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Federal Health Reform Update

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**Before the
Health Care Task Force
Idaho State Legislature
November 4, 2009**

Current Status Report

- **House (H.R. 3269)**
 - **Tri-committee bill has been introduced and is currently being reviewed by the members.**
 - **Current bill apparently lacks sufficient votes to pass.**
 - **Manager's amendment is anticipated.**
 - **72 hours for review followed by floor consideration.**
- **Senate (S. 1679-HELP Committee; S. 1796-Finance Committee)**
 - **Bills are being merged and CBO is costing out the provisions.**
 - **Bill will include a public option w/state opt-out (no details are available)**
 - **Final bill must be available for review for 72 hours**
 - **60 votes need to proceed to consideration.**

[Key Changes]

■ House

- Increased Medicaid floor to 150% of FPL
- Increased enhanced match from 90% to 91% in FY 2015 and thereafter
- Extends ARRA enhanced match through June 30, 2011
- State compacts
- Indian Health Care Improvement Act

■ Senate

- Adds "public option" with state opt out (no details available)
- Redefined "newly eligible" to exclude individuals who were eligible, but not enrolled

[What's the Goal?]

- Provide **high quality/affordable** health insurance coverage to all/most Americans. Who's not covered now?
 - Low-income individuals/families
 - Individuals with pre-existing medical conditions
 - People who work for employers that don't provide health insurance benefits
 - Retirees, before they are eligible for Medicare
 - Young invincibles
 - People who don't want to spend the money

[The Game Plan.....

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[Game Plan in Brief]

- Insurance Reform
- Individual Responsibility
- Employer Responsibility
- Expansion of Medicaid
- Additional System Supports



Key Issues

[Insurance Reforms]

- Preemption of insurance state laws
 - Some preemption is anticipated, scope is unclear
 - States may have to "pay" for state mandates if they opt to retain them
- Cross-state enforcement (regional connector programs)
- Risk adjustment, rating bandsthe details of insurance reform
- State-based or national exchanges???
- Administrative costs associated with implementation

[Insurance Reforms cont.]

- Exchange
 - Public Option (Opt-in, Opt-out)
 - Who's in charge? What are they in charge of?
 - Who's in? Who's out? When are they in?
 - Subsidies
 - Essential Benefit Package/Affordability
 - What is "essential"?
 - Mental health and substance abuse parity/mandate?
 - Child health benefits...does that mean EPSDT?
 - Abortion/reproductive health coverage?
 - Treatment of state mandated benefits?

Medicaid/CHIP Reform

- Add new mandatory eligibility categories (funding assistance???)
- Maintenance of effort provisions
- Enhanced match for eligibility systems updates
- Maintain existing mandatory and optional eligibility categories
- Retain waivers and waiver process/waiver transparency provisions
- Add new mandatory/optional benefits
- Establish a statutory countercyclical funding provisions/ARRA extension
- Eliminate/reduce DSH payments
- Encourage public/private partnerships
- Payment reforms????
- Treatment of "legacy states"
- What should happen to CHIP? Sunset? Continue?

Funding Issues

- The end of ARRA funding
- FMAP enhancements (length of enhancements and applied to what?)
- Maintenance of Effort/Eligibility
- State equity (legacy states/MOE)
- New federal mandates
- Administrative simplification v. reducing/eliminating fraud, waste & abuse
- Implementation costs related to the exchanges/new Medicaid responsibilities
- Overall funding for the reform effort

[Other State Issues]

- Impact of reforms on states as employers
 - Employer responsibility/penalties
 - Employer contributions towards premiums (72% for individuals/65% for families)
 - Adopt minimum essential benefit package (phased-in over several years)

[Controversial Issues]

- Public Option
- Abortion Coverage
- Treatment of Undocumented Immigrants
- Affordability
 - Benefits
 - Subsidies
 - Plans
- Funding for states
- Funding the overall program
- Rural v Urban issues (Medicare)
- Infrastructure concerns
- Medicare physician payment reform

[Timetable for Action]

■ House

- Hopes to complete floor consideration prior to Veteran's Day (11/11/09)

■ Senate

- Hopes to consider prior to Thanksgiving.