

An Overview of the Affordable Care Act and Its Implementation in Illinois for CEOs of Human Service Providers

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- Submit questions during the presentations via the control panel
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Illinois Maternal and Child Health Coalition Resources



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- Chicago Area Immunization Campaign
- Illinois Coalition for School Health Centers
- Illinois Premature Infant Health Network
- text4baby – mobile messaging program

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Presentation Overview

1. Big picture overview
2. Insurance Market Reforms
3. Changes to Medicaid
4. The Exchange
5. Small Business Tax Credits
6. Changes to Health Care Delivery
7. Resources & Questions

Big Picture

The Affordable Care Act (ACA)



Health Reform is a **Big** Deal

- Covers an additional 32 million people nationally
- In Illinois:
 - 1.5 million uninsured
 - number will drop dramatically because of ACA
- Reduces the federal deficit

Grandfathered plans

- If had employer insurance on or before 3/23/10: “If you like it, you can keep it.”
- Plans issued after 3/23/10 must meet the law’s new consumer protections.

Insurance Market Reforms

Ban on Gender Rating and Rescissions

- Gender rating banned
- Insurance companies are banned from dropping people from coverage when they get sick.

Pre-Existing Conditions

- Approximately, 201,233 uninsured Illinoisans have a pre-existing condition
- denying coverage or excluding benefits due to a pre-existing condition will no longer be allowed

Pre-Existing Conditions

- **2010:** insurers required to cover pre-existing conditions for **children** with pre-existing conditions

- **2014:** insurers required to cover pre-existing conditions for **adults**

Temporary High Risk Pool

Adults with pre-existing conditions & uninsured for the past 6 months eligible for the Pool



Until 2014 when ban on pre-existing condition is lifted & Exchange operational

Temporary High Risk Pool in Illinois: Illinois Preexisting Condition Plan (IPXP)

- Requirements for eligibility:
 - 1. be U.S. citizen, national or legal resident
 - 2. uninsured for 6 months
 - 3. have a pre-existing condition
 - 4. pay premium and out-of-pocket costs

<http://www.insurance.illinois.gov/ipxp/>

Source: Illinois Dept. of Insurance

Medical Loss Ratio Requirements

- Requires insurance companies in the individual and small group markets to spend at least 80% of the premium dollars they collect on medical care and quality improvement activities
 - (large group market: at least 85%)
- Rebates to consumers

Changes to Cost-Sharing for Preventive Services

- If you have a new health insurance plan or insurance policy beginning on or after September 23, 2010, certain preventive services must be covered without your having to pay a copayment or co-insurance or meet your deductible. This applies only when these services are delivered by a network provider.
 - <http://www.healthcare.gov/news/factsheets/2010/07/preventive-services-list.html>

Changes to Medicaid



Medicaid Expansion

- Covers everyone under 65 up to 133% FPL
- 100% federal funding for newly eligible in 2014-16
- Illinois: estimated 700,000 newly eligible

Medicaid Expansion (cont.)

133% Federal Poverty Level: (2011 guidelines)

Family Size	Income
1	\$14,483.70
2	\$19,564.30
3	\$24,644.90
4	\$29,725.50

How does the ACA simplify eligibility for Medicaid?

- Uses new income & household size standards
- Eliminates asset test
- Provides access through “no wrong door”
- Uses electronic data to verify eligibility
- Envisions a largely paperless system

Who Will be Newly Eligible for Medicaid?

- A “newly eligible” will be anybody who:
 - is between 18 and 65 years old,
 - is at or below 133%FPL
 - is a U.S. citizen or legal resident living here for 5 years, and
 - was not eligible for Medicaid prior to December 1, 2009
 - Sub-population characteristics:
 - Childless adults
 - Young adults, ages 19-25
 - Older population, ages 55-64
 - Homeless individuals
 - Minorities
 - Parents

The Exchange

Help for Families at Every Income Level: The Exchange

- User friendly format to understand terms, compare benefits & services across plans
- Enroll in Medicaid through Exchange
- Health plans required to have enough doctors, perform well on quality measures
- In Illinois: initial projections are that Illinois Exchange will enroll 486,000 individuals in 2014 (and over 1 million by 2016)

What's Covered in the Exchange Plans?

