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Affordable Care Act and
American Indians
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 Welcome!

- Who are you?
- What is your role with the Indian Health Service?



 What is health coverage?

- Protects individuals against the risk of incurring medical expenses.
 - Example: Individual becomes ill and needs medical treatment, health coverage pays all or a portion of the cost for medical expenses.
- Different types of health coverage:
 - Private insurance – individual pays premium to insurance company and receives a set of benefits, e.g. hospitalization, primary care, etc.
 - Publicly funded insurance – health coverage that is funded through State and/or Federal government systems, e.g. Medicaid, Medicare



+ How does health coverage work?

- **Private insurance** – individual or employer pays premium and depending on plan, individual may pay co-pays and/or deductibles.
- **Medicaid** – State and Federal government fund no or low-cost coverage to older people, people with disabilities, and some families and children. Eligibility and benefits vary from state to state.
- **Medicare** – Medicare is funded through social security and offered to people who meet one or more of these requirements:
 - Age 65 or older – must have contributed to social security for 40 quarters
 - Have been permanently disabled and are getting disability benefits from Social Security
 - Have permanent kidney failure treated with dialysis or a transplant

+ Common Terms

- **Premium** – amount paid for health coverage.
- **Co-payment** – a fixed amount that you pay at the time you receive the service, e.g. \$3 for a prescription or \$20 for a doctor's visit.
- **Deductible** - amount of money that the insured would need to pay before any benefits from the health insurance policy can be used.

+ Context

- Unique legal relationship between U.S. government and tribal governments
- Tribal members have a unique legal and political status based on citizenship – not race
- Based on treaties, statutes, Executive Orders, and court decisions
- Legal obligation to provide economic and social programs necessary to raise standard of living and social well-being comparable to non-Indian society



Context is Everything!

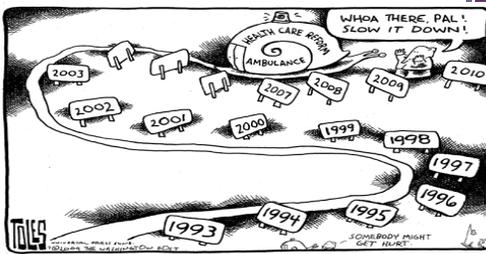


Context

- Keep what works and reform what doesn't:
 - Coverage denied for pre-existing conditions
 - Not all employers offer health care coverage
 - 50.7 million Americans have no health insurance
 - Medical debt is leading cause of bankruptcy
 - 26,000 people die each year due to lack of insurance
- Everyone must participate



Fast Pace of Reform?





The Health Care Law

In March 2010, President Obama signed the Affordable Care Act into law. The law included a permanent reauthorization of the Indian Health Care Improvement Act.



Patient Protection and Affordable Care Act

- STEP 1 Health Insurance Reform
 - PART I
 - A: Immediate Changes (90 days to end 2010)
 - B: Insurance Reforms between 2011-2016
 - PART II
 - Public Program Reforms to Medicaid, CHIP & Medicare
- STEP 2
 - Health System Reform – Delivery System will be impacted



Affordable Care Act

- Permanent reauthorization of the Indian Health Care Improvement Act
 - Modernizes IHS and authorizes programs and services
- Strengthens the Indian health system
- Greater access to health coverage for American Indians

+ Immediate Benefits

- Young adults can now stay on their parent's health plan up to age 26.
- Insurance companies can't deny health coverage to kids with pre-existing conditions.
- New health plans must offer preventive and screening services, such as mammograms and colonoscopies, at no cost to the patient.
- Adults who have been uninsured for at least 6 months and have been denied coverage because of a pre-existing condition may now get coverage.

+ Immediate Benefits

- Those in Medicare can get preventive services and screenings, such as mammograms and colonoscopies, at no cost to them.
- Prescription drug costs paid by the IHS, an Indian tribe or tribal organization, or an urban Indian organization will count towards the Medicare "donut hole" out-of-pocket threshold until it is eliminated in 2020.

+ Indian Specific Provisions

- Exempt from requirement to acquire health coverage
- Eligible for special monthly enrollment periods in Health Insurance Exchange
- Exempt from cost-sharing up to 300% federal poverty level when enrolled in Exchange plan
- Exempt from cost-sharing (co-pays and deductibles) - regardless of income - when enrolled in an Exchange plan and services are received at IHS or a Tribal 638 program



+ Medicaid Expansion

- Starting in 2014, the Affordable Care Act will expand the Medicaid program to cover people under age 65, including people with disabilities, with income of about \$15,000 for a single individual (higher incomes for couples and families with children).
 - It is up to the State whether or not to pursue with expansion
 - It is estimated that over 25,000 American Indians will be newly eligible for Medicaid in New Mexico
- Eligibility and benefits vary greatly by state. The program is administered by the state and changes may be made to program based on budgetary constraints and other factors.
- New Mexico will expand Medicaid, but plans to redesign it using a waiver, i.e. Centennial Care

