

The Affordable Care Act: Next Steps In Implementation



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SOME ASSEMBLY REQUIRED: Making Health Reform Work for Utah
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About Community Catalyst

Community Catalyst is a national non-profit advocacy organization dedicated to achieving quality, affordable health care for all.

We work with national, state and local consumer organizations, policymakers and foundations to build consumer and community leadership to improve the health care system so it serves everyone, and to ensure consumers have a seat at the table as health care decisions are made.



Presentation Overview



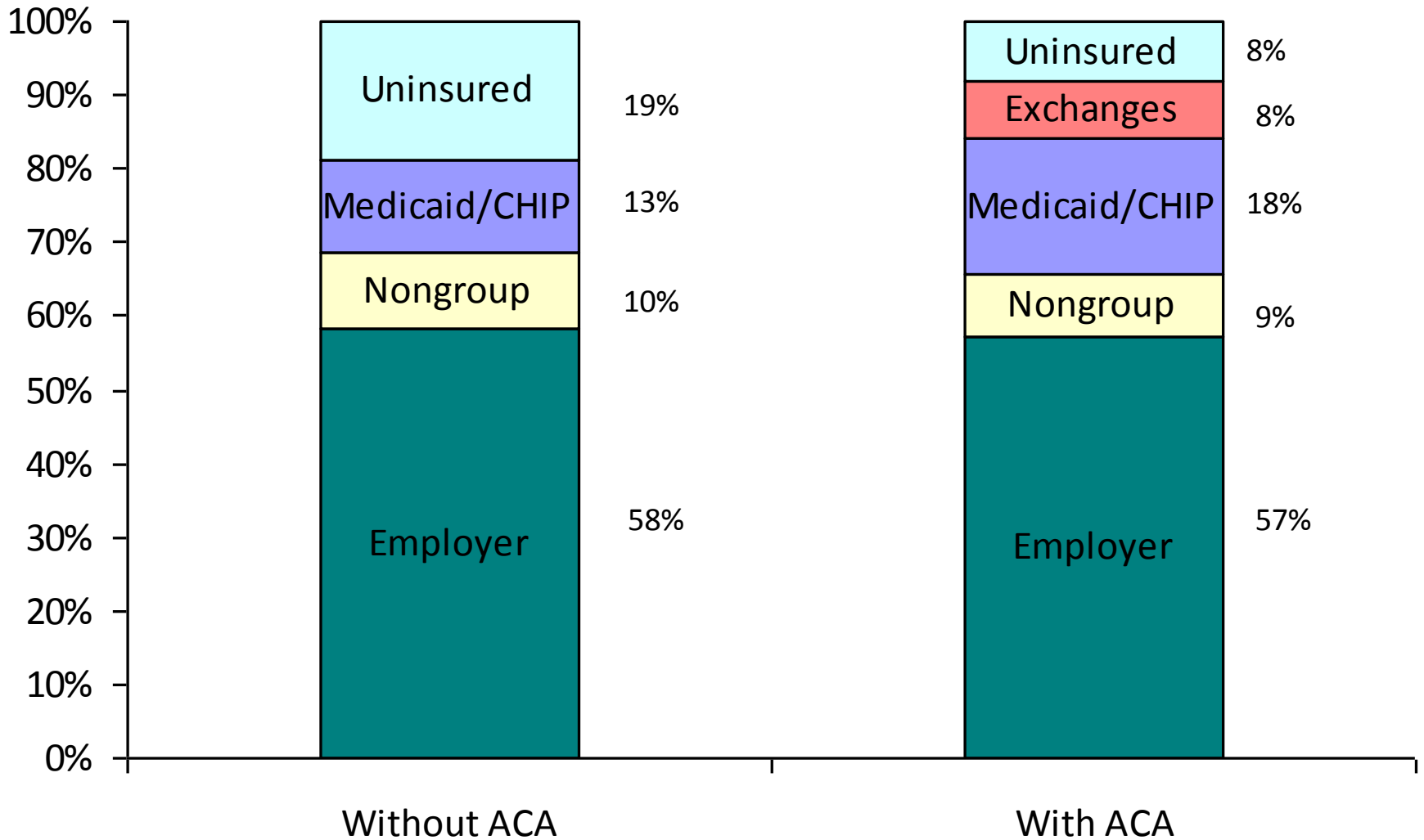
1. **The Big Picture:** What does the ACA mean for coverage and costs, nationally and in Utah?
2. **Getting into the details:** What are the main provisions of the law? What has to happen next to implement them?
3. **Key Takeaways:** What are Utah's next steps in implementation?

