



***The Affordable Care Act:
Its Impact on People with Serious Chronic Diseases***

PSC Partners Annual Conference

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Discussion Areas

- What is the role of consumer assistance programs?
- US snapshot of healthcare
- The ACA and support for people with chronic conditions



Office of the Healthcare Advocate

Connecticut's Federally Recognized Health Insurance Consumer Assistance Program





OHA's PPACA consumer assistance

- Required by CT law and as part of PPACA – and as core area 10 within the Exchange
 - Independent office
 - Receive and respond to complaints concerning health insurance coverage under state and federal laws
 - Toll free line and review of eligibility for programs and referral to other agencies when appropriate
- Assist with the filing of complaints and appeals, including filing appeals with the internal appeal or grievance process of the group health plan or health insurance issuer involved and providing information about the external appeal process-OHA provides direct consumer assistance through participation in the grievance process
- Collect, track, and quantify problems and inquiries encountered by consumers
- Educate consumers on their rights and responsibilities with respect to group health plans and health insurance coverage through extensive outreach activities to reach underserved areas and including media campaigns
- Assist consumers with enrollment in a group health plan or other health insurance coverage by providing information, referral, and assistance
- Resolve problems with obtaining premium tax credits under section 36B of the Internal Revenue Code of 1986
- Assistance to small businesses

Our Work is Guided by Principles

- Principles for Policy Action
 - [http://www.ct.gov/oha/lib/oha/documents/final draft - oha principles for determining policy action.pdf](http://www.ct.gov/oha/lib/oha/documents/final_draft_-_oha_principles_for_determining_policy_action.pdf)
 - Access to quality healthcare; for our State to be competitive, our people must be healthy
 - Reduction in healthcare system waste; innovation is essential to maximize value
 - Healthcare industry watchdog; cost shifting practices burden the State's economy, providers, payors, and consumers
 - Social Justice; OHA has a duty to represent the collective voice of 3.5 million healthcare consumers

Snapshot of the Insured/Insurance in United States

- 49% of CT population covered by employer plan
- 5% covered by individual insurance
- 1% other public plan
- 13% Medicare
- 16% Medicaid
- 10.4% adults reports a disability
- Pre-existing conditions still in force for adults in most states
- Medical underwriting allowed
- Gender Rating Allowed in most states
- Over 50% are in self-funded plans—CT law N/A

[Kaiser State Health Facts, 2009 data]

Snapshot of Uninsured in U.S.

- 16% uninsured (48,611,600)
- 10% of uninsured are children (7,633,900)
- 20% of the population is living in poverty

Coverage and Public Health

- Health coverage is linked to health
 - The uninsured are 10x less likely to get care for an injury and 7x less likely to get care for a medical emergency
 - Uninsured go without important screenings and preventive
 - Hospital stays for uninsured may be avoided with early treatment
 - Less likely to access ongoing care to manage chronic disease
 - Receive fewer medical services and are 25% more likely to die prematurely

Why is ACA important?

- More than 40% of the U.S. population has one or more chronic condition
- Likelihood of having a chronic disease increases with age, approximately half of working-age Americans has at least one chronic condition

AFFORDABLE CARE ACT

- PPACA
 - Health Insurance *Exchanges*
 - Uninsured and self-employed able to purchase insurance through state-based *exchanges*
 - Funding available to states to establish *exchanges* until 01/01/15
 - Separate *exchanges* created for small businesses to purchase coverage (effective 2014)
 - **Must provide essential health benefits**
 - **No wrong door approach**
 - Subsidies to purchase health insurance
 - Individual 's and family's income 133% to 400% federal poverty level (FDL, \$29,327 for family of 4) to purchase on exchange
 - Cannot be eligible for Medicare, Medicaid, and if covered by employer
 - Receive premium credits with a cap on how much they have to contribute to their premiums on a sliding scale

AFFORDABLE CARE ACT

- PPACA

- Health Insurance *Exchanges*

- *Choice Among Multiple Plans at Varying Levels of Cost Sharing*
 - *Actuarial Value – % of expenditures paid by the plan—the remainder is the consumer’s responsibility*
 - Bronze – 60% (Most current individual and small employer plans are under 60%--raises some affordability issues)
 - Silver – 70%
 - Gold – 80%
 - Platinum – 90%
 - *Subsidies will offset some of the cost sharing.* Subsidies will be equal to 95% second lowest silver plan premium and cost sharing. This will affect affordability, esp. for lower-income people.

