



HEALTH REFORM: WHAT JUST HAPPENED?

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Congress Sends White House Landmark Health Overhaul House Votes on Party Lines, 219 to 212

By **ROBERT PEAR**
and **DAVID M. HERSZENHORN**

WASHINGTON — House Democrats approved a far-reaching overhaul of the nation's health system on Sunday, voting over unanimous Republican opposition to provide medical coverage to tens of millions of uninsured Americans after an epic political battle that could define the differences between the parties for years.

On a sun-splashed day outside the Capitol, protesters, urged on by House Republicans, chanted, "Kill the bill" and waved yellow flags declaring, "Don't Tread on Me." They carried signs saying, "Doctors, Not Dictators."

Inside, Democrats hailed the votes as a historic advance in social justice, comparable to the establishment of Medicare and So

SO WHAT'S IN IT?

- Insurance Market Reforms
- Individual Mandate
- Employer Requirement
- Public Health Provisions
- Workforce
- Cost-Curbing Mechanisms and Revenue Generating Provisions



INSURANCE MARKET REFORMS

- ***The Patient Protection and Affordable Care Act (H.R.3590)***
 - Market reforms include guarantee issue and no health-status rating or pre-existing conditions provisions for individual and small group health plans
 - Eliminate gender rating, more limited age rating bands
 - Requires insured and self-insured health care plans to provide dependent coverage for children up to age 26
 - Prohibits plans from establishing lifetime limits on the dollar value of benefits upon enactment; prohibits annual limits
- ***The Reconciliation Act of 2010 (H.R. 4872)***
 - No changes to the Senate bill



INDIVIDUAL MANDATE

- ***The Patient Protection and Affordable Care Act (H.R.3590)***
 - Requires individuals to have coverage or pay a modest penalty beginning in 2014, and the greater of a \$750 annual penalty in 2016 or up to 2 percent of income
 - Family coverage is capped at \$2,250
 - Tax credits for individuals to purchase non-group coverage
- ***The Reconciliation Act of 2010 (H.R. 4872)***
 - Decreases flat dollar amounts from \$495 to \$325 in 2015, and from \$750 to \$695 in 2016
 - Raises the percentage of income assessment from 0.5% to 1% in 2014, up to 2.5% in 2016 and subsequent years



EMPLOYER REQUIREMENT

- ***The Patient Protection and Affordable Care Act (H.R.3590)***
 - Penalties assessed if the employer does not offer health coverage at all, if the employee is offered coverage that is “unaffordable,” or the plan has an actuarial value of less than 60 percent
 - Employers (50+) not offering coverage are subject to “free rider” penalty (\$750 multiplied by # of FTEs) if even one FTE receives a subsidy to purchase health insurance in the exchange
 - If coverage offered is unaffordable or has actuarial value less than 60 percent, penalty would be \$3,000 per year for each FTE receiving subsidy, to a maximum of \$750 times all FTEs



EMPLOYER MANDATE

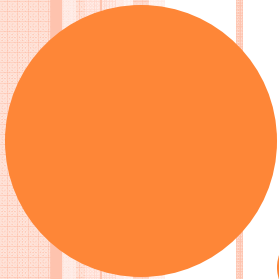
- ***The Reconciliation Act of 2010 (H.R. 4872)***
 - Penalty for not offering coverage is \$2,000/FTE if even one receives subsidy, but excludes the first 30 workers
 - Penalty for “unaffordable” (9.5% of family income) coverage is \$3,000 for each employee who enrolls in the exchange
 - Eliminates any “free rider” assessment for employees in a waiting period but length of waiting period could not exceed 90 days beginning in 2014



