


The Future of Health Care Reform

**Jocelyn Moore, Legislative Director
Office of Senator Jay Rockefeller**

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“Earlier this year, Congress passed sweeping health care reform legislation – the most comprehensive health care overhaul in more than 40 years. I truly believe this groundbreaking new law will make a positive difference in the lives of West Virginians.”

- Senator Jay Rockefeller

The Future of Health Care Reform is Bright



- Immediate Benefits Right Now for West Virginians
- Additional Benefits Beginning in 2014
- Unprecedented Opportunities for State Involvement
- Moving to High Quality, Efficient Health Care System
- Ongoing Focus By Congress

The Future is NOW: Immediate Benefits for West Virginians

- Implementation Already Underway This Year (2010):
 - Small business tax credits
 - \$250 rebate check for seniors in the Medicare Rx coverage gap
 - Pre-Existing Condition Insurance Plan (i.e. high-risk pool) until exchanges are up and running in 2014
 - New investments in training programs for primary care providers
 - New state option to cover parents and childless adults up 133% FPL in Medicaid (CT & DC using this option)
 - Federal grants to states for health insurance premium reviews
 - Reinsurance for Retiree Health Benefit Plans

The Future is NOW: Immediate Benefits for West Virginians (cont.)

- Insurance Reforms Starting with Plan Years Beginning on or after September 23, 2010:
 - No pre-existing condition coverage exclusions for children
 - Protects patients' choice of doctors
 - Requires insurers to allow young adults to remain on family policies until age 26
 - Prohibits insurers from imposing lifetime limits on benefits
 - Prevents insurers from arbitrarily rescinding coverage
 - Requires coverage of prevention and wellness benefits in all new plans; exempt from deductibles and cost-sharing
 - Requires all new plans to have an effective appeals process

The Future is NOW: Immediate Benefits for West Virginians (cont.)

- There's even more in 2011:
 - Increased access to community health centers through \$11 billion federal investment
 - Additional help for seniors in the Medicare Rx coverage gap – a 50 percent discount on brand name drugs and biologics
 - Free prevention and wellness visits for seniors in Medicare
 - Providing consumers value for premium dollars (i.e. medical loss ratio requirements); insurers that do not spend at least 80 percent of premium dollars on medical care will have to provide rebates to consumers
 - HIT payment incentives for Medicare/Medicaid providers
 - A 10 percent Medicare bonus payment for primary care physicians and general surgeons

