

**HIV Research Catalyst Forum**

TREATMENT • PREVENTION • ADVOCACY

# Health Care Reform and HIV Treatment Access

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April 21, 2010

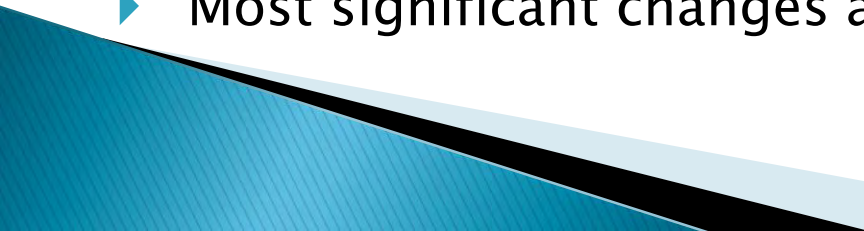
# The New Health Reform Law

- ▶ 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?

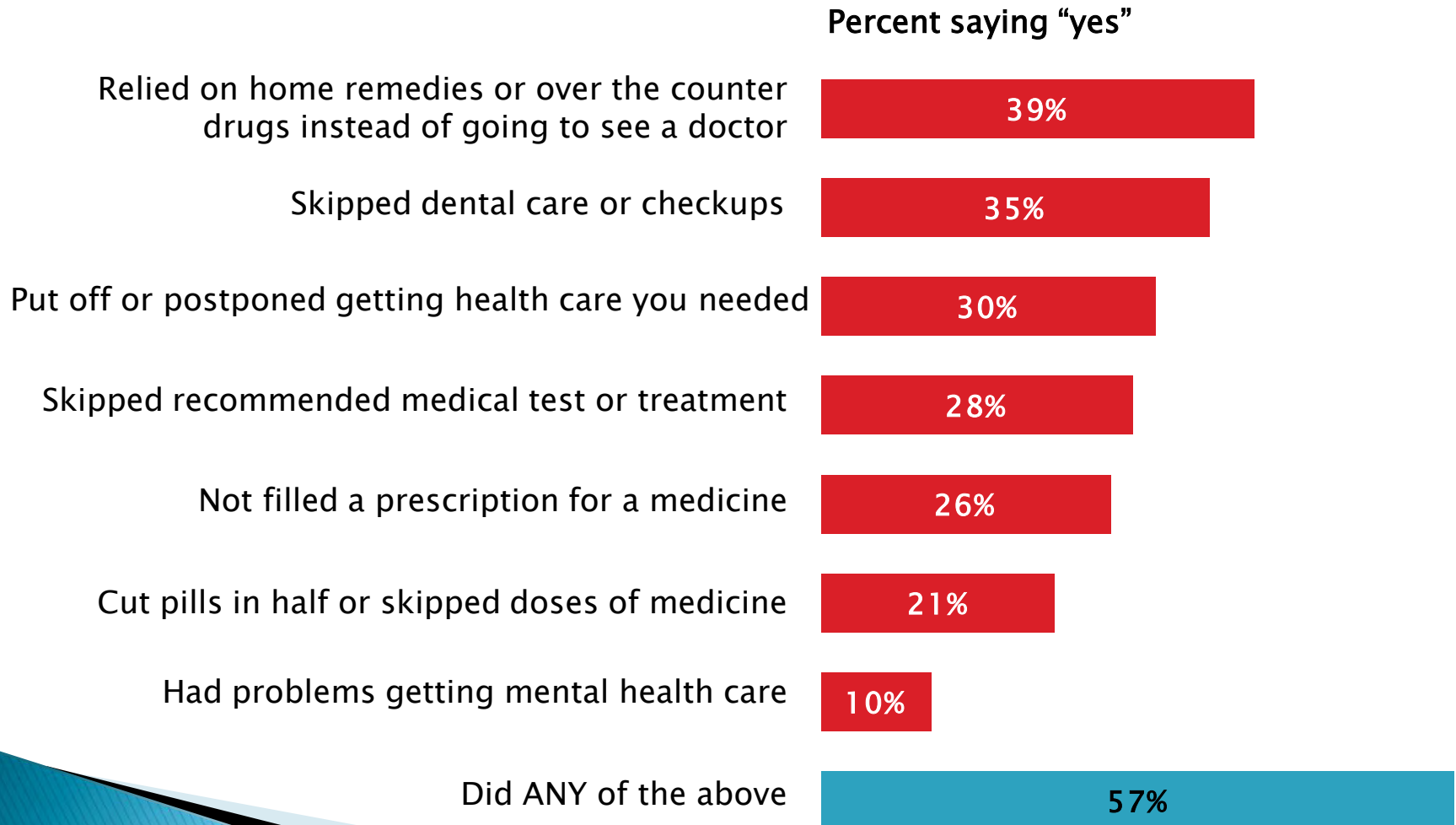
- ▶ The health care reform legislation eliminates several primary ways that the current healthcare system fails PLWHA.
  - Reduces discrimination by health plans due to health status
  - Eliminates the disability requirement for Medicaid and sets new national income standard of 133% FPL
  - Offers federal 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.
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# 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



