

Health Care Reform and HIV Treatment Access

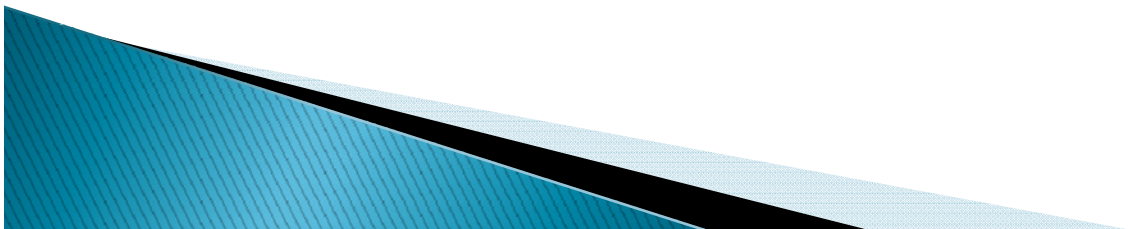
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OAPP Medical Advisory Committee

April 30, 2010

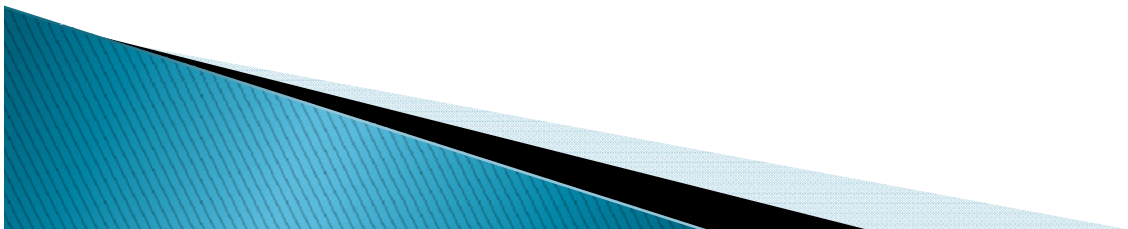
The New Health Reform Law

- ▶ The health insurance overhaul package was signed into law by President Obama:
 - March 23, 2010: “Patient Protection and Affordable Care Act”
 - March 30, 2010: “Health Care and Education Reconciliation Act”
- ▶ This is the most far reaching health legislation since the creation of the Medicare and Medicaid programs in the 1960s.
 - Implications for every system of care



What does it do for PLWHA?

- ▶ The health care reform legislation eliminates several primary ways that the current healthcare system fails PLWHA.
 - Reduces discrimination by health plans due to health status
 - Eliminates the disability requirement for Medicaid and sets new national income standard of 133% FPL
 - Offers federal subsidies to lower income individuals to make coverage and services more affordable, including for Medicare Part D



