



# Health Reform: An Overview

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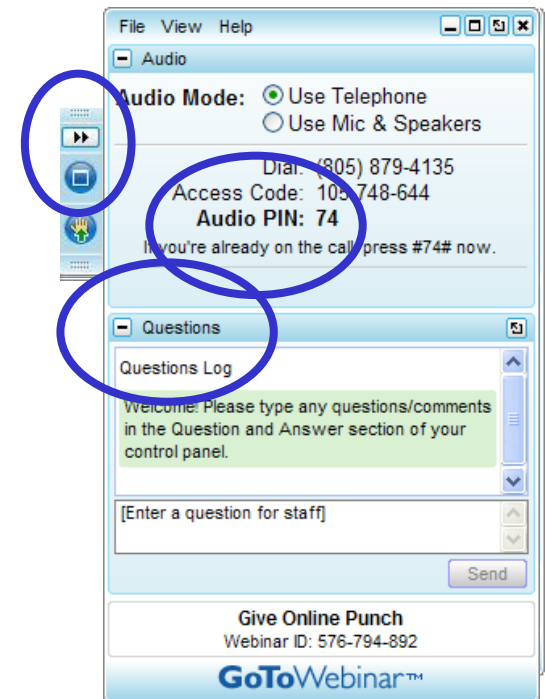
Wayne Turner, Staff Attorney

Webinar presentation

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# National Health Law Program

- National non-profit law firm committed to improving healthcare access and quality for low-income individuals
- Offices in Washington D.C., Los Angeles, and North Carolina
- Visit our website at: [www.healthlaw.org](http://www.healthlaw.org)

# Health Reform: An Overview

This presentation is made possible with support from:

Consumer Health Foundation and  
The Meyer Foundation

# Why Do We Need Health Reform?

- Over 50 million people nationwide do not have health insurance, including 65,000 in DC; 1,003,000 in VA; 743,000 in MD
- Even if someone has insurance, it could be very expensive or not cover the services needed
- Many individuals with disabilities or certain expensive conditions (such as cancer) stop getting coverage if the services cost too much
- Health reform means millions more get quality, affordable health care





THE DOCTOR WILL SEE YOU NOW.

HEALTH CARE REFORM 2010

MILLIONS OF UNINSURED AMERICANS

FitzSimmons © THE HERBOMAN DAVIS/UPPER 2010 CASE/CARTOONS.COM.

# Affordable Care Act (ACA) Topics

- Private insurance reforms
- Medicaid
- Health insurance exchanges/marketplaces
- Consumer protections
  - Essential Health Benefits
  - Preventive services with no cost-sharing
  - Anti-discrimination protections
- What you can do

# Private Insurance Reforms

- If you get insurance through your employer, you may not notice any changes
- Parents can now insure their children up to age 26
- Insurers cannot:
  - Limit the amount of health services you receive (both per year or over your lifetime)
  - Raise their rates without explaining why
  - Deny, cancel or limit your coverage due to a pre-existing condition (children now, adults in 2014)
- Insurers must spend at least 80% of your premiums on services or provide a rebate



MIKE LUCKAICH  
ILLUSTRATION FOR THE CONSTITUTIONAL  
ART.COM 3-23-10

Health  
Insurer

YOUR EXCUSES FOR  
NOT PROVIDING ME  
COVERAGE HAVE BEEN  
DENIED...



# Coverage in 2014 and Beyond

	<b>DC</b>	<b>MD</b>	<b>VA</b>	<b>Nationwide</b>
<b>Medicaid Expansion</b>	<b>21,000</b>	<b>220,000</b>	<b>(311,000)</b>	<b>17 million</b>
<b>Health Exchanges*</b>	<b>144,100</b>	<b>405,000</b>	<b>546,000</b>	<b>24 million (16 mil. new)</b>

\* Includes newly insured individuals and others who switch from private individual coverage or employer-sponsored insurance.

