



What does
health
reform
mean for **ME** and
you?

The Patient Protection & Affordable Care Act: Next Steps in Maine

February 8, 2013



Maine Medical Association

- Voluntary membership association of over 3,600 Maine physicians, residents, and medical students
- Formed in 1853
- Mission: to support Maine physicians, advance the quality of medicine in Maine, and promote the health of all Maine citizens



MMA Efforts

- MeHAF Grant, *Informing, Engaging, and Educating Maine People about Health Reform*
- MeHAF Grant, *Informing Health Reform Administrative Procedures*
- Looking for practices interested in partnering
 - Distributing materials to patients
 - Informing regulatory comments
 - Access to more resources/materials



Goals of the ACA

- Expand health insurance coverage
- Improve coverage for those with health insurance
- Improve quality of care
- Control rising health care costs



Supreme Court Decision

- Court has jurisdiction to decide case
- Mandate is a constitutional exercise of Congress' power to tax
- Medicaid expansion violates Congress' spending clause power as unconstitutionally coercive
 - Remedy is to limit HHS Secretary's power to withhold existing federal Medicaid funds for state non-compliance



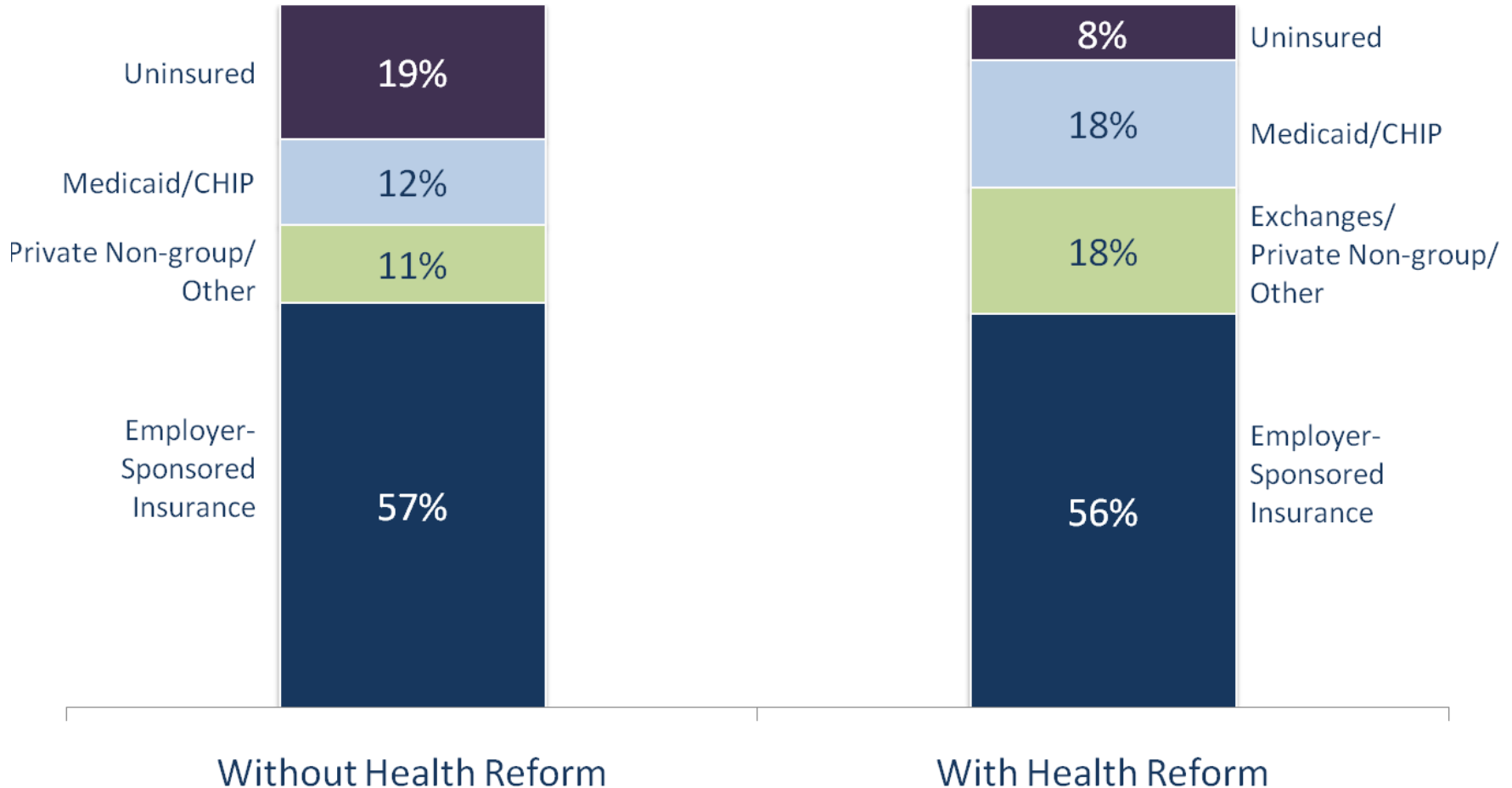
Expanding Coverage

- Most sweeping health care legislation since establishment of Medicare in 1965
- Possibility of expanding health insurance coverage to 31 million more Americans by 2019
- Mix of expanded private coverage through exchange, increased Medicaid eligibility (now "optional"), maintenance of employer-based coverage



Expanding Coverage by 2019:

133,400 newly covered in ME
(w. Medicaid expansion)





2008 MMA Survey

- When considering the topic of health care reform, would you prefer:
 - To make improvements to the current public/private system (47.7% of all respondents)
 - A single-payer system such as a "Medicare for all" approach (52.3%)



Expanding Coverage (in place since 2010)

- Adult children can remain on their parents' health insurance policy until age 26
- Establishment of temporary insurance plan for adults with pre-existing conditions who are currently uninsured
- Small business tax credits available to employers with 25 or fewer employees with average wages below \$50,000



Expanding Coverage: 2014

- Health insurance exchanges for individuals and small business begin in every state
 - Centralized on-line marketplace for private insurance
 - Web portal and telephone hotline
 - Enrollment must begin October 1, 2013
 - Can be federally-run, state-run or partnership model
- Premium tax credit and cost-sharing subsidies provided to individuals from 100-400% of FPL
 - See Subsidy Calculator at:
healthreform.kff.org/subsidycalculator.aspx
 - Current challenge: tax subsidies in federal exchange?



