

Health Care Reform: What it Means for States

Annual Presentation
The Economic and Budget Outlook
Independent Fiscal Office
Commonwealth of Pennsylvania

November 15, 2012

Katharine Witgert
Program Manager
National Academy for State Health Policy



NATIONAL ACADEMY
for STATE HEALTH POLICY®

- 25 year old non-profit, non-partisan organization
- Academy members
 - Peer-selected group of state health policy leaders
 - Commitment to identifying state needs and guiding our work
- Working together across states, branches, and agencies to advance, accelerate, and implement workable policy solutions that address major health issues



Outline

- I. The promise of health reform
- II. Big state implementation decisions (so far)
- III. More state implementation (coming soon)
- IV. ACA tools to achieve state priorities



The Promise of Health Reform

Triple Aim

- Better patient care
- Improved population health
- Reduced costs



A Shift in Conventional Wisdom

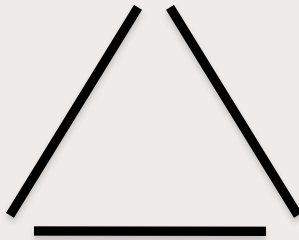
1990



Quality

Access

Cost



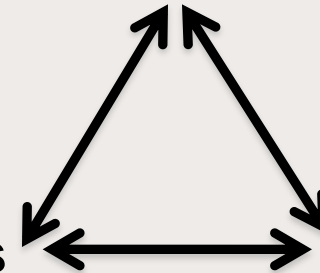
2012



Quality

Access

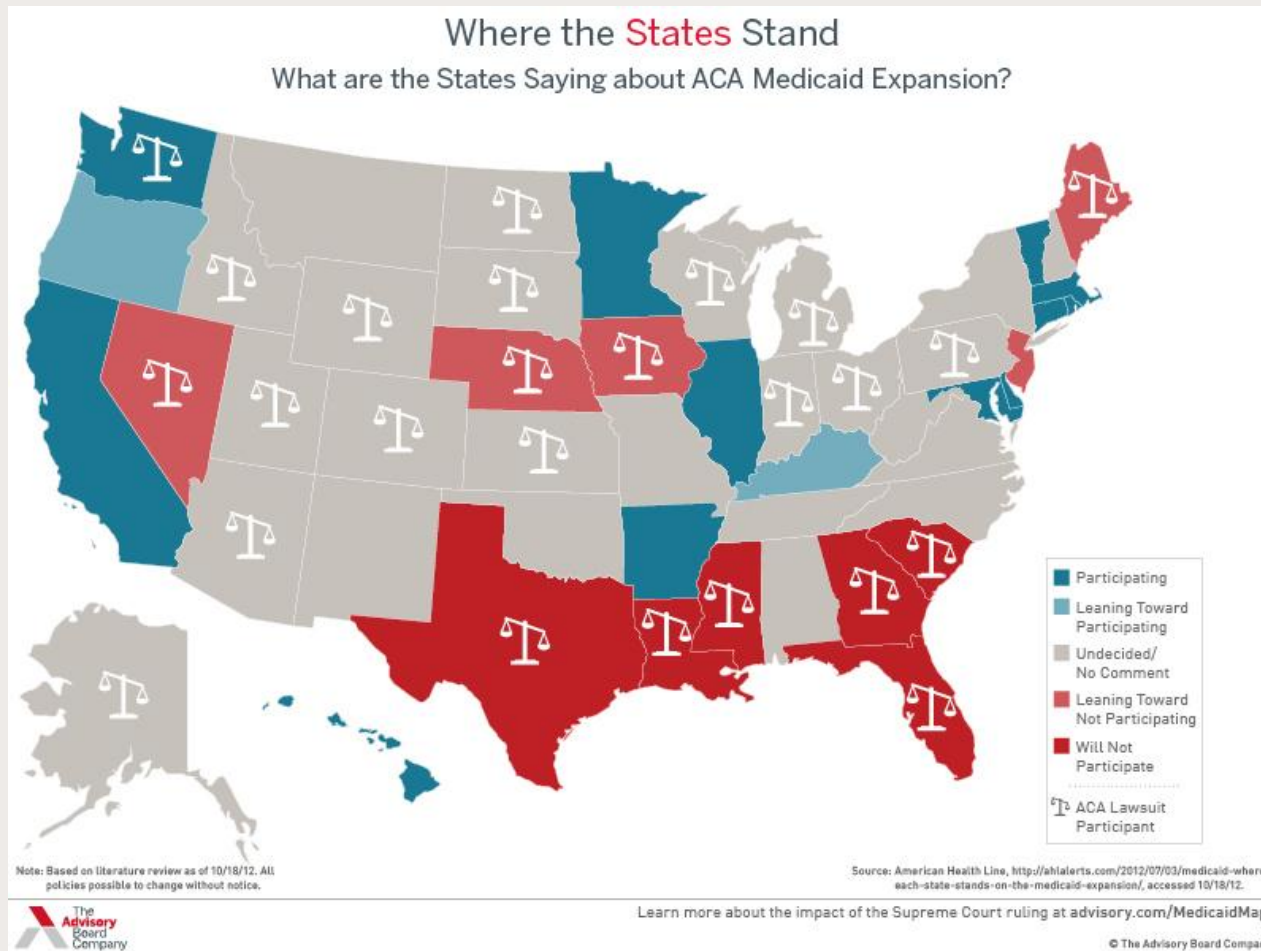
Cost



State Implementation of Health Reform (so far)



Big Decision #1: Medicaid expansion



Medicaid Primer – Pre-ACA

- Administered by states within broad federal rules
- Financial & Categorical eligibility rules apply
 - In PA
 - Children up to 133% FPL
 - Working parents up to 46% FPL
 - Childless adults are not eligible
- Financed jointly by states & federal government
 - FMAP varies by State
 - PA = 55% in 2012



Medicaid Primer – ACA expansion

- Categorical eligibility rules eliminated
 - Everyone eligibility regardless of family or employment status
- Financial eligibility rules simplified
 - Everyone eligible up to 133% FPL
- Enhanced FMAP for “new eligibles”
 - 100% 2014-2016
 - 90% thereafter