The Big Picture:

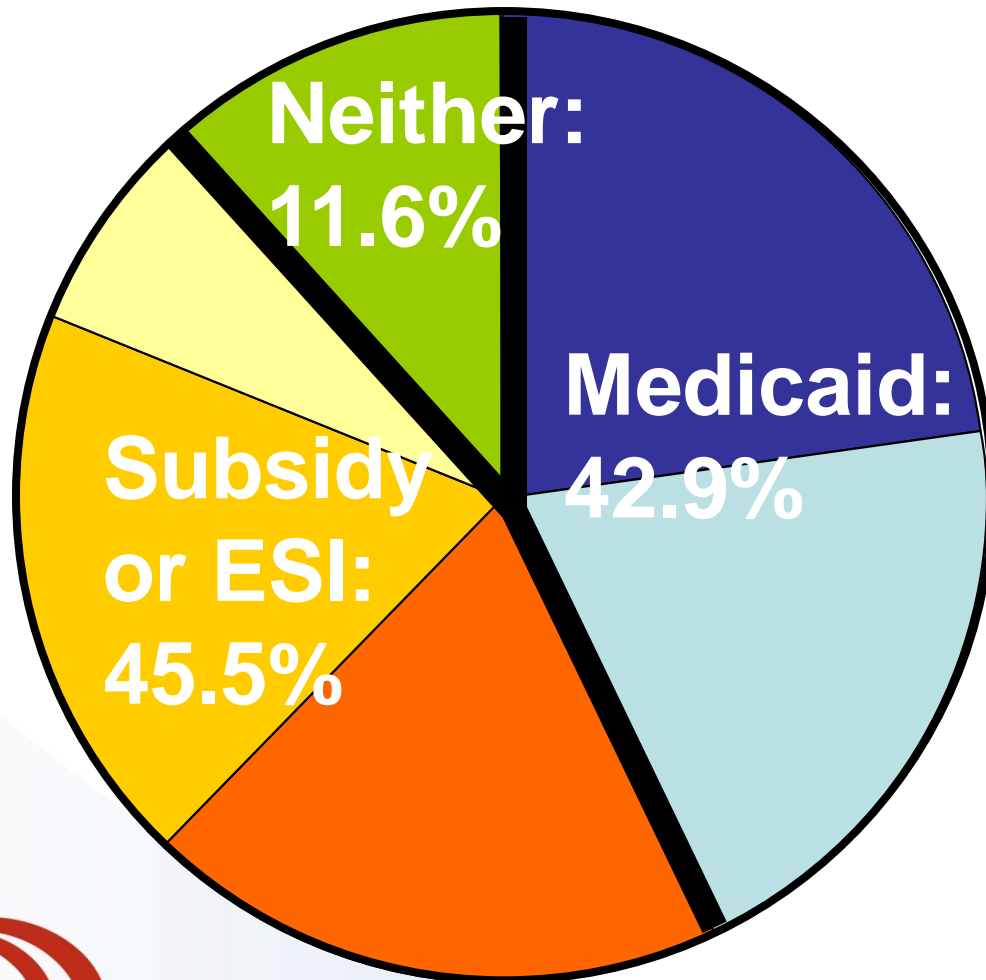
What does the ACA mean for coverage and costs, nationally and in Utah?