Expanding Coverage: 2014

- An Exchange in Maine
 - Maine will default to federally-facilitated exchange
 - Deadline for state to declare intent for state-based exchange was 12/14/12 & for partnership model (plan management and/or consumer assistance functions) was until 2/15/13



Expanding Coverage: 2014

- Health Plans in the Exchange
 - Must include all "essential health benefits"
 - Being defined by regulations; in Maine = state's most popular small group plan (Anthem PPO)
 - Must include 10 mandatory categories (i.e. ambulatory, emergency, maternity, prescription drug, mental health)
 - Meet requirements for out of pocket and deductible limits
 - Offer all "metal levels" of coverage (benefits with actuarial levels of 60%, 70%, 80%, 90%)



Expanding Coverage: 2014

- Medicaid expansion
 - Eligibility can be provided to all Americans up to 133% of FPL at 100% fed match
 - No longer limited to those categorically eligible (e.g. pregnant women, those with children or disabilities)
 - Estimated 69,000 individuals in Maine
 - If no expansion, those earning less than 100% FPL are NOT eligible for Exchange subsidies, but those 100-133% could participate in Exchange



Expanding Coverage: 2014

- Medicaid expansion: Will Maine Participate
 - States no longer can be penalized by losing ALL Medicaid funds for not participating
 - Lost money for the state:
 - Newly eligible reimbursed at 100% for first three years, then 95% and finally 90% (vs approx 63%)
 - Disproportionate Share Payments reduced in ACA - pressure from providers
 - CMS clarified that states cannot do partial expansion (e.g. up to 100% FPL)



Expanding Coverage: 2014

- Medicaid: Maintenance of Effort Requirement
 - ACA requires states to maintain current eligibility until 2014
 - Legislature approved budget that cut parents from 100-133% FPL, parents from 133-200% FPL, young adults 19-20, Medicare Savings Program
 - CMS approved parents from 133-200% FPL and Medicare Savings Program but not other groups - protected by MOE



Expanding Coverage: Individual Mandate

- Individuals will be required to have health coverage that meets minimum standards
- Individual mandate spreads costs among whole population
- Mandate enforced through the tax system & now is considered a tax by the Supreme Court
- Penalty for not having insurance: greater of \$695 (up to \$2085 for family) or 2.5% of family income when fully phased in in 2016 (\$95 in 2014)
- Exemptions for certain groups and if people cannot find affordable health insurance



Expanding Coverage: Employer Requirements

- Employers with 51+ FTE employees not offering affordable coverage will face penalties of up to \$2000 per full-time worker per year
- Small employers with up to 50 employees will be exempt from penalties
- Tax credits available for some small business that offer health benefits