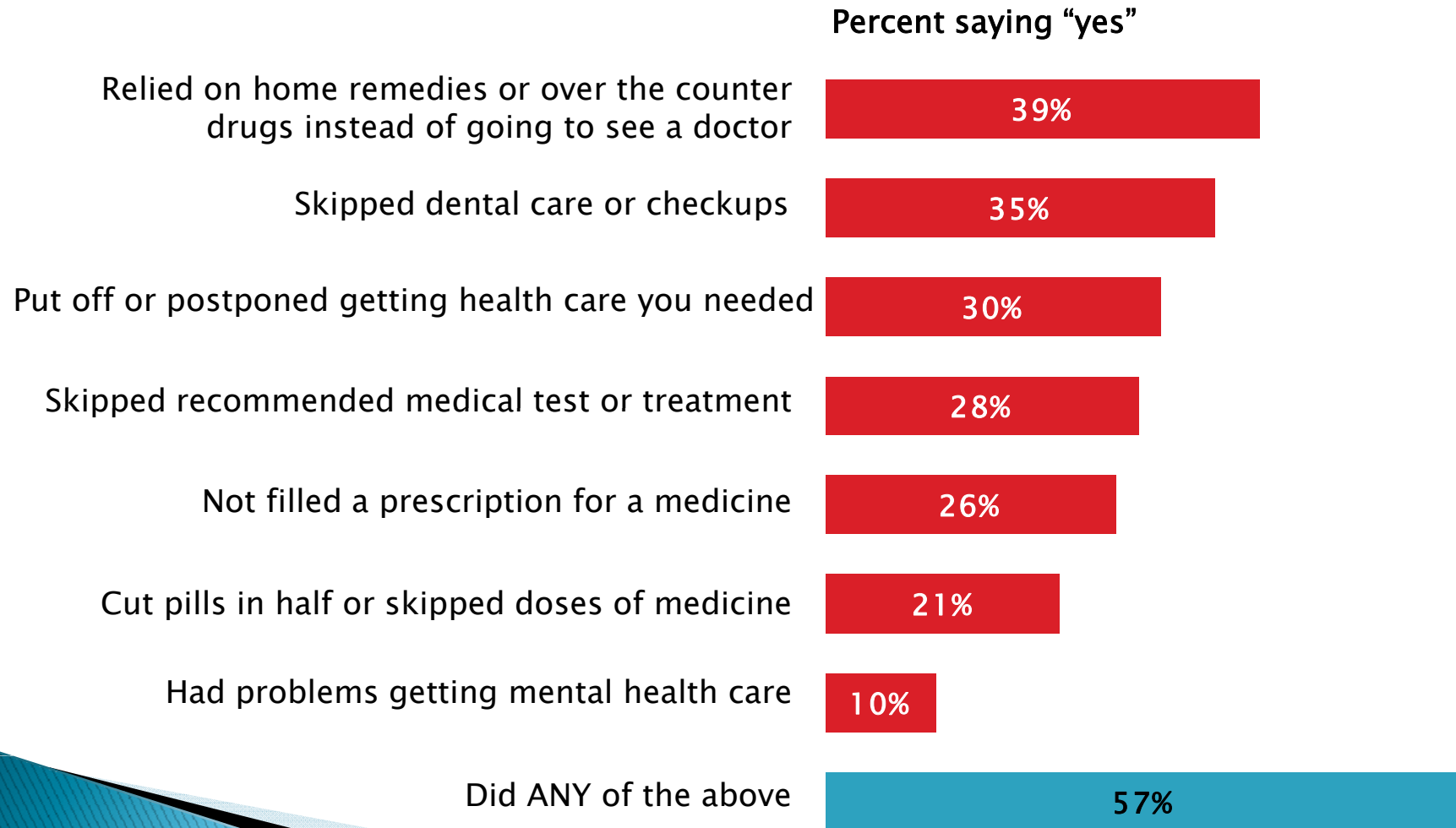
Implementation

- ▶ Establishes a mandate that all U.S. Citizens and Legal Residents maintain health insurance coverage.
- ▶ Provides subsidies to help low income people maintain insurance and exemptions for people for whom it would be a hardship
- ▶ Legislation makes significant changes/improvements to major components of our health care system:
 - Private Health Insurance
 - Medicaid
 - Medicare
- ▶ Various elements of health care reform will be phased in over the next ten years.
- ▶ Most significant changes are enacted in 2014.



Putting Off Care Because of Cost

In the past 12 months, have you or another family member living in your household... because of the cost, or not?



Source: Kaiser Family Foundation *Health Tracking Poll*
(conducted March 10–15, 2010)

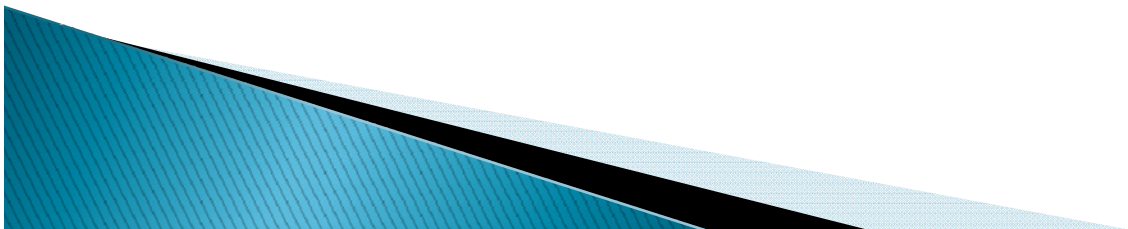
Health Care Reform Coverage for the Uninsured

Medicaid, Insurance Exchange and
Subsidies

Expanding Health Insurance Coverage

- ▶ New law expands coverage using two primary strategies:
 - Medicaid expansion: All non-elderly with income under 133% FPL
 - Insurance Exchange: Income over 133% FPL
 - Purchase coverage through a regulated insurance marketplace called an “Exchange” with subsidies for lower income individuals and families

*2009 133% Federal Poverty Level for an individual = \$14,404 yr



Reducing the Uninsured

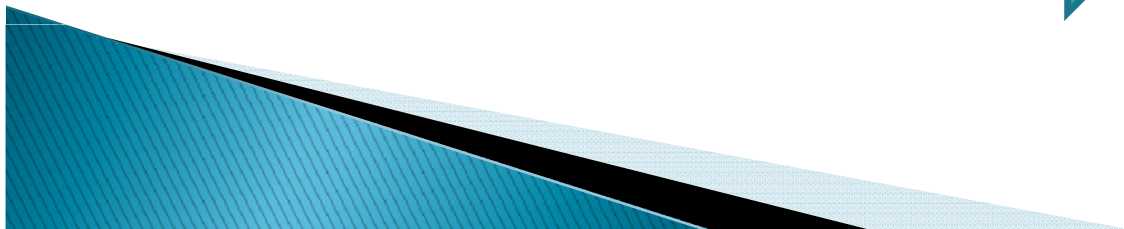
Estimated 32 Million
will gain coverage by
2019



