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 ≤ 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 Heath Care Reform

- Will not be affordable for everyone
- Does not apply to people who are incarcerated
- Insurance coverage ≠ 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

• 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

Current Profile - Uninsured

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
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