U.S. HEALTHCARE QUALITY, COSTS, AND ACCESS TO CARE

- PPACA
 - Individual Mandate
 - In 2014, everyone must purchase health insurance or face a \$695 annual fine. There are some exceptions for low-income people.
 - Employer Mandate
 - Technically, there is no employer mandate. Employers with more than 50 employees must provide health insurance or pay a fine of \$2000 per worker each year if any worker receives federal subsidies to purchase health insurance. Fines applied to entire number of employees minus some allowances
 - Small business tax credits are available for purchase of insurance now and in the Exchange.
 - Immigration
 - Undocumented immigrants will not be allowed to buy health insurance in the exchanges - even if they pay completely with their own money

Essential Health Benefits

- Required to be offered to plans in the Exchange—individual and small employer
- Ten areas of benefits-
 - ambulatory patient services; emergency services; hospitalization; maternity and newborn care; mental health and substance use disorder services, including behavioral health treatment; prescription drugs; rehabilitative and habilitative services and devices; laboratory services; preventive and wellness services and ***chronic disease management***; and pediatric services, including oral and vision care
- EHBs based on a benchmark plan for the first two years of operation
- Individual and small employer plans inside an outside the Exchange must match design and price
- Mental Health Parity And Addiction Equity Act applies to Individual plans

EHB (cont'd)

- If a state does not incorporate one of the categories of the EHB, the plan must be supplemented.
- Many current plans do NOT cover chronic disease management and often exclude chronic care—need for vigilance on your part

EHB (cont'd)

- Essential health benefits cannot be based on a benefit design or implementation of a benefit design that discriminates on the basis of an individual's age, expected length of life, or of an individual's present or predicted disability, degree of medical dependency, or quality of life or other health conditions.

Caveat on EHBs

- Know your plan
 - If you are in self funded plan, EHBs not applicable
 - Ask your employer, if you have an employer based plan

Know Your State

- Not all states are establishing state based exchanges
- Exchanges most often mean that current state insurance laws are covered in addition to new requirements—could be a good thing if you are in a progressive state

Watch for Plan Design

- Exchanges can add requirements above EHBs
- Some states are including chronic disease management provisions
 - No or limited copay for medications or visits when done because of a chronic condition.
 - More robust network standards to ensure access to care.

AFFORDABLE CARE ACT REFORMS

- PPACA
 - Insurance Reforms-apply to individual, large group and small group (<50 employees) inside and outside the Exchange
 - Rescissions Prohibited except for fraud
 - Pre-Existing Conditions (PEC)
 - Cannot deny children coverage based on PEC, 6 mos. after enactment
 - Cannot deny coverage to anyone with PEC, starting in 2014
 - » NO denying a policy to anyone with a Pre-Ex
 - » NO medical underwriting
 - Insurers MUST cover individuals with chronic conditions such as PSC, high blood pressure, diabetes or other conditions
 - Gender rating prohibited
 - Age rating limited to 3:1
 - Medical loss ratio – Insurers must spend 80-85% of premium on medical expenses. Rebates have already been paid across the country

Affordable Care Act Reforms

– Insurance Reforms Continued

- Dependents under 26 can stay on parent's policy
- Lifetime limits lifted
- Annual limits phased out in 2014
- External appeal rights
- Preventive Services with no co-pay or deductible*
 - Birth control, mammograms, cervical cancer screenings, pelvic exams, well women exams, osteoporosis and colon cancer screenings, FDA approved contraceptive methods, breast feeding support, screenings related to interpersonal violence
 - Children's screenings and vaccinations
 - Medicare coverage for screenings and annual wellness exam

*N/A to grandfathered plans. Certain exemptions to contraceptive coverage. See <http://cciio.cms.gov/resources/files/prev-services-guidance-08152012.pdf>

AFFORDABLE CARE ACT REFORMS

- PPACA

- Medicaid

- Expanded to include 133% FPL level
 - Requires states to include childless adults, starting in 2014
 - Provision is critical to people with severe chronic illness who might not access health coverage any other way.
 - Feds pays 100% of costs for newly eligible through 2016, 90% thereafter
 - Undocumented immigrants not eligible
 - Level of coverage depends upon options your state chooses to offer

- Medicare

- \$500 billion in Medicare cuts over the next decade
 - Closes the Rx *donut hole* by 2020 – critical for individuals with high Rx costs
 - \$250 rebate if gap reached by 2010
 - 50 % discount on brand name drugs, if in gap beginning 2011

ACA Focus on Chronic Diseases

- Chronic disease management is a major focus of the ACA
- Chronic Disease Management techniques:
 - treatment plan with regular monitoring
 - coordination of care between multiple providers and/or settings
 - Medication management
 - evidence-based care
 - measuring care quality and outcomes, and
 - support for patient self-management through education or tools

Provisions in the ACA

- EHB (addressed earlier—no clear definition of chronic disease management, just a requirement of reimbursement)
- Reporting requirements by plans on chronic disease management programs
- Creation of CMMI and testing of innovation models
- Grants for medication management services to Rx
- Direct care worker funding to assist with CDM

HHS Requirement

- Secretary to develop reporting requirements for health plans “with respect to plan or coverage benefits and health care provider reimbursement structures that improve health outcomes through the implementation of activities such as quality reporting, effective case management, care coordination, chronic disease management, and medication and care compliance initiatives”

Assisting in Medication Management

- *Grants for medication management services:*
The ACA directs the Secretary to establish a grant program through the Center for Quality Improvement and Patient Safety (or other designated patient safety research center) to aid pharmacists in implementing medication management services for the treatment of chronic diseases

Patient Navigators

- *Extended patient navigator program:* The law extends a demonstration grant program to provide patient navigator services, which assist patients in coordinating health care services for the diagnosis and treatment of chronic diseases.

