

Health Care Reform: Completing the Sprint *and* the Marathon

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MLHS and mhiac
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Implementing Health Care Reform

- On March 31 Gov. Granholm issued an executive order that created:
 - Health Insurance Reform Coordinating Council
 - Will organize Cabinet efforts to implement health care reform
 - Office of Health Insurance Consumer Assistance
 - Will provide consumers with information about health care insurance, assist with filing of complaints, and ensure compliance with laws and regulations

www.michigan.gov/healthcarereform

Key Reform Provisions: Prevention & Wellness Initiatives

- National Prevention, Health Promotion and Public Health Council will coordinate federal prevention, wellness, and public health activities and develop strategy to improve nation's health
 - Creates a Prevention and Public Health Fund to expand and sustain funding for prevention and public health programs.
- Funding for prevention, public health in our communities includes:
 - Community Transformation Grants
 - State Grants to Promote Community Health Teams that support the Patient-Centered Medical Home
 - Creation of Community Health Center Fund

Key Reform Provisions Affecting the State in 2010

Effective Immediately

- Maintenance of Effort required on eligibility standards for Medicaid and CHIP until 2019

Within 90 Days

- Temporary reinsurance program
- Temporary high risk pool
- Office of health insurance consumer assistance or ombudsman program

By July 1

- State must connect to Internet portal created by HHS to facilitate information for consumers on health insurance coverage options

Key Reform Provisions Affecting the State in 2010

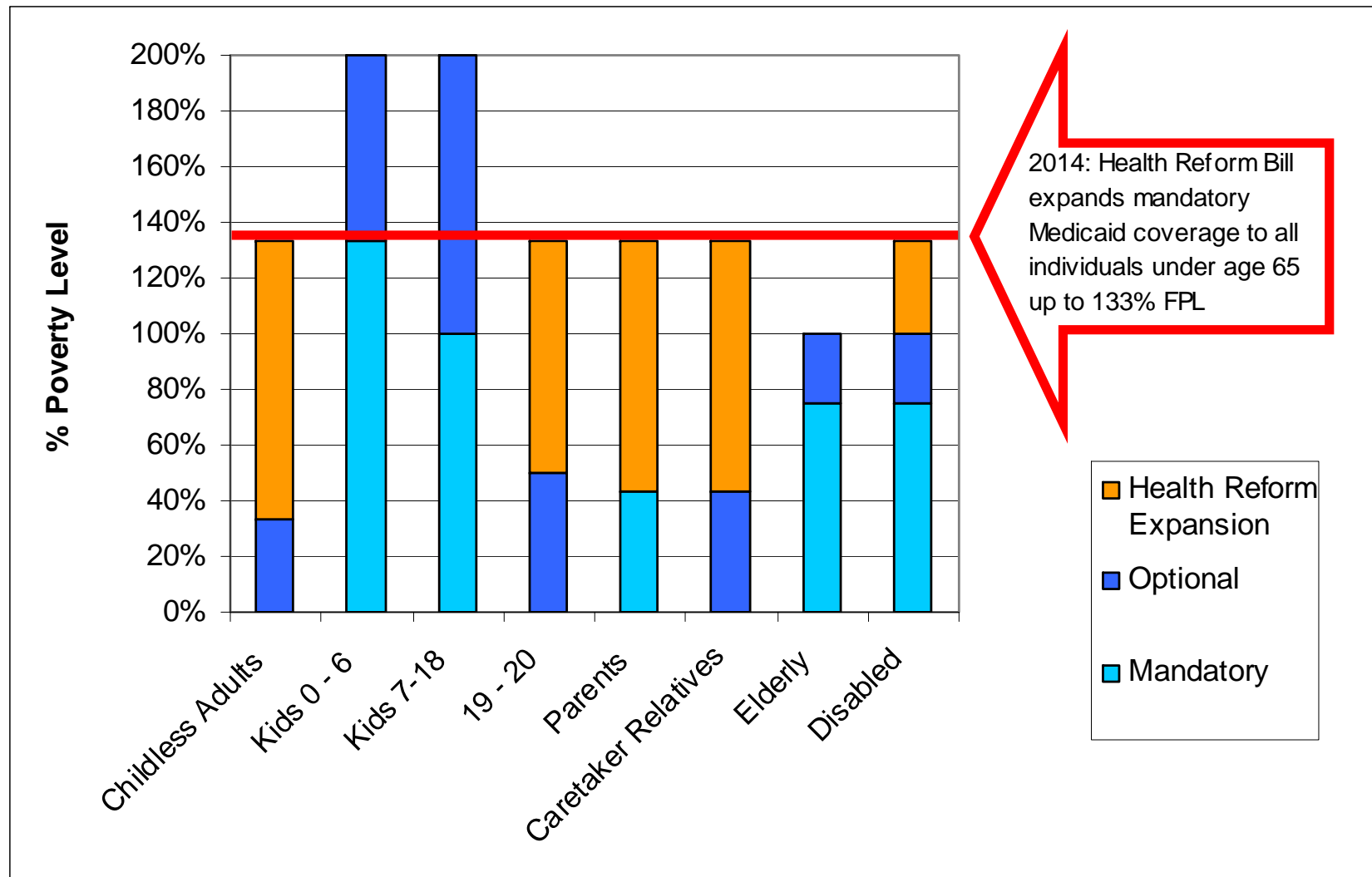
Within 180 Days

- Certain insurance reforms must take effect
 - Requirement for insurers to provide dependent coverage for children up to age 26
 - Prohibition on insurers from imposing lifetime limits on benefits and restrictions on annual limits
 - All health plans must cover recommended preventive health services and immunizations