Some Uninsured Will Remain

- Congressional Budget Office (CBO) estimates 26 million uninsured in 2019 - assuming Medicaid expansion
- Who are they?
 - Immigrants who are not legal residents
 - Eligible for Medicaid but not enrolled
 - Exempt from the mandate (most because can't find affordable coverage)
 - Choose to pay penalty in lieu of getting coverage
- Many remaining uninsured will be low-income



Improving Coverage

- Consumer protections and administrative simplification in health insurance industry
 - Medical loss ratio (2012)
 - 85% small group/80% individual (ME has waiver to 65%)
 - Essential Health Benefits Package (2014)
 - To ensure minimum coverage standards for most health plans sold in or out of the exchange
 - Dec 2011 HHS Guidance: package based on "benchmark plan" selected by state (by Q3 2012) or defaults
 - Maine defaulted to largest small group (Anthem plan) - rulemaking being finalized
 - Strengthened appeals process
 - Uniform benefits information



Improving Coverage

- Consumer Operated and Oriented Plans (CO-OPs)
 - CMS awarded \$62.1 million in financing for Maine Community Health Options (MCHO), a Maine-based COOP
 - A new type of non-profit health insurer
 - Governed by its subscribers
 - Designed to be operational in 2014 and offered via the exchange



Improving Coverage

- Prevents denials based on pre-existing conditions
 - Prohibition on denial of coverage or benefits (children 2010, adults 2014)
 - Elimination of lifetime benefit caps (2010) and annual limits (phase out by 2014)



Improving Coverage

- Expands & improves coverage of preventive services
 - No cost initial Welcome to Medicare Preventive Visit and yearly "Wellness Visit" for those with Medicare Part B
 - No cost-sharing for proven preventive services for Medicare, Medicaid and private insurance (e.g. cancer & diabetes screenings, vaccinations)
 - Grants for small employer wellness programs



Improving Coverage

- Improves Medicare prescription drug benefits by reducing the "donut hole"
 - In 2011, ~12,000 people in ME had received a discount with an average savings of \$530 per beneficiary for a total savings of \$6,306,962
- Enhanced federal funding for home & community based services
 - but implementation of CLASS Act long term care insurance suspended



Improving Quality

- Develops a national quality strategy
- Promotes comparative effectiveness research to identify most effective treatments and interventions
- Creates enhanced data collection to address health care disparities
- Requires public reporting of physician performance data and gifts received from the pharmaceutical industry



Improving Quality

- Develops new models for coordinating and delivering care
 - Medicaid Health Homes
 - Medicare ACOs (4 now approved in Maine)
- Payment reform to promote quality
 - Medicare quality reporting incentive payments
 - Demonstration projects for bundled payments for episodes of care
 - Medicare Value-Based Purchasing program
 - Decreased Medicare payments for readmissions



Improving Quality: Primary and Preventive Care

- **Increases Medicare and Medicaid PCP payments**
 - Primary care/general surgery Medicare bonus payments of approx 10% through 2016
 - **Medicaid payments to 100% of Medicare rates for primary care services provided by primary care physicians & advanced practice professionals practicing under their direct supervision in 2013-2014**
- Incentives to practice primary care (e.g. loan forgiveness, residency slots, payment bonuses)
- No cost-sharing for certain preventive services
- Funds population-based prevention activities (but \$5 billion cut to Prevention Fund for temp SGR fix)



Containing Health Care Costs

- Creates greater oversight of health insurance premiums and insurer practices
- Increases competition and price transparency through Exchanges
- Reforms Medicare payments
- Tests new, more efficient delivery system models in Medicare and Medicaid
- Emphasis on prevention & primary care
- Independent Payment Advisory Board
 - Legal challenge: did Congress abrogate resp.



Useful ACA Web Sites

- National
 - Federal government: <http://www.healthcare.gov/>
 - AMA: <http://www.ama-assn.org/ama/pub/health-system-reform/hsr-impacts-practice.shtml>
 - Kaiser Family Foundation: <http://healthreform.kff.org>
 - InsureUStoday: <http://insureustoday.org/drupal/PAC>
- Maine
 - Legislative branch:
<http://www.maine.gov/legis/opla/healthcarereform.htm>



Where to refer patients

- Consumers for Affordable Health Care
 - 1-800-965-7476
 - 1-877-362-9570 (TTY)
 - Mainecahc.org
- Local Area Agency on Aging
(for Medicare members)
 - 1-877-353-3771



Questions?

Maine Medical Association

Jessa Barnard, Esq
Associate General Counsel
622-3374 x 211
jbarnard@mainemed.com

<https://www.mainemed.com/education-info-cme/health-system-reform>