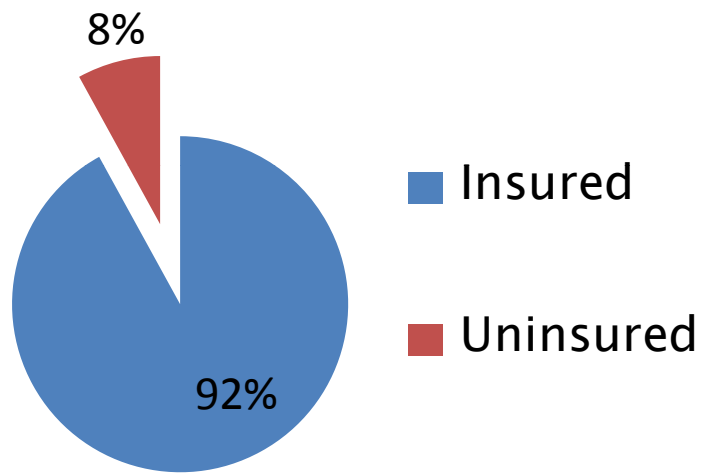
Medicaid: 16 million
Income Under 133% FPL



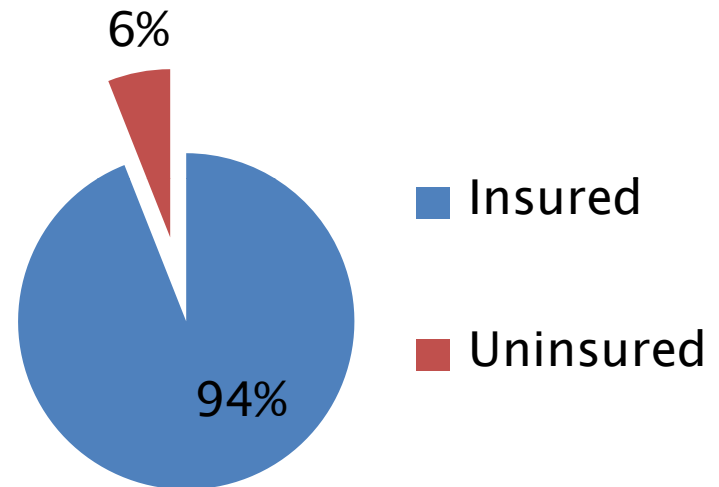
Exchange: 26 million
Income above 133% FPL



Extent of Coverage Expansion When Fully Implemented



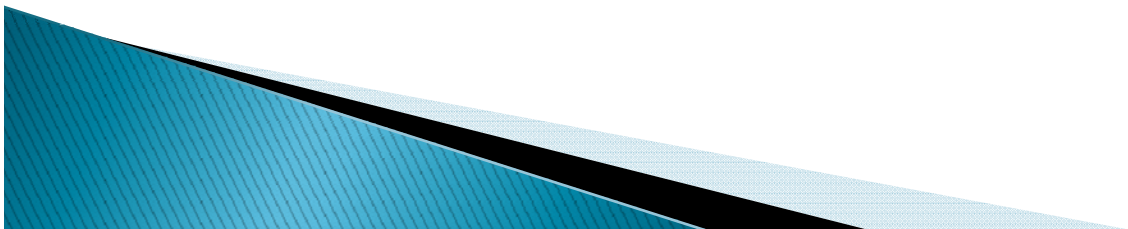
Insurance Coverage All Residents by 2019



Insurance Coverage Excluding Unauthorized Immigrants by 2019

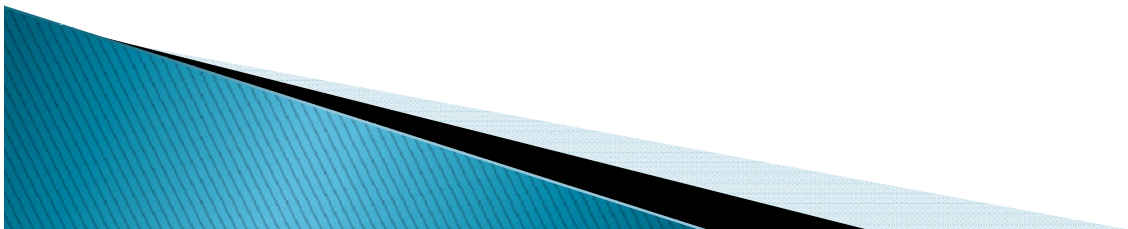
Medicaid Expansion and Improvements

- ▶ Creates new eligibility category for all non-elderly low income individuals (<133 FPL) not currently covered
- ▶ Eligibility based on income (no asset test)
- ▶ Increases primary care provider reimbursement rates for some providers and for a limited time
- ▶ 100% federal support for Medicaid expansion 2014-16; gradually decreases to 90% in 2020
- ▶ Optional state expansion with regular federal match as of April 2010



