

Health Care Reform Update

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Health Care Reform Update

- Status of bills in Congress
- Key Provisions
- Implementation Challenges
- Beyond Health Care Reform



Health Reform – Status

- House of Representatives passed the Affordable Health Care for America Act (HR 3962) on November 7 by a vote of 220-215 (39 Dems voted against it, 1 Republican voted for it)
 - 3 House Committees (Ways and Means, Energy and Commerce and Education and Labor) all passed bills
- Senate passed the Patient Protection and Affordable Care Act (HR 3590) on December 24 by a vote of 60-39
 - Senate Finance Committee and Health, Education, Labor and Pensions (HELP) Committee passed bills



Health Care Reform – Key Provisions

- Coverage (31-36 million additional)
 - Senate 94% of all legal residents by 2019
 - House 96% of all legal residents by 2019
- Cost
 - Senate \$871 billion over 10 years
 - House \$1.052 trillion over 10 years
- Deficit Reduction
 - Senate \$130 billion over 10 years
 - House \$138 billion over 10 years



Health Care Reform – Key Provisions

- Application of the Wellstone/Domenici parity law
 - Bills require plans in exchange (which includes the public plan) to comply with Wellstone/Domenici
 - Unclear whether the small business exemption is maintained in the Senate bill
 - Because parity is not mandated under Wellstone/ Domenici, the parity requirement for plans in the exchange is a quantum leap forward.

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Health Care Reform – Key Provisions

- Public Option: Senate-none; House-exchange must have public plan option in 2013
- Requires inclusion of MH/SUD, rehabilitation and habilitation services as mandatory in the minimum benefits packages offered in the exchange
- Prohibits discrimination against individuals based on health status (Senate bill is explicit about including MH/SUD)
- Prohibits pre-existing conditions exclusions
 - In Senate, immediate ban for kids/begins for adults in 2014 and in the House, a complete ban in 2013, limits time of look-back by insurers

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Health Care Reform – Key Provisions

- Key provisions related to Medicaid
 - Expansion to include childless adults (up to 150% of FPL in the House; 133% of FPL in the Senate)
 - MOE Requirements for States
 - Cost sharing between feds and states for newly eligible beneficiaries
 - House: 100% federal in 2013 and 2014 and 91% in 2015 and beyond
 - Senate: 100% federal 2014-2016; phase down from 2017-2019



Health Care Reform – Key Provisions

- Key Provisions related to Medicaid (cont')
 - Senate leadership bill allows “Benchmark” and “Benchmark equivalent” plans for newly eligible populations but mental health and addiction services must be offered in plans and offered at parity. House bill is stronger.
 - House-passed bill only extends FMAP for 6 months (thru June 2011)
 - Senate bill includes a new state option for beneficiaries with chronic conditions (including SMI) into a health home



Health Care Reform – Implementation Challenges

- Delivery system reform
 - New models to integrate overall health and MH and SUD (e.g., medical homes, FQBHCs)
 - Care of complex, high-cost populations
 - Digitize health care information
 - Incentives to promote quality
- Capacity issues
 - How to meet increased demand for services with significant increase in insurance
 - Strained state budgets



Beyond Health Care Reform

- Housing and supportive services
 - Estelle Richman appointed to HUD post
 - NASMHPD House Task Force co-chaired by Joan Erney, JD
 - Federal issues: interagency cooperation (SAMHSA, CMS, HUD, VA); housing funding (e.g., Section 8, Section 811, National Housing Trust Fund)



Beyond Health Care Reform


- Supportive employment, education
- Reducing justice involvement
 - Federal funding for the Mentally Ill Offender Treatment and Crime Reduction Act (MIOTCRA)
 - Federal funding for 2nd Chance Act
- Parity Implementation
- Evolving role for state mental health authorities and the federal Substance Abuse and Mental Health Services Administration (SAMHSA)



Health Care Reform – Timeline

- Congress likely to bypass formal conference committee to avoid delays by Senate Republicans (informal staff conference to reconcile House and Senate bills now underway)
- Congress convenes for 2nd session of 111th Congress on January 12 in the House and January 19 in the Senate
- President's State of the Union Address in late January or early February





Thank you!

Questions/Comments

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