

Health Care
LWVIL Issues Briefing, February 5, 2011
Janet Craft and Mary Lou Lowry, Issues Specialists

Health Care Reform (from 10.29.10)

Seven months after the enactment of the Affordable Care Act (ACA), and a month after consumer protection provisions kicked in, many Americans remain doubtful that they will benefit from the law. However, a new study by the Washington Post, the Henry J. Kaiser Foundation and Harvard University found that “most Americans who say they want more limited government also call Social Security and Medicare ‘very important.’ They want Washington to be involved in schools and to help reduce poverty. Nearly half want the government to maintain a role in regulating health care.” (“Beyond the tea party: What Americans really think of government,” by Jon Cohen and Dan Balz, *Washington Post*, 10/10/10). On the campaign trail this fall, partisan, though ambiguous, attitudes on the government and health care are playing out, while some States Attorney Generals are proceeding with legal challenges to the ACA.

Division on health care reform and the role of government will continue, especially in the context of a slow economic recovery. There is a need to clarify provisions of the law from distortions that engender fear. Official information can be found at www.HealthCare.gov; LWVUS has an online primer, “Educating the Public on the Patient Protection and Affordable Care Act.” Two recent articles with divergent views are, “Obama Care and the Election, *Wall Street Journal*, 10/7/10, and “Reminding Ourselves What Has Gone Right With the Health Law,” by Tom Daschle, Kaiser Health News (Online), 10/7/10.

SB 3047 Illinois Health Care Justice Implementation Act

No further action on bill since the Governor returned it with an amendatory veto on July 30. The bill sets up an Implementation Task Force to monitor the federal Affordable Care Act for effects on Illinois and make recommendations for State action.

Governor’s Health Reform Implementation Council

Governor Quinn issued an Executive Order creating the Illinois Health Reform Implementation Council comprised of key state agencies and offices to recommend changes to be implemented to increase access to health care through, but not limited to, the Affordable Care Act. The Council does not include community stakeholders as does the Task Force in SB 3047.

The Council held its first hearing on Health Insurance Reform and Establishment of an Exchange in Chicago, September 22. LWVIL’s testimony included just released information from the U.S. Census Bureau: the number of people with health insurance dropped from the previous year, the first annual decline since the government began collecting insurance coverage data in 1987. Illinois has no restrictions on rate increases, no public disclosure of premium increases, and has the highest number of rescissions in the nation. The attached Testimony also references League’s support for a public option during the health reform debate. The ACA provides for State Insurance Exchanges, a compromise version of the public option, effective 2014. The Illinois Pre-Existing Conditions Insurance Plan (IPEX) effective last month is a small scale precursor for the Exchanges. Effective reform hinges on states’ ability to set up a menu of options for their citizens (See *NY Times* 10/24/10, p.23 for examples of exchanges currently in place as in Massachusetts and Utah).

In early October another Governor’s Council hearing was held in Peoria on Work Force Issues in health access. Jean Sanger, LWVIL Board member, represented league. She reported an emphasis on the shortage of nurses and physicians, especially family physicians in rural areas and financial barriers to care. Testimony from public health pointed out the need to more effectively use the abundant existing health care data. Jean spoke with a professor from St. Francis School of Nursing who commented that nurses are not retiring as readily and that hospitals are very cautious about hiring due to the economy.

Reproductive Health

As reported in the May Issues Report, a Teen Pregnancy Prevention Initiative was included in the ACA. However, Congress also renewed funding for a Title V Abstinence-only-until-marriage as part of the package. Abstinence-only programs have not only been shown to be ineffective but they put youth at risk by withholding information. LWVIL signed on to a Campaign for Reproductive Health and Access letter to Governor Quinn encouraging the State to focus efforts on funding for evidence-based programs with proven effectiveness in preventing teen pregnancy. In late summer the State rejected the abstinence only funds in favor of the comprehensive Personal Responsibility Education (PREP) funds.

To watch: the Affordable Care Act requires insurance companies to provide certain preventive care without fees or co-pays. While contraceptives are not among specified free services, Health and Human Services is charged with compiling a list of covered services by next August. "Birth Control Matters," was launched for Co-Pay-Free Birth Control by Planned Parenthood Federation of American and the American Congress of Obstetricians and Gynecologists.

Janet S. Craft
issues@lwwil.org

Healthcare Update for January, 2011

On January 12 an up or down vote is scheduled on the Affordable Healthcare Law. While the House is expected to pass the repeal, the Democrats in the Senate have promised to block this vote. According to House Budget Rules, all legislation has to be paid for but the repeal of the Affordable Healthcare Act is exempt. The Affordable Healthcare Act is supposed to reduce the deficit by \$143 billion through 2019. Republicans have disputed this and say it would actually increase the deficit. Therefore they have exempted the Affordable Healthcare Repeal from the rule.

On January 1, 2011 the following provisions of the Affordable Healthcare Act go into effect:

Minimal Medical Loss Ratio for Insurers—85% of large group market and 85% of individuals and small groups must go for clinical services and quality or provide rebates to consumers.

Medicare Payments for Primary Care—Provides a 10% bonus for primary care services.

Medicare Prevention Benefits—Eliminates cost-sharing for medicare preventive services.

Center for Medicare and Medicaid Innovation—Creates a Center for Medicare and Medicaid Innovation to test new payment and delivery systems that reduce costs.

Medicare Premiums for Higher Income Beneficiaries—Freezes the income threshold for income related Medicare Part B premiums for 2011 through 2019 at 2010 levels and reduces the Medicare Part B subsidy premium for those with income over \$85,000 and couple over \$170,000.

Medicare Advantages Payment Changes—Restructures payments to private Medicare Advantage plans by phasing in payments at increasingly smaller percentages of Medicare fees-for-services rates; freezes 2011 payments at 2010 levels and prohibits Medicare Advantage plans from imposing higher cost sharing requirements for some Medicare covered benefits than is required under the traditional fee-for service program.

Medicaid Health Homes—Creates a new Medicaid state option to permit certain Medicaid enrollees to designate a provider as a health home and provides states taking up the option with 90% federal matching payments for two years to home-health related services.

Chronic Disease Prevention in Medicaid—Provides 3 year grants to permit certain Medicaid enrollees with incentives to participate in comprehensive health lifestyle programs and meet health behavior targets.

Class Program—Establishes a national voluntary insurance program for purchasing community living assistance services and supports.

Mary Lou Lowry