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# Restructuring and the Patient Protection and Affordable Care Act (PPACA)

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Major Topic  
Areas Giving Rise to  
Possible Restructuring

- health coverage access — public and private, including exchanges;
- health insurance regulation (rates and mandates);
- health information technology; and
- health care delivery and work force planning.

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## Access to Coverage: Health Benefit Exchanges

- Sec. 1311 of PPACA provides that, by 1/1/14, states shall establish American health benefit exchanges to:
  - offer "qualified plans" for individuals and small businesses to purchase;
  - offer premium subsidies to low-income individuals; and
  - educate consumers about health plans.

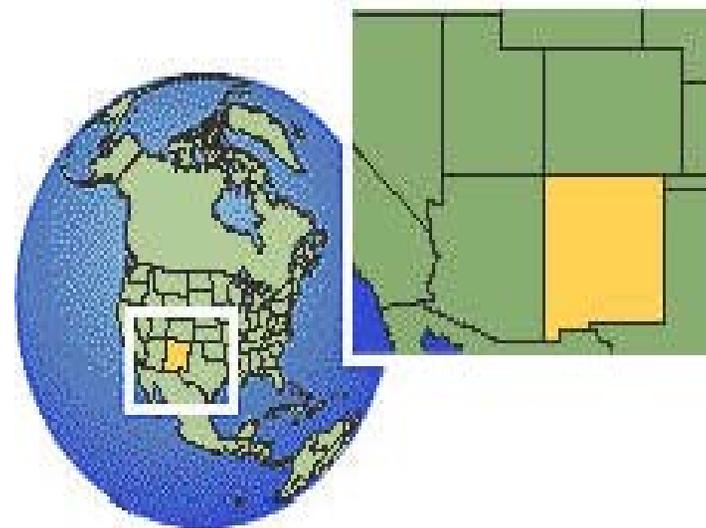
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# Access to Coverage: Exchanges

- Through a small business health options program (SHOP), allow small employers to buy qualified health plans.
- SHOP exchange may be co-located with the exchange for individuals.

# Access to Coverage: Exchanges

- States may:
  - operate one exchange;
  - operate several regional exchanges;
  - establish a multi-state exchange; or
  - opt out in 2017.



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# Access to Coverage: Exchanges

## Who Can Operate an Exchange?

- state Medicaid agencies;
- private corporations (*except* health insurance issuers); and
- must have "demonstrated experience" in insurance market and in benefits coverage.

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# Access to Coverage: State Options

- State basic health programs for individuals with incomes of 133%-200% FPL. (§§1331 & 10104(o))
  - Could be our SCI program or a new one
- Interstate health care choice compacts (§1333) — for individual plans
  - Requires state legislation

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# Access to Coverage

- States may obtain grants to set up health insurance consumer assistance or ombudsman programs. (§§1002 & 1004(b)).
- \$30 million total upon enactment, then as needed.
- Effective immediately.
- May be operated by an exchange.
  - Responsible for responding to consumer complaints and inquiries on federal and state law.
  - Collect data to share with the federal secretary of health and human services.
- Must coordinate with state health insurance regulators and consumer assistance organizations.

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# Health Insurance Regulation

- State still regulates non-ERISA health insurance where not preempted by PPACA.
- Federal Department of Health and Human Services oversees states' health insurance rate-setting and review.
- Art. 11, Sec. 2, NM Constitution, provides that the Public Regulation Commission regulates insurance companies.

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# Health Information Technology (HIT)

- PPACA requires significant interface between health benefit exchanges, the state Medicaid agency and the state Insurance Division.
- Grants for community-based collaborative care networks, including telehealth (§10333).

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## HIT (continued)

- Enormous effort to integrate care, creating partnerships among caregivers.
- Integration relies greatly on HIT.

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# Health Care Delivery & Work Force Planning

- **State Health Care Work Force Development Planning and Implementation Grants** — to enable state partnerships charged with developing work force strategy. (§ 5102)

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# Health Care Delivery & Work Force Planning

- **Who is Eligible for a State Health Care Work Force Development Planning and Implementation Grant?**
  - State Workforce Investment Board PLUS at least one of the following:
    - a health care employer;
    - a labor organization;
    - a public higher education institution (2- or 4-yr.);
    - Higher Education Department; and
    - a philanthropic health career development organization.

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# Health Care Delivery & Work Force Planning

- **State Health Care Work Force Development Planning & Implementation Grants (continued)**

- **Appropriations:**

- \$8 million *authorized* for planning grants in FY 2010 and "necessary sums" after.
- \$150 million *authorized* for implementation grants for FY10 and "necessary sums" after.

- **State match: 15% (may be in-kind).**

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# Health Care Delivery & Work Force Planning

- Workforce Analysis Center partnership grants (§5103)
  - Federal Workforce Analysis Center to coordinate with state and local workforce analysis centers.
  - \$7.5 million for FY 2010-2014.
- Who's eligible?
  - states;
  - state workforce investment board;
  - public health school;
  - health professions schools;
  - academic health centers; and
  - nonprofits.

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# Health Care Delivery & Work Force Planning

- There are many health professional student grants, loan repayment assistance and scholarship programs for:
  - rural providers;
  - Behavioral/dental/physical health;
  - geriatrics;
  - public health; and
  - professional, mid-level and allied provider opportunities.

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# Health Care Delivery & Work Force Planning

- Primary Care Extension Program
  - is based on the agricultural extension programs;
  - promotes best practices in primary care; and
  - makes grants to "state hubs" made up of:
    - Department of Health;
    - Human Services Department; and
    - local Medicare office (CMS Region 9).
  - May include other health care entities such as professional associations, New Mexico Medical Review Association, licensing boards, etc.

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## Health Care Delivery & Work Force Planning

- A state or other agency in New Mexico might:
    - collect data for work force planning — how many MDs practice in NM? How many CNAs work here?;
    - coordinate health care work force planning across fields (behavioral, physical, professional and allied);
    - coordinate educational planning at the state level — how many nurse practitioners; how many ophthalmologists, etc; and
    - offer education financing, planning and outreach — recruit students and provide them with information about these opportunities.
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# Other States' Health Care Structures

- Consolidation of health care planning and financing mechanisms: Maine, Massachusetts, Minnesota, Rhode Island and Washington
- Stand-alone exchange and other entities: Utah