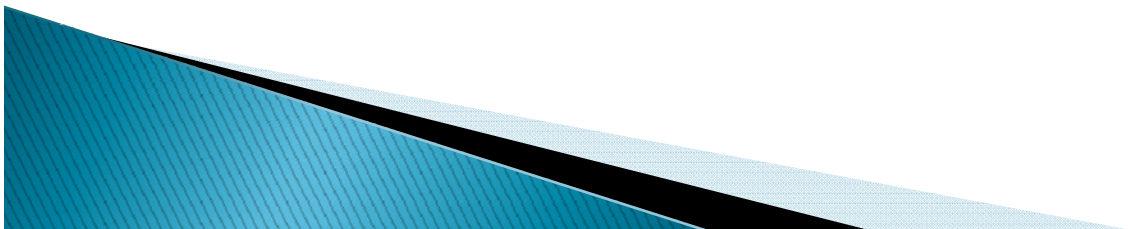
Medicaid Limitations

- ▶ No Early Treatment for HIV Act expansion
- ▶ Medicaid's 5-year exclusion on legal immigrants continues
- ▶ Increase in provider reimbursement rates limited and temporary (2013 -14)
- ▶ Full federal support for Medicaid expansion is temporary
- ▶ No new mandatory minimum benefits package for Medicaid
- ▶ States may opt to provide a more limited benefits package to expansion population



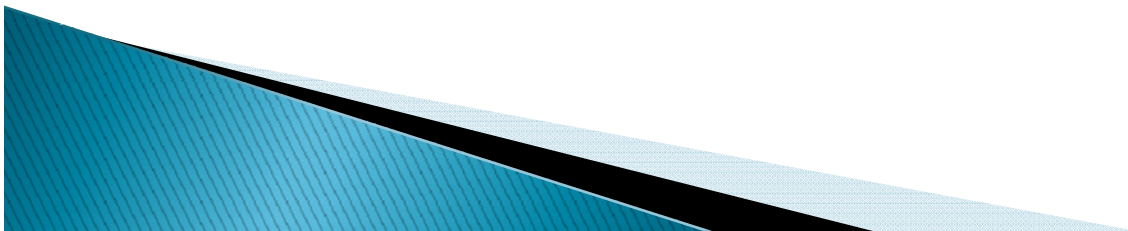
Insurance Exchanges: Key Features

- ▶ Centralized, state-based marketplaces to purchase insurance
- ▶ Goal is to create healthy market competition
 - Better benefits package/coverage
 - Lower costs passed on to consumer
- ▶ Established with federal funds and must meet national standards



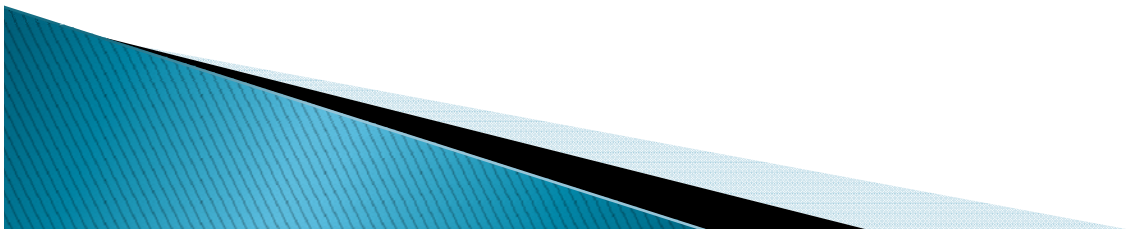
What It Means

- ▶ Open to individuals and small group employers with income over 133% FPL to purchase insurance
- ▶ More affordable and better coverage options for individuals without group coverage
- ▶ Federal premium and cost-sharing subsidies for individuals with incomes 133% – 400% FPL
 - Around \$19,000 to \$57,616/per year for an individual based on current standard



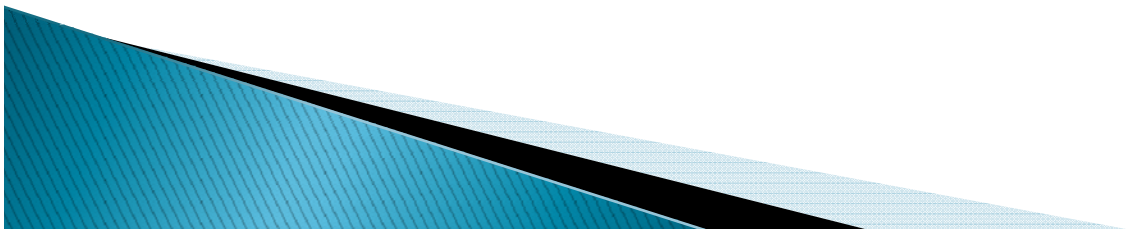
The Exchange: New Rules

- ▶ Bars discrimination based on health status
 - no longer permitted to deny coverage based on health history
 - not permitted to increase costs based on health history or gender and increases for age limited
- ▶ Establishes minimum benefit requirements
- ▶ Caps out of pocket costs for individuals and families



