staff – research and policy
 - Health is the largest topic area.
- Takes limited positions on federal issues affecting states. (No position on PPACA, Medicaid expansion, exchange)





7-5-12
NORM
The Miami Herald

5/6 DP 7.6.12

Jim Morin, The Miami Herald

The Affordable Care Act: 102

Snapshot of the Law

What we know already ...

Major Provisions and Goals

1. Enroll up to 30 million Americans by 2017
2. Establish health exchanges in all states
3. Expand Medicaid to lower income people up to 133% FPL
4. Require most Americans to have health insurance or coverage
5. Require large employers to offer health insurance
6. Provide uniform health insurance market reforms, based on state practices (cover pre-existing conditions, no annual or life limits, rate review, “essential health benefits”, etc)
7. Establish policies and pilots to restrain health costs
8. Emphasize wellness and prevention, not just treatment
9. Provide funding and grants to states and others who are designing and implementing ACA programs and policies.

Health Reform: A 2014 Overview



A news perspective

NOW

- Exchanges at Healthcare.gov
- State & hybrid exchanges
- Medicaid expansion (25 +/-)
 - Non-expansion (25 +/-)
- Enrollment - April 1 results
- IT flaws; consumer obstacles
- Extended deadlines > April...

NEXT STEPS

- Enrolling Apr.-Dec.?
- Mandate to have coverage
- Which states may switch?
- Small business: SHOP +
- Large employers' responses

Implementation

- Costs, affordability
- Delivering care/treatment
- Broad coverage – EHB
- Preventive Services



Health Exchanges

State Angle: Which of 3+ models?





State
Exchange

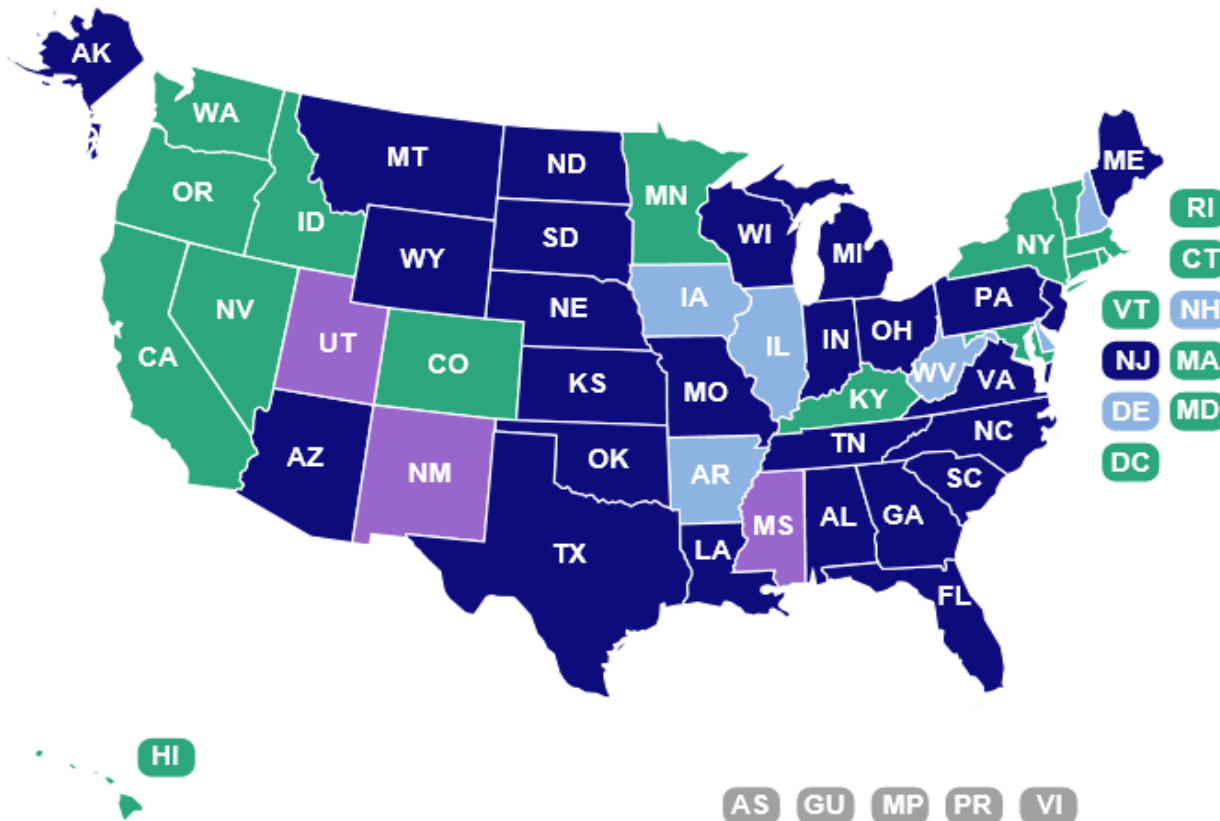
Federal
Exchange
(default / fallback)

Partnership
(hybrid of the two)

