

Health Care Reform Overview

How Will People with Hepatitis Benefit?



**ANNE DONNELLY, HEALTH CARE POLICY,
PROJECT INFORM**

**RACHEL MCLEAN, ADULT VIRAL HEPATITIS
PREVENTION COORDINATOR,
CALIFORNIA DEPARTMENT OF PUBLIC HEALTH**

How did We Get Here?



- 45 to 50 Million Americans uninsured
- 65% of all bankruptcies related to health care costs
- **Most people with HBV and HCV don't know they are** infected; many who do are not able to afford care
- March 23, 2010 the Patient Protection and Accountable Care Act (ACA) was signed into law
- Most meaningful and far reaching health care reform since the advent of Medicaid/Medicare

Health Care Reform Overview



WHAT DOES HEALTH CARE REFORM DO?

**HOW WILL PEOPLE LIVING WITH HEPATITIS
BENEFIT?**

Overview: What does health care reform do?



- Mandates all U.S. Citizens & Legal Residents maintain health insurance
- Provides subsidies to help low income people maintain insurance and exempts those for whom it would be a hardship
- ***Creates protections***, i.e., no pre-existing condition discrimination; ***improves*** health care system; and ***majorly expands coverage***
- Legislation affects all components of our health care system:
 - Private Health Insurance
 - Medicaid
 - Medicare
- Various elements will be phased in over the next ten years
- Most significant changes are enacted in 2014

Individual Mandate



- Starting in 2014 individuals will be required to maintain a minimum level of insurance coverage
- Exemptions for hardship
- **Subsidies & tax credits \leq 400% Federal Poverty Level***
- Tax penalties if coverage is not maintained. No criminal penalties for failing to maintain coverage
- Qualifying Coverage: Private plans (individual/group), Medicare, Medicaid, military, veterans coverage,
Children's Health Insurance Coverage

*2011 - 100% Federal Poverty Level (FPL) for an individual = \$10,890

Expanding Health Insurance Coverage



- New law expands coverage using two primary strategies
 - Medicaid expansion: All non-elderly with income under 133% FPL*
 - Insurance Exchange: Income over 133% FPL
 - ✦ Purchase coverage through a regulated insurance marketplace **called an “Exchange”**
 - ✦ Subsidies for lower income individuals and families

*2011 - 133% Federal Poverty Level for an individual = \$14,484 yr

Reducing the Number of Uninsured



Estimated 32 Million will gain coverage by 2019



Medicaid: 16 million
Income Under 133% FPL



Exchange: 26 million
Income above 133% FPL



Medicaid Expansion: Key Features



- 2014: new eligibility category for all uninsured non-elderly low income individuals (<133% FPL)
- Eligibility based on income (not assets or disability)
- 100% federal support for Medicaid expansion 2014-16; gradually decreases to 90% in 2020
- Optional state expansion with regular federal match as of April 2010

Insurance Exchanges: Key Features



- 2014: Insurance Coverage options for individuals with income above 133% FPL (and small group employers)
- Centralized, state-based marketplaces to purchase insurance
- Goal is to create healthy market competition
 - Better benefits package/coverage
 - Lower costs passed on to consumer
- Tax credits, subsidies, and out-of-pocket spending caps available to persons with income between 133%-400% FPL
- Prohibits discrimination for pre-existing/high-cost health conditions and gender; Reduces age discrimination
- Establishes minimum benefit requirement

Essential Benefits Package



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

Medicare Program Improvements



➤ 2010: \$250 rebate paid to individuals who enter the **“Donut Hole”**

➤ 2011: 50% discount on brand name drugs while in the donut hole. Begin to gradually close the coverage gap

➤ **2020: “Donut Hole”** phased-out for general Medicare population

➤ No expansion to new populations

➤ 2011 – no cost sharing for **preventive services rated “A” or “B”** by US Prevention Services Task Force

➤ Includes hepatitis A and B vaccination

➤ Does not currently include viral hepatitis screening

➤ Creates new office to coordinate services for individuals eligible for both Medicaid and Medicare