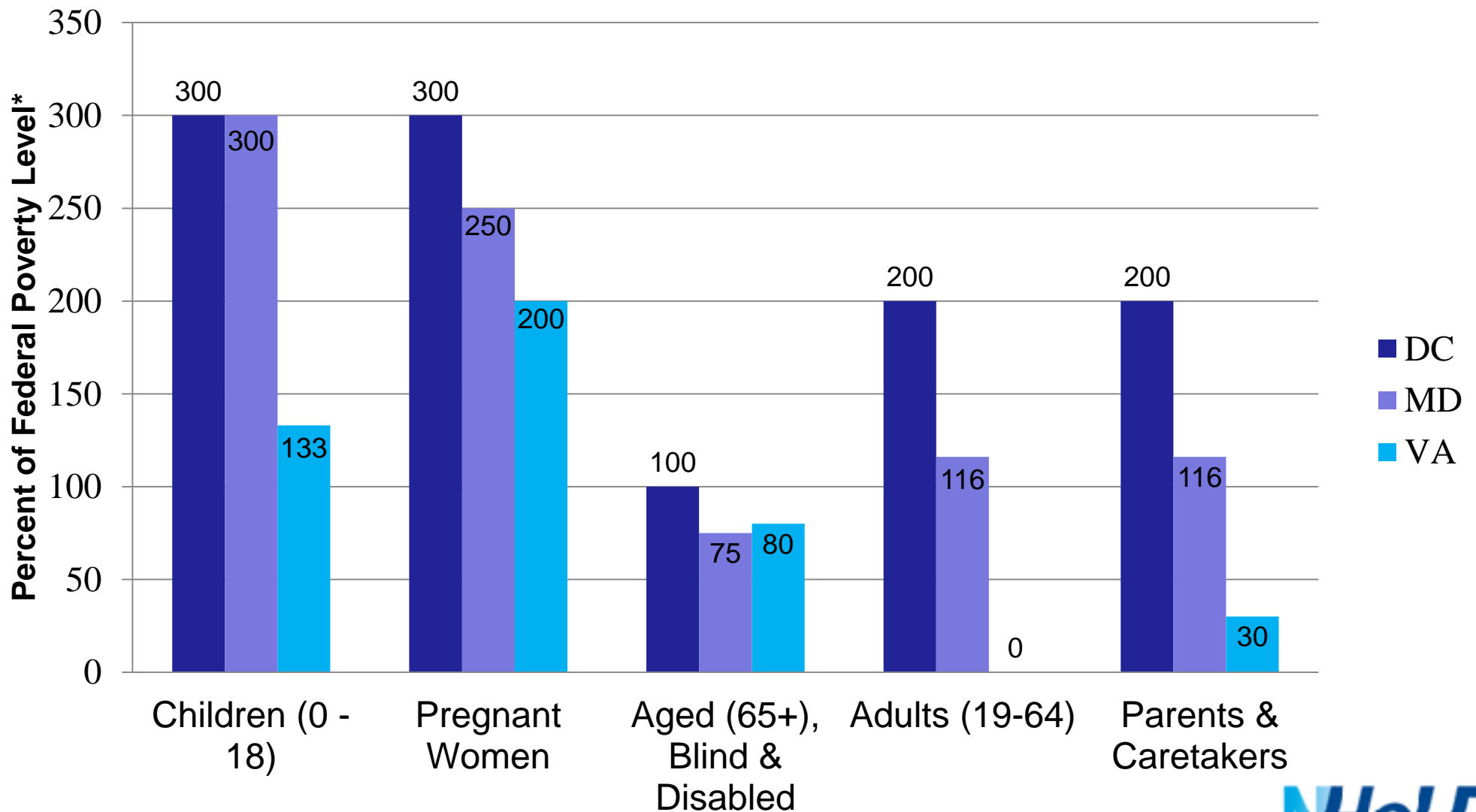
# Medicaid Today

- Medicaid is the nation's largest health program. In 2009, an estimated 63 million individuals enrolled for some period of time
- Many individuals are eligible but not enrolled
  - Encourage consumers to apply because they might be able to get insurance now!
- Medicaid offers more benefits than most private insurance at lower costs
- Enrollment tends to increase during economic downturns

# Medicaid Today

- Medicaid eligibility has been based on 2 main concepts:
  - Being very low-income and not having a lot of savings/assets, and
  - Fitting into a “category” (for example pregnant women, children, elderly, people with disabilities)
  - Childless adults generally left out
- States **must** cover individuals who are in certain categories and have low-income; states **may** cover more people at higher incomes
- States and the federal government share the costs; for most expenses, federal funds pay at least 50 cents of each dollar