State Variations
Federally run individual
State run Small Business

State Structures for Health Insurance Marketplaces/Exchanges

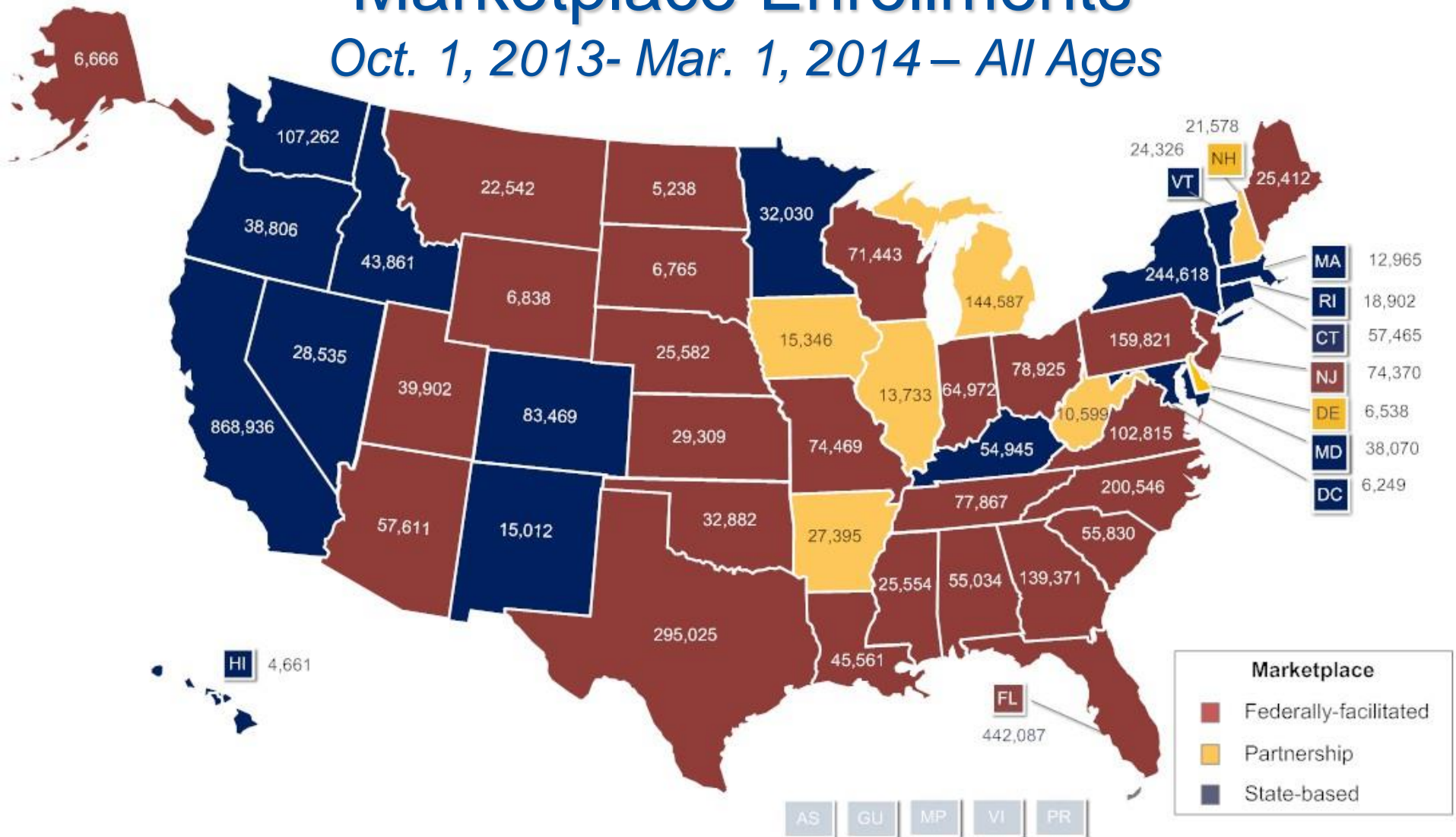
	State-Run Exchange		State/Federal Partnership		State Running SHOP (Small Business) Exchange; Federally Facilitated Marketplace for Individuals (MS, NM, UT)		Federally Facilitated Marketplace (Exchange)
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NCSL Data: March 23, 2014

Marketplace Enrollments

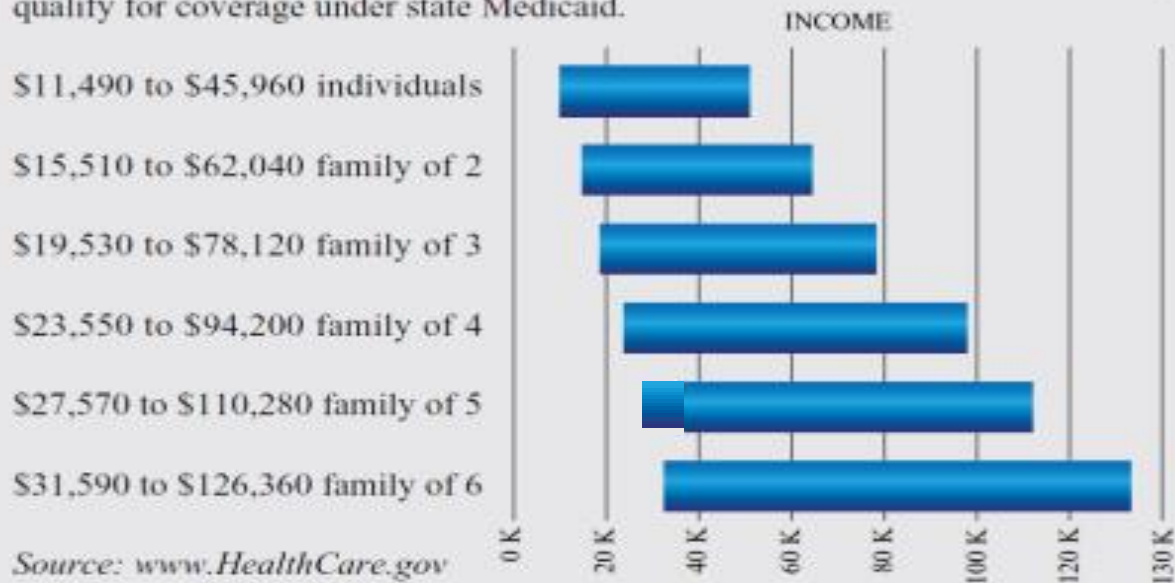
Oct. 1, 2013- Mar. 1, 2014 – All Ages



Exchange Health Premium Subsidies:

Who Qualifies for Subsidies?

In most states, people with incomes in these ranges qualify for tax credits to help lower their monthly premiums—or for other financial aid to reduce deductibles or copayments. (Amounts are based on 2013 numbers and are likely to be slightly higher this year.) People who earn less than the lowest amounts may qualify for coverage under state Medicaid.



STATE LEGISLATURES | FEBRUARY 2014

> > >

Sliding scale subsidy: limit premium costs to between 2% of income for up to 133% of the FPL and 9.5% for those between 300-400% of FPL.



What Happens April 1 & Beyond?

Enrollment is not fully over.

