

Health Reform: What Legislators Need to Know about State Actions So Far

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State Actions to Implement Federal Health Reform So Far....



Health Reform Webinar Series
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Some Immediate PPACA Insurance Reforms

- Establishes temporary high-risk pools
- Prohibits plans from imposing lifetime or annual caps
- Limits pre-existing condition exclusions for children
- Extends coverage to young people up to their 26th birthday on their parents' insurance
- Eliminates co-payments and deductibles for preventive care
- Establishes temporary reinsurance for early retirees
- Minimum medical loss ratios



Moving Forward with Implementation

- States have options and decisions to make concerning many components of federal health reform.
 - High-risk pools
 - Establishing health insurance exchanges
 - Changes to insurance regulations
 - Medicaid and other state programs
- Some states already testing various provisions of health reform
- Figuring out what works and lessons learned
- For more information: www.ncsl.org/?TabId=17639



Some Challenges

- Budget issues still remain a big concern for states
- To date, states have reported a total estimated budget gap of \$531.4 billion (FY 2008 through FY 2013)
- Many states expect at least two more years of budget gaps
- Health care workforce shortages
- Incorporating new technology systems and paying for them

2009-2010 Legislative Action (18 states, includes introduced bills)

California	Maryland	North Dakota	Washington
Connecticut	Minnesota	Rhode Island	West Virginia
Iowa	Mississippi	South Dakota	Wisconsin
Louisiana	Nebraska	Utah	
Maine	New Mexico	Vermont	

2009-2010 Executive Action (15 states)

California	Michigan	Vermont
Colorado	Nevada	Virginia
Connecticut	New Mexico	Washington
Maine	New York	Wisconsin
Maryland	Pennsylvania	Wyoming

Addressing "how's" and "who's"

Creating Task Forces or Appointing officials to:

- Study details of the Patient Protection and Affordable Care Act
- Examine how federal health reform will affect existing state programs
- Develop a plan for state implementation of health reform
- Determine lead agencies for implementing components of the new law
- Collect data to make informed outcomes

Legislative Action

- Amending existing bills to include federal health reform
- Committee/Boards created as broad entities
- -Or- Committee/Boards are more specific to particular provisions:
 - high-risk pools, exchanges, insurance
- 2 states established task forces within the state budget bill
- Interim studies/actions still being determined as 2010 sessions end

Executive Action

- Most executive actions include stakeholder collaboration
- 3 states have included legislators in established committees or required action while others will determine whom to include
- Develop a plan for state implementation of the new federal law including models and recommendations

Moving Forward: First Steps

- Strategic plans for implementation
- Making recommendations
- Meeting deadlines
- Identifying funding sources
- Including appropriate stakeholders



NCSL Web Resources

- Federal Health Reform: Overall Implementation
www.ncsl.org/?TabId=17639
- Tracking State Implementation Efforts
www.ncsl.org/?TabId=20231
- Health Reform: State Examples
www.ncsl.org/?TabId=17691
- State Legislation Challenging Certain Health Reforms
www.ncsl.org/?TabId=18906
- High-Risk Pools
www.ncsl.org/?TabId=14329

The Patient Protection and Affordable Care Act (PPACA): An Overview of Its Potential Impact on State Health Programs



Legislative Analyst's Office

Report Overview

In May 2010 the LAO released a report titled, *The Patient Protection and Affordable Care Act (PPACA): An Overview of Its Potential Impact on State Health Programs*. The topics this report covers include:

- Overview of PPACA
- Implications for state health programs in the near and the long term
- Thinking broadly about implementing the new federal law

This report is available at the Legislative Analyst's Website at www.lao.ca.gov.

Scope of the Report

The scope of the LAO report is mainly limited to a discussion of the impact PPACA will have on state health programs. However, PPACA's impact will reach far beyond state health programs and extend into the following areas:

- Workforce development
- Health insurance oversight and regulation
- Federal tax changes and state revenue impacts
- State employee and retirement benefits

The impacts shown above are not discussed in the LAO report.