Tools to help decide

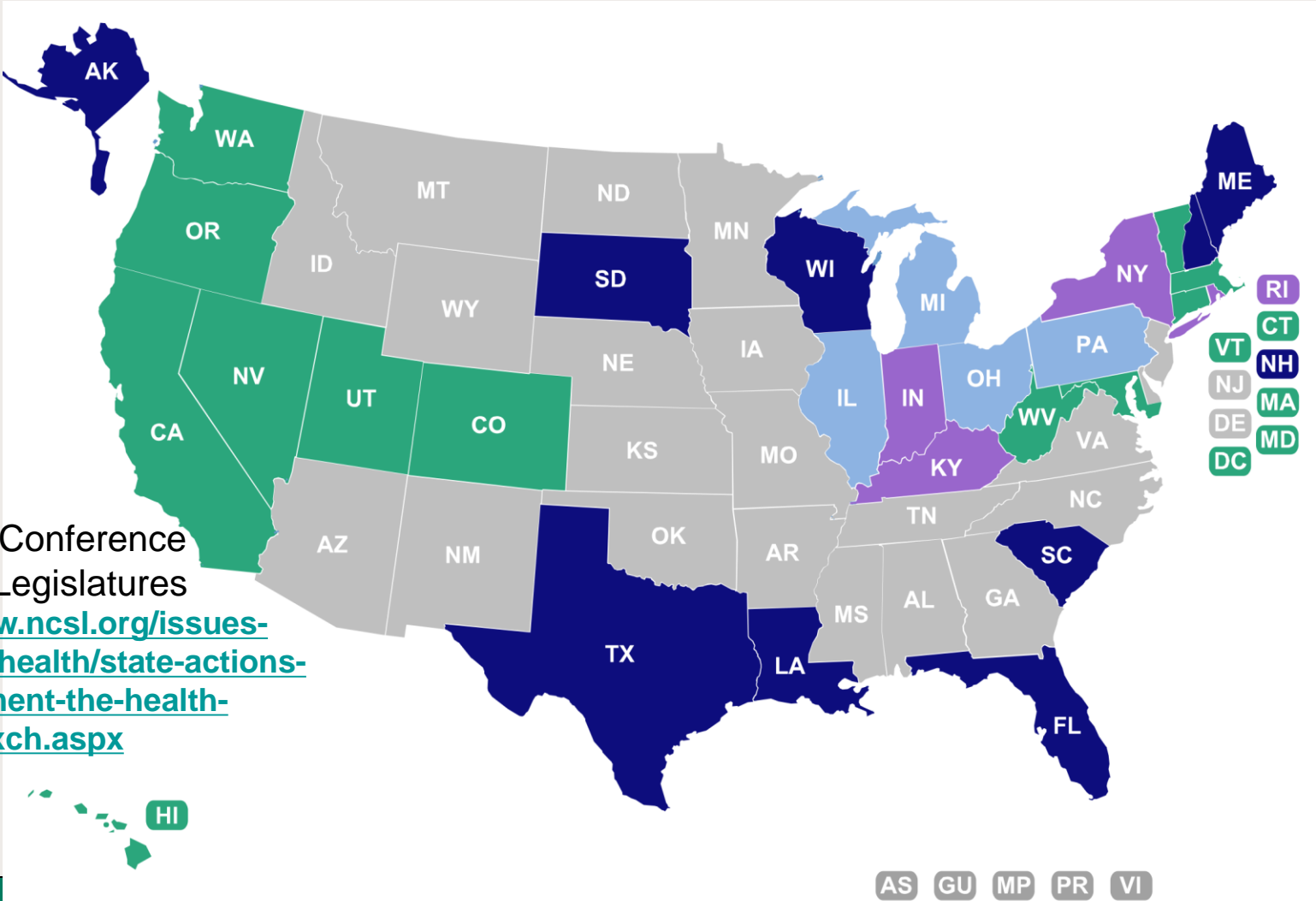


For analysis and links to tools, see:
**Medicaid Expansion: Sizing up
Coverage in States**

<http://www.statereforum.org/weekly-insight/medicaid-expansion-sizing-up-coverage-in-states>

- How much will the expansion cost a state?
 - How many individuals might enroll?
 - Who are the newly eligible?
 - What are the administrative costs?
 - What are the economic benefits & savings?

Big Decision #2: Health Insurance Exchanges



National Conference
of State Legislatures
<http://www.ncsl.org/issues-research/health/state-actions-to-implement-the-health-benefit-exch.aspx>

Exchange Primer

- Health insurance marketplace
- Subsidies for individuals
133% - 400% FPL
- Three options:
 - SBE
 - Partnership
 - FFE
- Blueprint deadlines:
 - November 16, 2012
 - December 14, 2012
 - February 15, 2013



