SOME ASSEMBLY REQUIRED
HEALTH REFORM & UTAH

Utah Health Policy Project
www.healthpolicyproject.org
Making Sense of Health Reform
The need for health reform...

1. To stop denying Utahns insurance coverage because of preexisting conditions
2. To give Utahns peace of mind knowing they can get and keep quality, affordable coverage despite life’s ups and downs
3. To ensure you can receive medical treatment when you need it, without risking bankruptcy
4. To provide small businesses -the engine of our economy- relief from rising health care costs
5. The status quo is unsustainable
Introducing…
Utah’s Implementation Station

www.healthpolicyproject.org/NationalReform.html
A Uniquely American Solution

- Build on the strengths of our current system
- Nothing requires you to change your coverage, doctor, or hospital,
- More choices of quality, affordable plans
Immediate Benefits—This Year!!

1. Children can’t be denied for pre-existing conditions
2. Up to 35% tax credit for Utah small businesses
3. Young adults can stay on parents’ coverage until 26
4. High-risk pool for Utahns w/pre-existing conditions
5. $250 rebate for seniors in the doughnut-hole
Guarantee Your Insurance is There When You Need It
Guarantee Your Insurance is There When You Need It

- Insurers can no longer deny coverage for Utahns with pre-existing conditions (2014)
- Insurers prohibited from canceling your policy when you get sick (2010)
- Barring insurers from charging higher premiums because of health conditions or gender (2014)
- No lifetime or annual benefit limits (2010, 2014)
Guarantee Your Insurance Is There When You Need It

- Insurance plans cover preventative services with no co-pays (2010)
- Insurers disclose how much they spend on medical claims vs. admin, advertising & profit (2010)
- Access to a policy that covers basic services like Rx drugs and preventive screenings (2014)
- Simplified health insurance administration (2014)
Help Small Businesses & Improve the Economy
Help Small Businesses and Improve the Economy

- Up to 35% tax credit to offset the cost of offering insurance to employees from 2010-2013
- Up to 50% tax credit for 2 years through the Exchange (2014)
- Grants to establish wellness programs (2011)
## Calculate Your Tax Credit

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<tr>
<td># of FTE employees:</td>
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<tr>
<td>Total Annual Wages paid for all employees</td>
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<tr>
<td>Total annual employer premium contribution:</td>
<td>____</td>
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Are you tax-exempt? Yes ☐ No ☐

Results will provide the estimated tax credit you’ll receive for 2010-2013 and starting in 2014

Source:  
http://smallbusinessmajority.org/tax-credit-calculator
Help Small Businesses: The Exchange

- New online marketplace gives ability to shop for and compare plans apples to apples (2014)
- Pool risk with other small businesses—have the same competitive advantage as large businesses
- Increased choice & competition
- Insurers compete on price and quality
- Can choose whether or not to use exchange
- Small group market deductibles limited to $2,000 for individuals and $4,000 for families (2014)
Helping families afford premiums and out-of-pocket costs
Making Insurance More Affordable

- New state-based exchange for individuals (2014)
  - Employer doesn’t offer insurance
  - Employer insurance is too expensive
  - Members of Congress
- Premium tax credits for individuals with incomes between 133% and 400% FPL through individual exchange (2014)
- Annual out-of-pocket costs capped (2014)
3 Pillars of Health Reform

- Contain Costs
- Ensure Quality
- Expand Coverage
Contain Costs

- 5 year grants to states for medical malpractice reform (2011)
- Pilot projects in Medicaid & Medicare on payment reform including medical home, bundled payment, and accountable care organizations (2012 & 2013)
- Stronger rate review process: insurers will have to justify premium rate increases (2014)
- Reduce waste, fraud & abuse in public programs
Ensure Quality