# Medicaid Today



# Expanding Medicaid in 2014

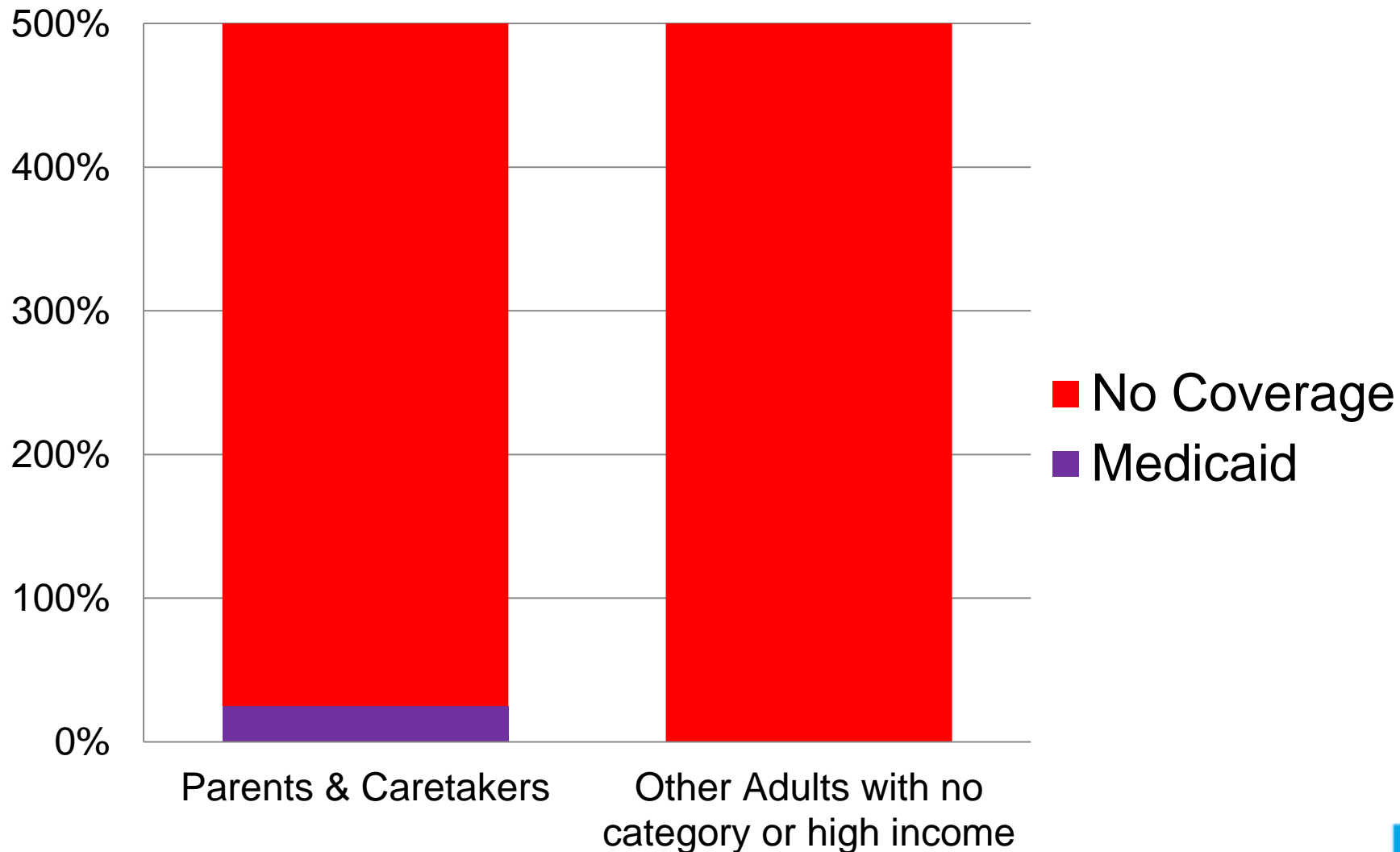
- New eligibility for adults 19-64, not pregnant, not Medicare eligible
  - No other category requirement
  - Income to \$15,856 (single) or \$21,404 (married)
- New method to calculate income
  - Based on annual taxable income
  - No limit to an individual's savings/assets
- Single, streamlined application with real-time verification and eligibility