Tools to help decide

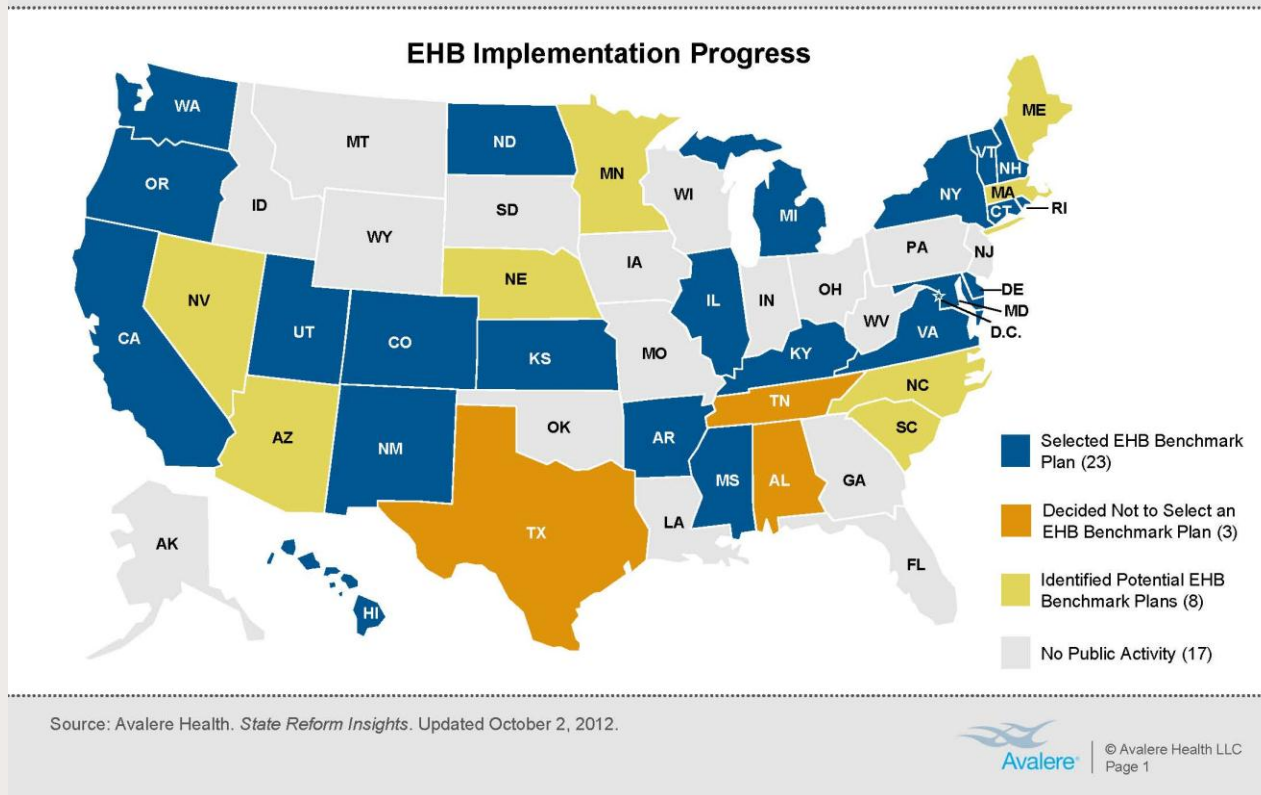


For analysis and links to tools, see:
**State Health Reform Assistance
Network resources**
<http://www.statenetwork.org/resources/>

- State-run, partnership, or federally run?
- Governance?
- Financing?
- Plan management strategy?
- Consumer assistance plan?

Big Decision #3: Essential Health Benefits

EHB Implementation Progress



EHB Primer

Minimum essential benefits

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management,
10. Pediatric services, including oral and vision care

Benchmark options

- small-group plan
- state employee plan
- FEHBP
- commercial HMO

Influence of EHBs

- Inside & outside Exchange
- Actuarial values of bronze, silver, gold & platinum plans
- Subsidy costs



Tools to help decide



Find state plan comparison charts here:
State Health Reform Assistance Network resources

<http://www.statenetwork.org/resources/>

And track state decisions here:

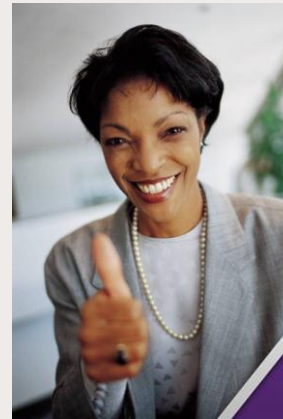
State Refor(u)m insights

<http://www.statereform.org/state-progress-on-essential-health-benefits>

- What benefits are included in prevalent plans?
- What benefits must be supplemented?
- Cost vs comprehensiveness
- How will the market respond?

More ACA implementation coming...

- Delivery system reforms
 - Value based purchasing demonstrations
 - Medical homes
 - Health homes
 - ACOs
 - Team care
 - Quality reporting



State Implementation Priorities

1. Be strategic with the insurance exchange
2. Regulate the commercial health insurance market effectively
3. Simplify & integrate eligibility systems
4. Expand provider & system capacity
5. Attend to benefit design
6. Promote care coordination
7. Use your data
