



SAN DIEGANS FOR HEALTHCARE COVERAGE

A COALITION FOR HEALTH

***Coalition Health Reform
Information Interchange***

***May 25, 2010
2:00 – 5:00 PM***

San Diegans for Healthcare Coverage Health Reform Special Interchange Session

Agenda

2:00	Welcome and Introductions	Jan Spencley
2:15	Purpose – Format - Groundrules	Jan Spencley
2:20	Sector Presentations (5-10 minutes) <ul style="list-style-type: none"> •Business •Physicians •Consumers •County HHSA •Hospitals •Health Plans •Community Health Centers 	Sector Representatives Richard Ledford Robert Hertzka, MD Gregory Knoll Dale Fleming Steve Escoboza Sabra Matovsky Steve O’Kane
3:30	Break	
3:45	Sector Q&A (5-7 minutes each – Same Order)	Sector Representative
4:50	Summary Wrap Up	Jan Spencley - All

San Diegans for Healthcare Coverage

Health Reform Special Interchange Session

- **Purpose:** To allow coalition members both to share and to understand how federal health reform may impact each constituency (sector). Will also inform Task Force efforts.
- **Format:**
 - Each sector representative will take no more than 5-10 minutes to present the **Benefits** and the **Challenges** posed by health reform.
 - Period of 5-7 minutes for **Questions and Answers** for each sector (structured/facilitated)
 - Summary **Wrap Up:** Themes/Implications
- **Note:** Additional sectors will be addressed through separate forums (e.g., medical/health professional, other providers, BioCom/Pharma).

Groundrules

- Speakers are asked to **stay within their allotted time** to ensure that everyone has time to complete both presentation and Q&A
- Allow **all speakers** to complete presentations and write down your questions for the Q&A period
- Please - **Limit sidebars** and comments and editing others
- Please - **Everyone help** to manage time so we get through

Business

Benefits and Opportunities

Richard Ledford (Vince Mudd, Mike Nagy)

1. Health Exchange Benefits Small Companies and Sole Proprietors	<ul style="list-style-type: none">• Exchange offers group rates comparable to large business• Standardized benefit packages allows easy comparison and purchase• Subsidy available for low income workers in the exchange
2. Individual mandate will have an impact on business	<ul style="list-style-type: none">• National focus on health coverage influences business view of healthy workforce as a business asset/renews employee interest in workplace coverage
3. Employer mandate sensitive to business size	<ul style="list-style-type: none">• Level playing field with the mandate for business with 200+ employees.• Pay or play for mid-size business of 50 – 200 employees.• No mandate for small business with 1-50 workers/leaves room for activities like the BHC
4. Tax credits for small business encourage continuation of benefit and may encourage those not offering coverage to offer benefits.	<ul style="list-style-type: none">• Acknowledgement of the financial burden of health coverage on small business and their very slim profit margins
5. New insurance regulations (guarantee issue, limits on rate adjustments, penalties for smokers)	<ul style="list-style-type: none">• Standardization of insurance reforms level the playing field for business• Brings clarity to the business community, especially to small business w/out HR staff

Business

Challenges and Issues

Richard Ledford (Vince Mudd, Mike Nagy)

1. Penalties to mid-size business are significant	<ul style="list-style-type: none">• Pay or play regulations for businesses of 50-200 employees may be too costly for some businesses
2. Concern that insurance premiums will increase as a result of the mandate.	<ul style="list-style-type: none">• Where is cost containment?
3. The cost of providing coverage may force some businesses to shut down for lack of resources of drop coverage.	<ul style="list-style-type: none">• More individuals may end up on government funded programs, and cost-shifts to private sector may increase to compensate
4. The influx of new health customers may mean longer lines and slower delivery of health care to workers.	<ul style="list-style-type: none">• Resolution of adequate reimbursement rates• Education/training pipeline constrictions
5. The tax breaks and incentives given to small businesses so they can provide coverage will sunset and not be replaced.	<ul style="list-style-type: none">• Options become more expensive for small business and employees who are no longer covered by employer sponsored insurance
6. "Cadillac tax" and increased Medicare tax on higher wage earners.	<ul style="list-style-type: none">• Increased tax burden may hurt business bottom line

