

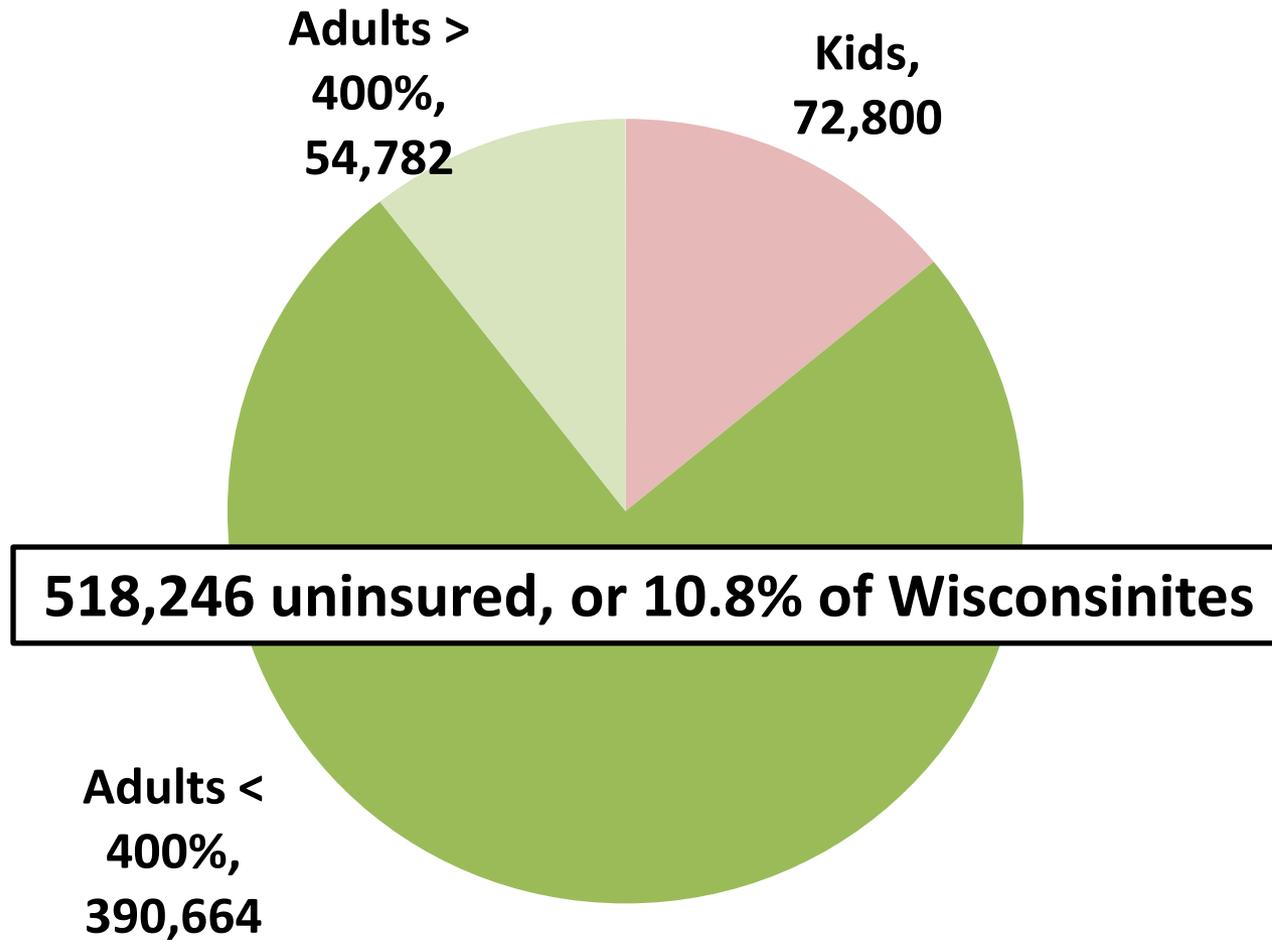
Mental Health America of WI and the Wisconsin Council on Children and Families

Health Care Reform: What Do We (Think) We Know?