+ Centennial Care

- **Why?**
 - Turn the cost curve – look at ways to do things smarter
 - Quality and outcomes – not just the quantity of care
- **How?**
 - Single 1115 waiver to integrate physical health, behavioral health and long-term care

+ Centennial Care

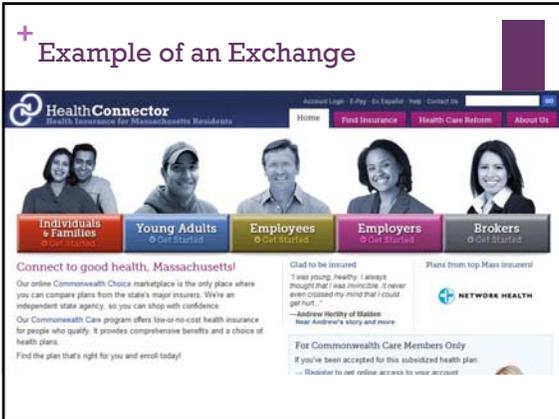
- American Indians are exempt from requirement to participate in managed care **except for American Indians in CoLTS**
- Sliding scale co-payments
 - **American Indians are exempt**
- Care coordination
 - Patient centered medical homes
 - Health homes

+ Centennial Care Enrollment

- HSD to perform outreach in education in communities before October
 - Members who are already enrolled in one of the four MCOs can stay there or choose another
 - Members who are in Amerigroup and Lovelace (MCOs that were not selected) will choose between the four MCOs
- Native American enrollees in CoLTS will select an MCO during enrollment period (Oct – Dec)
- Other Native American enrollees are fee for service unless they opt-in to managed care

+ Health Insurance Marketplaces

- New organizations to create a more organized and competitive market for buying health insurance.
 - Choice of different health plans
 - Certifying plans that participate
 - Provide information to help consumers better understand their options.
- Serve individuals buying insurance on their own (if employer does not offer insurance) and small businesses with up to 100 employees



+ Health Insurance Marketplaces

- States are expected to have an Exchange operating by January 1, 2014
 - Can be a government agency or a non-profit organization
 - Can create multiple Exchanges, so long as only one serves each geographic area
 - Can work together with other States to form regional Exchanges.
- Federal government offers technical assistance and grants to help states set up Exchanges.

+ Types of Exchanges

- Federally facilitated
 - Federal government operates Exchange for the State
- Partnership Exchange
 - Federal government performs some functions and State performs others until State is prepared to operate Exchange independently
- Hybrid
 - Federal government performs some functions and State performs others – missed deadline to become a partnership
 - In NM – State will enroll businesses and federal government will enroll individuals

+ Health Insurance Marketplaces

- Exchanges must operate a:
 - Website to facilitate comparisons among qualified health plans for consumers.
 - Toll-free hotline for consumer support
- They must:
 - Provide grant funding to entities for consumer assistance, called "Navigators"
 - Conduct outreach and education to consumers regarding Exchanges.

+ Navigators

- Conduct public education activities to raise awareness of the availability of qualified health plans
- Distribute fair and impartial information concerning enrollment in qualified health plans, and the availability of premium tax credits
- Facilitate enrollment in qualified health plans
- Provide referrals to any applicable office of health insurance consumer assistance or health insurance ombudsman or any other appropriate State agency or agencies, for any enrollee with a grievance, complaint, or question regarding their health plan, coverage, or a determination under such plan or coverage
- Provide information in a manner that is culturally and linguistically appropriate to the needs of the population being served by the Exchange or Exchanges.

+ In-Person Assisters

- States cannot use federal funds for Navigator programs
- In-Person Assisters can be funded using federal grant money
- Functions
 - Provide general education about the Exchange
 - Explain benefits and options for health coverage
 - Assist consumers with opening or accessing an account with the Exchange
 - Explain affordability programs ,e.g. premium assistance and cost-sharing subsidies
 - Make referrals to customer service center, brokers, and community resources

+ Essential Health Benefits

1. Ambulatory patient services
2. Emergency services
3. Hospitalization
4. Maternity and newborn care
5. Mental health and substance use disorder services, including behavioral health treatment
6. Prescription drugs
7. Rehabilitative and habilitative services and devices
8. Laboratory services
9. Preventive and wellness services and chronic disease management
10. Pediatric services, including oral and vision care

+ Cost of Coverage

Maximum Contribution for American Indian Family of Three

Poverty Level	Income by FPL in 2012	Maximum Premiums as % of Income	Maximum Premiums in Dollars	Maximum Out-of-Pocket (non-premium)
100% FPL	\$19,090	2%	\$382	\$0
150% FPL	\$28,635	4%	\$1,145	\$0
200% FPL	\$38,180	6.3%	\$2,405	\$0
250% FPL	\$47,725	8.05%	\$3,842	\$0
300% FPL	\$57,270	9.5%	\$5,441	\$0
350% FPL	\$66,815	9.5%	\$6,347	\$7,854
400% FPL	\$76,360	9.5%	\$7,254	\$11,900

PPACA limits the total amount that people must pay out-of-pocket for cost sharing for essential benefits. Generally, the limits are \$5,950 for single coverage and \$11,900 for family coverage.