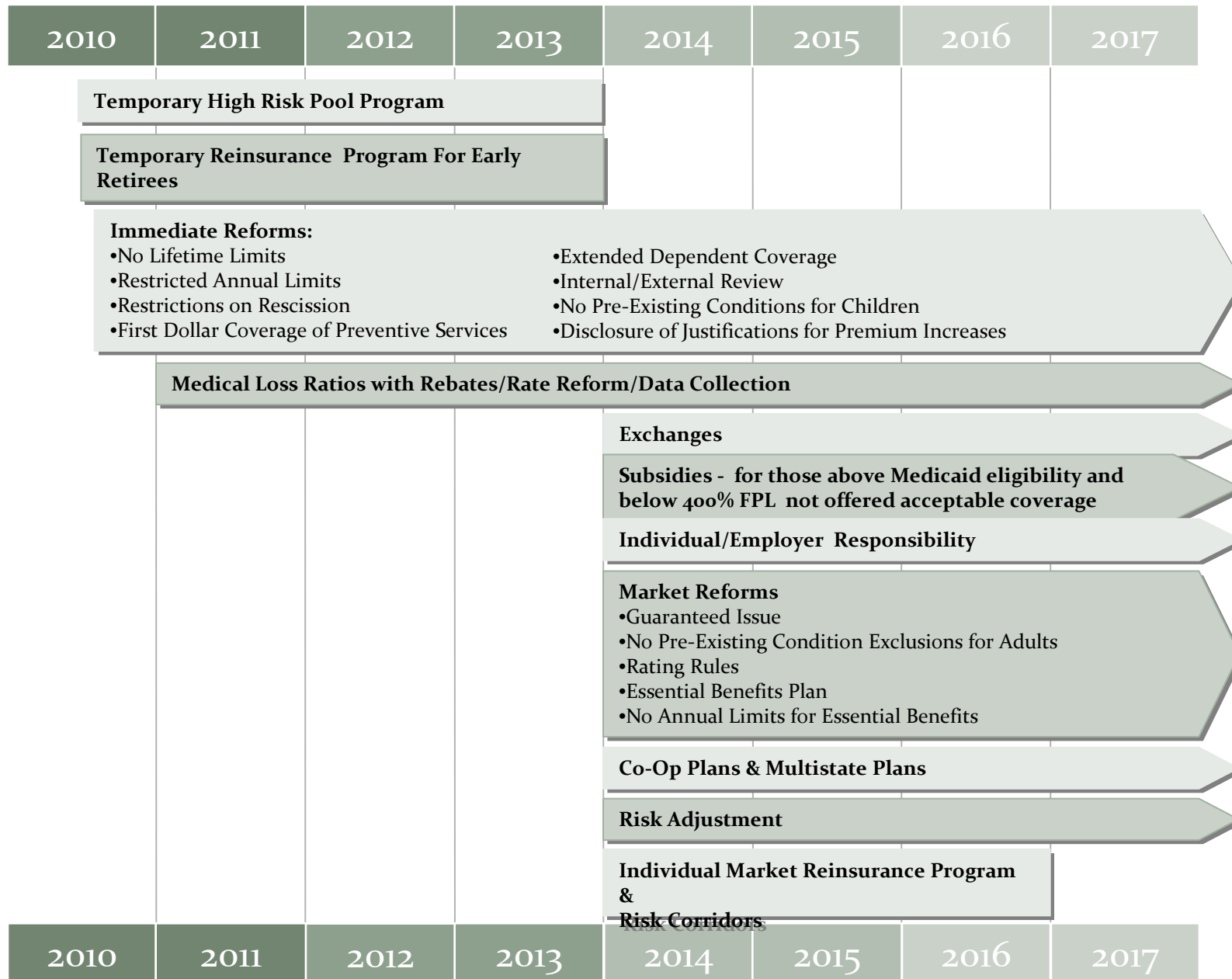
Additional Benefits in 2012 and 2013

- Medicare physician payment reforms that enhance payment for primary care services, improves care coordinate among providers, and reduces hospital readmission rates
- Links Medicare hospital reimbursement to quality outcomes (and requires a strategic plan for Medicare home health and nursing home quality improvement)
- Creation of a new, voluntary long-term care insurance program
- Requires health plans to adopt and implement uniform standards for the electronic exchange of health information to reduce paperwork and administrative burden
- Provides incentives for state Medicaid programs to cover evidence-based preventive services with no cost-sharing.
- Increases Medicaid reimbursement to primary care doctors

Health Insurance Reform: 2014 and Beyond



Health Insurance Reform Timeline



Highlight: A Stronger Medicare for Seniors

- Health care reform will lead to a brighter future for our seniors:
 - Medicare solvency is extended by 12 years to 2029
 - Premiums will be more affordable
 - The Medicare Rx coverage gap (i.e. doughnut hole) will be completely eliminated by 2020
 - Seniors will no longer be charged out-of-pocket costs for recommended preventive care and screenings (like mammograms)
 - Seniors will be able to schedule free annual wellness visits with their doctors
 - Doctors and other health professionals will be reimbursed based on the quality of care they provide seniors – instead of the quantity of services they provide

Highlight: Help for WV's Small Businesses

- Health reform will help as many as 20,000 small businesses in West Virginia with fewer than 25 employees and average annual wages of less than \$50,000 purchase health insurance for their employees.
 - **For 2010 through 2013**, eligible employers will receive a small business credit for up to 35 percent of their contribution toward the employee's health insurance premium.
 - **In 2014 and later**, eligible employers who purchase coverage through the Exchange can receive a tax credit for two years of up to 50 percent of their contribution.
- Provides small businesses with up to 100 employees access to state-based Small Business Health Options Program (SHOP) Exchanges.
- Exempts employers with fewer than 50 employees from any employer responsibility policy. This exempts 96 percent of all firms in the U.S., or 5.8 million out of 6 million total firms.

Highlight: Improved Coverage for WV's Children

- Starting this year, health plans will no longer be able to deny coverage to children with pre-existing conditions
- Dependent children will be able to remain on their parents health care plan until the age of 26
- Annual and lifetime benefit limits for children will ultimately be eliminated
- Health reform increases Medicaid eligibility for all children and pregnant women with income up to 133% of poverty
- Health reform continues the successful, bipartisan Children's Health Insurance Program (CHIP) for an additional two years – until 2015
- For the first time, the children of West Virginia's state employees will also be able to enroll in CHIP