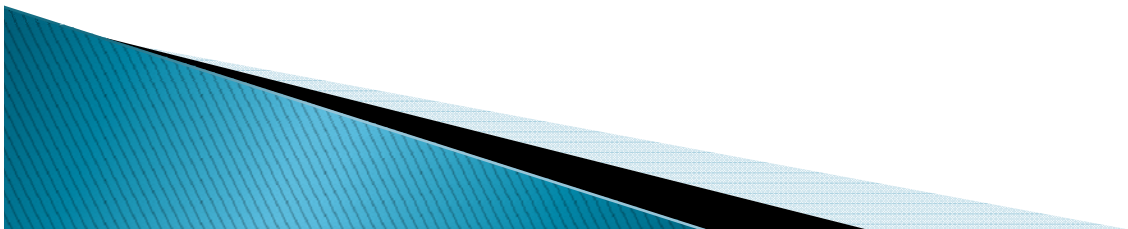
Essential Benefits Package

- ▶ Ambulatory patient services
- ▶ Emergency services
- ▶ Hospitalization
- ▶ Maternity and newborn care
- ▶ Mental health and substance use disorder services, including behavioral health treatment
- ▶ Prescription drugs
- ▶ Rehabilitative and habilitative services and devices
- ▶ Laboratory services
- ▶ Preventive and wellness services and chronic disease management
- ▶ Pediatric services, including oral and vision care

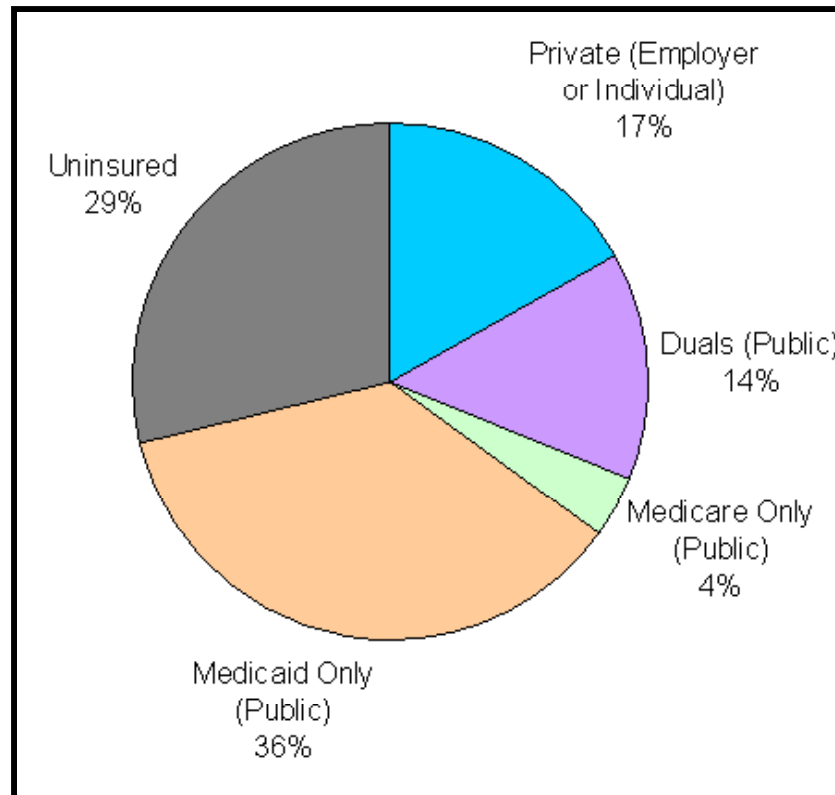


Medicaid and Insurance Exchanges: Undocumented Immigrants Left Out

- ▶ Exempt from individual mandate
 - not allowed to purchase private health insurance in the exchange
 - not eligible for subsidy
 - not eligible for Medicare
 - not eligible for non-emergency Medicaid
- ▶ Remain eligible for restricted “emergency” Medicaid
- ▶ Remain eligible for services through community health centers and/or safety net providers



Health Care Coverage PLWHA Current National Snapshot



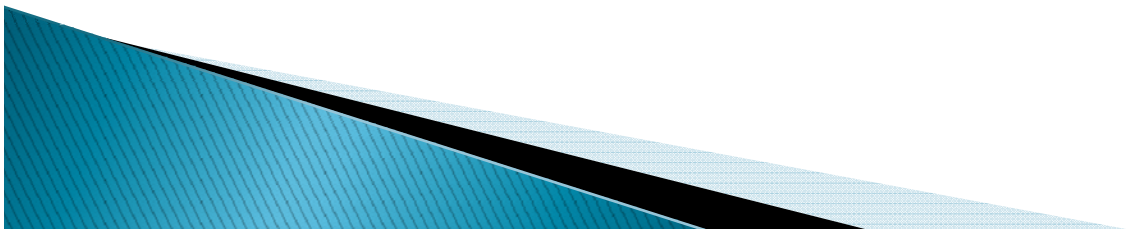
SOURCE: Kaiser Family Foundation based on Fleishman JA et al., "Hospital and Outpatient Health Services Utilization Among HIV-Infected Adults in Care 2000-2002, Medical Care, Vol 43 No 9, Supplement, September 2005.; Fleishman JA, Personal Communication, July 2006