# Expanding Medicaid

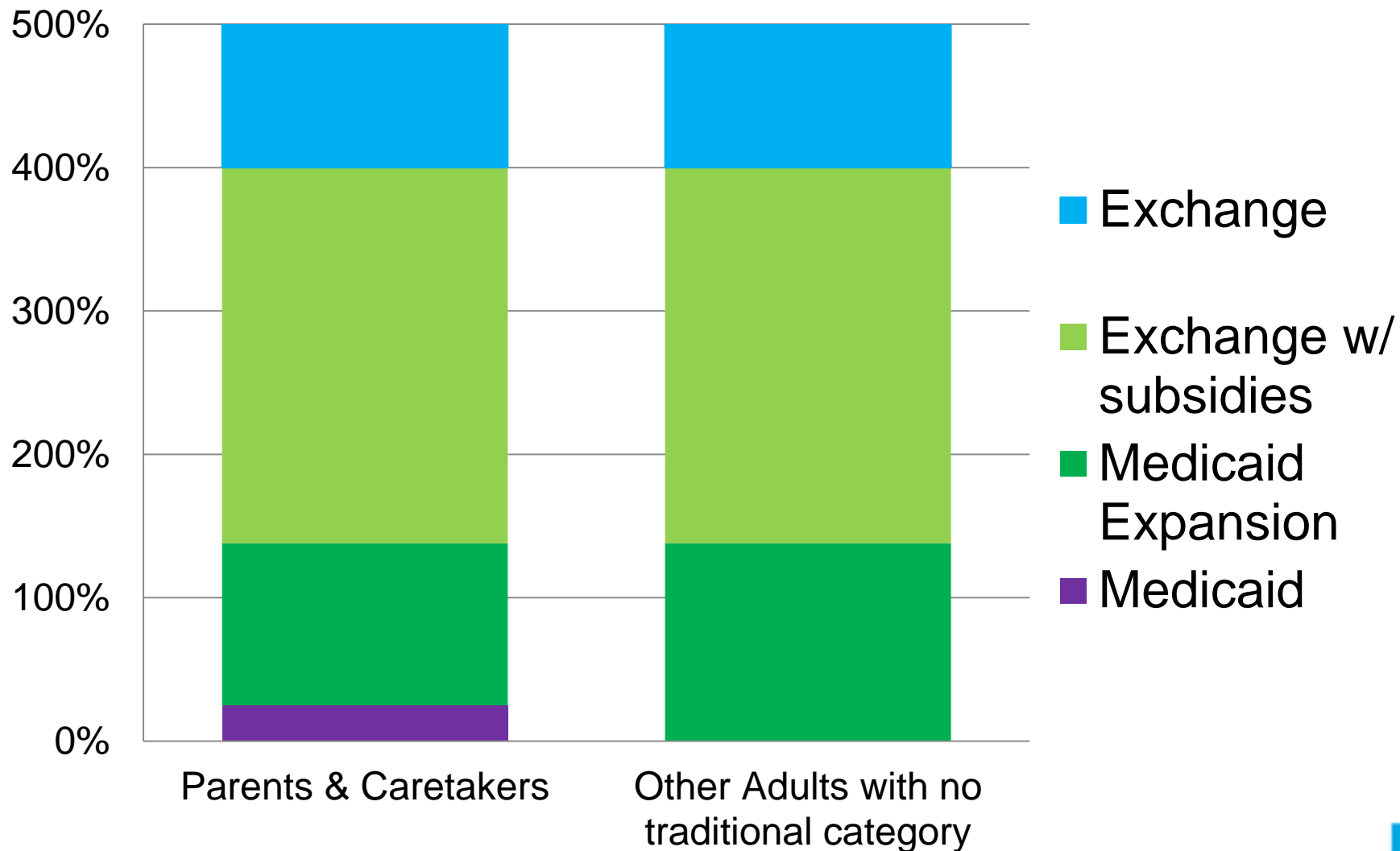
- Supreme Court allowed states to choose whether to expand
- Federal government pays 100% of costs for newly eligible individuals for 2014-2016, then continues to pay most of the costs
- Individuals will receive “Alternative Benefit Package” coverage which must provide certain minimum benefits
  - “Medically frail” and certain other individuals may choose traditional Medicaid benefits



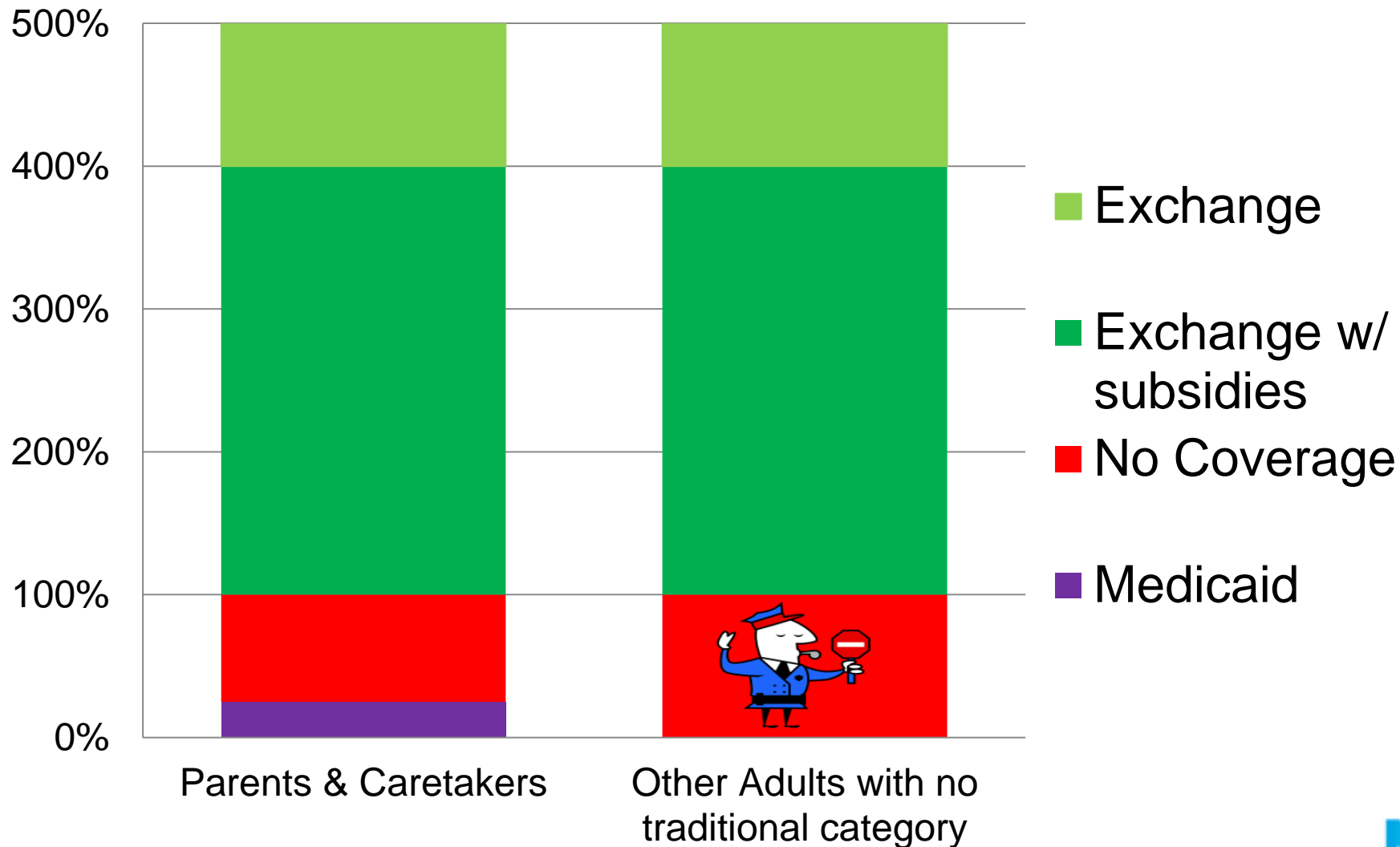
# Coverage for Adults Today (Virginia)