“Special Enrollment Periods” for Exchanges:

Time outside of the Open Enrollment, **Apr. 1- Nov. 14, in 2014**

1. **2-weeks added** for special obstacles & situations (3/26/14 notice)
2. Any 60 day open period after life events that involve a change in family status: marriage, divorce, birth of a child, adoption or loss of job or loss of other health coverage.
3. Medicaid, CHIP, Small business (SHOP) each have continuous enrollment; with no cut-off.
4. Policies bought outside ACA Exchanges count as Qualifying Health Plans (QHP).
5. Job-based plans (not through exchanges) generally allow special enrollment periods of 30 days.

<https://www.healthcare.gov/what-key-dates-do-i-need-to-know/>

HHS Changes in Exchange & Coverage Rules

- Extended the deadline for people to sign up for coverage starting on Jan. 1;
- Delayed the opening of online marketplaces for small businesses (SHOP to 2015)
- Asked insurers to extend individual health care policies that had been canceled for not complying with the new federal law. (in Nov. up to Dec. 2014; in Mar. extended through 2016)
- Delayed penalty for requirement for larger employers to offer coverage to employees (to Jan 2015, then 2016);
- Extended open enrollment days for 2015: Nov. 15-Feb 15, '05

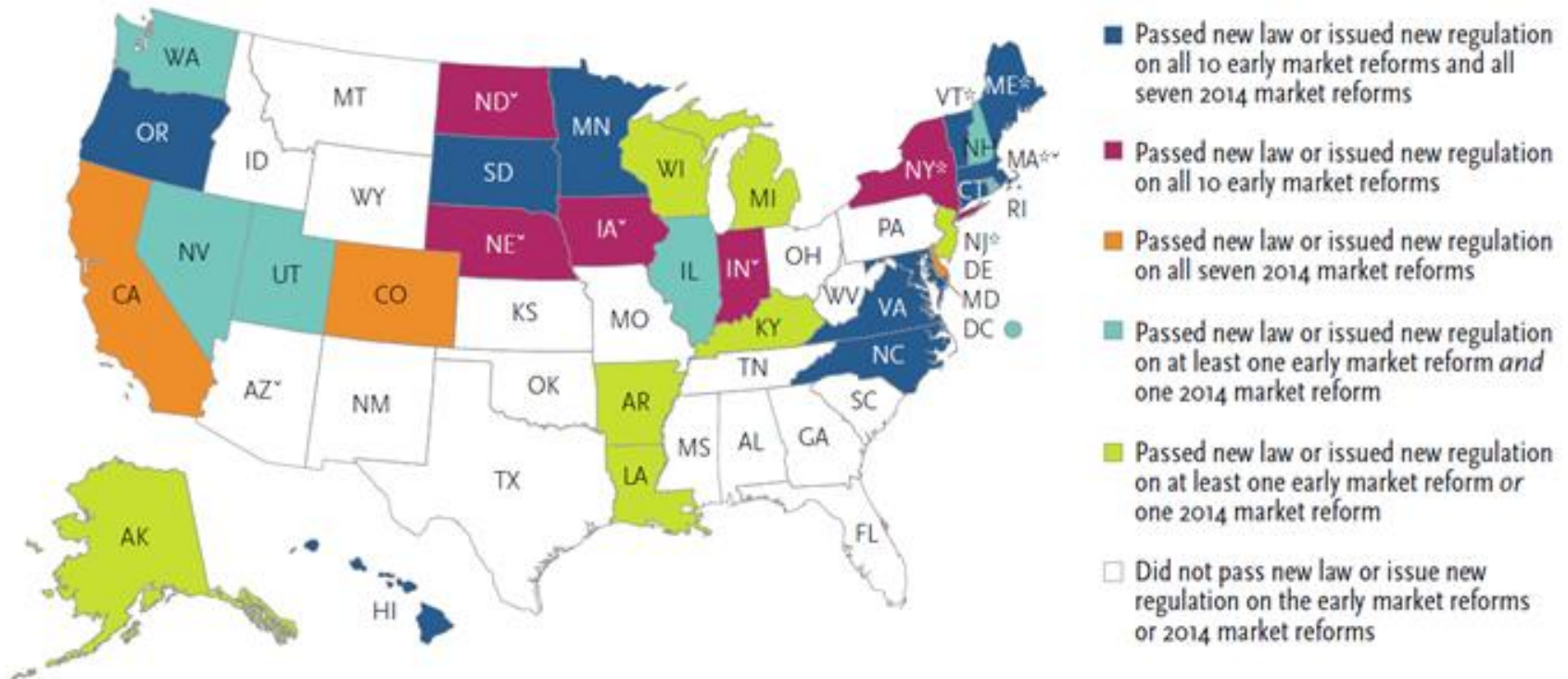


Marketplaces: Issues & Questions for states:

- (state-run exchange) How will you fund this starting in 2015? Good or bad for the state economy?
- (Federally facilitated exchange) How can, or should, the state regain control over health insurance sold within your boundaries?
- Contrast with neighboring states?

States Implementing Insurance Market Reforms

EXHIBIT 6. NEW STATE LEGISLATIVE OR REGULATORY ACTION ON THE MARKET REFORMS UNDER THE AFFORDABLE CARE ACT, NOVEMBER 2013



* States may have decided not to address a particular reform because state law is already consistent with it or because the state has the authority to enforce federal law. For example, Maine, Massachusetts, New Jersey, New York, and Vermont already required insurers to provide coverage to individuals on a guaranteed basis. The exhibit does not take into account such existing laws or authority.

† The state did not pass conforming legislation to implement all or some of the early market reforms but is relying on explicit authority to enforce the early market reforms.

Source: Authors' analysis.

For a more detailed description of state implementation of the market reforms, see the Web tools on The Commonwealth Fund's website.

