State and Federal
Health Care Reform Update

Universal Health Care Foundation of Connecticut

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Overview

• Universal Health Care Foundation of Connecticut

• Federal Reform: Affordable Care Act (ACA)
  – Through 2013
  – Major coverage expansions: 2014

• State Reform

• Challenges and Opportunities

• Resources
Universal Health Care Foundation of Connecticut

- **Mission**: to achieve access to quality, affordable health care for every resident of the state
- **Conversion foundation**
  - Advocacy
  - Policy research and development
  - Strategic communications
  - Public education on health reform
Federal Reform: The Affordable Care Act
What has already happened

• Early coverage
• Insurance reforms
• Improvements to public programs
• Improving the quality and efficiency of health care
• Prevention of chronic disease and improving public health
• Health care workforce
Coverage that has occurred since law passed

- Extending dependent coverage to children up to age 26
- Pre-existing condition plans
- Prohibiting the use of pre-existing condition exclusions for children under age 19
- No cost-sharing for preventive health coverage
New Insurance Protections and Market Reforms

- Prohibiting rescissions (retroactive cancellation of coverage)
- Prohibiting lifetime coverage limits
- Phasing out of annual benefit limits
- More rights to appeal coverage denials
- Medical loss ratio standards assure that 80-85% of premiums are spent on health care
- New rules on disclosure and review of “unreasonable” premium increases
Improvements to Public Programs: Medicare and Medicaid

- Closing the Medicare Part D “donut hole” by 2020
- No more overpayments to Medicare Advantage plans
- Reduced or no payment for certain hospital readmissions (fall 2012), focus on care transitions
- Piloting new payment approaches: Accountable Care Organizations
- Medicaid payment to primary care physicians increases to Medicare rates (2013 and 2014)
Quality and Cost, Prevention of Chronic Disease, Improving Public Health

- Demonstration programs on
  - new payment approaches
  - improving primary care
  - promoting health equity
- Patient Centered Outcomes Research Institute (PCORI): Comparative Effectiveness Research
- Center for Medicare and Medicaid Innovation
- Medicare Independent Payment Advisory Board
- Prevention and Public Health Fund
Health Care Workforce

- Community health centers
- School-based health centers
- Expansion of primary care workforce for physicians, nurse practitioners and physician assistants
- Health professions demonstration projects to address workforce shortages
- National Health Service Corps Loan Repayment Program
- Funding to train community health workers
Major coverage expansions: 2014

• Medicaid eligibility rises to 133% FPL (around $15,000/yr. annual income)
  Expected growth from 578,000 to over 700,000

• Health Insurance Exchange marketplace offers insurance to individuals and small businesses, with federal subsidies available for individuals up to 400% FPL 250,000 enrolled by 2016

• “No Wrong Door” enrollment through web, 800 number, in person. Community outreach will be essential to get hard-to-reach populations enrolled
Major coverage expansions: 2014

• Change in insurance market rules
  – No more rating differences based on gender
  – Age rating - 3:1 ratio
  – No more denials or higher prices due to health status/pre-existing conditions

• Subsidies to make insurance “affordable”
  – Premium subsidies for 100%-400% FPL
  – Cost sharing subsidies for 100%-250% FPL

• Individual mandate
• Employer mandate
State Reform Overview

• Health Insurance Exchange
• Medicaid
• State employee health plan
• HealthyCT CO-OP
• Health Care Cabinet and Office of Health Reform and Innovation
State Reform 2012: Health Insurance Exchange

CT is one of only 19 State-based Exchanges

• A quasi-public agency
  – Appointed board
  – Funded by federal grants:

• Advisory Committees
  – Consumer Experience and Outreach
  – Health Plan Benefits and Qualifications
  – Brokers, Agents and Navigators
  – Small Business Health Options

• Challenges: tight timelines, complexity, balancing interests of consumers, providers, insurers
State Reform 2012: Medicaid

- Major expansion of coverage
- One non-profit insurer (Community Health Network) administering the plan
- Payment incentives to promote quality, PCMH
- Concerns
  - Provider network, both primary care and specialty
  - Provider reimbursement
  - Churning between Exchange and Medicaid
  - Outreach and enrollment systems
State Reform 2012: State Employee Plan

- Health Enhancement Program
  - plan promotes prevention and chronic disease management

- Patient-Centered Medical Home (PCMH)
  - 2 large groups receiving extra payment for office visits of state employees; more groups to be added

- CT Partnership Plan
  - municipalities
  - large non-profits who do business with the state (ERISA challenges)
HealthyCT CO-OP

Consumer Operated and Oriented Plan
ACA provision to allow new non-profit health plans that are consumer governed and aim to improve quality to be established

• Low interest loans to fund start up and reserves; aim is to fund one in each state
• CSMS and CSMS IPA applied and were approved. Goal is to be offered in time for the Exchange
• HealthyCT is offering PCMH payment incentives
• Another non-profit, Harvard-Pilgrim, expected to enter market
State Reform: Cabinet, Office of Health Reform and Innovation

- Health Care Cabinet to coordinate and integrate all health reform efforts in the state
  - Business Plan Work Group recommending
    - More non-profit options
    - Options that promote VALUE – quality/better outcomes per dollar spent
  - Delivery System Innovation
  - Health Technology
- Office of Health Reform and Innovation
- Consumer Advisory Board
Health Reform Challenges

• Deficit reduction: Medicare, Medicaid, ACA
• Affordability
• There will still be uninsured
• Implementation complexity: fair, competitive, sustainable insurance market, ease of enrollment
• Need for widespread, consistent payment and delivery system reforms
• Workforce to meet the needs of newly insured
• Deadlines faced by Exchange
• Political polarization: how to make needed changes
Health Reform Opportunities

- Strong consumer protections
- No more job lock: Can obtain individual insurance regardless of pre-existing conditions
- Fewer uninsured
- Health care delivery IS moving in the right direction: patient-centered care, emphasis on quality and cost (value), prevention and chronic disease management, wellness
- Embracing much-needed change
Health Reform Web Resources

SustiNet/Connecticut
www.ct.gov/hix (exchange)
www.ct.gov/ohri
-cabinet
-working groups
www.ct.gov/sustinet
www.osc.ct.gov/ (comptroller)
www.ct.gov/cid (insurance)
www.cthealthpolicy.org
www.ctvoices.org

Federal Reform
www.healthcare.gov
www.kff.org (Kaiser Family Foundation)
www.aarp
www.consumerreports.org
www.consumersunion.org

www.rwjf.org (The Robert Wood Johnson Foundation)
www.cbpp.org (Center on Budget and Policy Priorities)
www.commonwealthfund.org
www.familiesusa.org
www.communitycatalyst.org