- Ambulatory Patient Services
- Emergency Services
- Hospitalization
- Maternity and Newborn Care
- Mental Health and Substance Abuse Services (Including Behavioral Health Treatment)
- Prescription Drug Coverage
- Rehabilitative and Habilitative Services and Devices
- Laboratory Services
- Preventive and Wellness Services
- Chronic Disease Management
- Pediatric Services, Including Oral and Vision Care

Private insurance affordability

Financial help for families with household incomes < 400% FPL

Family Size	Income
1	\$43,560.00
2	\$58,840.00
3	\$74,120.00
4	\$89,400.00

Illinois Health Care Exchange Legislation

- SB 1555 (Public Act 097-0142) creates a Legislative Task Force to recommend implementation and design of the Illinois Health Care Exchange--especially on the governance structure and self-financing after 2015.
- Recommendations are due by Veto Session 2011 in order to continue to receive federal funding for the implementation planning process.
- Advocates coordinated in many activities to implement health care reform.
- <http://www.ilga.gov/commission/cgfa2006/Resource.aspx?id=1227>

The Tax Credit for Small Employers

Small Employer Tax Credits

- ACA provides tax credits to help small employers afford coverage for themselves and their employees up to 35% (up to 25% for non-profits)
 - must cover at least 50% of the cost of health care coverage for some of its workers
 - must have < the equivalent of 25 full-time workers
 - must pay average annual wages < \$50,000
- Both for-profit and non-profit employers qualify

Small Employer Tax Credits

- 194,000 small businesses in Illinois may qualify for this tax credit
- Calculator on-line:
<http://www.smallbusinessmajority.org/tax-credit-calculator/index.php>

Changes to Health Care Delivery



Health Care Delivery Models

- **Fee-for-service Model:** providers paid set fee for each service (rewards volume and intensity of services)
- **Coordinated/Integrated Care Model:** pay providers upfront (and/or for performance) to coordinate and ensure the full spectrum of services a patient requires
- **Accountable Care Organizations:** coordinate health care in one place, integrating primary care, specialists, hospitals, labs, etc.
- **Patient Centered Medical Home:** primary care health care setting facilitating partnerships among patients and providers
- **Consumer Operated and Oriented Plan (CO-OP):** non-profit, member health insurance organization offering qualified health plans based on an integrated, consumer-focused model

Changes to Health Care Delivery

- **Upside:** If care is delivered smartly and efficiently, it could cure access problems and promote prevention and coordination and better health outcomes
- **Downside:** If care is delivered sloppily and only to save money, it could damage access, especially for chronic needs

Coordinated Care in Illinois

- Illinois HFS' ICP pilot in Cook and Collar Counties for current Medicaid enrollees: seniors and persons with disabilities.
- P.A. 096-1501 Medicaid Reform Law: At least 50% of Medicaid enrollees must be in care coordination by 2015
- HFS' Innovations Project: Care coordination for seniors and adults with disabilities, and individuals with mental health and/or substance abuse disorders

<http://www2.illinois.gov/hfs/PublicInvolvement/cc/Pages/default.aspx>

Coordinated Care in Illinois

- Medical Home Network launched
 - Safety net full service medical home network on Chicago's south & southwest side
 - Will coordinate care for over 160,000 Medicaid enrollees—women & children— by linking hospitals and medical clinics through an Internet portal
- Hospital partners include Cook County's Stroger, Provident and Oak Forest hospitals, Rush University Medical Center, Mt. Sinai Medical Center, Holy Cross Hospital, Saint Anthony Hospital and La Rabida Children's Hospital.
- Clinic partners include Access Community Health Network, Alivio Medical Center, Lawndale Christian Health Center, Chicago Family Health Center, Centro de Salud Esperanza, Friend Family Health Center and outpatient clinics run by participating hospitals.

Health Care Landscape in Illinois

- **2012:** HFS must report to General Assembly on progress & implementation of the care coordination program initiatives
- **2013:** HFS plans to begin enrolling newly eligible Medicaid clients and care coordination delivery systems will be underway
- **2014 and beyond:**
 - Exchange operational (private insurance & Medicaid)
 - ACOs and Co-ops may be operational

Resources

Healthcare.gov

- An online portal to health insurance information for consumers



IllinoisHealthMatters.org

[Illinois Health Matters](http://www.illinoishealthmatters.org), a website on health care reform in Illinois, is producing multimedia snapshots on how the Affordable Care Act is affecting or will affect the residents in the **South and West Sides of Chicago**. See our Neighborhood Stories site here: <http://www.illinoishealthmatters.org/neighborhood-stories.aspx>



Questions?

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Thank you!