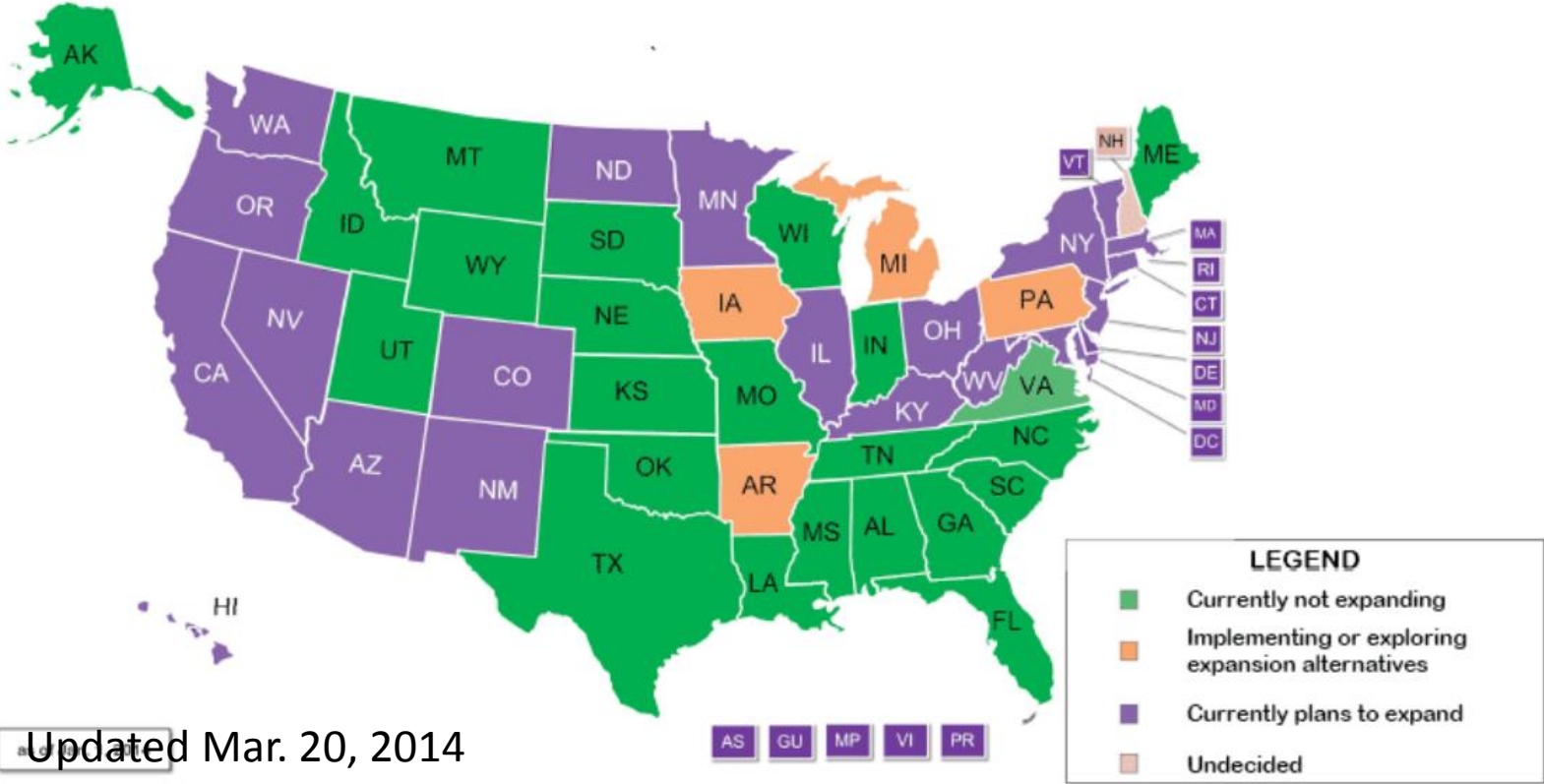
Insurance Reforms: (Questions & decisions to investigate)



EXHIBIT 3. ENFORCEMENT OPTIONS IN THE INDIVIDUAL AND SMALL-GROUP MARKETS

Enforcement Option	Definition
Direct state enforcement	State regulators perform regulatory functions such as collecting and reviewing policy forms for compliance, responding to consumer inquiries and complaints, and taking enforcement action as necessary.
Direct federal enforcement	Federal regulators perform regulatory functions because state regulators lack enforcement authority or fail to substantially enforce all or parts of federal law; requires federal regulators to collect and review policy forms for compliance, respond to consumer inquiries and complaints, and take enforcement action as necessary.
Collaborative state–federal enforcement	Agreement between federal and state regulators in which states perform regulatory functions but lack enforcement authority; typically requires the state to monitor for compliance with state and federal law, respond to consumer inquiries and complaints, and refer violations of federal law to federal regulators for enforcement action if unable to obtain voluntary compliance.

ACA Medicaid Expansion: State Decisions



Updated Mar. 20, 2014



Alternative to full ACA Medicaid Expansion: Premium Assistance

Exists for current
Medicaid
beneficiaries (mostly
employer-based)

Must be cost
effective and
provide wrap-
around services

HHS is approving a
limited number of
premium assistance
demonstrations.

A state may pursue premium assistance as a state plan option without a waiver would need an 1115 waiver for premium assistance in the individual market/purchase QHP in the Exchange.
Premium Assistance: History

Section 1906 Health Insurance Premium Payment (HIPP) Programs
Section 1905(a) Premium Payment Option (Individual market)
CHIP Family Coverage Option
1115 Waiver Authority
New CHIPRA Premium Assistance Options in Medicaid and CHIP

State experience:
29 states operate Section 1906 HIPP programs.
16 states have 1115 waiver programs
6 states operate 1905(a) programs
5 states adopted the new Medicaid premium assistance from CHIPRA.
1 state adopted the new CHIP option from CHIPRA.