State Council on Alcohol and Other Drug Abuse
Friday, December 14th

Sara Eskrich, Wisconsin Council on Children and Families
Shel Gross, Mental Health America of WI

Why ACA? Uninsured Non-Elderly Wisconsinites (2010 SAHIE Data)



Affordable Care Act

- Overall ACA will lead to a 50% reduction in the uninsured in WI:
 - 40% of this will come through the Medicaid expansion.

(According to a recent Urban Institute analysis.)

Affordable Care Act

Some stuff in effect already:

- No pre-existing exclusions for kids.
(similar exclusion for adults on the way)
- Preventive services at no cost.
- Integrated care: health homes.

Affordable Care Act

To Be Determined:

- Exchanges: expanded access.
- Essential Health Benefits: parity.
- Medicaid expansion: 24% of currently uninsured expansion population have mental disorders.

Coverage Opportunities

If Your Employer Offers You Affordable Health Care Coverage...

Door #1:

Employer Sponsored Health Insurance (ESI)



Thanks to new provisions in the ACA, ESI will also be subject to new provisions including the end of gender rating, end of annual limits and lifetime limits and premium rate reviews

All plans may also include an essential health benefits package

If You Need to Purchase Health Care Coverage On Your Own or for/with your small business...

Door #2:

State Health Insurance Exchange



All plans to include essential health benefits package

Tiered plans make for easy comparison of costs, benefits, and coverage

May be eligible for tax credits and subsidies to purchase coverage through the Exchange

If You Need Health Care Coverage But Can't Afford to Purchase a private Plan in the State Exchange...

Door #3:

State Health Care Programs

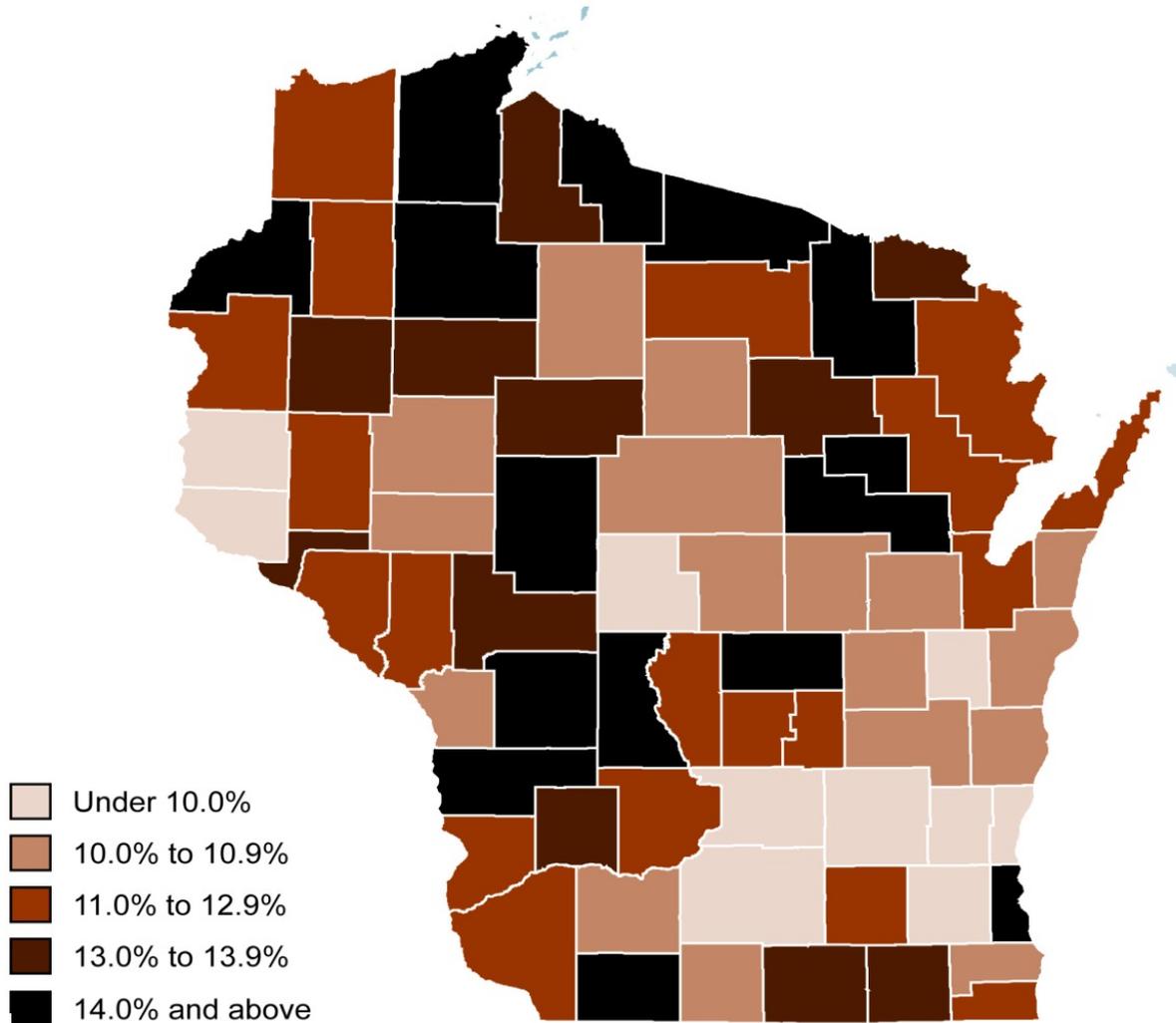


Covers individuals and families with low enough incomes to make participating in the Exchange or buying private insurance cost prohibitive – includes, Medicaid, BadgerCare, & Family Care



Wisconsin Alliance for Women's Health

Percent of Non-Elderly Adults Who Are Uninsured and Under 400% of Poverty



WISCONSIN COUNCIL ON

**children
& families**

Raising Voices to Make Every Kid Count

Exchanges

- Marketplace for individuals and small businesses.
 - Achieves efficiencies by pooling into larger groups.
- Subsidies available based on income.
- Limits risk-adjustment: can't adjust for sex, health status; limited for age.
- Chose private insurance based on price, quality, coverage (precious metal tiers).

Exchanges

- Advantages to FFE:
 - Feds committed to this.
 - Potential for better consumer protections.
 - More likely to focus on quality issues.
- Disadvantages to FFE:
 - Advocates have more limited relationships with federal decision-makers.
 - How much will it be customized to WI?
 - WI has non-typical insurance market.

Exchanges

- Advocacy Concerns:
 - What will the process be for stakeholder involvement?
 - What will the governance be like?
 - State still has a number of roles:
 - Plan licensure
 - Network adequacy
 - Medicaid eligibility and coordination

Exchanges

- Advocacy Concerns:
 - Ensuring high quality plans; health plans need to meet high standards.
 - Adequate consumer choice.
 - Consumer access to assistance; transparency.

Essential Health Benefits

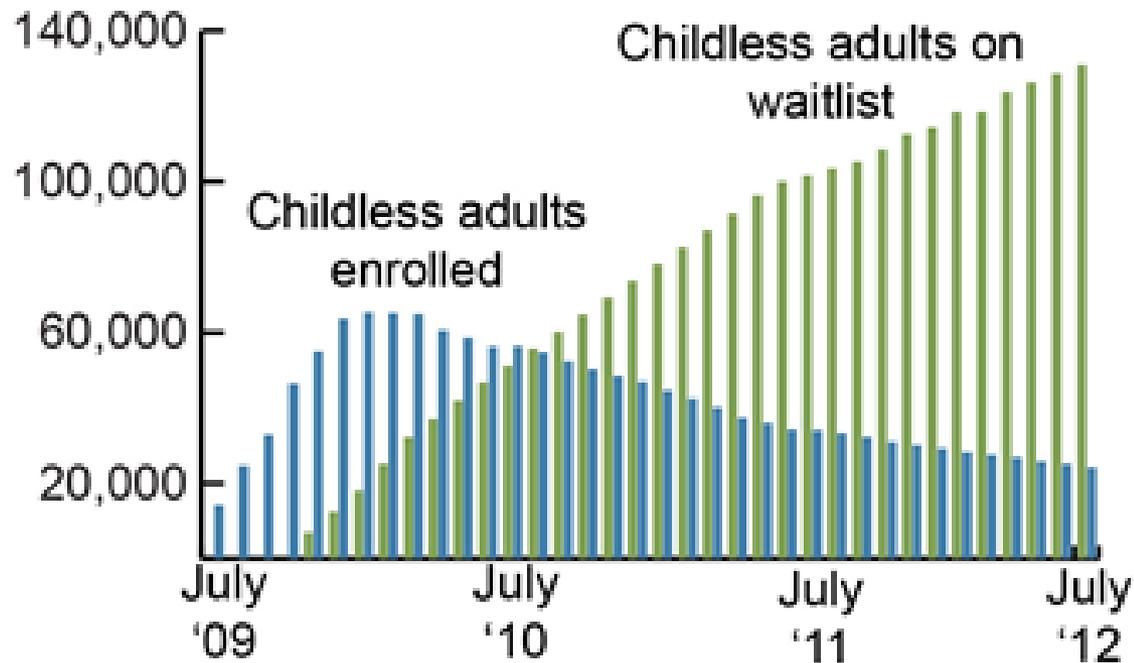
- Minimum benefits for non-group and small group plans in and out of exchanges (also some Medicaid and BHP)
- 10 Categories in the ACA:
 - i. Ambulatory patient services
 - ii. Emergency services
 - iii. Hospitalization
 - iv. Maternity and newborn care
 - v. Mental health and substance use disorder services, including behavioral health treatment
 - vi. Prescription drugs
 - vii. Rehabilitative and habilitative services and devices
 - viii. Laboratory services
 - ix. Preventive and wellness services and chronic disease management
 - x. Pediatric Services, including oral and vision care
- States decide benchmark plan, largest small group plan is default, UnitedHealthcare Choice Plus.
- Plans offered in the exchanges must include MH/SA at parity.
- Unclear: whether/how transitional treatment services will be included & enforcement mechanisms.