8. Pursue population health
9. Engage the public in policy development & implementation
10. Promote quality & efficiency in the healthcare system



Your Peers Are on [staterforum.org](http://www.staterforum.org). Join Them!

- ▣ *Network with state health policy thinkers and doers.* The online community numbers 4500+
- ▣ *Share ideas and get feedback in a discussion.* Topics include fiscal analysis, benefits analysis and more
- ▣ *Find documents and expert analyses.* 1600+ documents are online
- ▣ **Questions? Email us: staterforum@nashp.org**
Visit and register: <http://www.staterforum.org/user/register>



www.StateNetwork.org

STATE HEALTH REFORM ASSISTANCE NETWORK

State Network

CHARTING THE ROAD TO COVERAGE



HOME

RESOURCES

ABOUT

CONTACT

ABOUT THE STATE NETWORK

The *State Health Reform Assistance Network (State Network)* is a Robert Wood Johnson Foundation (RWJF) funded program dedicated to providing technical assistance to states in order to maximize coverage expansion under the Affordable Care Act (ACA).

The program and the dissemination of models and lessons learned from this

work are key elements of RWJF's goal of ensuring that nearly all Americans have health coverage by 2020.

The *State Network* is managed at Princeton University's Woodrow Wilson School of Public and International Affairs with significant support from State Coverage Initiatives (SCI), also an RWJF national program, housed at AcademyHealth.

[MORE ABOUT THE STATE NETWORK >](#)

Get Email Updates



Subscribe to periodic email updates from the State Network.



NATIONAL ACADEMY
for STATE HEALTH POLICY



NATIONAL ACADEMY
for STATE HEALTH POLICY®

Katharine Witgert
Program Manager
kwitgert@nashp.org

www.nashp.org

www.staterforum.org