# Seamless Coverage for Adults in 2014 with Expansion (Virginia)

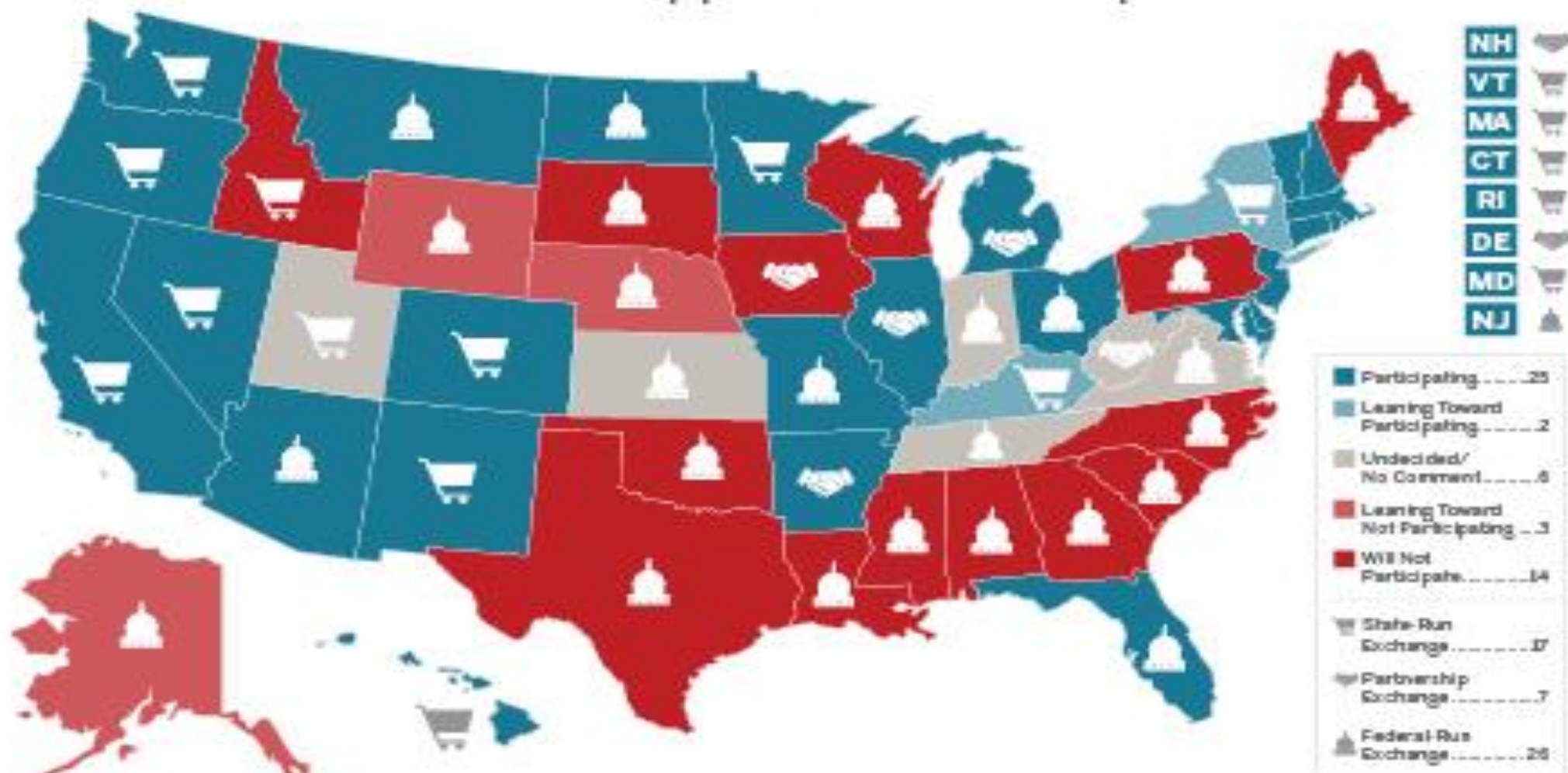


# Coverage Gap for Adults in 2014 without Expansion (Virginia)



# Where the States Stand: March 13, 2013

## 25 Governors Support Medicaid Expansion



Note: Based on literature review as of 3/13/13. All policies possible to change without notice. The District of Columbia plans to participate in Medicaid expansion and will operate its own exchange.