The National Impact on Coverage

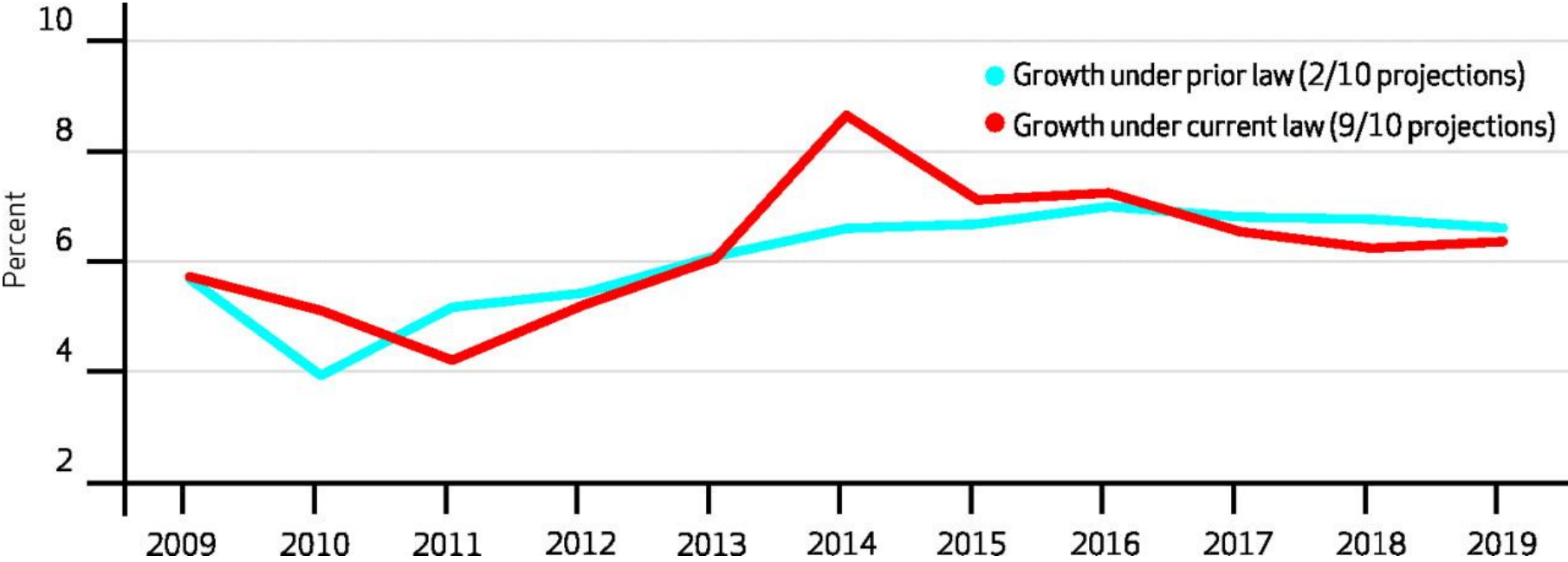


How Can Uninsured Utahns Get Coverage?



- Newly Medicaid-Eligible (22.8%)
- Currently Medicaid-Eligible (20.1%)
- Subsidy- or ESI-Eligible - large firm (19.3%)
- Subsidy or ESI-Eligible - small firm (18.9%)
- Subsidy-Eligible - other (7.3%)
- Ineligible for Medicaid or Subsidy (11.6%)

The Impact on National Health Expenditures



Source: Washington Post graph of CMS Actuary projections



Getting Into The Details:

What are the main provisions in the law?

And what are the next steps in implementing those provisions?



The Building Blocks of the New Law

- Insurance market reforms
- Exchange and premium tax-credits
- Medicaid
- Safety net and workforce development
- Quality improvements and cost reductions
- Shared responsibility



Insurance Reforms: What's in the law?

Starting in the first year:

- Coverage for adult children to age 26
- For children: no pre-existing condition exclusions
- Federal-HIPUtah: new option for adults with pre-existing conditions
- No lifetime caps, limits on annual caps
- Medical loss ratios
- Funding for Utah to enhance capacity for rate review

Insurance Reforms: What's in the law?