Health Care Reform Impact on Existing Programs

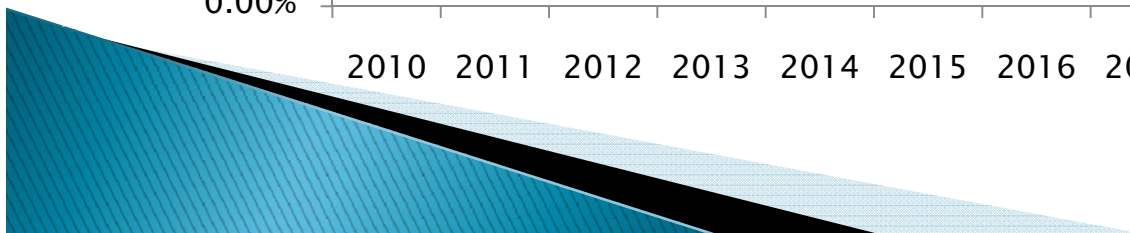
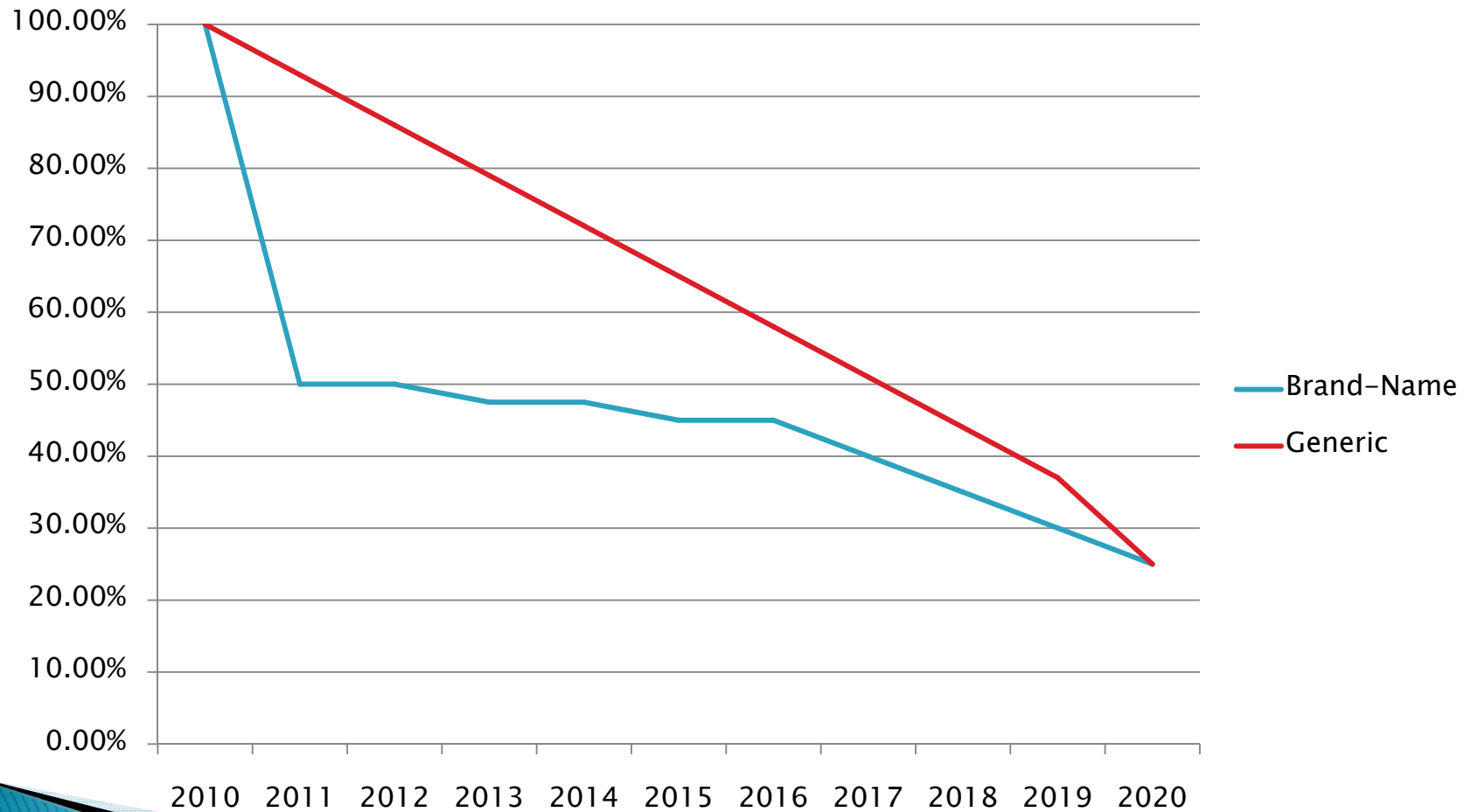
Medicare, Group Coverage

Medicare Program Improvements

- ▶ 2010: \$250 rebate paid to individuals who enter the “Donut Hole”
- ▶ 2011: ADAP counts towards Medicare Part D “TrOOP” (the expenditure that moves a person through the donut hole)
- ▶ 2011: Begin to gradually close the coverage gap.
- ▶ 2020: Coverage gap closed but standard cost sharing will apply (25% co-pay on average)



