



**Community Forum #68**  
Patient Protection and Affordable Care Act (Healthcare Reform)  
August 23, 2011

Austin Travis County Integral Care hosted a quarterly community forum to discuss the local impacts of the Patient Protection and Affordable Care Act, or Healthcare Reform, for people with behavioral health and intellectual and developmental disabilities. Texas Council of Community Centers Health Care Policy Director Melissa Rowan was the forum's featured speaker and provided an overview of the Affordable Care Act (ACA), including the various stages of implementation. An audience Q & A moderated by Integral Care Chief Executive Officer David Evans followed, where a portion of the audience questions were submitted by people who follow us on Twitter at [@ATCICNews](https://twitter.com/ATCICNews) or through our website in an effort to increase local community engagement and address related questions.

Integral Care's community forums are free and open to the public. Consumers, family members, providers and partner agencies are encouraged to attend and share input on critical issue that directly impact our community.

**Opening Remarks**

Evans first welcomed attendees and providing an overview of Integral Care's governing Board of Trustees. Trustee Martha Martinez welcomed guests, and thanked them for their interest in such an important topic.

Evans began by referencing the President's signing of the Patient Protection and Affordable Care Act and explained how it continues to impact the law, health care organizations and the delivery of services to people. Evans continued by announcing that this community forum was the first time an interactive function was incorporated, where community members could submit questions and comments via social media outlets or [IntegralCare.org](http://IntegralCare.org). Additionally, live tweets using hashtag #AskIntegralCare were maintained throughout the forum, so attendees unable to attend could participate.

**Remarks by Melissa Rowan, policy director  
Texas Council of Community Centers**

Rowans started by introducing the fundamental areas of Healthcare Reform:

- Regulation Reform
- Coverage Expansion
- Delivery System Redesign
- Payment Reform

**Regulation Reform**

Highlights of regulation reform include essential health benefits, medical loss ratios, pre-existing conditions and annual lifetime limits.

*Essential Health Benefits*

Currently, insurance companies have limits, where individuals have a maximum amount of claims over a lifetime. The ACA prevents this from happening, so long as premiums are paid.

Essential health benefits require insurance packages and hospitalization coverage. The difference between this and parity is that if your insurance offers those benefits, then they have to offer mental health. Parity lays out being fair IF you provide mental health, in which case it should mirror physical health.

The details around which mental health services are covered have yet to be classified; an area the Secretary of Health and Human Services will be further defining over the next year. To date, the Secretary of Health and Human Services has asked the National Institute of Medicine to provide recommendations on this an array of broad categories, which are expected to become available in the fall of 2011.

The National Institute of Medicine held hearings on how essential benefits should be defined, taking public testimony from mental health, substance use and intellectual and developmental disability advocates and experts. This testimony reflected the necessity to cover these important services that need to be available for private insurance.

Employer coverage needs still to be further defined, but some of the testimonials provided at these hearings stated that services including habilitation have not previously been offered, and whether an employer plan should be used as a benchmark, especially if mental health was not an area covered in insurance plans. These testimonials stressed the importance of keeping issues broad, and asking certain key questions to evaluate what coverage options, including cost, what is defined in the law, what health outcome changes do we need to improve upon.

#### *Medical Loss Ratio*

Rowan provided an example for Medical Loss Ratio below:

John Smith pays \$100 for insurance.

His medical bills total \$70.

The insurance company keeps \$30.

**Medical Loss Ratio = 70%**

Health plans, including grandfathered plans, must annually report on the share of premium dollars spent on medical care and provide consumer rebates for excessive medical loss ratios. States can apply for waivers to meet the average Medical Loss Ratio of 70.8%, though this percentage will not have to be met until 2014. Texas recently applied for this waiver and is pending a response.

#### **Coverage Expansion**

New regulations under the ACA will provide opportunities for universal coverage, through a variety of ways, including the Exchange, where people can compare and choose from a variety of health insurance plans and benefits.