Source: American Health Line, <http://ahvalerts.com/2012/07/03/medicaid-where-each-state-stands-on-the-medicaid-expansion/>, accessed 3/13/13.

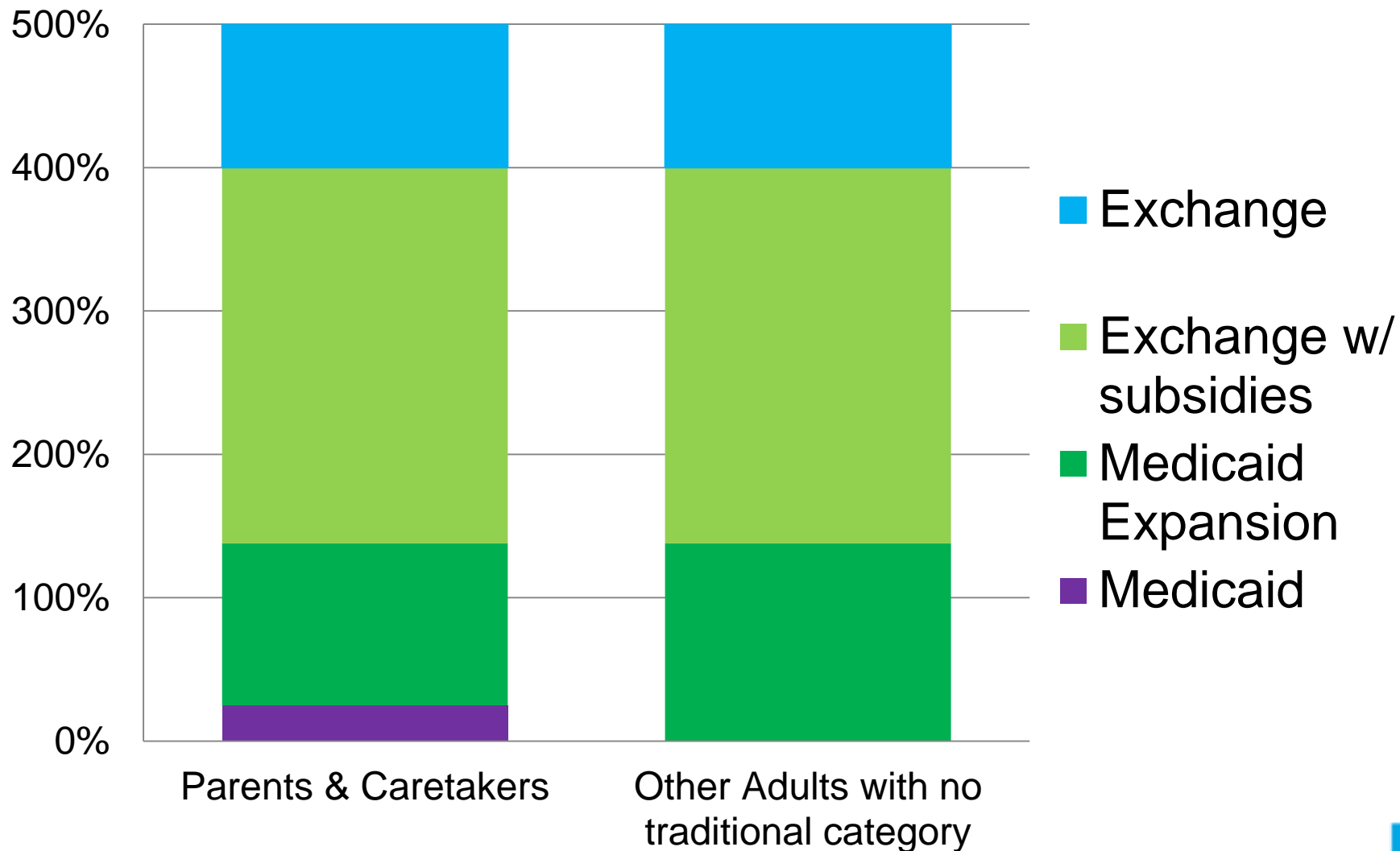
# Children's Coverage

- Beginning in 2014, children age 6 through 18 from 100% to 133% FPL can be enrolled in Medicaid
- CHIP must continue through 2019
- Continued coverage for children aging out of foster care system (until age 26)