Key Reform Provisions Affecting the State in 2010

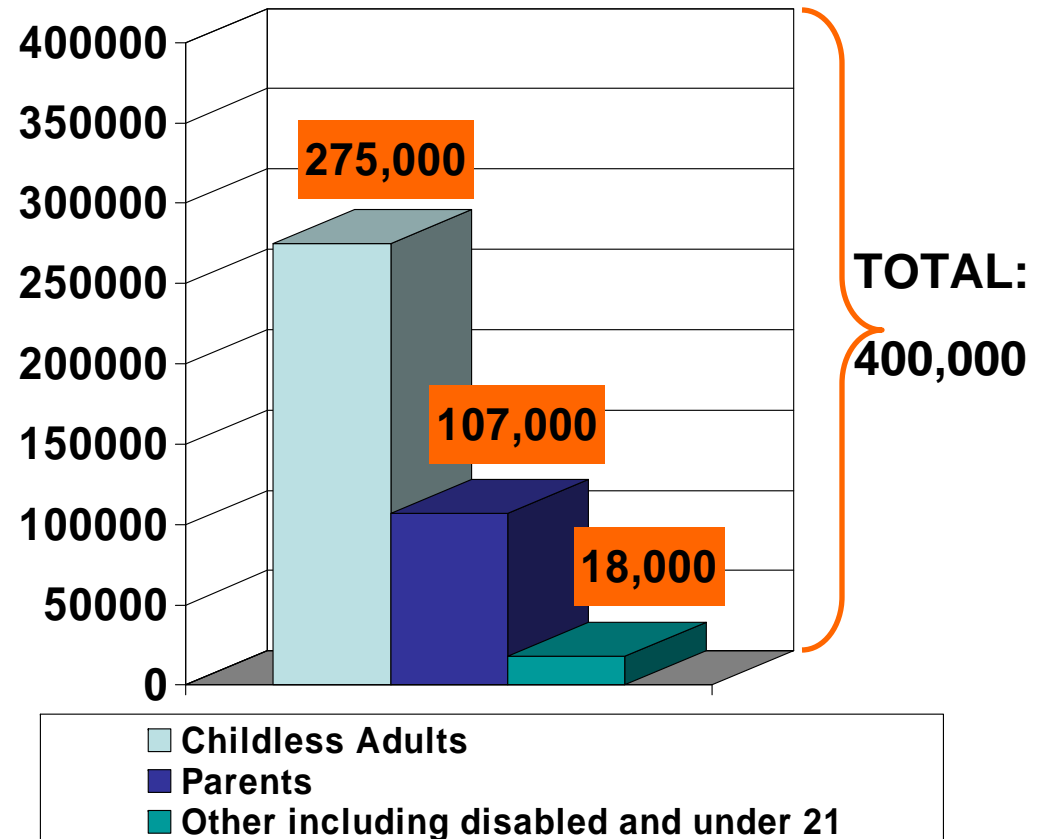
- HHS issues regulations on standards for establishing and operating state-based Exchanges for individuals and a Small Business Health Options Program (SHOP)
 - States potentially eligible for grants for planning and implementation of a state-based Exchange
- Beginning in 2010 small businesses will be able to receive a federal tax credit to offset up to 35% of their health insurance costs (so long as their employer contributes half of the premiums)

Current MI Medicaid and CHIP Eligibility + Health Reform Expansion



Estimated Enrollment of Newly Eligible Beneficiaries

Health Reform Bill expands mandatory Medicaid coverage to all individuals under age 65 up to 133% of the FPL (\$29,327 for a family of four).



Estimated Cost

Estimated Gross Cost when fully implemented:

\$1.8 to \$2.0 Billion

Estimated General Fund cost
to Michigan at 95% FMAP:

\$60 million

Benefit to Providers

- Enabling coverage to currently uninsured will result in reduction of uncompensated care
- Increased reimbursement for primary care providers:

Medicaid payments to primary care doctors for primary care services will be increased to 100% of Medicare payment rates in 2013 and 2014 with 100% federal financing

Creating New Eligibility Processes

Health Reform Provision	MI Challenge
New income calculation: Modified Adjusted Gross Income (MAGI)	The MAGI standard 5% of income disregard will be built into the gross income test for Medicaid to compensate for the loss of other, existing Medicaid disregards. Because this is only true for the expansion groups, it will be a challenge to maintain 2 systems.
Medicaid coordination with the “Health Insurance Exchange”	Introduce significant procedural challenges to the current enrollment system.