Medicare & chronic disease

- *Community-based prevention and wellness programs for Medicare:* The Secretary is required to conduct an evaluation of community-based prevention and wellness programs, including the level of self-management of chronic diseases, and must develop a plan for promoting healthy lifestyles and chronic disease self-management for Medicare beneficiaries.¹

Workforce

- *New educational funding for health care workers who practice in the field of chronic care management:* The ACA creates a grant program to provide new training opportunities for direct care workers in long-term care settings. Workers must agree to work “in the field of geriatrics, disability services, long term services and supports, or chronic care management” for at least 2 years.
- ACA also promotes development of community health worker work force to provide direct assistance in communities, including management of chronic diseases.

State Innovation Model Initiative

- ACA created Center for Medicare and Medicaid Innovation within the Centers for Medicare & Medicaid Services
- CMMI developed SIM to allow states to develop health transformation models to test- state to develop a plan
- Must include a payment reform model, but must “think big” and include prevention, population health and delivery system reforms that address health disparities and chronic disease management.
- SIM requires substantial stakeholder engagement
- Consideration of all payers – private, Medicaid, etc.

Payment Reform Models

- Accountable Care Organizations
- Patient Centered Medical Home
- Health Homes
- Care Coordination
- Quality Improvement

Accountable Care Organizations

- Accountable Care Organizations provide coordinated care and chronic disease management while lowering costs
- Goal of avoiding unnecessary duplication of services and preventing medical errors
- Providers come together to account for coordination
- Payment contingent on caring for a panel of patients
- Can work across healthcare settings to improve outcomes
- Can work across payers
- Risk is shared by providers—accountability
- Can reach goal of population health
- ACOs are a major focus of SIM

PCMH

- The Patient-Centered Medical Home (PCMH) is a model for care, to strengthen the physician-patient relationship by replacing episodic care. The physician-led care team is responsible for coordinating all of the individual's health care needs, and arranges for appropriate care with other qualified physicians and support services. The individual decides who is on the team and the primary care physician makes sure team members work together to meet the individual's needs in an integrated fashion.
- Payment is usually based on per person basis. Risk is not necessarily shared by provider.

Health Homes

- Medicaid program for states to enhance integration and coordination of primary, acute, behavioral health (mental health and substance use), and long-term services and supports for persons across the lifespan with chronic illness
- Expand the traditional medical home models to build linkages to other community and social supports, and to enhance coordination of medical and behavioral health care, in keeping with the needs of persons with multiple chronic illnesses. Social determinants addressed.
- Encompasses all the medical, behavioral health, and social supports and services needed by a beneficiary with chronic conditions.
- Problem – definition of chronic conditions is limited to only a few conditions. CMS hopes to expand the list.

CMS Chronic Conditions Dashboard

- By state, lists incidences of a series of chronic conditions for Medicare recipients
- Developed to monitor ACA impact on certain conditions
- Available at <http://www.ccwdata.org/web/guest/interactive-data/chronic-conditions-dashboard>
- PSC is not one of the conditions
- You can influence the dashboard going forward

Outstanding Issues in ACA

- Integration of Medicaid and the Exchange
- What will we do to ensure people in 138-200% FPL income brackets can afford coverage?
- Ensuring robust provider networks of ECPs, specialists and other related providers?
- Assuring reporting on health disparities and outcome data
- Accountability for all players
- Sustainability—related to ongoing affordability and innovation

OVERALL HEALTH REFORM ISSUES TO ADDRESS

- Healthcare Reform – The Issues
 - Method of financing – federal, state, employer, self-pay
 - Method of insurance reimbursement – employer mandate, individual mandate, single-payer (universal healthcare)
 - Method for delivering services – doctor, specialist, auxiliary and allied health, hospital, (e.g., coordinated, integrated: Kaiser Permanente, Veterans Administration)
 - Comprehensiveness of health insurance
 - Cost and cost containment – competition, cost-sharing
 - Degree of patient choice
 - Administrative costs

Moving Away from Sick System

Achieving true reform depends on moving away from our fractured system

- Data is critical
- Intervention/prevention
- Educating consumers re rights to preventive care coverage/screenings
- Chronic disease management
- Social determinants/lifestyle choices
- Addresses issues of disparities in access and outcomes
- Addresses work force and IT issues
- Broad stakeholder involvement and commitment of state leadership
- Reform requires transformation beyond the Exchange

Questions?



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