State opposition & opt-out strategies

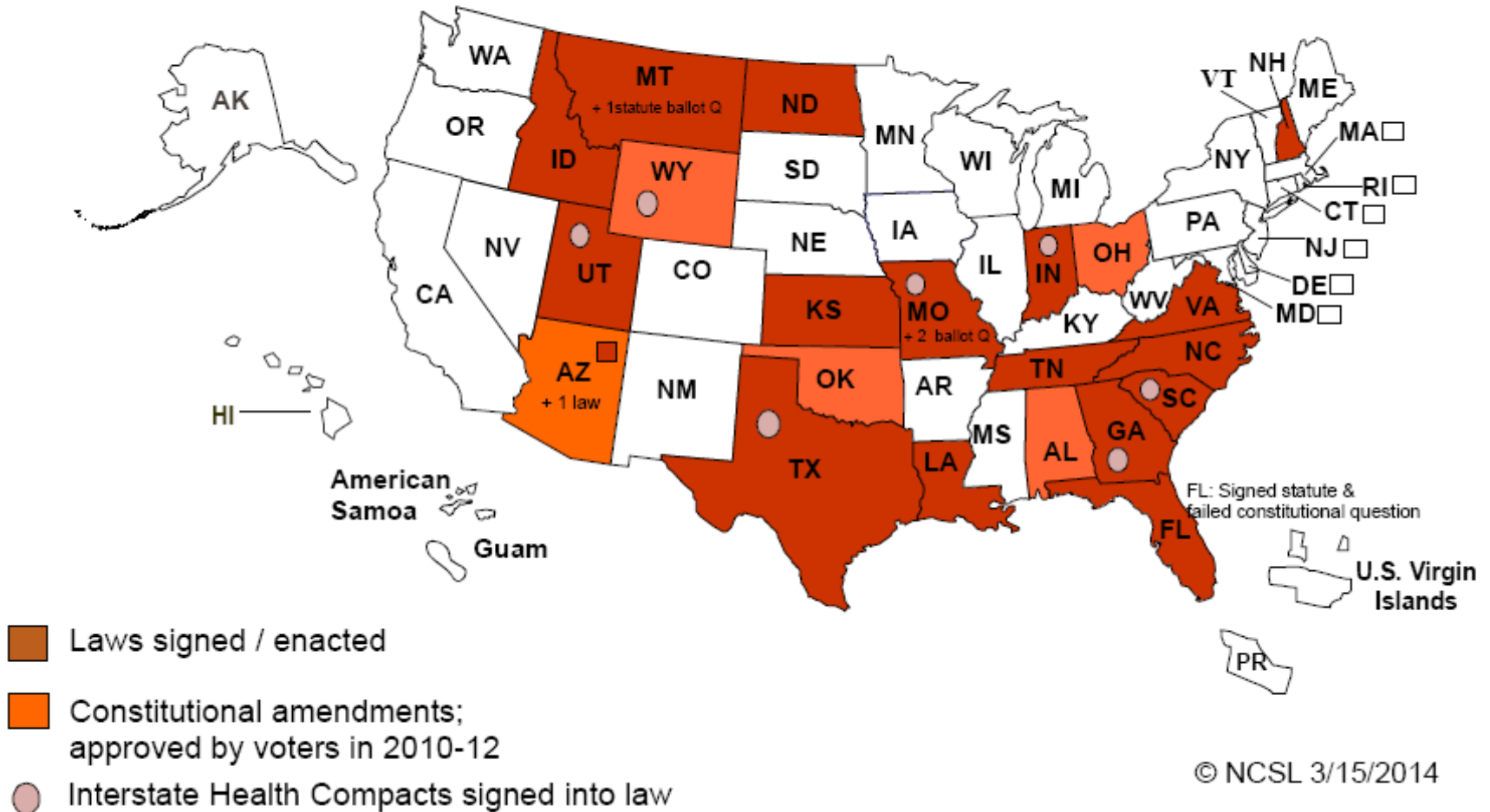
(2014 update, based on state legislation)

1. Refuse to expand Medicaid to 138% FPL (an allowable, legal option)
2. Non-cooperation with individual and employer mandates. Prohibit role with fines or penalties. (18 states with laws)
3. Interstate compacts to replace federal programs.
4. “Nullification” 10th Amendment language (not passed)
5. Regulate and restrict navigators. (15+ states with laws, differing effects)
6. Prohibit state-regulated health insurers from selling in exchanges.
7. No employer funds for contraception (federal courts)

Opposing ACA Laws

2009-2013 State Laws Opposing Insurance Mandates and Implementation of Federal Health Reform
The Post-Supreme Court Decision, Post Election Landscape

Binding enacted laws & constitutional provisions



Does not include optional state actions on Exchanges or Medicaid. See NCSL report for states with multiple filed legislation.

Reporter Questions / story ideas

Opposition & Opt-outs:

- State law for No mandates & no fines & penalties. (*What has changed or been implemented?*)
- Does extra regulation of navigators make a difference? (*safer consumers or less information?*)
- Contrast neighboring states

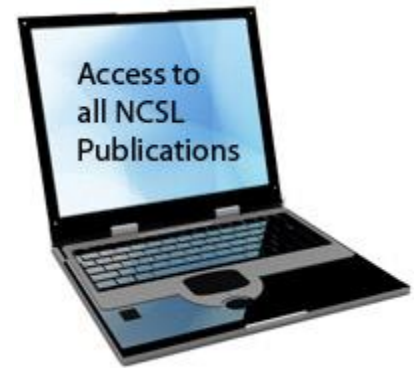




NCSL Exclusive Resource

2014 State Legislation Database:

- 950+ bills/resolutions filed and pending
- Launched this week online
- Free, available to all
- 8 major topics, updates every 2 weeks
- 32 laws & resolves already signed this year
[AR, CA, CO, DC, ID, MD, ME, MI, MS, NE, NM, ND, OR, WA, WI]



- <http://www.ncsl.org/default.aspx?tabid=27785>

Breaking news and “ongoing” news

- “Easy, but...” – HHS, congressional and governor news releases
- Instant, but in-depth –
 - Kaiser Health News; Health Affairs Blog, Prof Tim Jost; CMS/CCIIO fact sheets & guidance letters
- Published reports –
 - Various “go to” authors and organizations
- Legislators / staff / state officials –
 - Contacts through NCSL, NAIC, NAMD



NCSL resources

www.ncsl.org/healthreform

- Exchanges by state: www.ncsl.org/default.aspx?tabid=21388
- Opting-out & challenges: www.ncsl.org/default.aspx?tabid=18906
- Federal alerts/notices to states: www.ncsl.org/default.aspx?tabid=17747
- State Law responses: www.ncsl.org/default.aspx?tabid=22123
- HEALTH MAIN PAGE: www.ncsl.org/research/health.aspx

MY CONTACT INFORMATION –

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SUPPLEMENTAL SLIDES

(Use for reference - Not displayed)

Why Reform?