Starting in 2014:

- *Guaranteed issue*, coverage of pre-existing conditions
- No premium variation based on health status and gender
- limited premium variation based on age and tobacco use

Insurance Reforms: Next Steps in Implementation

- Educate the public
- Authority to enforce new private market regulations
- Authority to review rate increases and create transparency

Exchanges and Subsidies: What's in the law?

- Utah one of only two states currently running an Exchange
 - Must meet federal standards by Jan. 2014
- Premium and cost-sharing subsidies available to low- and moderate-income individuals through Exchange
 - Average subsidy in 2015: \$5,200

Exchanges and Subsidies: Next Steps in Implementation

- Work on plan to bring the Utah Health Exchange in compliance with federal minimum standards. For example:
 - Minimum standards for plans
 - Tiering plans based on value of benefits
 - Ease of enrollment and unified application with state Medicaid program and premium subsidies

Medicaid: What's in the law?

- Eligibility expansion in 2014 to 133 percent FPL (\$29,328 for a family of four)
- Enrollment in Utah's Medicaid program will increase 56 percent by 2019
- Urban Institute estimates that in Utah, the federal government will cover 96 percent of new Medicaid costs between 2014 and 2019

Medicaid: Next Steps for Implementation

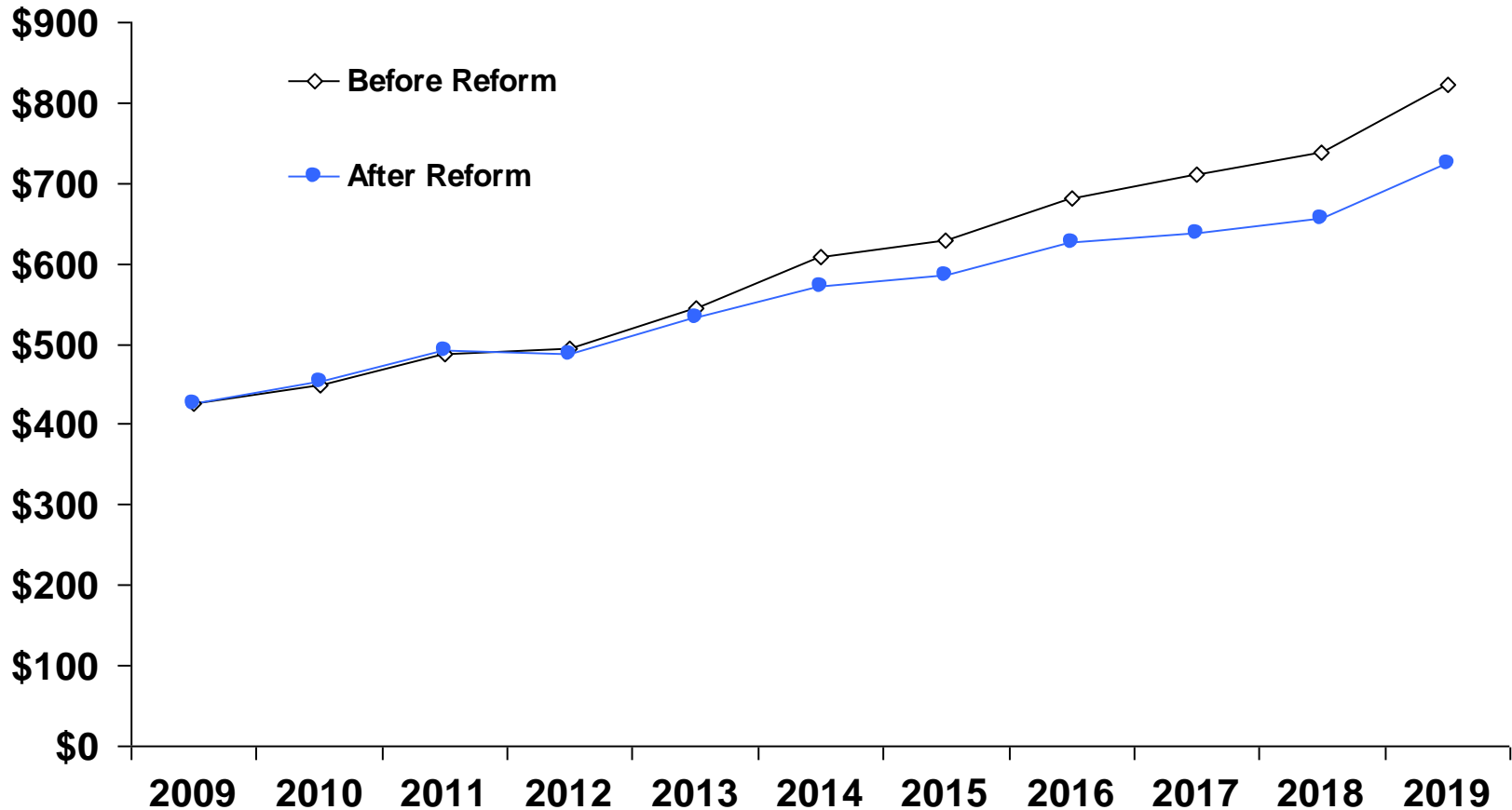
- Preserve and strengthen Medicaid to assume new role in 2014
- Develop plan for enrolling and covering the new enrollees in 2014

