

The New Health Care Reform Law and West Virginia

The Patient Protection and
Affordable Care Act of 2010



Without the Affordable Care Act

- The Uninsured
 - One in three West Virginians under age 65 uninsured for one month or more during 2007-2008
- Workers Face High Premiums
 - Health insurance premiums rose 4 times faster than wages since 2000 in West Virginia
 - “Hidden health tax” - \$1,000 on family coverage
- People with High Health Care Costs
 - 110,000 West Virginians *with insurance* spend more than 25% of their pre-tax income on health care costs



Everyday Scenarios

- Neighbor with diabetes and asthma
- Cousin going into business for herself
- Aunt hoping to retire early
- Friend laid off from his job
- Nephew graduated - no health insurance on his first job



The Affordable Care Act In a Nutshell



The Affordable Care Act in a Nutshell

- More health insurance options for everyone – regardless of where you work
- More affordable insurance and care
- Help to small businesses
- Protection from unfair insurance practices
- More Medicare benefits and extended solvency
- Better quality of care – IT, coordinated care, better information



The New Act Means . . .

More People with Insurance

**184,000 people move from
uninsured to insured
in West Virginia**



1. End to Pre-ex Discrimination

- ❑ Insurers can't turn you away or charge sky-high premiums
- ❑ 426,000 West Virginians – 29.4% of people under age 65 have a pre-existing condition that can lead to a denial of coverage
- ❑ Interim program now – permanent solution 2014



2. New Small Business Tax Credits

- 21,200 eligible for a premium credit
- 90% of small businesses in WV
- 6,100 small business with 10 or fewer workers get the full 35% credit



3. Consumer-friendly Insurance Marketplace

- Healthcare.gov – July 2010
- New internal & independent external appeal rights – Sept. 2010
- Prohibition on unfair revocations if you get sick – Sept. 2010
- Exchanges 2014



4. Young Adult Option Up to 26

- 6,990 young adults in WV could be on a parent's plan
- Individual & group market
- All plans after Sept. 23 – upon renewal or purchase of a new plan
- No dependent requirement
- Can be married
- Young adults can live in another state



5. Reinsurance for Early Retirees

- Retire before Medicare-eligible and have health coverage through former employer
- 41,500 early retirees in WV
- Companies, unions, and state/local governments eligible for help



6. Expanding the Safety Net

- Increase Medicaid eligibility (including childless adults) to 133% of poverty (\$24,352 for a family of three)
- 100% federal funds for first three years – never goes below 90%
- 77% decrease in low-income uninsured
- *Net savings to West Virginia*





The New Act Means . . .

More Affordable Insurance

- Real help paying premiums for middle-class families
- Protection from high out-of-pocket costs (deductibles, co-payments)
- New rules that make insurance companies accountable to consumers



1. Premium Tax Credits

- President Bush's idea!
- *Average* credit \$6,000
- Family of four with income up to \$88,000 year eligible
- New data coming Oct. 6th – people in WV eligible for new tax credit
 - data shows vast majority work full-time



2. Lower Out-of-Pocket Spending

- Spending on deductibles and copayments capped for everyone
- Lower- and middle-income families get extra help paying out-of-pocket costs
- No lifetime limits (today – all plans)
- No annual limits (phased in by 2014)
- WV – 346,000 people *with insurance* spent +10% of pre-tax income on health costs (110,000 spent +25%)



3. “Rate Review” of Premiums

- Insurance company’s must justify premiums and premium hikes
- transparency and accountability
- “medical loss ratios” – more value for the premium dollar
- Customer refunds if premiums set too high



The New Act Means . . .

Improvements to Medicare

- Reduce out-of-pocket costs
- No cuts to Medicare guaranteed benefits
- Increases Medicare security
- Increases Quality of Care