The issues of the past decade(s)

- Costs “too high, increasing too fast”
- Health status
- Complexity
- Gaping holes – uninsured / underinsured
- "Sickness" vs. "health" model

... is the pre-2014 status quo viable?

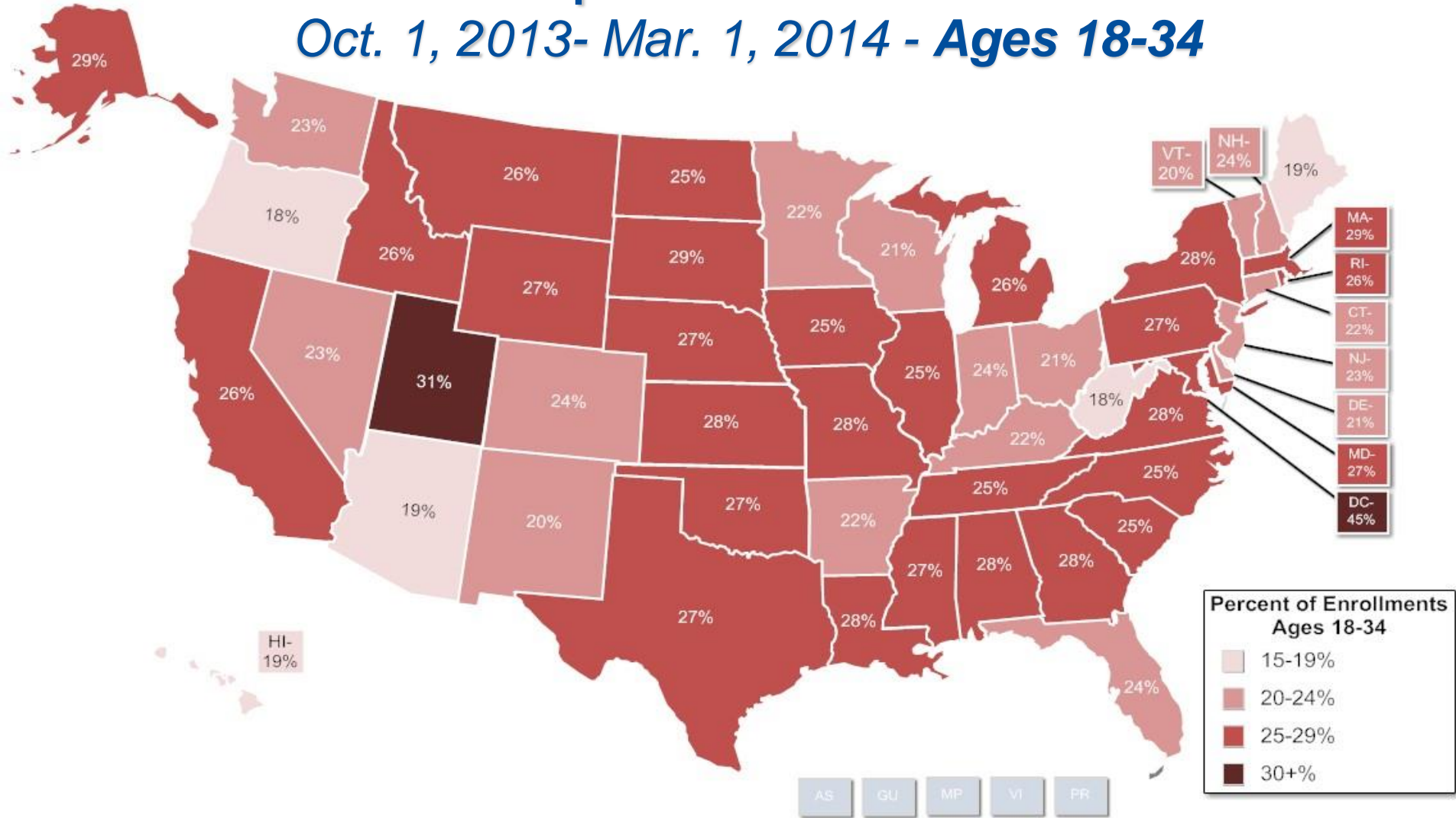
(list developed at NCSL 2007-2008)

Exchanges Created within States

- All 50 states now have a Health Benefit Exchange, or “**Marketplace**”, in operation & selling by Oct. 1 and providing coverage by Jan. 1, 2014.
- A coordinated marketplace for individuals and small employers to compare and purchase commercial insurance products, with regulations and consumer protections.
- Eligibility coordination: "No wrong door"

Marketplace Enrollments

Oct. 1, 2013- Mar. 1, 2014 - Ages 18-34



Inside Healthcare.gov

<https://www.healthcare.gov/find-premium-estimates/#results/&aud=indv&type=med&state=GA&county=De+Kalb&age0=40&employerCoverage=no&householdSize=2&income=29000>

31 Health Plans

[All plans \(31\)](#)

- Bronze Plans (12)
- Silver Plans (10)
- Gold Plans (7)
- Platinum Plans (2)

Insurance company


- Humana Employers Health Plan of Georgia, Inc.
- Kaiser Foundation Health Plan of Georgia
- Anthem Blue Cross and Blue Shield

All health plans must offer the same essential health benefits.

These benefits include coverage for things like:

- Doctor visits
- Prescription drugs
- Hospitalization
- Maternity and newborn care
- Preventive care

Plans can offer other benefits, like vision, dental, or medical management programs for a specific disease or condition. As you compare plans, you'll see what benefits each plan covers.



Tweet 114 Like 11 Email PRINT

Health plans for one individual, age 40, living in De Kalb County, GA. [Change](#)

Based on a household size of two and income of \$29,000, you may qualify for a **\$112/month tax credit** you can choose to apply to your premium for these plans. This tax credit has been applied to the premiums below.


You may also qualify for the [reduced out-of-pocket expenses](#) shown in the plans below.