Beneficiary Share of Cost During Coverage Gap: 2010 to 2020




Medicare Improvements

- ▶ Improved prevention coverage
 - 2011 – no cost sharing for A and B USPSTF preventive services
 - Covered: Targeted HIV Testing & Pregnant Women
 - See: <http://www.ahrq.gov/clinic/uspstfix.htm>
 - Coverage of annual personalized Medicare prevention plan
- ▶ Creates new office to better coordinate services for dually eligible individuals (Medicaid/Medicare)
- ▶ No major coverage expansion



Improvements to Group Insurance Coverage: 2010

- ▶ Eliminates discrimination based on health status for children (adults 2014)
 - ▶ Encourages employers to provide insurance coverage (small business tax credits)
 - ▶ Extends dependant coverage to age 26
 - ▶ Eliminates lifetime insurance caps on policies and plan rescissions
 - ▶ Limits annual coverage limits to Secretary approval
 - ▶ Requires new plans to cover preventive services (USPSTF – Grade A or B) with no cost sharing
 - ▶ Establishes a temporary national high-risk insurance pool to cover the uninsured with pre-existing conditions (starting in 90 days)
- 

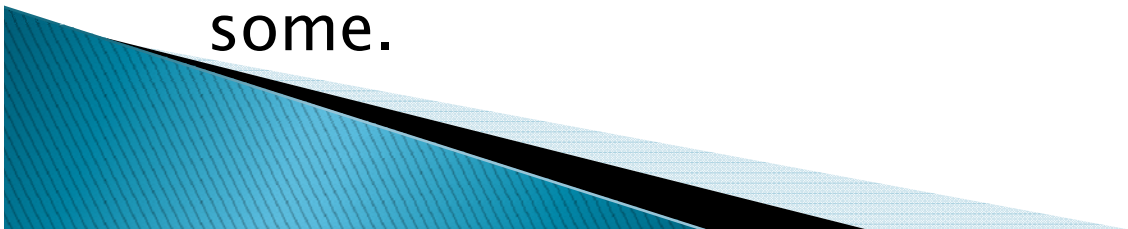
A New Coverage Option: Federal High Risk Insurance Pool

- ▶ Federally subsidized insurance will be available for “uninsurable” in July – details still being developed
- ▶ What we know
 - Eligible if US citizen and uninsured due to a pre-existing condition for at least 6 months
 - Plans will cover 65% of health costs
 - Annual out-of-pocket limit –\$5,950/individual or \$11,900 for a family
 - Premiums based on average rates and may only be adjusted for age
 - May be administered by states in some areas



Limitations

- ▶ No public option. No national plan. State-based exchanges. State discrepancies will continue.
- ▶ Vision and dental coverage are not included in mandated benefits package.
- ▶ Subsidies stop at 400% FPL. Affordability could still be a barrier for PLWHA and others with chronic conditions.
- ▶ Undocumented immigrants are not covered in the exchanges or assisted with subsidies.
- ▶ Medicare Part D cost-sharing still too high for some.



Case Examples



James

- ▶ Age 41
- ▶ Single, no children
- ▶ Unemployed Uninsured
- ▶ Income \$220 mo county relief
- ▶ HIV Symptomatic
- ▶ Fatigue, weakness, chronic diarrhea, depression, anxiety
- ▶ Denied disability claim, SSI and Medicaid
- ▶ Health care through Ryan White funded public health clinic ADAP
- ▶ Automatically eligible for Medicaid.
- ▶ Eligibility based on income alone. Income under 133% FPL.
- ▶ May need Ryan White support for things that aren't covered under a Medicaid package

Current Profile
Uninsured

2014 Health Care Reform
Medicaid Eligible

Vicky

- ▶ Age 30
- ▶ Single, one adult child
- ▶ Self-Employed, \$20k
- ▶ Uninsured
- ▶ HIV Symptomatic
- ▶ Wasting syndrome, chronic sinusitis, fatigue, cardiac complications
- ▶ Community health clinic and ADAP. Unable to obtain two medications not on ADAP formulary.
- ▶ Eligible to purchase insurance through the insurance exchange
- ▶ Eligible for insurance subsidy (133%–400% FPL)
- ▶ Able to access medications through insurance
- ▶ Exchange rules will allow her to shop for a policy that meets her medication/health care needs
- ▶ May need RW support to pay premiums and out-of-pocket costs and get dental and vision care

Current Profile
Uninsured

2014 Health Care Reform
Insurance Eligible

Everardo

- ▶ Age 56
- ▶ Domestic Partner, No Children
- ▶ AIDS, Disabled
- ▶ SSDI \$22K
- ▶ Medicare Eligible
- ▶ Enrolled in Part D drug plan. ADAP pays wrap-around costs
- ▶ Pays \$300 month for non-ADAP formulary medications when stuck in donut hole 9mos year.
- ▶ Medicare eligibility will continue
- ▶ 2010: will receive \$250 donut hole rebate
- ▶ 2011: ADAP will count towards TrOOP
- ▶ Everardo will not be stuck in the donut hole
- ▶ While he is in the donut hole he will receive a 50% discount on the brand name drugs he needs that aren't covered by ADAP
- ▶ His coverage will advance to the Part D catastrophic level
- ▶ Instead of paying 100% cost of drugs he will only be required to pay 5% or low co-pay.

