

Health Reform Bulletin

Week of August 20, 2012

Mitt Romney's selection of Paul Ryan as his running mate has ensured health care reform will remain in the spotlight throughout the rest of the 2012 presidential campaign. The debate surrounding Medicare, in particular, has the potential to become a focal point of the campaign. This week both sides welcomed the debate, hoping to use their Medicare plans to show the public the clear differences in their respective views on how to fix the problems facing the country. The Obama campaign claimed that the plan endorsed by Romney and Ryan would "end Medicare as we know it" while Republicans launched an ad campaign criticizing Obama's plan to "cut 716 billion from Medicare". With both party's conventions yet to come, it's clear that the debate will only continue to grow as we enter the heart of the campaign season.

Federal

HHS has issued a final "blueprint" that states can use to operate their own health insurance exchange markets, or to partner with the federal government. The "[blueprint](#)" outlines functions that will be performed by exchanges run by the states, functions performed by exchanges operated as partnerships between the federal government and states, and functions that states can perform in "federally facilitated" exchanges that HHS will set up in states that do not operate either of the other two types of exchanges. HHS has scheduled four regional meetings this month to discuss the exchanges and other aspects of the Affordable Care Act (ACA) with state officials and others.

State

CALIFORNIA: California's Health Benefit Exchange released a report estimating enrollment in health care coverage based on potential basic health program (BHP) scenarios. The ACA specifies the BHP plan will be sold through the Exchange and contracted through a competitive bidding process. If a state's BHP is approved, federal funds will cover 95 percent of the cost of tax credits and subsidies that would have been provided if the eligible individuals had enrolled in traditional Exchange coverage. The California report projects that a BHP could increase coverage in California by 60,000 to 120,000 by 2019. The report also notes the potential negative impact a BHP could have on the Exchange's ability to negotiate with insurers, which could lead to increased premium costs.

KANSAS: The Kansas Insurance Department has scheduled a public hearing for September 5, 2012 to collect input on what basic benefits should be included in the health insurance plans that will be available through the state's online insurance exchange after Jan. 1, 2014. Department officials said they would distribute an actuarial firm's analysis of what would have to be added to existing plans to meet the ACA's "essential health benefits" requirement and what the added benefits might cost. Kansas Insurance Commissioner Sandy Praeger will prepare a proposal for Gov. Sam Brownback, who will have final say on the essential health benefits that the state will submit for federal review.

MAINE: HHS' \$62 million Co-Op loan to the state was broadly reported on this past week. Maine Community Health Options will use \$7.1 million of the loan to develop a subscriber-run plan and \$55 million of the loan to meet the plan's reserve requirements.

Organizers estimate Maine Community Health Options will have 50,000 subscribers through Maine's health insurance exchange, many of whom will be eligible for subsidies. Meanwhile, Maine legislators and the Governor have delayed any decision on creating a state-run exchange until after Election Day. In other news, ranking Democrats on the state's budget-writing Appropriations Committee sent HHS a letter opposing the plan submitted by Governor LePage to enact Medicaid eligibility cuts passed by the Legislature earlier this year.

NEVADA: The state Board of Examiners approved a \$72 million contract to implement a health insurance exchange in Nevada, but Governor Brian Sandoval said the program will need to become self-sustaining if it is to continue. The contract is with Xerox State Healthcare to set up the computer system and operations needed to begin enrolling people by October 2013. Start-up costs are being funded through federal grants but the exchange is supposed to be self-funded after 2014, and the state would assume all operational costs on January 1, 2015. The Governor has indicated that he would oppose any proposal that takes funding away from other state programs or raises insurance premium taxes.

NEW YORK: With an anticipated staff of 44, New York's Exchange implementation team has moved into hiring mode. Housed at the New York State Department of Health, the Exchange's new hires include a chief counsel, a director of the navigator program, and a lead actuary. The Department of Financial Services also anticipates adding 20 new staff to their ranks that will be focused on Exchange related activities. Those individuals will focus primarily on rate reviews and audits. The Exchange also announced a stakeholder meeting to be convened on September 7 with a panel discussion focused on how the Exchange can be used to help reduce health disparities.

TEXAS: The Texas Department of Insurance will host a public forum on Essential Health Benefits (EHB) on Tuesday, August 28, 2012 in Austin. The department will be providing its analysis of the ten benchmark plan options and specific coverage provided by them. This meeting follows a joint hearing of the Texas Senate Committee on Health & Human Services and Committee on State Affairs where committee members discussed the impact of ACA implementation on Texas and expressed serious concerns about the state's share of covering EHBs. A final report from the Department is due by September 30th.

VERMONT: Schumlin Administration officials recommended to the Green Mountain Care Board the Blue Cross Blue Shield of Vermont as the benchmark plan, noting it is "very traditional in the market today". CIGNA's plan, which insures state employees, was pushed by advocates as the benchmark plan, in part because its benefits were perceived as richer. Estimates are that 12% of the state's population will access coverage through the Exchange once it is operational. The Administration continues to encourage small employers to drop insurance coverage to employees who can qualify for exchange subsidies.

Courtesy of Aetna Health Reform Weekly