➤ Individualized Wellness Plans

Part D Drug
Benefit

General
Coverage

Improvements to Group Insurance Coverage



- Eliminates discrimination based on health status for children (adults 2014)
- Encourages employers to provide insurance coverage
 - small business tax credits for businesses under 25 employees with annual average wages below \$50,000
 - **Penalties for employers with more than 50 employees who don't offer coverage and have one employee who can qualify for subsidy coverage**
- Extends dependant coverage to age 26
- Eliminates lifetime insurance caps on policies and plan rescissions
- Requires new plans to offer preventative services free of charge
 - **Only services rated as "A" or "B" by USPSTF**
- Establishes new temporary high risk insurance pools (PCIPs)

Improvements To Preventive Services



- Coverage of clinical preventive benefits under all forms of insurance
- Eliminates co-pays for services with A or B under U.S. Preventive Services Task Force
 - Includes hepatitis A and hepatitis B vaccination for at-risk groups; hepatitis B screening for pregnant women
 - Does not include routine HIV testing or HBV/HCV testing for IDUs, other at-risk adults
- Medicare annual visit and personalized prevention plan
 - Opportunity for viral hepatitis screening

Key Investments in Prevention and Wellness



- Community Health Centers
 - Receiving \$11 billion over next 5 years
 - Presents a key opportunity to ensure that CHCs can expand access to viral hepatitis prevention and care services
- Prevention and Public Health Fund
 - \$500 million in FY10 growing up to \$2 billion in FY15
 - Public health infrastructure, lab and epidemiological capacity, workforce training, community transformation grants
 - Primary care physician capacity
- National Prevention Strategy

Who Is Not Covered?



- Certain immigrant populations are completely excluded from health care reform
 - Undocumented individuals are not eligible for coverage:
 - ✦ Medicaid
 - ✦ Insurance Exchange
 - ✦ Subsidies
 - Legal immigrants continue to be ineligible for Medicaid for the first five years that they are in the US
 - Community health centers will still serve the undocumented population
- People who are incarcerated are not covered

Other Limitations of Health Care Reform



- Will not be affordable for everyone
- Does not apply to people who are incarcerated
- Insurance coverage \neq **access or quality**
- Not enough primary care physicians for everyone
- Does not address provider reimbursement, particularly under Medicaid
- Will not suddenly make health professionals culturally competent with the people we serve
- Requires continued funding / support from Congress

Case Studies



**WHAT WILL HEALTH CARE REFORM MEAN IN
PEOPLE'S LIVES?**

James

- Age 41
- Single, no children
- Lives in California
- Unemployed, Uninsured
- Income \$220 mo county relief
- HCV Symptomatic
- Fatigue, weakness, depression, anxiety; history of IDU
- Denied disability claim, SSI and Medicaid
- Knows he has hepatitis C but has been told his local clinic cannot treat him w/o payment

Current Profile-
Uninsured

- Automatically eligible for Medicaid (Medi-Cal) based on income alone
- Has access to routine preventive services and to clinical services reimbursable by Medi-Cal (e.g., vaccination)
- Medical home at community clinic has integrated primary care, mental health, and substance abuse services
- Clinic has capacity to treat HCV and manage treatment side effects

2014 – Medicaid
Eligible

Vicky

- Age 41
- Single, two children
- Self-Employed, \$40k
- Infected with HBV at birth
- Learned of infection during pregnancy
- Children were vaccinated
- Denied insurance due to pre-existing condition
- Unable to pay for medications – could use the pharmaceutical patient assistance program
- Eligible to purchase insurance through the insurance exchange
- Eligible for insurance subsidy (133%-400% FPL)
- Able to access medications through insurance
- Exchange rules will allow her to shop for a policy that meets her medication/health care needs
- Could explore PCIP for coverage pre-2014; cost will be an issue

Current Profile-
Uninsured

2014 –
Subsidy Eligible

Timelines for Health Care Reform Provisions



WHAT IS IN PLACE NOW?

**WHEN WILL OTHER REFORMS BE
IMPLEMENTED?**

What is in Place Now?