Physicians

Benefits and Opportunities

Robert Hertzka, MD (James Beaubeaux)

1. Insurance reforms – no more worry about our patients	<ul style="list-style-type: none">• Being discriminated against because of pre-existing conditions• Having policies rescinded• Having policies “run out” because lifetime limits are reached
2. Immediate assistance to high-risk pools for those with pre-existing conditions	<ul style="list-style-type: none">• NOTE – this provision is definitely underfunded – dollars run out in 2011
3. Immediate help for retirees under the age of 65	<ul style="list-style-type: none">• NOTE – this provision appears underfunded
4. Tax credits to help small businesses afford coverage (very SDHCC-ish)	<ul style="list-style-type: none">• NOTE – per the CBO, this provision will do little

Physicians

Challenges and Issues

Robert Hertzka, MD (James Beaubeaux)

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| 1. The Medicare Independent Payment Advisory Board (IPAB) | Designed specifically to reduce physician payment – primarily in urban areas
Operational in 2014 |
| 2. The majority of access expansion in HCR is via a Medicaid expansion | Extra dollars for primary care is only for one year after the 133% FPL standard begins on 1-1-2014
Specialty access for these adults will be woeful
ER's seem certain to get much more overcrowded – current Medicaid patients visit ER's far more than others - and far, far more than those who are currently uninsured |
| 3. Cost-shifting from multiple sources could destabilize private insurance programs | Individual mandate penalties are too low – combined with guaranteed issue, this will drive premiums up (in New York they have called this the “death spiral”)
Medicare and Medicaid payments will continue to be flat or decreasing for almost all providers, save some primary care Medicaid providers in 2013-2014 – providers will continue to progressively cost-shift this public program underfunding out to the private sector
Substantial pharma discounts for Medicare and Medicaid will be directly cost-shifted out to the private sector |

Consumers

Benefits and Opportunities

Greg Knoll (Sylvia Hampton)

1. Immediate Medicaid expansion to all under 133% and under 65	•No categorical requirements; merger of 17,000 programs
2. At least 7 critical insurance reforms	•Pre-existing; dependent coverage seller renew; exclusions of treatments; premium variation and annual and lifetime limits, etc.
3. Medicare improvement	•Prescription drugs; “donuthole”; eliminate cost sharing; enlarges benefits
4. Improves capacity and affordability	•Medicaid rates equal Medicare; subsidies and vouchers up to 400% ; more \$ for primary care
5. Immediately puts money into consumer assistance programs	•States are required to support and beginning immediately

Consumers

Challenges and Issues

Greg Knoll (Sylvia Hampton)

1. Medicaid rates, provider participation, opportunities take advantage of administrative simplification	•Prior to 2013; merger of 17,000 responsibilities; cost savings through administrative simplification
2. Benefit packages	•Could result in loss of current federally required benefits available through Medicaid; five different tiers of benefit levels
3. Consumer assistance programs	•This consumer assistance must be adequately funded to address patterns and trends in problems at a systemic level
4. Affordability	•No way to test criteria until changes actually made; controlling cost within the insurance industry; ongoing monitoring
5. Too complicated, not universal, gap still remain	•Not single payer; seems like great opportunity for insurance companies as much or more than for consumers
6. Immigrants and Institutional Racism	•Five year waiting period for certain immigrant groups means whole system burdened; data required on health disparities

County HHSA

Benefits and Opportunities

Dale Fleming

1. Expanded access to health coverage	•Potentially better health, longer life, higher quality of life
2. Simplification of Medi-Cal eligibility rules	•Increased retention of enrollees, reduced administrative burden
3. Coverage for former foster youth 'til age 26	•Supporting successful transition to adulthood and independence
4. Behavioral health treatment = essential health benefit	•Expands BHS coverage for public and private sectors
5. Medi-Cal up to 133% FPL— childless adults/non-linked parents	•Fundamental change to the population served by WIC §17000