# Exchanges/Marketplaces

- Health insurance marketplaces with one-stop eligibility and enrollment for individuals and small businesses
- Three types:
  - State-operated
  - Federal/State Partnership
  - Federally-facilitated

# Seamless Coverage for Adults in 2014 with Expansion (Virginia)





# Applying

- **Single application** for Medicaid, CHIP, or private insurance coverage (unless you get insurance through your employer)
- Can apply in person, over the phone, by web or mail
- All plans must provide the same information to help individuals easily compare plans
- Consumer assistance to help individuals fill out applications

# Who Can Obtain Insurance Through the Exchanges?

- Eligibility basics – an individual must:
  - Live in the state
  - Be a citizen or a lawfully present immigrant
- Subsidies for lower income individuals
  - Help paying monthly premiums
  - Reduced deductibles, co-pays and other out-of-pocket costs
  - Only available if individual has no access to affordable insurance through employer, Medicare, Medicaid or CHIP
- Most individuals who do not get insurance will have to pay a penalty

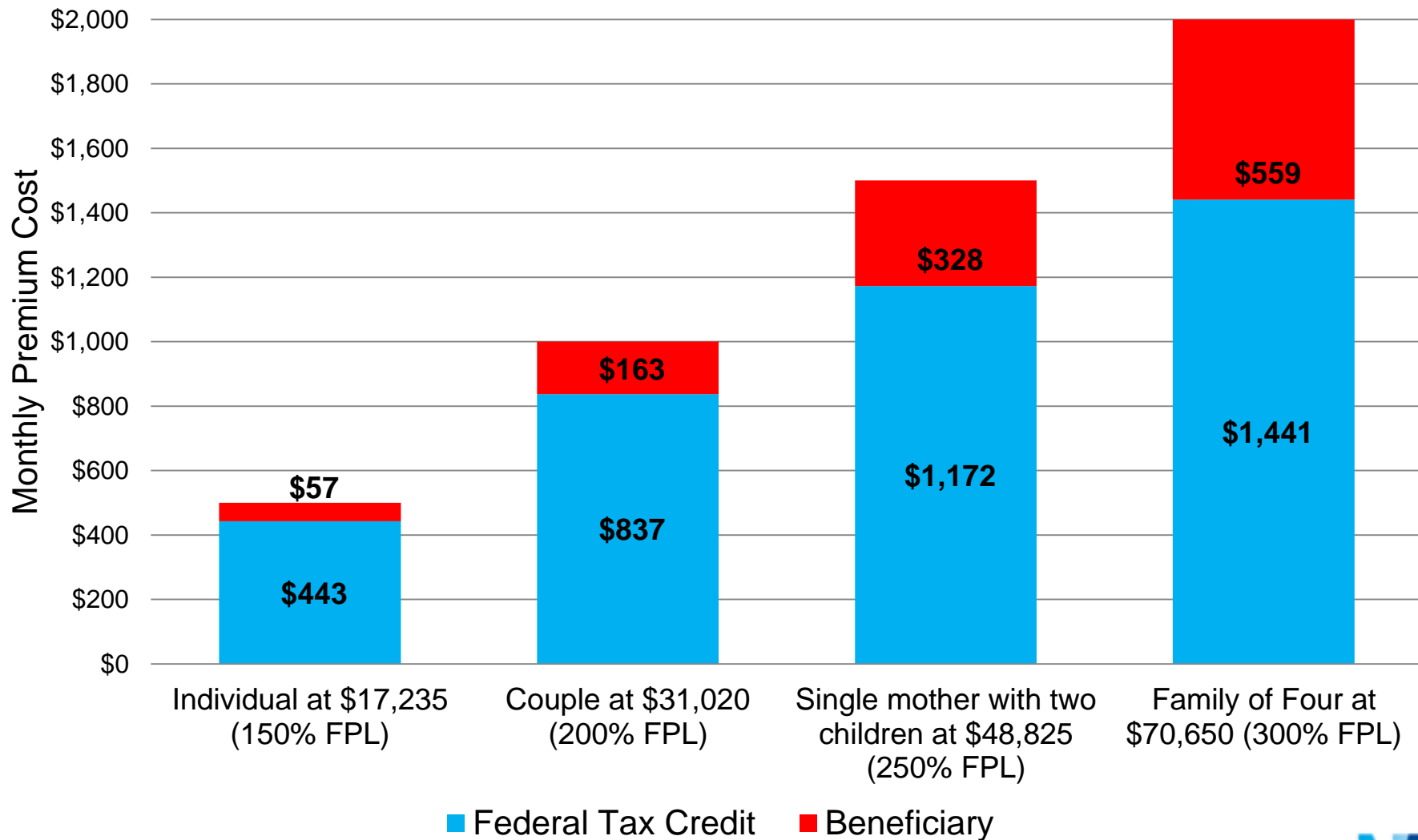
# Paying for Private Insurance – Individual