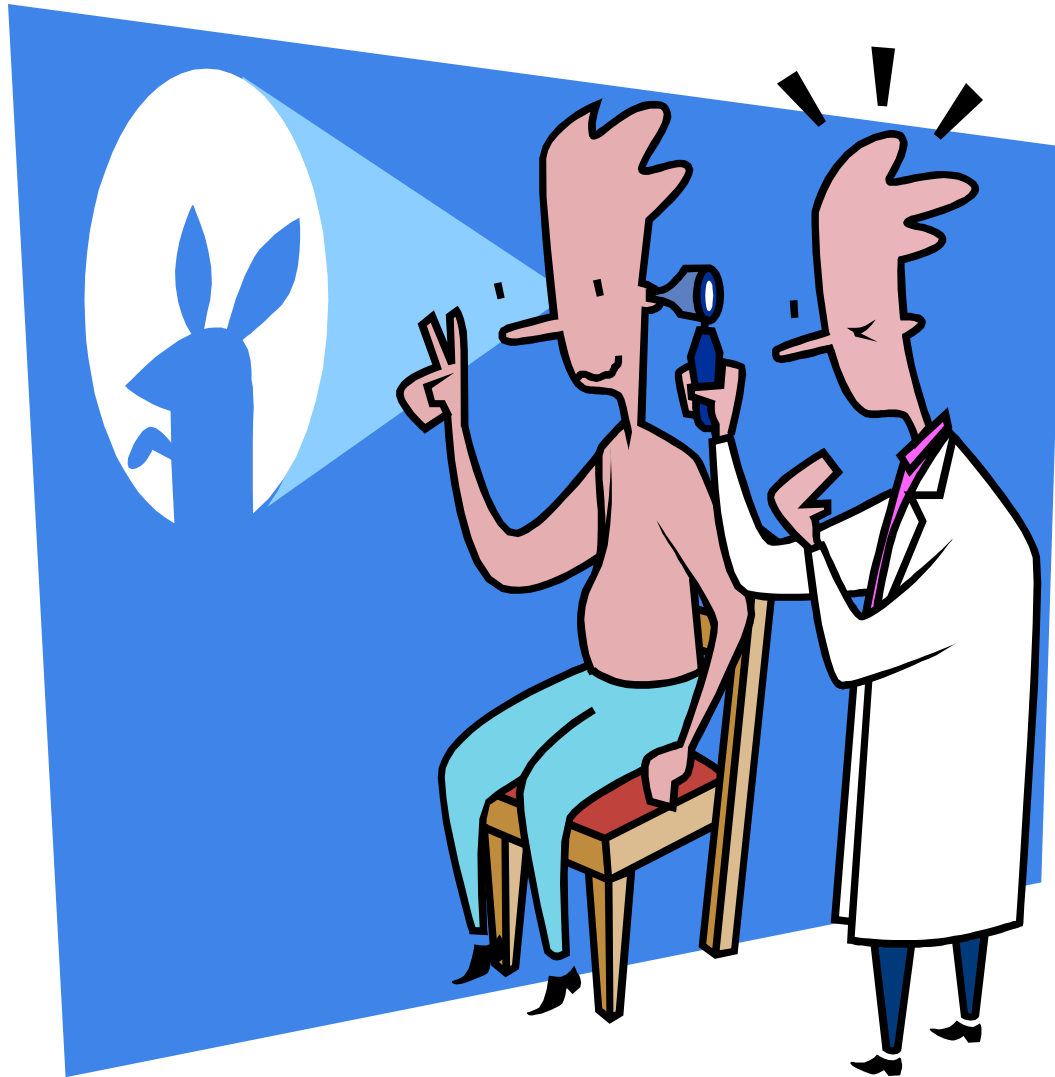
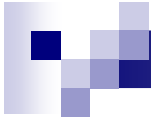
The New Act Means . . .

Improved Access to Care

- Choice of Doctors Protected

- More Doctors Where People Need Them
 - 9% of WV pop lives in an underserved area

- Strengthens Community Health Centers
 - 188 in West Virginia
 - Funds to double # of patients





The New Act Means . . .

Improvements to Quality

- Promotes prevention and primary care
 - Increases payments to primary care physicians
- New national quality improvement measures
 - Fewer medical errors
- Better information for patients and doctors
- Promotes coordination of care - KEY
 - Coordinated payments among doctors and hospitals
 - Encourages providers to work together



“Buckets of Work” in WV

Some suggestions:

- ❑ Public Education – long-haul
 - ❑ what’s in it for me? who says so?
- ❑ “Nuts and Bolts” – state implementation decisions
 1. Strong consumer advocacy capacity
 2. Coalition building around specific issues
 3. Net economic impact research?



Public Education

- Just the facts ma'm - not the spin
- Stories to illustrate facts
- What it means for me personally
- First provisions first
- Trusted messengers
- Community-level forums, town halls

Read the
cartoons first. I
like to start out
happy.





Herndon Alliance

Polling & Focus Groups

- **“I don't think it has passed.” [Blue collar woman, Philadelphia]**
- **“This [story] is why I believe in giving reform a try.” [Senior woman, Charlotte]**
- **“What is going to happen is preventive care like mammograms and things like that, there is not going to be a co-pay.” [Blue collar woman, Las Vegas]**

Research by Lake Research Partners:

Available at www.herndonalliance.org



Nuts & Bolts: Approach

- State structures for implementing health reform – a tool only – help in a hostile state?
- Fight for transparency instead?
- Multiple, diverse coalitions around key issues
- Use national expertise to compliment yours – ask for ammunition!



Nuts & Bolts: Key Policy Issues

- Rate Review & New Patient Protections
- Exchange Structure
 - Consumer-Friendly Enrollment
 - Interface between Medicaid & Premium Tax Credits
- Planning Ahead for Medicaid Expansion
- Health Delivery & Payment Reforms



Rate Review

- Increase Transparency?
- Notice to consumers of rate increases?
- Consumer input into review process?
- Broaden scope of review?
- Strengthen federal MLR requirement?
- Phase in adjusted community rating in individual market?



Exchange Issues

- Planning grant applications Sept 1
- Governance?
- Largest risk pool possible?
- What will the plans in the exchange look like?
- Protect against adverse risk selection?
- Will it be easy for consumers to join a plan? To enroll in Medicaid or secure the new premium tax credits?



Bedtime Reading

- *State Policymakers' Priorities for Successful Implementation of Health Reform* by Alan Weil, May 2010, National Academy for State Health Policy (NASHP)
- *Delivering on the Promise: A State Guide to the Next Steps for Health Care Reform* by Mike Russo, Laura Etherton, and Larry McNeely, June 2010, US PIRG Education Fund
- *State Implementation of National Health Reform: Harnessing Federal Resources to Meet State Policy Goals* by Stan Dorn, July 2010, State Coverage Initiatives (SCI)
- *Health Benefit Exchanges: An Implementation Timeline for State Policymakers*, Patrick Holland and Jon Kingsdale, July 2010, State Coverage Initiatives (SCI)

More Resources

- For more ways to get involved, visit www.standupforhealthcare.org



- For more resources, see our website at www.familiesusa.org

Sign up for our Health Action Network at www.familiesusa.org to receive email alerts and updates



Healthcare.gov

- Health insurance options
- Prevention & wellness resources
- Hospital quality comparisons
- Information about new law:
The Patient Responsibility and Affordable
Care Act