REVENUE GENERATION

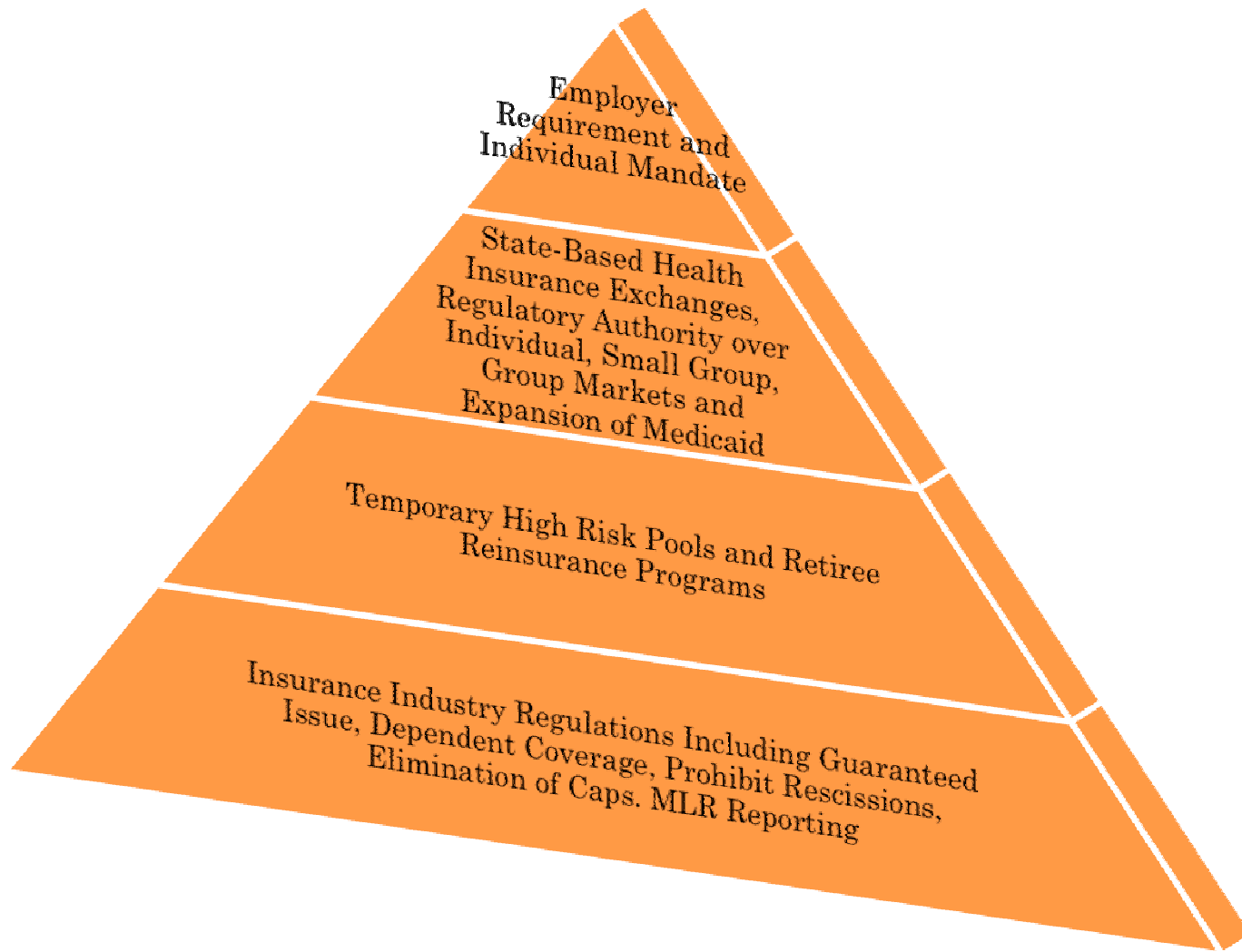
- Additional Medicare Part A tax for incomes over \$200,000 per year
- “Cadillac” excise tax on high benefit health plans
 - This was delayed until 2018 and labor unions negotiated exemption
- Tax on Health Insurance Plans
- Pharmaceutical and Device Industry User Fees





WHY WE DID WHAT WE DID

LOGIC BEHIND SEQUENCING OF ACCESS PROVISIONS





**WHAT'S IN IT FOR
PUBLIC HEALTH?**

PUBLIC HEALTH PROVISIONS IN THE PATIENT PROTECTION AND AFFORDABLE CARE ACT (PPACA)

- Prevention and Public Health Fund
- Community Transformation Grants
- Public Health Workforce Recruitment and Retention Grants
- Epidemiology and Lab Capacity Grant Program
- Health Disparities and Data Collection Provisions
- Home Visitation Program



PREVENTION AND PUBLIC HEALTH FUND

- Building off of investment in ARRA, this fund will help expand investments in prevention and wellness activities including:
 - Prevention research
 - Health Screenings
- Administered by the HHS Secretary
- Funding: \$15 billion over 10 years, beginning with \$500 million/ FY2010, ramping up to \$2 billion in FY2015 and each year after.



COMMUNITY TRANSFORMATION GRANTS

- Competitive grants to state and local governmental agencies and community-based organizations to:
 - reduce chronic disease rates
 - address health disparities
 - develop a stronger evidence-base of effective prevention programming
- 20% of the grants are targeted to rural and frontier areas
- Funding: no appropriated funds
 - Prevention and Public Health Fund resources may be used.



PUBLIC HEALTH WORKFORCE

- Establishes a public health workforce loan repayment program
- Allied health workforce recruitment and retention programs
- Training for mid-career public health professionals
- Funding: Authorizes \$195 million/year for loan repayment program, \$30 million each for allied health and mid-career programs.



EPIDEMIOLOGY AND LAB CAPACITY GRANTS

- Grant program to local, state and tribal health departments to improve surveillance and response with respect to infectious diseases and other health conditions
- Funding: \$190 million per year from 2010-2013



HEALTH DISPARITIES/DATA COLLECTION

- Requires the collection and reporting of data on:
 - race and ethnicity
 - gender
 - geographic location
 - socioeconomic status (including education, employment or income)
 - primary language
 - disability status,
- Data at the smallest geographic level such as State, local, or institutional levels if such data can be aggregated
- Funding: No appropriated or authorized funds



HOME VISITATION PROGRAM

- Grantees of this state grant program for evidence-based early childhood home visitation will measure improvement in:
 - maternal and child health
 - childhood injury prevention
 - school readiness
 - juvenile delinquency
 - family economic factors
 - coordination with community resources.
- Funding: \$3 billion over 5 years



ISSUES TO CONSIDER

- Implementation Timeline
- Political Influences?
 - Midterm Elections
 - 2012 Presidential Election
- Public Sentiment
- State Fiscal Issues
- Competing Agendas
 - Economy
 - Jobs
 - The Unexpected?