Cost and Quality: What's in the Law?

Within Medicaid and Medicare:

- Center for Medicare and Medicaid Innovation
- Federal Coordinated Health Care Office
- Incentives to expand use of medical homes
- Cutting waste, fraud and abuse

The Impact on Medicare Expenditures



Source: D. M. Cutler, K. Davis, and K. Stremikis, *The Impact of Health Reform on Health System Spending*, (Washington, D.C., and New York: Center for American Progress and The Commonwealth Fund, May 2010).

Cost and Quality: What's in the Law? (continued)

Nationally:

- Development of a national quality strategy
- Public health interventions to reduce chronic illnesses
- Requirement: plans sold through the Exchange must have quality improvement strategy

Cost and Quality: What's next in implementation?

- Secure state participation in pilot programs and demos
- Can Utah do BETTER? (nothing stopping you)
 - State can go further with its own payment & delivery system reforms, building on local best practices

Safety Net & Health Workforce: What's In the Law?

- **New requirements for tax-exempt hospitals**
 - Financial assistance policies
 - Regular community-needs assessments
- **Increased funding for community health centers**
- **Scholarships and grants for health care workforce development**
 - 2010: expanded loan repayments and scholarships
 - 2010: increased National Health Service Corps funding
 - Authorized (not appropriated) funding for Community Health Workers

Safety Net and Health Workforce: Next Steps for Implementation

- **Educate public** about new protections
- **Local implementation:** work with hospitals to comply with new regulations
- **Level the playing field:** Consider applying the new hospital requirements to for-profit hospitals

Shared Responsibility: What's in the Law?

- **Tax credits for small businesses** (who are exempt from employer responsibility requirements)
 - 31,888 small businesses in Utah are potentially eligible
- **“Free-rider penalty”**
 - Exempt if fewer than 50 employees
- **Personal Responsibility Requirement**
 - Exemptions for low-income, those who can't find affordable coverage, members of American Indian tribes, etc.

Shared Responsibility: Next Steps in Implementation

- Educate small business owners on tax credits



[lumierefl](#)

Key Takeaways: What are the Next Steps In Implementation?



[yewenyi](#)

Public Education On Early Provisions

- Private market reforms
- New hospital requirements
- Small business tax credits



[Thomas Favre-Bulle](#)

Short-Term Changes: Implement on State and Community Level

- Private market reform enforcement and rate review authority
- New hospital responsibility requirements
- State options for improving quality and reducing costs

Long-Term Changes: Help State and Federal Government Plan for Implementation

- Plan for bringing Utah's Health Exchange up to federal minimum standards
- Preserve and strengthen state Medicaid program
- Plan for eventual enrollment in Medicaid

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Questions?