Implications for State Health Programs in the Near Term

The LAO report identifies the implications of PPACA for state health programs in the near term. These are the key findings:

- Maintenance of effort requirements will require the state to maintain eligibility standards, methodologies, and procedures for Medicaid and the Children's Health Insurance Program
- Prescription drug rebates could be reduced
- State faces major choices over setup of new federal risk pool program
- Federal waiver could expedite expansion of Medicaid coverage
- New programs could generate additional federal health care funds

Implications for State Health Programs in the Long Term

The LAO report identifies the implications of PPACA for state health programs in the long term. These are the key findings:

- Expansion will substantially increase future state Medicaid costs
- Reduction in federal hospital funding could affect some hospitals
- New insurance exchange needs integration with other programs
- Changes will be required in Medicaid eligibility processing
- Coverage for some children could be shifted to the exchange
- State and federal high-risk insurance pools could eventually be phased out
- Certain populations will continue to be uninsured

Legislature Should Think Broadly about Implementing PPACA

Beyond responding to the specific requirements in the new federal law, the Legislature should think broadly about the state's role in the implementation of expanded health insurance coverage over the next few years. These are the key findings:

- Future costs for health programs should be addressed
- Structural changes to state health programs are warranted
- The PPACA should prompt a reevaluation of the state-local relationship
- New strategies could bolster health care quality and outcomes
- Future workforce and health infrastructure needs should be assessed

The Legislature has the opportunity to improve both the fiscal sustainability and structure of the state's patchwork of health programs through implementation of PPACA.



Implementing Health Reform in Maine

Anne L. Head
Commissioner,
Dept of Professional and Financial
Regulation

Implementation Infrastructure is in Place

- Governor's Office of Health Policy & Finance
- Executive Steering Committee on Health Reform
- Health Policy Committee – State Agencies
- Advisory Council on Health Systems Development – Stakeholders
- Jt. Select Committee - Legislature

Policy Readiness

1. Capacity to increase focus on wellness and prevention
 - New public health infrastructure in place – 8 Districts & Tribal focus
 - Keep Me Well
 - Worksite Wellness

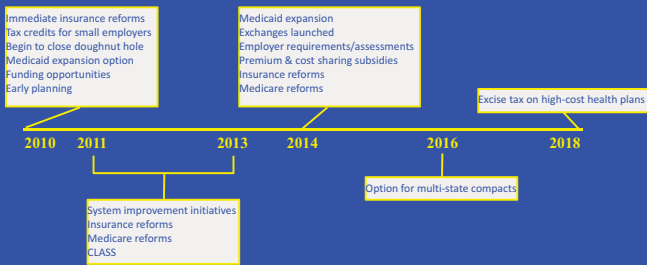
Policy Readiness

2. Dirigo ready to open High Risk Program July 1st (no waiting period)
 - Already operates Health Care Tax Credit
 - Administers eligibility & subsidy program
 - Voucher program underway
 - Enrollment in subsidy program re-opens July 2010
 - Website for consumer experience

Health Reform Implementation in Maine



Timeline for Implementation



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Immediate Activities to Implement Health Reform (2010)

- Medicaid and CHIP Related Activities:
 - Changes to Medicaid drug rebate
 - ME may need to amend preferred drug list
 - Maintenance of Effort (MOE) requirements on Medicaid & CHIP eligibility (exception if state budget deficit in 2011-2013)
 - Federal Coordinated Health Care Office to promote integration of Medicare and Medicaid.
 - State option to expand to 133% for childless adults w/ no waiver (no enhanced match until 2014)

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Immediate Activities to Implement Health Reform (2010)

- Medicare:
 - \$250 rebate to Medicare beneficiaries who reach Part D donut hole
 - Reduce annual market basket updates for Medicare providers and add productivity adjustment

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Immediate Activities to Implement Health Reform (2010)

- Insurance Reforms:
 - Funding for coverage for those with pre-existing conditions, uninsured at least 6 months
 - Temporary reinsurance plan to help employers cover cost of “young” retiree benefits
 - No pre-existing condition exclusions for children
 - Consumer website (state specific; federal format)
 - Required coverage of preventive services & immunizations
 - Review of unreasonable increases in insurance premiums
 - Dependent coverage to 26
 - Report of medical loss ratio (MLR)
 - Tax subsidies for small businesses (increase after 2013)