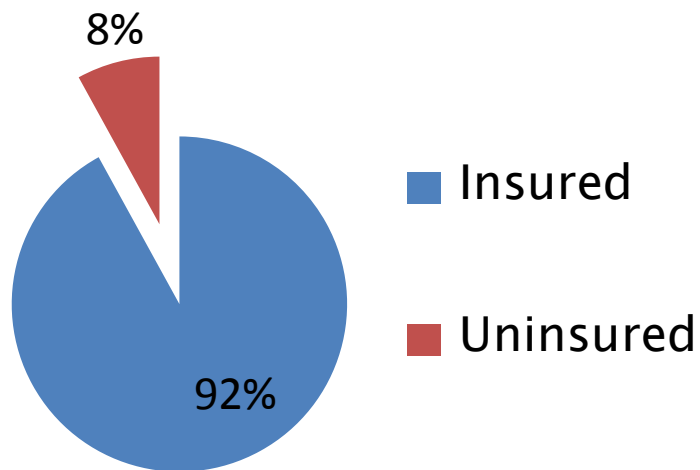
Medicaid: 16 million  
Income Under 133% FPL



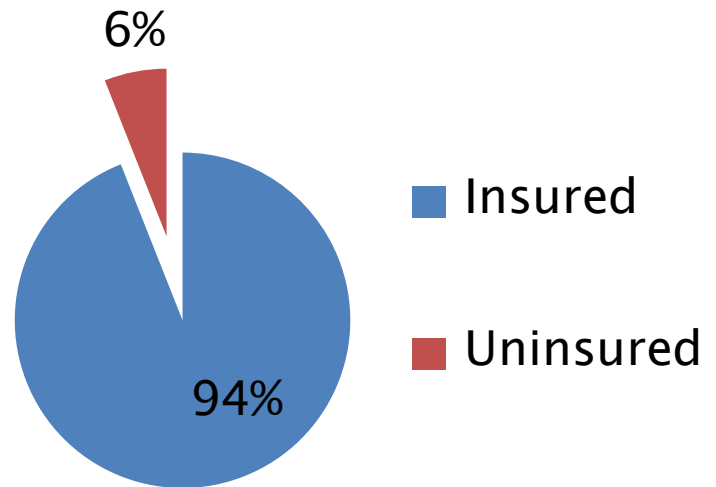
Exchange: 26 million  
Income above 133% FPL