#### *Current uninsured rates*

Using current uninsured rates by ACA Expansion Categories in Texas (out of 6.5 million uninsured):

- 43% would be subsidy eligible
- 21% would be covered under Medicaid expansion
- 13% undocumented: ACA provides no opportunity for insurance coverage for undocumented and/or uninsured.
- 11% would not qualify for subsidy
- 12% would be eligible but won't enroll: This is also an issue currently for social services, where individuals are eligible, but because of the paperwork, etc., they do not apply.

### *Medicaid Expansion*

- Medicaid Expansion would provide coverage for all individuals below \$15,000 a year – 138% of the Federal Poverty Level.
- This translates to more than 1.2 million adults in Texas in 2014
- Medicaid benefits cover a full range of medical needs but access to providers will continue to be an issue
- A “benchmark” benefit package may be different than current Medicaid benefits; federal Essential Health Benefits will set the floor.
- Medicaid is designed for poor children, pregnant women and adults qualifying for Supplemental Security Income (SSI).
- For community centers, most have 40% on Medicaid, 60% uninsured
- In Texas, this expansion will bring more people to coverage, but the issue of provider shortage will pose significant challenges.

### *Coverage through the Exchange*

- Subsidies for persons between 139% and 400% of the Federal Poverty Level will be available. At the 2011 Federal Poverty Levels, this would be between about \$15,000 to \$43,500 for an individual in income each year.
- Half of the individuals up to 200% of the federal poverty level will move between Medicaid and the Exchange within 12 months because of income fluctuation
- Providers must look for opportunities for continuity of care as income fluctuates, so that we improve the quality of care
- Mental Health, Substance Use Disorder and Habilitative services included in the list of essential health benefits.
- Pre-existing conditions health pool includes great coverage, and provides opportunity for coverage from now until new legislation goes in to effect in 2014
- Essential Health Benefits are being further defined.

### **Delivery System Redesign**

Much of what attempts to redefine health care in our country falls in this category. Some of it is direct care, some indirect. One of the pieces of the law allows states to apply for enhanced funding if they operate health homes.

- In Travis County, we have 250,000 uninsured, and we have designed an entire system for the uninsured called the ‘safety net.’ What happens when that 250,000 shrinks to 50,000? We must look to see if programs funded by tax dollars are about medical care or social services; if social services, and not medical, then it does not reflect essential health and therefore was not part of the safety net for uninsured.
- Expectation that local hospital district would ask why they should pay the current rates if everyone has insurance
- Before they ‘turn on the switch’ for Healthcare Reform in 2014, we must understand how our system is defined

### **Payment Reform**

Payment Reform is the most complicated issue. Many experts looking it to it, to see how best to deliver service, and then how payment is processed for that service, regardless of outcome.

- Pay for volume: To support integration of care, must be smarter about payments, and not pay in fragments;
- Should consider paying for outcomes and bundles of care instead of individual elements
- Much of payment reform will happen with Medicaid first, involving hospitals. One of the byproducts is consolidation, with hospitals buying rehab clinics, etc.

## Comprehensive Outlook

How will Healthcare Reform come together?

- Creation of the Exchange (state based or federal)
- Interstate Health Care Compact: Senate Bill 7 explains why we don't agree with federal health care reform, citing states could go together to create a compact;
- Benchmark Benefit Design: when you look at global data, it will have a mix of people in it, and not everyone will have mental illness or developmental delays
- Medicaid Block Grant: Texas Health and Human Services Commission will look at block grant proposal
- Streamlined Eligibility: Healthcare Reform will have streamlined eligibility for Medicaid, CHIP and the Exchange
- 1115 Waiver on hospital financing, involves regional healthcare partnerships
- Insurance Regulation: Texas Department of Insurance will face significant changes on regulation, something never done before
- Lawsuit being pursued by state: Texas Attorney General declared the Affordable Care Act unconstitutional; will be following that to see where courts will land. There are significant number of things that are moving forward which do not require the law. Will be difficult without individual mandates, but the bottom line is that they cannot turn people away for pre-existing conditions.
- If law gets overturned, does not change Payment Reform

## Conclusion

Dialogue has changed about health care, whether we agree federally or not. There are components that are important for communities either way. Things to watch for:

2014

- Medicaid Expansion up to 138% of the Federal Poverty Limit
- Insurance Exchange coverage available

2012

- State Medicaid Benchmark Benefit Package defined

2011

- Federal Essential Health Benefits defined

2010

- Children covered on parent's policy until age 26
- Federal Pre-Existing Condition Insurance Plan (PCIP)

## Q & A Discussion

The forum concluded with a question and answer portion of the forum, moderated by David Evans and Melissa Rowan. Questions came in through IntegralCare.org, Twitter (hashtag #AskIntegralCare) or through audience participation.