Current Profile
Medicare

2010 Health Care Reform
ADAP as TrOOP

Mario

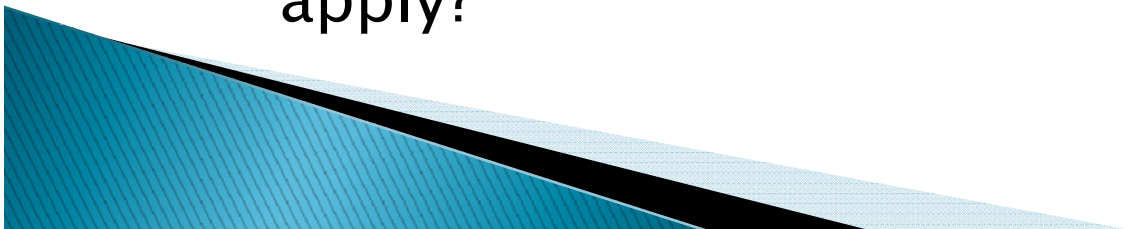
- ▶ Age 51
- ▶ Married, one child
- ▶ Family is undocumented
- ▶ Uninsured, working part-time \$15k
- ▶ AIDS, Disabled
- ▶ Community/RW Funded health clinic, ADAP.
- ▶ Ineligible for Medicaid
- ▶ Ineligible for coverage through the insurance exchange/subsidy
- ▶ Exempt from insurance mandates
- ▶ Ongoing need for support through community health system and ADAP

Current Profile
Uninsured

2014 Health Care Reform
Uninsured

Immediate Implementation Questions

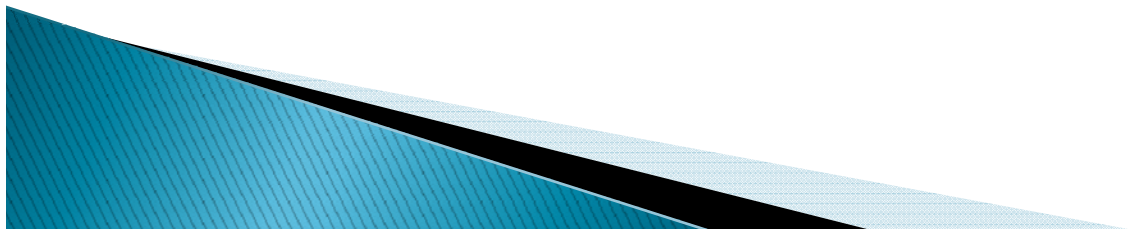
- ▶ Prevention/Wellness Funding: Will it be available for HIV prevention in 2010?
- ▶ Federal High Risk Pool Insurance Plan:
 - Affordable access for persons with HIV?
 - Supplement through RW funded insurance continuation programs?
 - Will people have to prove they were uninsured for 6 months or will people with unaffordable premiums and cost-sharing also be allowed to apply?



More Implementation



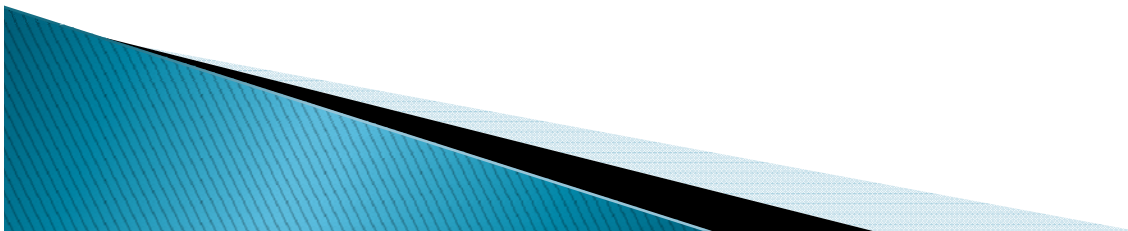
- ▶ Medicare Part D \$250 Rebate: HRSA/ADAP guidance needed
- ▶ Will ADAPs be able to provide a “bridge” to 2014 when expanded coverage becomes available?
- ▶ Infrastructure Preparedness – how will HIV programs build it?
- ▶ PLWHA and Provider Education – how will it happen?



Resources to Stay Informed

Center for Medicare Advocacy http://www.medicareadvocacy.org/	Policy analysis and beneficiary information on the new law's impact on Medicare, including Part D
FamiliesUSA http://www.familiesusa.org/health-reform-central/	Summaries, fact sheets, issue briefs; Join listserv for information updates, including periodic national conference calls on health reform topics
Kaiser Family Foundation http://healthreform.kff.org/	Summaries and implementation timeline; Fact sheets on Part D, exchanges and subsidies
Treatment Access Expansion Project http://www.taepusa.org/	Analysis of HIV-related provisions, including presentations
HealthReform.gov http://www.healthreform.gov/	Administration website with information on the new law, including an ongoing Q&A forum and state-specific information
HIV Health Care Access Working Group	Coalition of national, state and community-based organization dedicated to advancing health reform for PWA. Active listserv and monthly coalition calls. Email: lhanen@nastad.org to join.

Questions & Discussion



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