# Extent of Coverage Expansion When Fully Implemented

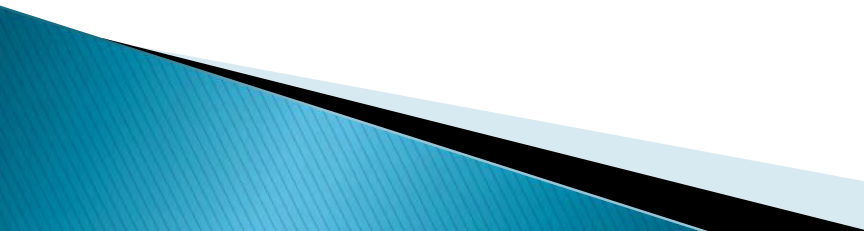


Insurance Coverage All  
Residents by 2019

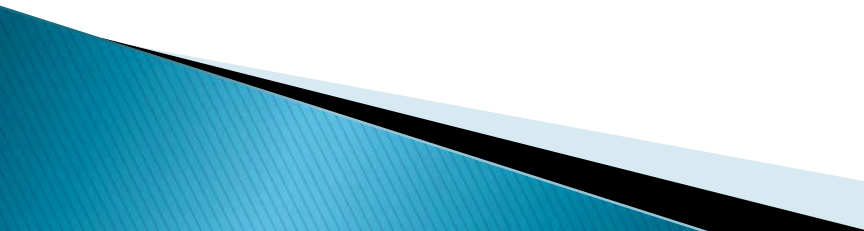


Insurance Coverage Excluding  
Unauthorized Immigrants by  
2019

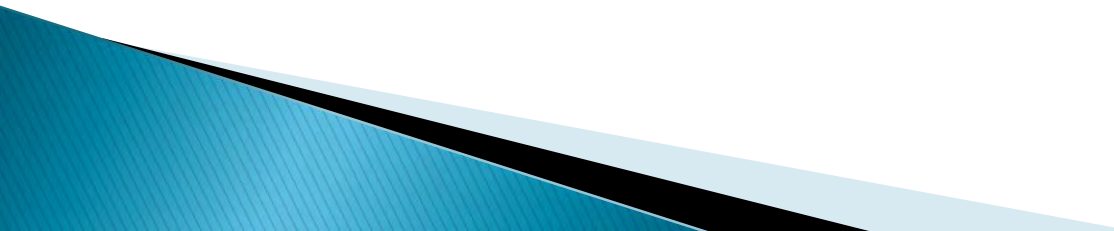
# Medicaid Expansion and Improvements

- ▶ 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
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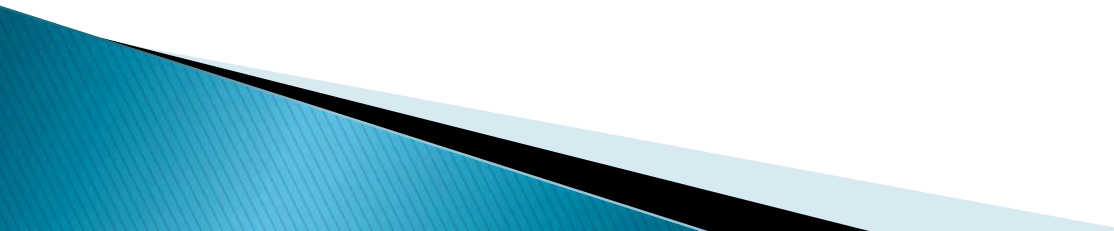
# Insurance Exchanges: Key Features

- ▶ 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
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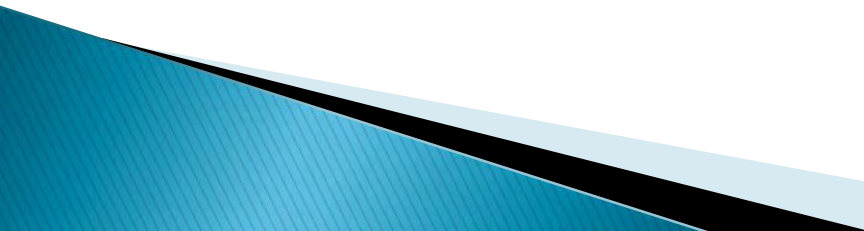
# What It Means

- ▶ 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
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# Essential Benefits Package