*Slide courtesy of New Mexico Center on Law and Poverty

+ Premium Tax Credits

- If your income is below the federal poverty level, you are expected to pay 2% of your income toward insurance premiums and the tax credit will pay the rest.
- If your income is at 400% FPL, then you are expected to pay 9.5% of your income towards premiums.
- You can use your tax credit to buy any plan in the Exchange.

+ Subsidies

- Subsidies place a cap on the total co-payments and deductibles can be required to pay.
- The cap is based on income.
- Subsidies are only available through the Exchange
- Remember:
 - American Indians with incomes below 300% of the federal poverty level do not have to pay any cost-sharing for Exchange plans, but they must pay premiums.

+ Exchange Plans

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- 5 levels
 - Platinum = 10% cost-sharing – **highest premium**
 - Gold = 20% cost-sharing
 - Silver = 30% cost-sharing
 - Bronze = 40% cost-sharing – **lowest premium**
- Catastrophic = 50% coinsurance; under age 30 only

+ Penalties

In 2014, people who fail to acquire health coverage, will pay a penalty:

- \$95 per uninsured adult and \$47.50 for each uninsured child or 1% of taxable income whichever is greater

In 2015:

- \$325 per uninsured adult and \$112.50 per uninsured child or 2% of taxable income

2016 and beyond:

- \$695 per uninsured adult and \$347.50 per uninsured child or 2.5% of taxable income

+ Key Changes In 2014

- Nearly all Americans will be required to have health care coverage. Except for American Indians who are exempt from this requirement.
Note: American Indians will receive a "hardship waiver" to exempt them from mandate
- Individuals age 19 and older, but less than 65, whose income is 138% of the federal poverty level (\$15,414 in 2012) will be eligible for Medicaid
- Employers with 50 or more employees must offer health benefits or pay a penalty – includes tribal employers – **delayed until 2015**
- States or the federal government will create Health Insurance Exchanges
- Individuals and families whose income is between 138% of the federal poverty level and 400% will receive financial help to pay insurance premiums and out of pocket insurance expenses

+ New Mexico Timeline

- October 1, 2013
 - Begin individual enrollment in Exchange plans
- October 15, 2013
 - Begin enrollment in Centennial Care
- January 1, 2014
 - Exchange coverage begins
 - Medicaid expansion occurs
 - Centennial Care goes live

+ Getting Ready to Enroll

- Learn about different types of health coverage
- Make a list of questions you have before choosing your plan
- Understand how insurance works, e.g. deductibles, co-payments, premiums, etc.
- Start gathering information about your household income
- Gather information to verify tribal membership
- Find out about health coverage through your employer:
 - Will they offer it? Is it affordable?

+ MEDICARE

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- Close “donut hole” by 2020 – *I/T/U spending counts towards out-of-pocket threshold*
- All Rx Company and Med Device contributions to physicians and hospitals to be reported
- New office to monitor coordination of dual-eligibles
- Limits cost sharing under Medicare Advantage Plans
- Medicare Advantage to adhere to 85 MLR, and programs to ensure quality
- 2015: Independent Payment Advisory board (appointed by President) to make recommendations on solvency of Medicare



Implications of Reform

+ Payer of Last Resort

- The Affordable Care Act establishes the Indian Health Service as the “payer of last resort” for all services – not just contract health services.
- IHS will step up its efforts to collect from third parties and can require people to apply for Medicaid or other programs.
- *IHS cannot require people to purchase health coverage*



Contract Health Services



Right now, contract health dollars run out too soon.

In 2014, with additional options for health insurance, more contract health dollars will be available to meet the health care needs of Indian Country.





Provider of Choice



■ **When people have health coverage they have more choices**

■ **Indian Health Service will need to become the “provider of choice.”**



If you start a new business, live on a reservation, change jobs or move to another state, work for a Tribe, or retire early . . .

You'll have access to affordable health insurance.



+ Other Resources



- www.nihb.org
- www.tribalhealth.org
- www.lagunahealth.org
- Coverage calculator:
 - <http://healthreform.kff.org/SubsidyCalculator.aspx>
- www.healthcare.gov
