Health Care Reform: Focus on Maryland

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Patient Protection and Affordable Care Act

• Signed into law by President Obama on March 23, 2010

• Reform will do what many states could not do on their own
  – Correct insurance problems
  – Insure 45 million uninsured individuals
  – Improve healthcare quality
  – Reduce the cost of healthcare
Current Benefits of Reform

• Prohibits annual and lifetime benefits
• Dependent coverage up to age 26
• Prohibition against rescissions
• Preventive screenings
• Coverage for pre-existing conditions
• Easier way to appeal insurance decisions
• Eliminates pre-existing exclusions for children
Coverage Expansion

• Takes effect in 2014
• Essential benefit package
• Creation of state exchanges
• Medicaid expansion up to 133% of poverty
• Federal subsidies for those between 134% and 400% of poverty
• Legislation assumes the Parity Act of 2008
Improve Quality

• Improve individual experience of care
• Evidence based care, clinical guidelines
• Health homes
• Integration and coordination with primary care
• Expansion of HCBS and TCM
Reduce the Cost of Healthcare

• Use of technology, EHR
• Emphasize prevention
• Accountable care organizations and other innovative payment options
• Pilot programs for bundled care, episode based care, P4P, etc.
Timeline of Select Provisions in the Affordably Care Act

- **2010**
  - Temporary Reinsurance for Early Retirees
  - Community Health Centers and the National Health Services Corps Funding
  - Small-Business Tax Credits
  - High-Risk Pool
  - Optional Medicaid Expansion

- **2011**
  - Coverage for Young Adults
  - “Doughnut Hole” Rebates
  - Annual Review of Premium Increases
  - New Insurance Rules (Lifetime Limits Rescissions, Protection for Children, Preventive and Emergency Svcs.)

- **2012**
  - “Doughnut Hole” Discounts
  - Premium Share Spending Rebates (MLR)

- **2013**
  - Temporary Medicaid Primary Care Rate Increase

- **2014**
  - Individual and Employer Mandate
  - New Rules for Insurers
  - Premium Subsidies
  - Insurance Exchanges
  - Essential Benefits Package
  - Medicaid Expansion
Parity

• Regulations effective 7/1/10
• Apply to 50+ employees *Health Plans IF* they offer a behavioral health benefit
• No Financial Requirements or Treatment Limitations that are more restrictive than Medical
• Establishes 6 classifications of benefits
• Plan must provide BH benefits in each class in which it provides Medical
• Scope of services must be largely analogous
Maryland Parity Project “1outta5”

- Mental Health Association
  - Understand the law
  - Understand your rights
  - Understand your plan
  - Help you take action
Maryland Experience

• Maryland’s many strengths, including our unique all-payer system and recent health expansions leave us well-positioned to implement reform
  – Quality of care initiatives
  – Hospital payment reform
  – Patient centered medical home
  – Health information technology
  – Health insurance exchange
  – Coordinating Council
Impact on Behavioral Health

- Integration
- Payer sources and patients
- Performance, quality and accountability
- Health, wellness, and medical needs
- Good and modern BH system of care
- Benefit design
- Workforce
Paradigm Shift

• Segregation to Integration
• Grants to FFS
• Patient choice
• Health system of care and collaboration
• Whole population health
• Wellness
• New organizational forms
• Use of technology
Road Map for Providers

- Participation in Health Plan Panels
- Commercial/Medicaid insurance reimbursement
- Managed care
- Volume, infrastructure, quality, innovation
- Mental health/substance use disorder integration
- Clinical practices
- Business models
- Delivery system design
THANK YOU!!

• Questions?
• Comments?