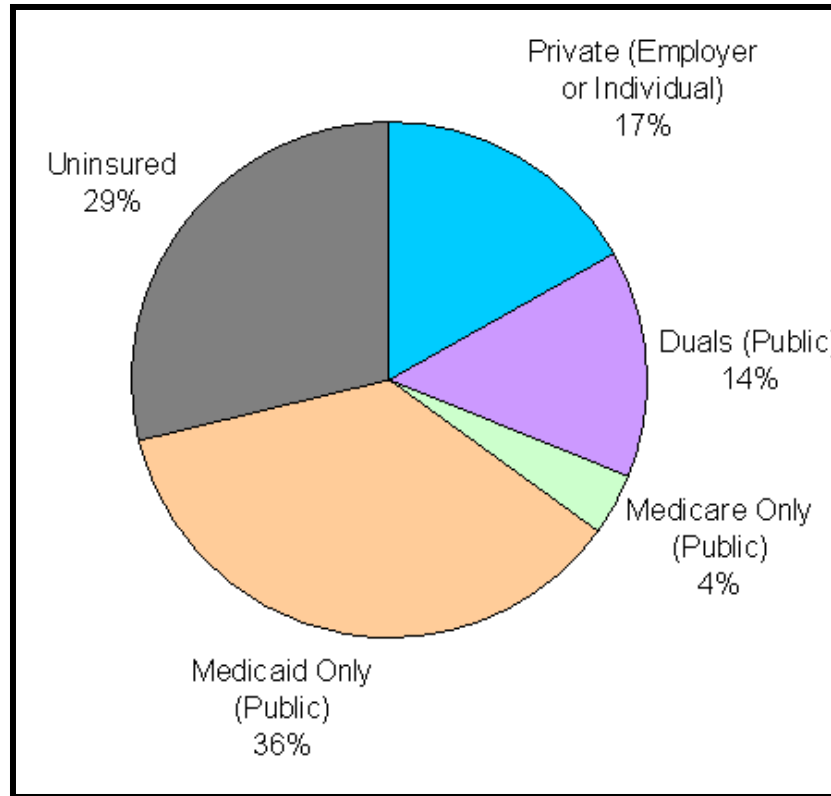
- ▶ Ambulatory patient services
  - ▶ Emergency services
  - ▶ Hospitalization
  - ▶ Maternity and newborn care
  - ▶ Mental health and substance use disorder services, including behavioral health treatment
  - ▶ Prescription drugs
  - ▶ Rehabilitative and habilitative services and devices
  - ▶ Laboratory 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

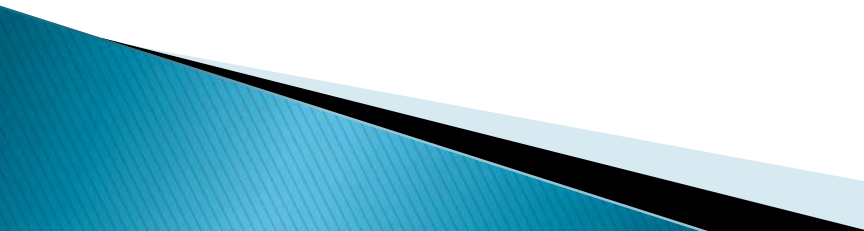


SOURCE: Kaiser Family Foundation based on Fleishman JA et al., "Hospital and Outpatient Health Services Utilization Among HIV-Infected Adults in Care 2000-2002, Medical Care, Vol 43 No 9, Supplement, September 2005.; Fleishman JA, Personal Communication, July 2006