Filling the Gap in BadgerCare

- Fills the gap in BadgerCare (Medicaid) by providing additional federal funds to cover almost all low-income Wisconsinites (pending legislative approval). Includes those up to 133-138% of Federal Poverty Level:
 - \$15,415 /year for a single adult
 - \$31,809 /year for a family of four
- Federal government covers 100% of expansion costs from 2014-16 and phases that down to 90% in 2020 and beyond. (Currently at 60% in WI)
- Supreme Court Ruled Feds Could Not Require State to Expand Program

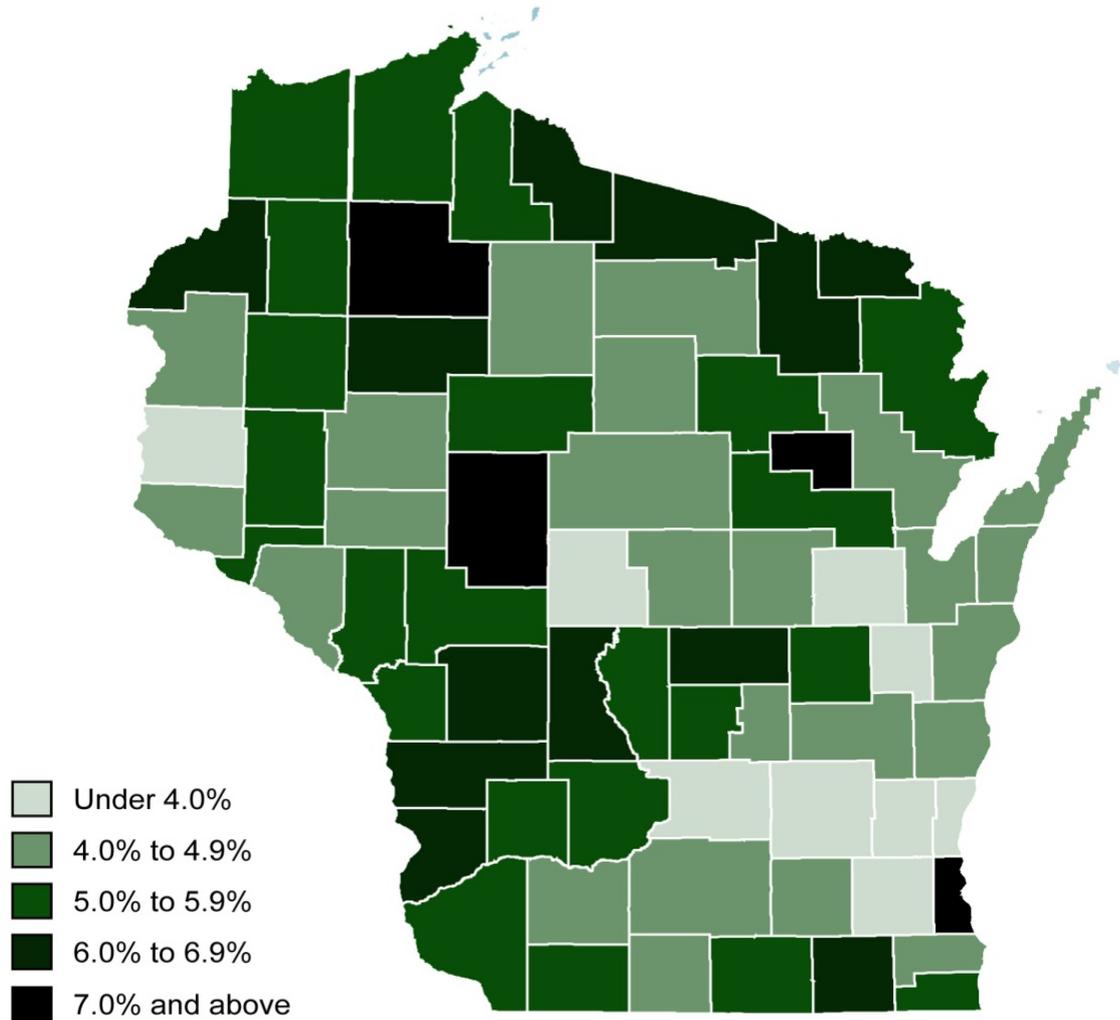
Trends in BadgerCare Core Coverage for Non-Custodial Adults

