NACo Health Priorities in the 112th Congress

February 24, 2011
NACo Health Priorities:

“NACo will continue to work with Congress and the Administration to improve and implement the provisions of the Patient Protection and Affordable Care Act that help counties build healthy communities and ensure affordable access to health care for all Americans.”
NACo Health Priorities:

• Support county public health infrastructure through the Prevention and Public Health Fund (PPHF)

• Require “concurrence” by counties for grants passed through states
NACo Health Priorities:

• Health IT funding for county behavioral health and other agencies

• Repeal federal health benefits "inmate exception" for persons in custody pending disposition of charges
The 112th Congress:

- New Republican Majority in the House
- Repeal & Replace
  - H.R. 2 “Repealing the Job-Killing Health Care Law Act” passed House Jan 19
  - H.Res. 9 “Instructing certain committees to report legislation replacing the job-killing health care law” passed House Jan 20
More Than A Fifth Think the Health Reform Law Has Been Repealed, A Quarter Don’t Know

As far as you know, which comes closest to describing the current status of the health reform law that was passed last year:

- 52% It is still the law of the land
- 22% It has been repealed and is no longer law
- 26% Don’t know/Refused

Source: Kaiser Family Foundation Kaiser Health Tracking Poll (conducted February 3-6, 2011)
The 112th Congress:

• New Republican Majority in the House
  • New Committee Chairmen
    • Energy & Commerce Chair Fred Upton – Oversight Hearings, MOE?
    • Labor-HHS-Education Appropriations Chair Denny Rehberg – Continuing Resolution
The 112th Congress:

- Democratic Majority in the Senate
  - Finance Committee Chair Max Baucus
  - NEW Finance Committee Ranking Member Orrin Hatch
  - HELP Committee and Labor-HHS-Education Appropriations Subcommittee Chair Tom Harkin
  - HELP Committee Ranking Member Michael Enzi
  - NEW Labor-HHS-Education Ranking Member Richard Shelby
The Administration:

• HHS Implementation
  • Budget – ACA woven throughout budget proposal
  • Office of Consumer Information and Insurance Oversight is NOW Center for Consumer Information and Insurance Oversight in CMS
The Administration:

• HHS Implementation

Prevention and Public Health Fund FY 2011 Allocations:
  • Community Prevention ($298 million)
  • Clinical Prevention ($182 million)
  • Public Health Infrastructure and Training ($137 million)
  • Research and Tracking ($133 million)
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Health Care and the States: 2011-2014

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State Landscape

• Fiscal Situation and Forecast
  – Impact on state capacity and staff
  – Effects on other spending priorities

• Gubernatorial Transition
  – 29 new governors
  – New staffs and positioning for governing on issues

• Political Environment
  – Legal and congressional actions remain possible
  – HHS direction emerging, but still major pieces missing
Governor Priority: Medicaid

• 2011-2014 Sustainability of the program
  – Increasing enrollment and costs
  – Finding ways to cut costs while meeting the MOE requirements
  – FMAP enhancement stops in June, 2011

• Expansion in 2014
Medicaid Now

• Cuts will happen, but where and how?
  – short term benefit, without long-term detriment.

• Will consider changes in most major areas
  – Benefits
  – Reimbursement rates
  – Managed care
  – Program integrity
  – Utilization controls

• CMS swat teams headed out now
Medicaid 2014

• Program will look different in every state from today
  – New eligibility definition and many unknowns for eligibility system support
  – New population with different health needs
  – Access and provider relations
  – Option for benchmark benefit package and other changes

• Opportunity to transform Medicaid
  – Link to other programs
  – Mainstreaming Medicaid as an insurance program
Governor Priority: Insurance Markets

• New regulations already in place
  – Cost and market impact unclear

• New Rules in 2014 (guarantee issue, rating bands)
  – State options for phase in
  – Legislative authority needed?
  – New oversight infrastructure
  – Consumer assistance capacity and programs ( navigators and outreach)
Governor Priority: Exchanges

• Status of state efforts
  – Establishing Governance structure
  – Information systems (6 states and one multi-state collaborative—KS, OK, OR, MD, WI, NY, and UMASS)
  – Legislative action in a few states

• Functions (all remain somewhat controversial)
  – Certification and regulation of plans
  – Definition of essential benefit package

  – Sustainability-Not there yet, but emerging
Governor Priority: Exchanges (continued)

- Additional considerations-Will it be successful
  - Small business participation
  - Churn between Medicaid and exchange
  - Federal fallback potential
Key Considerations Moving Forward

- Medicaid – more concerns than just expansion
- State budgets may affect capacity for current reforms and ACA implementation
- Paradigm shift in health insurance marketplace
- States will approach reforms differently
- Political environment remains in flux
The ACA--- To Be or Not to Be…….

- Constitutional Challenges in the Courts
  - Mixed results, will likely end up being decided by the U.S. Supreme Court.
  - Currently awaiting clarification of Judge Vinson of Florida’s decision and its impact on current implementation activities related to all the provisions of the ACA.
    - Vinson found the individual mandate unconstitutional and due to a technicality in the health law, ruled that the entire law was unconstitutional.

- State Legislatures
  - 8 states (Arizona, Georgia, Idaho, Louisiana, Missouri, Oklahoma, Utah and Virginia) have enacted laws limiting the implementation of the health reform provisions of the ACA in their states.

**Italicized states adopted constitutional amendments**
2011 Check List for State Legislators

• State Budgets
  • Economy/Recession
  • The end of ARRA
  • Federal deficit reduction fall-out

• Affordable Care Act (Health Reform Provisions)
  • Review of Implementation Rules/Guidance
  • Insurance Reforms (conforming state legislation)
  • Health Insurance Exchanges (enabling legislation?)
  • Grants

• Affordable Care Act (Medicaid/CHIP Provisions)

• Other Affordable Care Act Provisions
Health Insurance Exchanges - Decisions

- In or Out
- Governance
- Level of Regulation (High/Low/Somewhere in-between)
- Develop/Fund Eligibility System Improvements
  - Role of Local Governments
- Essential Benefit Package/State Mandated Benefits
- Funding the Administration of the Exchange after 2014
- New World Insurance Regulation
  - Offerings outside of the exchange
  - Treatment of brokers and agents
  - Establishing a navigator program within the exchange
- New Models
  - Will Congress provide additional state flexibility
Medicaid Expansion - Issues

- Who are the new beneficiaries? Where are they? What do they need?
- Who will care for them? How do we increase the number of health care providers/facilities? Do we need new/different delivery systems?
- Do we shift beneficiaries with incomes above 133% of FPL to the exchange?
- What can we do to the Medicaid program now to prepare for 2014? Tweak, modify, change, or let go?
Bright Light - Early Retiree Reinsurance Program

- A $5 billion temporary program to reimburse employers (including state and local governments) for the cost of providing health care coverage to early retirees (ages 55-64) and their spouses, surviving spouses, and dependents.
- Effective for plan years beginning on or after October 1, 2011. Program ends January 1, 2014.
- For each beneficiary, the employer plan will receive up to 80% of costs, minus negotiated price concessions, for health benefits between $15,000 and $90,000. This reinsurance corridor will be adjusted in subsequent fiscal years by the medical component of the consumer price index.
- Many state and local governments have taken advantage of this program.
What Next?
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