

Health Care Financing

Family-to-Family Health Information
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Faculty

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"In a decent society, there are certain obligations that are not subject to tradeoffs or negotiation - - health care for our children is one of those obligations."

Rylin Rodgers
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What Is Health Reform

- Patient Protection and Affordable Care Act of 2010 (ACA)
- Phased Implementation from 2010 - 2014
- Key provisions for children among first implemented

Pre-existing Conditions

- Insurers cannot deny policies to children with pre-existing conditions
 - Health plans won't be able to exclude coverage of pre-existing conditions from their policies
 - Health plans can't refuse to cover child's treatment solely because they had health condition when they joined

Pre-existing Conditions

- Applies to children under age 19 for plan/policy years beginning after September 23, 2010
- Insurers will have to accept everyone who wants to purchase a plan, regardless of their health status
 - Applies to adults over 19 for plan/policy years beginning after January 1, 2014

Which Plans?

- This new protection will apply to everyone who gets coverage through work and to everyone who buys an individual or family plan after March 23, 2010

Which Plans?

- This new protection may not apply to those who stay in individual insurance plans that they bought before March 23, 2010, unless that plan has made major changes in its coverage or substantially increased cost-sharing or deductibles

Grandfathered Plans

- Plans that existed on March 23, 2010
 - Insurers and employers can make routine changes without losing grandfather status

Grandfathered Plans

- These routine changes include cost adjustments to keep pace with medical inflation, adding new benefits, making modest adjustments to existing benefits, voluntarily adopting new consumer protections under the new law, or making changes to comply with state or other Federal laws

When Did This Start?

- For plan years beginning on or after September 23, 2010, insurers will have to cover all children who apply for a plan, regardless of their health status

When Did This Start?

- However, insurance plans are not required to have new plans available for purchase year-round. Plans may choose to have “open enrollment periods”
 - That is, periods when they will take new applicants

What Can They Deny?

- Your insurance company can still deny coverage of a particular treatment if your plan does not offer coverage of that specific treatment to any one else enrolled in the plan

Option for Uninsured Individuals with Pre-existing Conditions

- Pre-existing Condition Insurance Plan (PCIP)
- Indiana is using the National High Risk Pool
 - To be eligible, you must:
 - Be uninsured for at least six months

Option for Uninsured Individuals with Pre-existing Conditions

- Have had a problem accessing coverage
- Be a US citizen
- For more information on Alabama's program, go to www.healthcare.gov

Lifetime and Annual Benefit Caps

- ACA removes annual and lifetime benefit caps for children and adults
- Cannot impose annual dollar limits exceeding specified amounts for "essential health benefits"
 - Until September 23, 2011, this limit is \$750,000

Lifetime and Annual Benefit Caps

- During the following year it is \$1.25 million
- From September 23, 2012, until January 1, 2014, the annual limit can be no lower than \$2 million
 - After January 1, 2014, no annual limits on essential benefits are permitted

Lifetime and Annual Benefit Caps

- September 23, 2010 no lifetime cap on new individual plans and existing individual and group plans
 - 2010 no restrictive annual benefit limits on new group plans

Essential Benefits

- The “essential health benefits” listed in the law are:
 - Outpatient services
 - Emergency services
 - Hospitalization
 - Maternity and newborn care

Essential Benefits

- Mental health and substance use disorder services
 - Including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices, laboratory services

Essential Benefits

- Preventive and wellness services and chronic disease management
- More details about these services will be set forth in regulations

Young Adult Coverage Through A Parent’s Policy

- Young adults up to age 26 can remain on their parents’ health insurance, even if they are not students, don’t live at home, and don’t live in the same state as their parents!

Who Is Eligible?

- The parent has to have coverage through their employer or buy family coverage in the individual market
- The plan must provide “dependent coverage”
 - Young adult does NOT have to be dependent on parent(s)
 - Does not have to live with parent(s)

Who Is Eligible?

- The young adult doesn’t have access to coverage through their own employer
 - After 2014, any young person can remain on their parent’s plan

Preventive Care

- Preventive care is covered without co-pays, or other cost sharing
- Preventative care and screening based on Bright Futures
- Screening based on US Preventive Services Task Force

Preventive Care

- Immunizations based on CDC guidelines
 - Applies to plan/policy years beginning after September 23, 2010
 - New employer based and individual plans

Medicaid Coverage Expansion

- Individuals up to 133% of Federal Poverty Level (FPL)
- Beginning in 2014
 - Children whose family income is under 133% of FPL in separate CHIP programs move to Medicaid
 - And EPSDT!

Medicaid Coverage Expansion

- All states will use the same income eligibility formula
 - Modified Adjusted Gross Income (MAGI)
 - MAGI will also be used for the exchange

Medicaid Coverage Expansion

- Young people aging out of foster care retain Medicaid coverage up until the age of 26
 - Beginning in 2014

No Wrong Door

- Simplified application for Medicaid, CHIP and the Exchange plans
- All points of entry will accept and process applications on same timeline

Concurrent Care for Children Under Medicaid

- Children enrolled in Medicaid and separate CHIP programs
 - With a medically-certified life expectancy of six month or less
- Will be able to receive both hospice and curative care at the same time

Concurrent Care for Children Under Medicaid

- Removed requirement to stop curative care before hospice care can start
 - Began March 23, 2010
 - In effect now

Home and Community Based Options

- Medicaid Waivers remain an option for states
 - Some changes to 1915(i) option allows for expansion and greater flexibility

Home and Community Based Options

- Starting in October 2011, states will have an additional option:
 - Community First Choice Option
 - Home and community attendant services provided in a community setting

2014 and Beyond

- An expansion of Medicaid to anyone with a family income less than 133% of the Federal Poverty Level
 - About \$14,000 for an individual
 - About \$30,000 for a family of 4
- Ban on pre-existing condition exclusions for everyone

2014 and Beyond

- Ban on annual coverage limits for “essential health benefits”
- Ban on varying premiums based on health status

Where to Learn More

- www.healthcare.gov
- Family Voices: www.familyvoices.org
- Families USA: www.familiesusa.org
or www.standupforhealthcare.org
- Catalyst Center: www.catalystctr.org
- Community Catalyst:
www.communitycatalyst.org

Where to Learn More

- Kaiser Family Foundation:
<http://healthreform.kff.org>
- Commonwealth Fund:
<http://www.commonwealthfund.org/Health-Reform/Health-Reform-Resource.aspx>

Medicaid: SOBRA and Medicaid for Low Income Families

- No cost
- Pregnant women and children under six years of age
 - 133% of federal poverty level
- Children 6 - 19 years
 - 100% of federal poverty level

Medicaid: SOBRA and Medicaid for Low Income Families

- Low income \$194 a month for family of four
 - After deductions
- www.medicaid.alabama.gov

CHIP (All Kids)

- Low cost, comprehensive health care coverage
 - Under 19
 - 300% of poverty
 - No other insurance (or off for three months)
 - Not eligible for Medicaid
 - www.adph.org

Children's Rehabilitation Services (CRS)

- Statewide organization of skilled professionals providing quality medical, rehabilitative, coordination and support services
- Every county in Alabama is served through a network of 14 community-based offices

Children's Rehabilitation Services (CRS)

- Birth - 21 years of age with a special health care need
- All income levels may receive services
- Families who can are asked to participate financially in child's care on a sliding fee schedule
- www.rehab.state.al.us