County HHSA

Challenges and Issues

Dale Fleming

1. Access to coverage doesn't guarantee appropriate utilization or quality	•Will there be enough providers/plans accepting Medi-Cal patients
2. Continued focus on sick care	•We do not want to miss an opportunity to focus on prevention
3. Timing of changes in State leadership may delay key decisions	•Impacts timeline for change, quality and clarity of policy decisions
4. Fundamental change in the State-County relationship	•Funding and program responsibility, local flexibility and input
5. Consumer/provider confusion as we transition to 2014	•These key stakeholder groups need to be supported thru transition

Hospitals

Benefits and Opportunities

Steve Escoboza (Michael Bardin, Sara Steinhoffer)

1. Coverage Expansion	<ul style="list-style-type: none">•Reduction of uninsured•Improved preventive care and care coordination•Reduction in uncompensated care.
1. Clinical Coordination	<ul style="list-style-type: none">•Potential for Accountable Care Organizations•Physician-hospital alignment•Patient safety and quality improvement•Cost savings initiatives.
1. Incremental Implementation	<ul style="list-style-type: none">•Allows for course corrections•Encourage evidence-based practices•Allows for HIT/HIE coordination.

Hospitals

Challenges and Issues

Steve Escoboza (Michael Bardin, Sara Steinhoffer)

1. Revenue Shortfalls	<ul style="list-style-type: none">• Medicare/Medicaid DSH cuts• Geographic variation• Medicare non-payment policies (e.g. Readmissions)
2. Government Regulation	<ul style="list-style-type: none">• Federal rule-making• Stark and antitrust barriers• State/federal alignment• Unintended consequences.
3. Capacity Limitations	<ul style="list-style-type: none">• Demand, particularly on emergency departments• Shortage of caretakers (primary care and allied healthcare workers).

Health Plans

Benefits and Opportunities

Sabra Matovsky (Ann Warren)

1. Expands coverage to uninsured adults up to 200% of FPL beginning Sept 2010. Population eligible for federal expansion program, covering 100% through FMAP in 2014.
2. Requires SPD and Medi-Medi's to enroll in managed care. 31,000 SPDs in SD. Coordination of care essential to improving health of vulnerable populations.
3. Insurance Exchange to allow for individual coverage options, closes Rx "donut hole", begins pay or play mandate

Health Plans

Challenges and Issues

Sabra Matovsky (Ann Warren)

1. Poor funding of Medi-Cal program threaten Health Plans' ability to serve SD market; instability in IPAs.
2. Newly eligible adults will aggravate problem.
3. Changes to Healthy Families will result in kids losing coverage.
4. Need to weather storm for next few years with hope that federal changes will bring long-term relief.

Community Health Centers Benefits and Opportunities

Steve O'Kane (Gary Rotto)

1. Expansion of Medicaid to 133% of the Federal Poverty Level (FPL)
2. Creates Health Insurance Exchanges for families with incomes between 133-400% of the FPL
3. Improve access by increasing funding by \$11 billion for community health centers
4. Increased funding for National Health Service Corps

Community Health Centers

Challenges and Issues

Steve O'Kane (Gary Rotto)

1. Will California Budget cuts and program eliminations before 2014 prevent the Clinics from having adequate infrastructure?
2. Access to specialty care not resolved
3. Potential inadequate funding for EHR implementation
4. Workforce demands vs. supply

Question & Answer Period (5-7 Minutes for Each Sector) Facilitated - Timed

- **Business**
- **Physicians**
- **Consumers**
- **County HHSA**
- **Hospitals**
- **Health Plans**
- **Community Health Centers**

**San Diegans for Healthcare Coverage
Health Reform Special Interchange Session
Summary Wrap-Up**

- **Key Themes**
- **Implications for SDHCC**
- **Thank You! for your Participation**