- Insurers must devote at least 85% of premiums to medical benefits rather than to admin costs & CEO salaries OR pay a rebate to enrollees (2011)
- Reduces Medicare hospital payments for preventable readmissions & infections (2012)
- Requires reporting of quality indicators by physicians (2011)
- Minimum benefit standards in the exchange so you aren’t sold junk insurance (2014)
Expand Coverage

- Middle income Utahns, small businesses & the self-employed gain insurance through exchanges
- All low-income Utahns up to 133% FPL access Medicaid (2014)
- CHIP reauthorized until 2019 w/ funding until 2015
- Expansion of Community Health Centers (2011)
Shared Responsibility

- **Free-rider provision**: Employers with more than 50 employees with an employee who accesses premium tax credits assessed a fee (2014)

- **Small businesses with 50 or fewer employees will not be subject to any of these free-rider fees.**

- **Individuals required to purchase insurance** (exemptions include financial hardship, uninsured for <3 months) (2014)
Strengthen Medicare

- Does not cut guaranteed Medicare benefits
- $250 rebate for prescription drugs if incur cost exceeding $2,700 worth of coverage.
- Medicare co-payments will be eliminated for annual check-ups, preventive services and screening
Strengthen Medicare

- Annual wellness visits allow you take steps to stay healthy (2011)
- Stronger incentives for hospitals to keep you healthy
- Cut subsidies to Medicare Advantage plans; give plans that meet quality standards bonuses (2012)
- Medicare Advantage plans cannot reduce basic, guaranteed Medicare benefits, but some extras will likely be paired down.
Young adults will be able to stay on parents’ insurance until 26

• at your parents’ choice
• regardless of school enrollment status
• even if you are married

Cannot have access to insurance through your employer
For Health Care Providers

- Redistribute 65% of unfilled residency slots to primary care or general surgery
- Expanded scholarships and loan repayment through National Health Service Corps
- Additional benefits for health care workers in primary care or high need areas

2010
For Health Care Providers

- 10% Medicare bonus to all primary care physicians and for general surgeons in rural areas
- 5% Medicare bonus to mental health providers
- Increase in Medicaid payment rates for primary care physicians to equal Medicare rates (2013)
- Medicare practice expense GPCI raised to the national average for “frontier” states like Utah
- Bonus payments for voluntary participation in Medicare’s Physician Quality Reporting Initiative
Financing Reform

- Eliminating the subsidy to Medicare Advantage HMOs (saving ~$150 billion)
- Excise tax on Cadillac insurance plans (saving ~$150 billion) starting in 2018
- Increase in the Medicare payroll tax for high income earners starting in 2013
- Savings in Medicaid and Medicare prescription drug costs ($80 billion)
- Reduces DSH hospital payments because of newly insured (saving ~$20-40 billion)
- Fees on certain device manufacturers, insurers, tanning salons and others
Cost Analysis by the CBO

- Net cost of $938 billion over 10 years
- Reduce the Deficit $140 Billion The First 10 Years & $1.2 Trillion In The Next 10 Years
- Average premiums will stay the same for the majority of Americans who get their insurance from their job
- Costs will go down for those who buy in the exchange and qualify for subsidies
State-Federal Partnership
Utah’s Important Role

- Create & run the exchanges (Utah already has the 2nd exchange in the nation)
- Strengthen Utah’s rate review process
- Strengthen consumer health assistance
- Continue payment reform & All Payer Database
- Medical malpractice reform
- Wellness Initiatives and Programs
How does this help Utah families?

- Insurance no longer dictates career choices—can work for a company with small risk pool or start own business
- Can count on insurance when you need it most
- More choice and transparency so can pick a health plan that works best for you
- Insurance companies must now compete on price and quality, not cherry-picking
Thank you!
Next Steps

- Help educate your family, friends and colleagues about what is the bill and what is not
- Invite UHPP to come speak at your next event!
- Sign-up to receive email and updates from UHPP
- Urge our Governor and Legislature to properly implement the reforms and take advantage of the state flexibility and new responsibility
- Participate in our statewide conference calls on implementation
Thank You!