Humana Connect Bronze 6300/6300 Plan

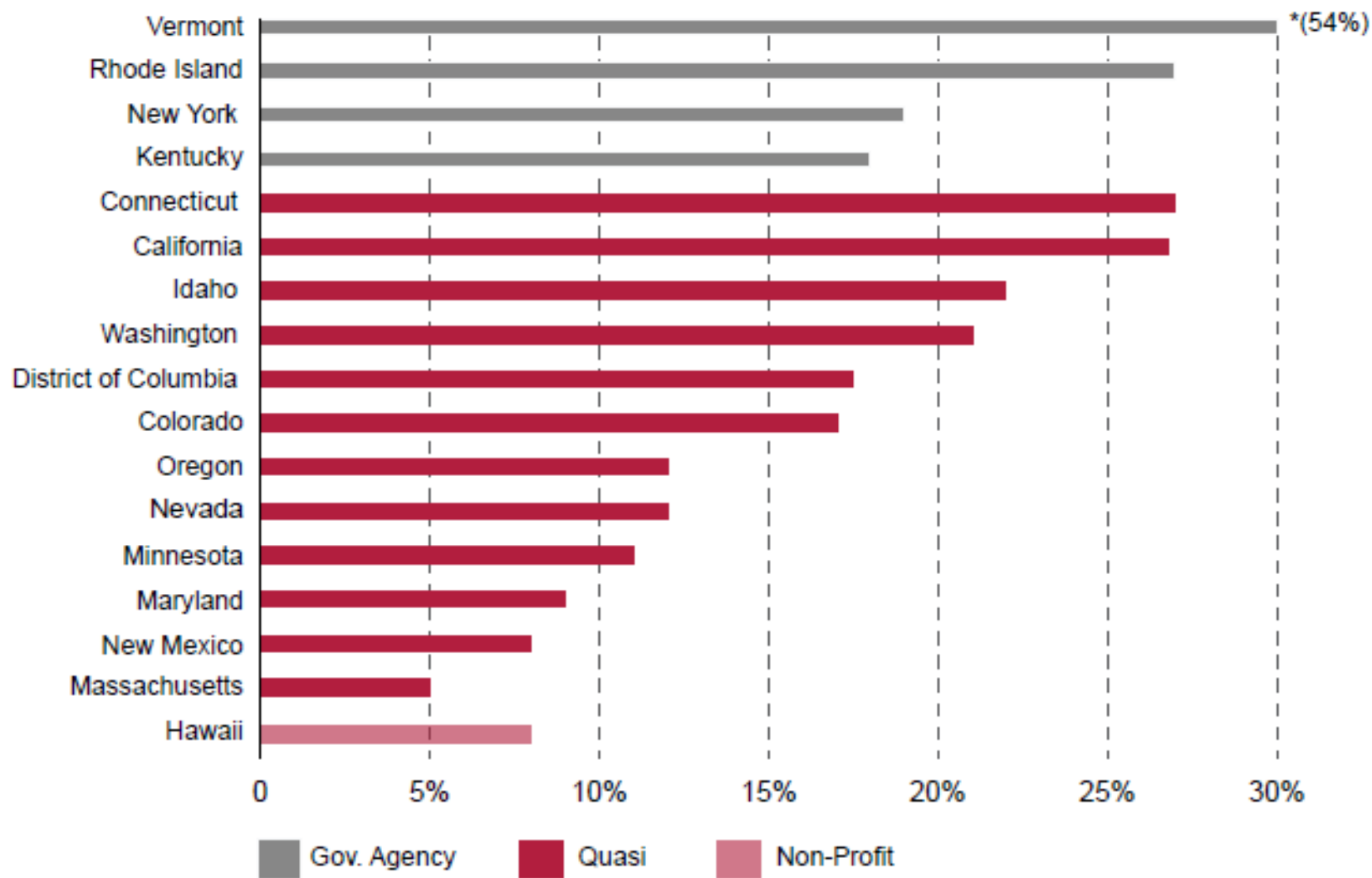
HMO | Bronze
Humana Employers Health Plan of Georgia, Inc.

[DETAILS](#) [APPLY](#)

Monthly premium	Deductible	Out-of-pocket Maximum	Copayments/Coinsurance:
\$90/mo <small>One enrollee Premium before tax credit \$202/mo</small>	\$6,300/yr <small>Per individual</small>	\$6,300/yr <small>Per individual</small>	Primary Doctor: No Charge after Deductible Specialist Doctor: No Charge after Deductible Generic Prescription: No Charge after Deductible ER Visit: No Charge after Deductible



State-Based Health Insurance Marketplace Enrollment as a Percent of Potential Enrollees by Governance Structure for Exchange



Exchange Health Premium Subsidies:

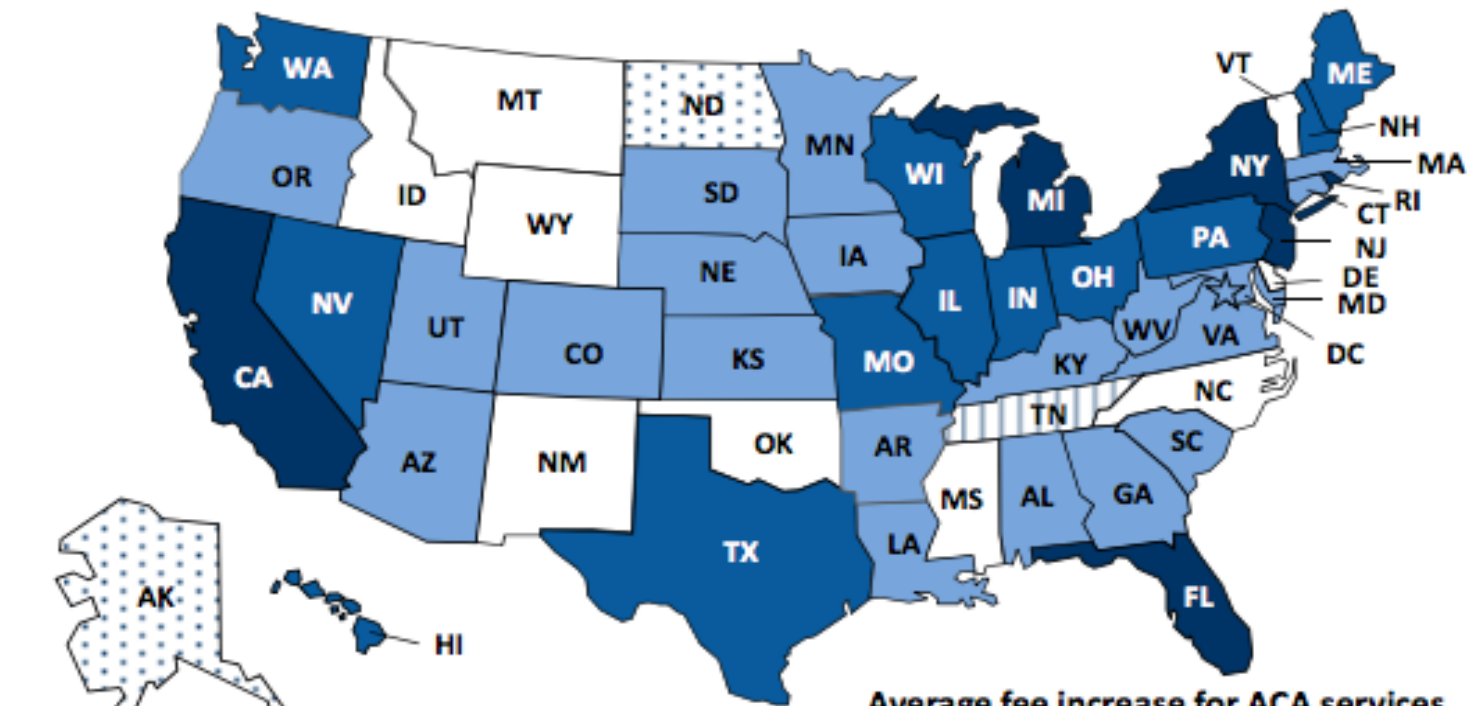
(The HHS online edition)

		Number of people in your household					
		1	2	3	4	5	6
Private Marketplace health plans	You may qualify for lower premiums on a Marketplace insurance plan if your yearly income is between...	\$11,490 - \$45,960	\$15,510 - \$62,040	\$19,530 - \$78,120	\$23,550 - \$94,200	\$27,570 - \$110,280	\$31,590 - \$126,360
	<i>See next row if your income is at the lower end of this range.</i>						
	You may qualify for lower premiums AND lower out-of-pocket costs for Marketplace insurance if your yearly income is between...	\$11,490 - \$28,725	\$15,510 - \$38,775	\$19,530 - \$48,825	\$23,550 - \$58,875	\$27,570 - \$68,925	\$31,590 - \$78,975
Medicaid coverage	If your state is expanding Medicaid in 2014: You may qualify for Medicaid coverage if your yearly income is below...	\$16,105	\$21,707	\$27,310	\$32,913	\$38,516	\$44,119
	If your state isn't expanding Medicaid: You may not qualify for any Marketplace savings programs if your yearly income is below...	\$11,490	\$15,510	\$19,530	\$23,550	\$27,570	\$31,590

ACA provision to assist community providers

Figure 3

Average Medicaid Fee Increases for ACA Primary Care Services in 2013, by State



Note: TN has no Medicaid FFS program.

SOURCE: 2012 KCMU/Urban Institute Medicaid Physician Fee Survey



IMPLEMENTING HEALTH REFORM: A STUDY IN CONTRASTS

While most states have taken some action to implement and enforce the Affordable Care Act, the degree of participation varies greatly.*



SPRINTING AHEAD

These states are participating in all aspects of health reform, by:

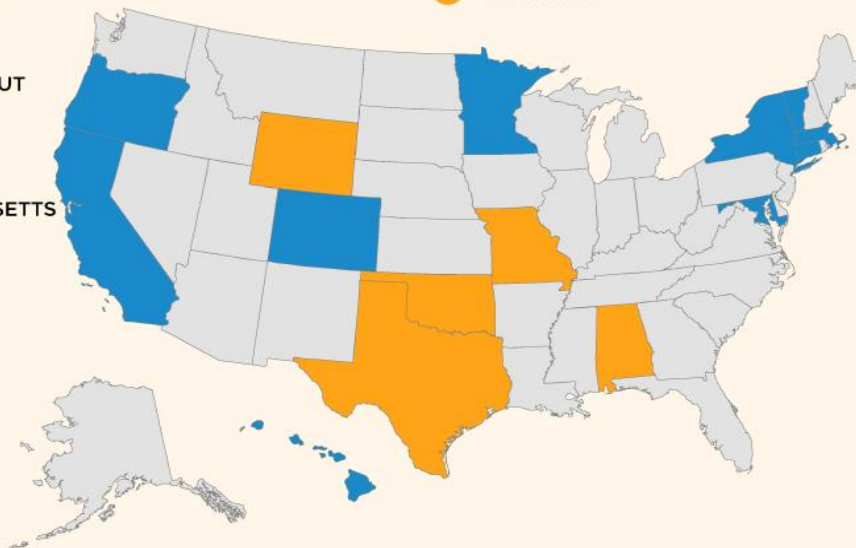
- + setting up their own insurance marketplaces
- + expanding Medicaid coverage to more low-income adults
- + enacting all, or nearly all, of the insurance protections to ensure consumers benefit from the law

-  CALIFORNIA
-  COLORADO
-  CONNECTICICUT
-  HAWAII
-  MARYLAND
-  MASSACHUSETTS
-  MINNESOTA
-  NEW YORK
-  OREGON
-  VERMONT

SITTING IT OUT

These states have so far declined to play a role in implementing the health reform law.

-  ALABAMA
-  MISSOURI
-  OKLAHOMA
-  TEXAS
-  WYOMING



Source: K. Keith and K. W. Lucia, *Implementing the Affordable Care Act: State of the States*, The Commonwealth Fund, Jan. 2014.



Not an NCSL
Graphic

- "We're at this crux where we have to ask ourselves what we want insurance to cover, what we want insurance to be."
- - Avalere Chief Executive Officer Daniel Mendelson