*Denotes questions from Twitter*



*Denotes questions from audience attendee*



*Denotes questions from [IntegralCare.org](https://www.integralcare.org) website form*



**How can we learn from other states like California or Massachusetts?**

We have to be proactive, determine potential problems with Exchanges and anticipate volume. States must have enrollment periods up, setting criteria for eligibility. We also have to really understand how some of these things will impact our funding. We don't anticipate all general revenue going away, but it will change the landscape significantly. As provider organizations and as advocates that are representing those getting insurance, we already know we have a strained provider base, no matter where you are. With that kind of overloaded system, we can't have providers fail, and must prepare them in a short period of time. Additionally, this has to be a discussion happening in a community collaborative, instead of individually figuring each component out.



**Can you describe what you know is already underway in this community?**

Health plans for adult Social Security Insurance bid plans are in place, and we are working with Amerigroup to look at healthcare homes. Also, there are several wellness, prevention, tobacco cessation and obesity initiatives underway. Our community is involved in a health information exchange along with St. David's, Central Health, Lone Star Circle of Care and Seton Family of Hospitals. Seton is looking at bundle care options, where a person leaves the hospital with an intensive case worker, ensuring medications are straight, follow up visits are place so as not to lose track of a person.

**Have there been any strategic discussions between federally-oriented system of care approaches and the healthcare reform act?**

The Substance Abuse Mental Health Services Administration block grant has a good and modern healthcare program. There is some work being done to examine mental health and substance use treatment further. Additionally, trade associations (such as the National Council on Community Behavioral Healthcare) are really adopting a quality recovery model.



**Is substance abuse treatment covered in healthcare reform?**

It has been written in the essential health benefits, but no certainty on what that will look like.



**What about benefits for returning veterans?**

Returning veterans still have benefits through the Veterans Administration; those are not being impacted by Healthcare Reform. Some states like Texas have underwritten the benefits from the Veterans Administration by providing community centers with funding to reach out to veterans.



**Will dental services be covered until the Affordable Care Act?**

Under pediatrics, yes, but unlikely that dental services will be covered for adults.



**Is there anything in the ACA that tracks the cost savings of prevention initiatives?**

There are a significant amount of prevention and wellness initiatives including opportunities for funding, research and comparative effectiveness that involves focusing on health disparities while establishing data and tracking results over time.



**Because a lot of these plans are state generated, what happens if people move out of state?**

There will be some state specific plans, but there will also be plans that have national coverage.



**I recently saw an ad for Texas Department of Insurance pertaining to smaller businesses and insurance coverage. How does this fit in with these regulations and will that go away in January 2014 or be rolled in somehow?**

This was an initiative around small group coverage, and setting up an exchange for that. This will go away with ACA implementation. [HealthyTexas](#) is a Texas Department of Insurance initiative that is a phenomenal resource, providing good coverage for \$132/month.

**Q If children today with subspecialties (neurosurgeons) are receiving good care, might we anticipate a problem with someone turning 21/26 if Medicaid continues to reimburse so low, and will we use these subspecialties?**

It may be that there are additional coverages in the 'habilitation' pieces that are currently not covered. The issue is that those children with these specialty needs a decade ago did not live long enough to be adult patients. There is an issue of provider expertise that is going to have to be built up, with children moving in to adulthood.

**Q Does the 1115 waiver discuss preventable readmissions? How can others can get involved in the planning?**

HHSC is in active negotiations to get approval from the Centers for Medicare & *Medicaid* Services. Once approval comes in, will have timelines on plans, who should be at the table. I think the state will give direction; it doesn't preclude things from starting discussions now. In terms of the waiver, it has been posted for a few weeks now, and is a good idea to look at it to see what is discussed.

Forum concludes at 7 p.m. For additional information, please contact:

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