Core Plan Wait List Surges as Enrollment Falls



Wisconsin Budget Project

Percent of Non-Elderly Adults Who Are Uninsured and Under 138% of Poverty



Filling the Gap in BadgerCare

- Subsidies in exchanges start for people at 100% of FPL; if Medicaid eligibility is below this some people could not qualify for Medicaid or subsidy.
- WI already covers part of the expansion group through the CORE plan waiver:
 - WI would come out ahead fiscally for this group.
- Urban Institute report finds WI would save \$248m. in state Medicaid expenditures from 2013-2022 (inc. uncompensated care)

Filling the Gap in BadgerCare

- Numerous planned reductions to other federal funds to cover cost of ACA assume those funds are no longer needed because people have coverage.
 - Milwaukee County alone has over \$4m. in such funds, primarily around substance use disorder treatment.

Key Question about the 2013-15 WI Budget

- Will Wisconsin extend BadgerCare to all adults without dependent children to 138% of FPL in 2014? How much will that save in 2013-15?
- Will Walker propose eliminating coverage of adults over 138% of FPL (or perhaps even above 100%)?
- How many additional already-eligible people will enroll in BadgerCare? What is that cost?
- Will DHS and the Governor propose a new round of cost saving measures in BadgerCare & Medicaid?

Timeline/Decision Points

March 2010: Affordable Care Act becomes law

- Pre-existing condition protections for children, expanded coverage for young adults, small business tax credit, discounted drugs in donut hole

June 2012: SCOTUS upholds majority of ACA

July 2012: Wisconsin increased premiums and tightened crowd-out restrictions for adults in BadgerCare over 133% of the poverty level (FPL)

- As allowed under ACA if state certifies a budget deficit (WI did so)

November 16, 2012: Wisconsin announces it will defer to the federal government, rather than develop a state exchange

December 26, 2013: Deadline for comments on EHB regulations

Mid February: Governor Walker releases his budget – likely illustrating whether the state will fill the gap in BadgerCare in 2014

February 15, 2013: States can submit plan for partnership exchange

October 1, 2013: Open enrollment for Exchange coverage begins

January 1, 2014: Exchange coverage begins in every state & WI can fill the gap in BadgerCare

- States can shift BadgerCare adults over 138% FPL into Exchanges or Basic Health Plan
- States can begin receiving enhanced federal funding for Medicaid expansion
- Further insurance protections go into place

No Deadline: Using the ACA to fill the gap in BadgerCare, 100% federal funding until 2016, phases down to 90% in 2020 and beyond. State could expand in 2014, and restrict coverage in the future.

Questions?

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