<b>Income Level (for an individual)</b>	<b>Maximum Premium Contribution (Annual)</b>	<b>Average Cost- Sharing Paid by Beneficiary</b>
<b>Up to \$15,282 *</b>	<b>\$306</b>	<b>6%</b>
<b>\$15,282 ≤ \$17,235</b>	<b>\$306 to \$689</b>	<b>6%</b>
<b>\$17,235 ≤ \$22,980</b>	<b>\$689 to \$1448</b>	<b>13%</b>
<b>\$22,980 ≤ \$28,725</b>	<b>\$1448 to \$2312</b>	<b>27%</b>
<b>\$28,725 ≤ \$34,470</b>	<b>\$2312 to \$3275</b>	<b>30%</b>
<b>\$34,470 ≤ \$45,960</b>	<b>\$3275 to \$4,366</b>	<b>30%</b>

\* 2013 Federal Poverty Level data. The level will vary based on the size of the family and if they live in Hawaii or Alaska.

**NOTE:** The premium cap is based on the cost of the second-lowest cost silver plan available to the individual. An individual who enrolls in a more expensive gold plan would pay more. An individual who enrolls in a cheaper bronze level plan would have lower or no premium costs. Cost sharing reduction is only available with silver plans.

# Monthly Premiums on the Exchange\*



\* Based on second cheapest silver plan at \$500/month per person.

# Confusion!!

- Enrollees choose between five levels of “qualified health plans” – bronze, silver, gold, platinum, catastrophic
  - Each level covers different percentages of health costs
  - “Bronze trap” – the bronze plan will have cheapest premiums so will look most attractive
  - **BUT** the best option for most low income individuals will be a silver plan
  - **WHY?** Federal CSR applies only to silver plans
  - So need to consider **BOTH** premiums and cost-sharing when choosing a plan
  - This is why “assisters” and consumer advocates will be critically important!

# Essential Health Benefits

- All health plans must cover certain “essential health benefits”
  - 10 categories, such as prescription drugs and maternity services
  - Mental health parity
- Preventive services without cost-sharing:
  - Recommended screenings and counseling
  - Preventive care and screening for women (e.g. mammograms age 40+, domestic and interpersonal violence, cervical cancer)
  - Regular immunizations and some screenings and preventive care for children and adolescents
- Health plans must also provide wellness services and chronic disease management

# Community Health Centers

- Health insurers in Exchanges must contract with “essential community providers” including community health centers
- Community health centers will have to provide similar services & quality of care for their patients to want to continue seeking care when they have new alternatives
- Remaining uninsured (mostly immigrants) will still seek care from safety net providers



# Health Disparities & Exchanges – Demographics

- More racially and ethnically diverse (11% African American, 25% Hispanic) than other privately-insured populations
  - People of color comprise 50% of the 19 million non-elderly uninsured individuals eligible for Exchange subsidies
- About 23% speak a language other than English at home
- An estimated 4.8 million women will qualify for Exchange subsidies
- 37% of potential enrollees have gone at least 2 years without a check-up, 39% do not have a usual source of care, and 29% had no interactions with the health care delivery system in the past year

# Nondiscrimination – ACA § 1557

- Extends existing federal civil rights laws prohibiting discrimination on basis of race, color, national origin, gender, age and disability to:
  - any health program or activity receiving federal financial assistance;
  - any program or activity administered by a federal executive agency; and
  - any entity established under Title 1 of ACA (e.g. Exchanges)
- Includes cause of action
- HHS Office for Civil Rights to issue regulations

# Exchange Accessibility

- Culturally and linguistically appropriate services explicitly required for:
  - Appeals notices
  - Summary of Benefits and Coverage
  - Navigators and certified application counselors
- Language services required in Exchanges and QHPs under Title VI and § 1557 because:
  - Federal funds for Exchange subsidies
  - Exchanges created under Title I of the ACA

# Benefits of Health Reform

- Individuals can get affordable insurance and choose their health plans
- Health plans must cover many primary care services and preventive health services
- Since most individuals can get insurance in 2014, consumers will have more choice about where to get care

COVERAGE FOR 30 MILLION  
UNINSURED. THOSE WITH  
PRE-EXISTING CONDITIONS  
COVERED. CAN'T BE  
DROPPED IF THEY GET  
SICK. FREE PREVENTIVE  
CARE...



IM BUNMED.

OBAMACARE  
UPHELD

# Getting Involved

- Not everyone will gain access to affordable coverage under health reform
- States are currently deciding Medicaid expansion
- States are now defining their benefit packages for Medicaid expansion and for the Exchanges
- States are updating eligibility and enrollment systems
- Some states proposing “flexibility” that will hurt consumers, such as raising cost-sharing on beneficiaries

# Resources

- National Health Law Program: [www.healthlaw.org](http://www.healthlaw.org)
  - Medicaid Expansion Toolbox
  - Resources on Medicaid and health reform implementation
- Federal government sites:
  - [www.cms.gov](http://www.cms.gov)
  - [www.healthcare.gov](http://www.healthcare.gov)





## THANK YOU

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