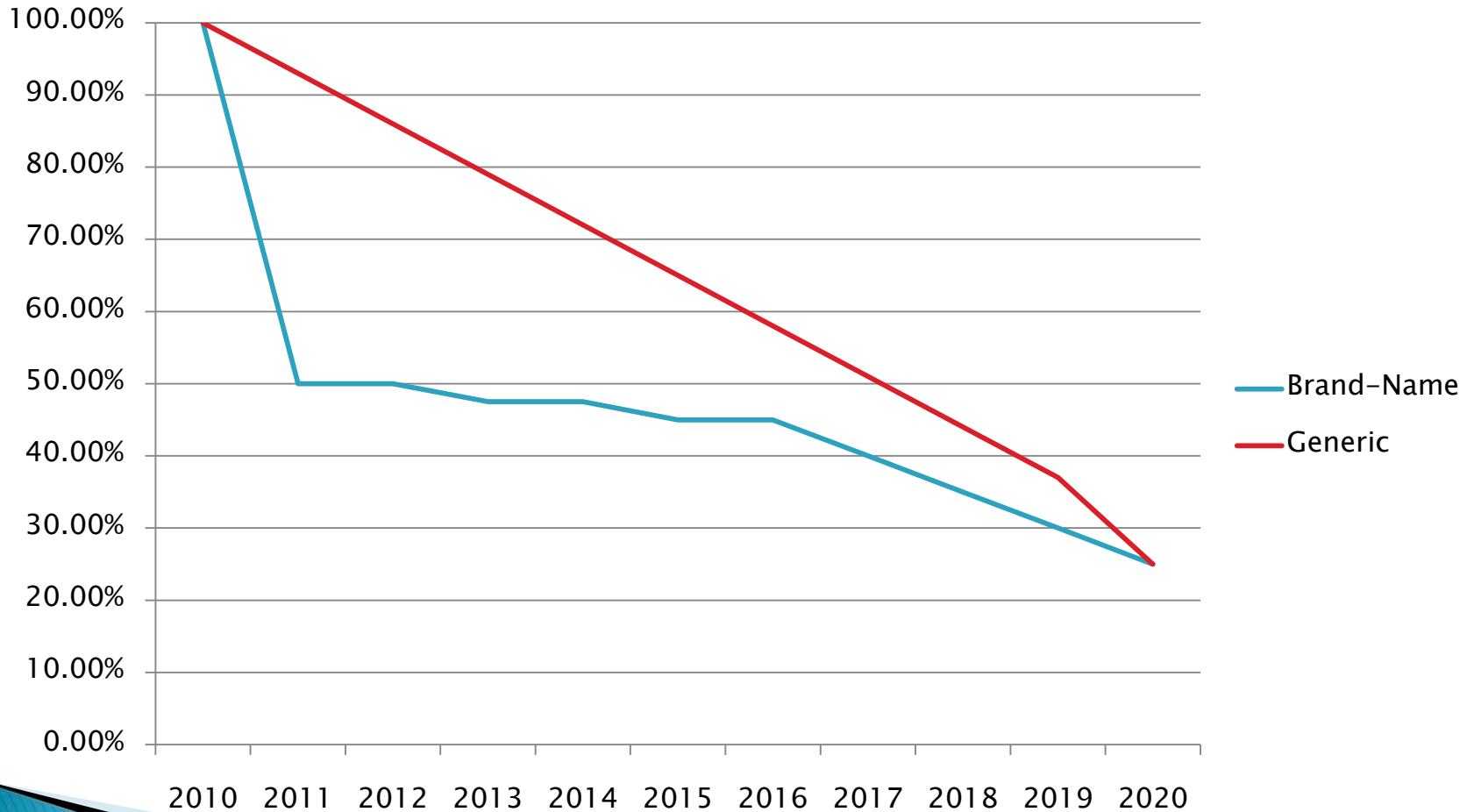
# Health Care Reform Impact on Existing Programs

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

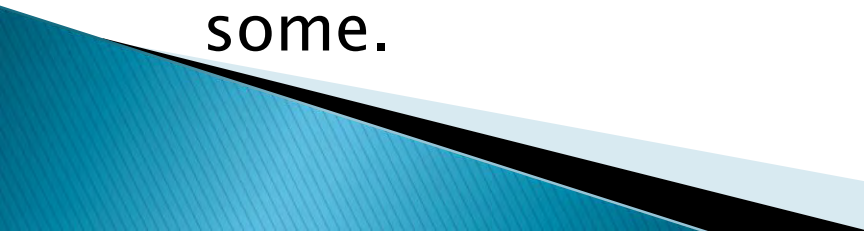
# Improvements to Group Insurance Coverage: 2010

- ▶ 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)
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# 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.
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# 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 <a href="http://www.medicareadvocacy.org/">http://www.medicareadvocacy.org/</a>	Policy analysis and beneficiary information on the new law's impact on Medicare, including Part D
FamiliesUSA <a href="http://www.familiesusa.org/health-reform-central/">http://www.familiesusa.org/health-reform-central/</a>	Summaries, fact sheets, issue briefs; Join listserv for information updates, including periodic national conference calls on health reform topics
Kaiser Family Foundation <a href="http://healthreform.kff.org/">http://healthreform.kff.org/</a>	Summaries and implementation timeline; Fact sheets on Part D, exchanges and subsidies
Treatment Access Expansion Project <a href="http://www.taepusa.org/">http://www.taepusa.org/</a>	Analysis of HIV-related provisions, including presentations
HealthReform.gov <a href="http://www.healthreform.gov/">http://www.healthreform.gov/</a>	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: <a href="mailto:lhanen@nastad.org">lhanen@nastad.org</a> to join.

# Learn More and Help Develop an Advocacy Strategy to Improve Coverage for PLWHA

## Affinity Group Discussion **Making Sense of Health Reform**

10:15am ~ 12:15pm

Room: Kent – 6<sup>th</sup> Floor

# Questions & Discussion

