

Health Reform Timelines

Health Care Forum
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Organizations

Immediate Insurance Change 2010

- No lifetime limits
- Annual limits capped
- No rescissions
- Prevention w/o cost sharing
- No pre-ex for children
- Pre-ex risk pools
- Rate filing w/HHS
- Independent review
- Reinsurance for 55-65 in employer plans
- Loss ratio reporting
- Dependent coverage through age 25

2011, 2012, 2013

- Loss ratio limitations (80% and 85%)
- Rules adopted for electronic funds transfer and transactions (compliance by 2013)
- States decide on exchanges

2014 and Beyond

- Exchanges in all states (or multi-state)
- No medical underwriting
- Credits below 400% FPL
- Mandated benefits (HHS Secretary)
- Required loss ratio limits
- No lifetime or annual limits
- Transparency
- Anti-discrimination provisions
- **Interstate compacts**

Guaranteed Benefits Details to Follow

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental Health and substance use disorder services, including behavioral health treatments
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care

Benefit Packages in Exchange

- *Bronze Plan:* Includes the essential benefits and minimum cost - sharing protections where the plan covers 60 percent of the full value of the benefits.
- *Silver Plan:* Includes the essential benefits plus 70 percent of the full value of the benefits.
- *Gold Plan:* Includes the essential benefits plus 80 percent of the full value of the benefits.
- *Platinum Plan:* Includes the essential benefits plus 90 percent of the full value of the benefits.

Expanded Public Programs

- Medicaid to 133% FPL, including adults
- Early implementation option
- Subsidies to 400% sliding scale
- Out-of-pocket healthcare costs should not exceed more than 8% of income.
- State BHP option
- \$15 B public health expansion
(Medicaid maintenance of effort)
- **Immigrant exclusions**

Sliding Scale Credits in Exchanges

- Up to 133% FPL: 2% of income
- 133-150% FPL: 3-4% of income
- 150-200% FPL: 4-6.3% of income
- 200-250% FPL: 6.3-8.05% of income
- 250-300% FPL: 8.05-9.5% of income
- 300-400% FPL: 9.5% of income

Individual Mandate

- American Indians exempted along with religious objectors and undocumented immigrants
- The penalty will be phased in starting at \$95 or 1% of income in 2014, whichever is higher and rising to \$695 or 2.5% of income in 2016. Families will not pay more than \$2,085
- Financial hardship can also avoid the requirement. If one pays more than 8% of income for the cheapest available plan there is no penalty
- Those who are exempt or under 30 can buy catastrophic plans that also must allow for three primary visits per year

Businesses: Credits/Exchanges

- Tax credits for small business in 2010
- 35 % credits grow to 50%
- Small businesses with up to 100 employees and self-employed people will qualify for exchanges in 2014.
- States will have the option to open their exchanges to businesses with more than 100 employees starting in 2017.

Employer Mandate

- Applies to businesses with 50 or more full-time employees (measured in FTEs)
- If the business does not offer coverage to full-time employees, and any full-time employee receives a subsidy through an exchange, the employer will pay \$2,000 per full-time worker (not including the first 30 workers)
- If the business offers coverage but the cost of that coverage to the employee is unaffordable (exceeds 9.5 percent of household income) for any full-time employees, or the plan covers less than 60 percent of average health costs, the employer will pay \$3,000 for each full-time employee who receives a subsidy in an exchange (Capped at 2,000 FTE workers over 30 workers)

Taxes

- Individuals making more than \$200,000 a year, or a married couple more than \$250,000 a year Medicare Part A (hospital insurance) tax rate would be increased by 0.9 percent, to 2.35 percent
- The bill creates an entirely new tax of 3.8 percent on unearned income (dividends, interest) for people in the above income brackets
- Tanning beds
- Excise tax on insurers of employer-sponsored health plans that cost more than \$10,200 annually for individual coverage, or \$27,500 annually for family coverage in 2018 (40% of excess)

Seniors

- Doughnut hole narrows (eliminated 2020)
(50% drug discount Part D in 2011)
- Mid-year change possible for Part D plans
- Expanded Part D subsidies for low-income
- Voluntary CLASS program
- No cost sharing for prevention/annual check-ups (2011)
- Medicare Trust fund extended

Women

- Anti-discrimination
- Gender rating ban
- No pre-exes based on sex
- Medicaid for family planning services
- Employer mandate on breast feeding time and place
- No prior authorization for direct access to Ob/Gyn
- Required benefits include maternity care
- **Abortion**

Disparities

- Indian Health Act
- Community Empowerment
- Workforce
- Linguistic and cultural sensitivity
- Clinics

(More Later on the Agenda)

Children

- CHIP benefits, cost-sharing and authorization will continue under current law until 2019. The bill authorizes CHIP until 2019
- Child only offering in the Exchange
- No pre-exes
- State option on lawfully present immigrant children
- **CHIP and Subsidies and Basic Health?**

Immigrants

- 5 year bar for adults not changed
- Prohibition in exchange for undocumented
- Mixed families
- Child only
- Group purchase in exchange

Special Issues

- | | |
|--------------------------------------|--|
| ■ Clinics/Hospital | ■ Manpower Planning |
| ➤ Huge expansion of clinic resources | ➤ (National Commission) |
| ➤ Rural hospital assistance | ➤ Planning for expansion of manpower programs must begin immediately at state and local levels |
| ➤ Non-profit hospital requirements | |

DSH reductions

Implementation Requires Executive and Congressional action and work by the states

- This health care plan is being attack by a planned and concerted effort
- Recent poling shows that 56% of the electorate is “confused” about what is in the reform

Do you feel you have enough information about the health reform law to understand how it will impact you personally, or not?



Source: Keiser Family Foundation Health Tracking Poll April 2010