

Health Care Reform 101

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Current MO HealthNet

Current coverage with Missouri Medicaid (MO HealthNet)

- Able bodied adults not currently eligible
- Parents 19% FPL (\$4,400 per year for family of 4)
- Disabled adults 85% FPL
- Seniors 85% FPL

Public Programs

- Medicaid available to those below 133% FPL as of 2014
- Anticipate the addition of 255,000 adults
- 2009 Federal Poverty Level family of 3 - \$24,352 per year

Public Programs

- Costs of newly covered Medicaid eligibles paid 100% from Federal funds 2014 - 2016
- Federal share of Medicaid expansion gradually decreasing
- Medicaid payments to primary care physicians increase to Medicare rates (funded for 2 years)

Community Health Centers

- \$11 billion in additional support to Federally Qualified Health Centers and Rural Health Centers over 10 years
 - Distribution of this money not yet determined
 - Currently 180 sites in Missouri

Individual Mandate

- Everyone will be required to have insurance at the time of filing taxes for 2014
- 495,000 currently uninsured in Missouri
- Penalty \$695 per person or 2.5% of the household income
 - ❖ Penalty would come in the form of withhold of tax refund
 - ❖ Exceptions for financial hardship or religious reasons

Individual Mandate

- Premiums available based on a sliding scale up to 400% of the Federal Poverty Level
- Kaiser Family Foundation has a premium calculator tool

Medicare

- Reduced payments to Medicare Advantage private insurance companies — affects about 30% of beneficiaries
- Eliminates co-pays for preventive services (960,000 seniors)
- Enhanced payment to primary care doctors for coordination of care

Medicare

- Gives additional \$250 to beneficiaries who are in the medication (Medicare D) donut hole (171,000 seniors)
- Over 10 years the donut hole is eliminated

Health Benefit Exchange

- Employees who do not have access to employer sponsored health insurance will be able to purchase on the exchange
- Premium assistance will be available based on income
- Small employers will be able to use a separate exchange (up to 100 employees) — this would apply to 303,000 employees in Missouri
- Limited to U.S. citizens and legal immigrants

Health Benefit Exchange

- Plans must meet a minimum benefit package
- 4 levels of plans based on premiums, out of pocket costs and extent of coverage
 - Platinum
 - Gold
 - Silver
 - Bronze

Employers

- Employers with fewer than 50 FTE employees are exempt from requirements
- Large Employers must offer insurance product to employees — some requirements for the level of deductible and benefits apply
- Grants available for wellness programs for small companies

Employers

- Employer will face penalties if employees have to use tax credits to purchase insurance on the exchange
- Employers will not have to make changes to existing health benefit plans

Changes to Private Insurance

- Establishes basic coverage
- Caps on annual out of pocket spending
- Removes annual and lifetime benefit caps
- Removes pre-existing condition
- Stops denial of benefits when people become ill
(recision)

Changes to Private Insurance

- Young adults can remain on parent's insurance until age 26 (559,000 young adults in Missouri)
- Reduces the wait for employer sponsored insurance to 90 days
- Strengthen oversight of insurance premium rates and rate increases.

Employer Requirements

- No employer mandated to provide health insurance
BUT
- Employers with more than 50 full time employees will be assessed a fee of \$2,000 per employee (in excess of 30 employees) if they do not offer coverage
- If they offer expensive coverage and employees instead opt for the Exchange with Premiums, there will be a fine unless the employer provides a voucher with the amount that they would have provided in Employer contribution

Conclusions

- Legal Challenges to come
- Rules and regulations to be established

Stay tuned.