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Immediate Activities to Implement Health Reform (2010)

- Quality Improvement:
 - Establishment of Patient-Centered Outcomes Research Institute to support comparative effectiveness research
 - Establishment of Regular Corps and Ready Reserve Corps for service in national emergency
 - Reauthorization of Indian Health Care Improvement Act

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Immediate Activities to Implement Health Reform (2010)

- Workforce
 - Establishment of Workforce Advisory Committee to develop national strategy
 - Increase workforce supply and support training through scholarships/loans
 - Establish Teaching Health Centers for primary care residency programs in FQHCs

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Immediate Activities to Implement Health Reform (2010)

- Planning Activities:
 - State planning and implementation grants available to develop Exchanges

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Immediate Activities to Implement Health Reform: Funding Opportunities*

- Grants and projects that go into effect quickly:
 - Grants to develop consumer assistance offices or health insurance ombudsman programs
 - Grants to develop process and infrastructure for state rate review of insurers
 - Funding to create and operate a non-traditional state high-risk program (ME already requires guaranteed issue)
 - Grants to develop health care workforce strategy

*note: The Act includes many demonstration, pilot and grant opportunities; comprehensive list to be posted

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Implementation of Health Reform: Process

- Significant federal dollars are available to ME through health reform
- ME at a good starting point but implementation will still be time consuming and require commitment of all stakeholders
- Even though many major pieces of law become effective in 2014, planning needs to begin now

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State Health Plan

- Will include health care reform chapter
- Focus on implementation plan:
 - Process for considering policy issues and making recommendations
 - Including Council's leadership role in vetting issues
 - Identifying key activities and timeframes
 - Will include implementation start dates needed to meet effective dates
 - Will identify known opportunities and policy issues to be decided
 - Planning process to be transparent

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Challenges for Legislators

- Coordination with Executive Branch and with a new administration
- Preparing for policy decisions that need to be made during the transition to a new administration and state legislature
- Planning for effective public outreach to partners and the public



Implementation of Federal Health Care Reform: Utah's Approach

Norman K Thurston, Ph.D.
Health Policy and Reform
Initiatives Coordinator



Utah is a Reform Leader

- 2005 – Reform became a top legislative and executive branch priority for leaders from both parties
- Utah's reform objectives
 - System based on efficiency and value
 - A healthier population
 - Setting an example for other states



State-based Reform Initiatives

- Defined contribution market for health insurance
- The Utah Health Exchange
- Consumer and provider transparency
- Administrative simplification
- Payment reform (demonstrations)
- Tort reform
- Public funding and waivers



Shared Leadership

- Rep. David Clark, Utah's Speaker of the House personally co-chairs the Legislative Health System Reform Task Force
- Monthly meeting of cabinet-level officials with the Lt. Governor to discuss policy issues and major implementation
- Weekly staff meeting for agency staff to plan and coordinate across agencies



H.B. 67 (2010)

- Prohibits a state agency or department from implementing federal health care reform unless the agency reports to the Legislature regarding costs and impact on state reform efforts
- Ensures that both branches communicate regularly regarding federal health care reform



Federal Interface

- State officials are engaging in dialog with federal officials about our progress and lessons learned
- Advocate for state-level flexibility so states can continue to build on our successes and learn from each other

Any Questions?

- Use the Q and A panel on your screen.
- To find the archived webinar next week, go to <http://www.ncsl.org/?tabid=20333>
- Please fill out the survey at the end of this webinar.

Thank you!

Additional Resources

California

The Patient Protection and Affordable Care Act:

An Overview of Its Potential Impact on State Health Programs

http://www.lao.ca.gov/reports/2010/hlth/fed_healthcare/fed_healthcare_051310.pdf

Utah

Utah Health Exchange - <http://www.exchange.utah.gov/>

NCSL's Health Webpage

<http://www.ncsl.org/IssuesResearch/Health/tabid/160/Default.aspx>