Pre-Existing Condition Insurance Plan (PCIP)

- **New insurance option for the “uninsurable”**
- Began in 2010, ends 2014 when health care reform fully begins
- Eligibility:
 - Must have a pre-existing health condition, as defined by HHS;
 - Must be a US Citizen or be lawfully present in the US;
 - Have been uninsured for 6 months
- May still be too expensive for many or most (CA: \$575/mo.)
- Coverage for premiums may sometimes be available

What is in Place Now?



Insurance Reforms

- All new health plans and Medicare must provide certain preventative benefits free of charge
- Can not take away insurance when people get sick (rescissions)
- Prohibition on life time and annual caps on insurance coverage
- Health plans must spend between 80 and 85% of premiums collected on health care or provide refunds
- People up to 26 years old can stay on their parents coverage
- Can not discriminate against children with pre-existing conditions

What's in Place Now?



- Affordability
 - Tax credits to small business for insurance provision
- Medicaid
 - States have the option to expand their Medicaid to more low-income people
 - In general, states must maintain their current eligibility levels and categories
- Medicare
 - In 2010, 1.8 M recipients who reached the coverage gap received a \$250.00 rebate
 - In 2011, all recipients receive a 50% discount on brand name drugs during the coverage gap

What's in Place Now?



- Prevention and Wellness Fund
 - \$11B in new money to Community Health Clinics
 - ✦ Integration of mental health, substance abuse services into primary care settings
 - Establishes Patient Centered Medical Homes
 - ✦ For people with two or more chronic conditions
 - Viral Hepatitis not yet included
 - Opportunity to advocate for inclusion
 - Investment in primary care providers, improved reimbursement for two years
 - Investment in a variety of prevention programs
 - ✦ None dedicated to viral hepatitis currently
 - ✦ Opportunity to advocate for specific hepatitis funding

What Will Go Into Place in 2014?



- Medicaid expansion to all people below 133% FPL, regardless of family or disability status
- Insurance exchanges in all states
 - Subsidies and tax credits to help individuals purchase insurance
 - Caps on out of pocket expenses
- Significant new protections
 - Prohibition on discrimination due to pre-existing conditions and gender
 - Limiting age and geographic premium differences

Take Home Messages



**WHAT THIS MEANS FOR PEOPLE LIVING
WITH AND AT RISK FOR HEPATITIS B AND C**

What Health Reform Means for People with Viral Hepatitis and those at Risk



Now...

- Pre-Existing Condition Insurance Programs
- Insurance Companies can not take away your insurance if you get sick
- Lifetime and annual caps on your insurance are prohibited
- Investments in Community Health Centers
- Investment in prevention and wellness

What Health Reform Means for People with Viral Hepatitis and those at Risk



In 2014...

- People who were denied insurance due to a pre-existing condition will be able to get coverage
- People who are low-income will be covered by Medicaid or get subsidies to buy insurance
- Health plans will provide hepatitis A and B vaccination free of charge (no patient co-pay)
- Community health centers will provide medical homes for people with multiple chronic diseases
- Undocumented immigrants are not covered
- People who are incarcerated are not covered

Health Care Reform Is Under Attack



- In the courts, in the states, in Congress
- We have a lot to lose
- You can make a difference
- Learn how to take action!

Resources



- **Trust for America's Health:** <http://www.tfah.org>
 - Summaries, fact sheets, issue briefs; Advises when public comment is needed for health care reform provisions; Provides sign on letters for the prevention and wellness fund
- **FamiliesUSA:** <http://www.familiesusa.org/health-reform-central>
 - Summaries, fact sheets, issue briefs; Join listserv for information updates, including periodic national conference calls on health reform topics
- **Kaiser Family Foundation:** <http://healthreform.kff.org>
 - Summaries and implementation timeline; Fact sheets on Part D, exchanges and subsidies
- **HealthReform.gov:** <http://www.healthreform.gov/>
 - Administration website with information on the new law, including an ongoing Q&A forum and state-specific information

Contact Information



Anne Donnelly

(415) 558-8669x208

adonnelly@projectinform.org

Rachel McLean

(510)620-3403

Rachel.mclean@cdph.ca.gov