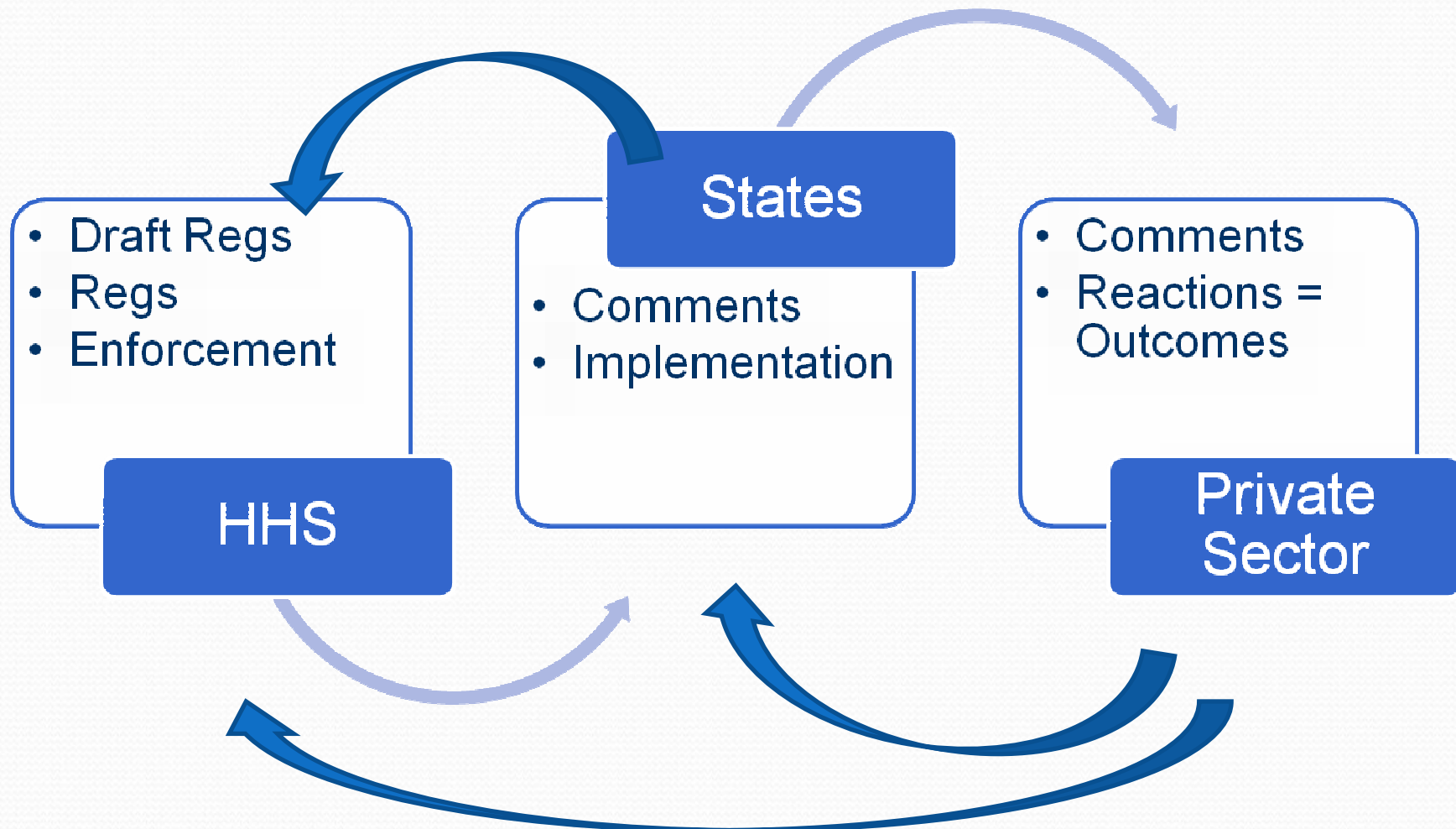
Highlight: Disease Prevention & Wellness

- To help Americans live healthy lives and help restrain the growth of health care costs, health reform makes significant investments in prevention and wellness:
 - Creates the National Prevention, Health Promotion and Public Health Council
 - Empowers individuals to make healthy decisions through personalized prevention plans
 - Requires certain chain restaurants to display calories on menus
 - Awards grants that promote individual and community health
 - Promotes workplace wellness
 - Improves Medicare and Medicaid coverage of preventive services

Opportunities for State Involvement

- Health care reform is not a government takeover
- Yes, there are a few requirements for states in the new law (such as Medicaid coverage up to 133% FPL starting in 2014)
- But, states have tremendous discretion and authority regarding implementation of the new law. States can choose to:
 - Comment on all draft regulations, pre- and post-issuance
 - Apply for and accept federal funding for implementation
 - Determine structure of state health insurance exchanges
 - Propose alternative ways to cover people, starting in 2017
 - Change malpractice laws
 - Engage in delivery system reforms with HHS/local employers

Opportunities for State Involvement (cont.)



The Big Picture: Moving to a High-Quality, Efficient Health Care System



The Big Picture: Moving to a High-Quality, Efficient Health Care System (cont.)

- Insurance market reforms to help all Americans
- Providing affordable coverage options to 32 million uninsured Americans, including as many as 184,000 uninsured West Virginians
- Moving from a system that treats sickness to one that promotes wellness
- Paying for quality of care (value) instead of quantity of care (volume)
- Combating waste, fraud and abuse
- Reducing costs for individuals, small business, seniors, and families
- Cutting the federal deficit by \$143 billion over ten years and more than \$1 trillion dollars over twenty years

Although Challenges Remain...





...We Must Maintain A Clear Perspective

“We have a profound opportunity to build a strong new foundation for West Virginia and create a more secure and reliable health care system that works for all.”

- Senator Jay Rockefeller