

Impact of
The Affordable Care Act
on People living with HIV/AIDS
Health care that's better, safer, less costly

Norma Y. Harris

Health Insurance Specialist, Region 2

Centers for Medicare & Medicaid Services

USDHHS

The Goal: Better Medical Care

- Health reform is about:
 - lowering the cost of medical care
 - improving the care patients receive
 - increasing access to that care
 - expanding the base of people contributing to health care system
 - filling gaps created by the old system
- Virtually everyone plays a role
 - Large employers required to contribute
 - Workers required to contribute
 - 32 million newly insured lower the average cost
 - Doctors and hospitals required to improve care
 - New programs are instituted to control rising costs

Key Benefits for People with HIV

Benefits now in effect:

- Pre-existing Condition Insurance Plans
 - Fewer than 1 in 7 people living with HIV has private insurance (13%)
 - Nearly one in four has no coverage (24%)
 - These plans allow people to buy private insurance regardless of health condition
- No lifetime limit on insurance benefits
- Annual limits on coverage are being phased out
- Preventive care provided without co-pays or deductible

Benefits that take effect in 2014:

- Health insurance cannot be denied for health reason
- Expansion of Medicaid to 133% of the poverty level, including single adults
- Significant improvements in Medicare

EXPANDING ACCESS TO CARE

Investing in Clinics

➤ The Affordable Care Act provides \$11 Billion to expand community health centers over the next 5 years

➤ \$9.5 billion is designated for new health centers or expanding primary care services at existing health centers

➤ An additional \$1.5 billion will support major construction and renovation projects at health centers nationwide



➤ Changes designed to double the 19 million patients who receive treatment today at community health centers

Building the Health Care Workforce

➤ The Affordable Care Act provides:

➤ \$1.5 billion for National Health Service Corps to place providers in underserved areas

➤ New scholarships and loan repayment incentives to provide underserved areas with more:

- primary care doctors
- nurse-practitioners
- physician assistants



- The National Health Service Corps placed 5,418 providers nationwide into underserved communities in FY2011
- Total participants nearly tripled from 2008 to 2011

➤ Goal: Train and place 16,000 new primary care professionals throughout the nation by 2016

IMPROVING ACCESS TO INSURANCE

Pre-Existing Condition Plans

- State-run health plans for uninsurable adults
- New York Bridge Plan
 - Made health insurance available at the same price offered to people without existing medical conditions
 - Plans covered primary and specialty care, hospital stays and prescription drugs
- Eligibility not based on income, but on situation:
 - Uninsured for six months;
 - Have a pre-existing medical condition or have been denied insurance because of health condition;
 - Be a U.S. citizen or a legal resident

Coverage for Young Adults

- Young adults can now stay covered under a parent's health plan until age 26, if the plan covers dependents
 - Coverage available even if the student is in school or married
 - This is especially important for recent graduates, young adults in entry-level jobs and graduate students
 - 2.5 million young adults gained coverage last year throughout the nation
 - Over 200,000 young adults in Region 2 gained coverage



Expanding access to private insurance

➤ For Children:

- Children under age 19 can no longer be denied insurance coverage because of HIV status or other pre-existing conditions



➤ In 2014, guaranteed issue for everyone:

- Private insurers can no longer deny coverage or charge a higher price based on a person's health condition

MAKING INSURANCE MORE AFFORDABLE

Delivering More Value

➤ More bang for your buck:

➤ In 2011, insurers serving large employers began spending at least 85 percent of premiums on health care or quality improvement



➤ Insurers serving individuals and small employers were mandated to spend at least 80 percent of premiums on health care services or improving the quality of care

➤ Insurance companies that failed to meet these standards paid out rebates to customers

➤ *Rebates totaling more than \$1.1 billion went out by August 1*

Health Insurance Exchanges

Beginning in 2014, these marketplaces will allow you to look for the plan that is best for you

- You might think of these as a Travelocity for health insurance
 - Insurance options available at your fingertips
 - Unbiased help and customer support provided
 - “One-Stop” consumer assistance for Exchange, Medicaid and Child Health Plus coverage



The Marketplace

- One process to determine eligibility for
 - Qualified Health Plan through the Marketplace
 - New tax credits to lower premiums
 - Reduced cost sharing
 - Medicaid
 - Children's Health Insurance Program (CHIP)
- Offers choice of plans and levels of coverage
- Insurance companies compete for business

Health Insurance Exchanges

- Insurance Exchanges allow small businesses with fewer than 100 employees to pool their risk
 - By buying as a group, small employers will get the kinds of discounts that large employers already receive
 - The larger number of people in the plan will lower administrative costs
 - The larger pool will reduce the impact on rates of one worker with high medical costs



Helping the Middle Class

Beginning in 2014:

- People without job-based health benefits receive tax credits to help buy insurance through the exchanges
 - The IRS estimates the average credit will be more than \$5,000
- For family farmers, the self-employed and small business owners, these credits provide:
 - affordable insurance coverage, just as if they had an employer who was paying part of their premium
 - a way to compete for employees with larger companies that are able to offer generous health benefits

MAKING INSURANCE BETTER

Improved Health Insurance

- The Patients' Bill of Rights
- For most individual and group health plans:
 - Lifetime limits on benefits are eliminated
 - Annual dollar limits on insurance coverage end in 2014
 - No more dropping coverage based on an unintentional mistake on an application
 - You have the right to see how insurers plan to spend any rate increase larger than 10 percent



Lowering Costs, Improving Care

➤ Preventive care with no cost sharing

- All new health plans must cover many preventive services without charging a deductible, co-pay or co-insurance
- Medicare beneficiaries became eligible for these no-cost preventive services starting Jan. 1, 2011

➤ These services include:

- mammograms
- colonoscopies
- vaccinations for flu, tetanus, measles, hepatitis A&B
- help quitting tobacco
- screenings for diabetes, obesity, high blood pressure, depression and alcohol abuse



Preventive Care for Sexual Health

- HIV screening for adults and adolescents
- Chlamydia screening, younger women and others at higher risk
- STI prevention counseling for adults and adolescents
- Syphilis screening for adults
- Gonorrhea screening for women
- STI screening for adolescents
- Vaccinations for:
 - Hepatitis A
 - Hepatitis B
- Available under policies that began or renewed after Aug. 1, 2012:
 - domestic violence counseling
 - contraception, including:
 - all FDA-approved methods
 - sterilization procedures
 - patient education and counseling
 - human papillomavirus (HPV) DNA testing every three years, women over 30



Essential Health Benefits

In 2014, all health insurance plans have to cover the following services:

- Ambulatory patient services
 - Emergency Services
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance use disorder services, including behavioral health treatment
 - Prescription drugs
 - Rehabilitative and habilitative services and devices
 - Laboratory services
 - Preventive and wellness services and chronic disease management
 - Pediatric services, including oral and vision care
- Currently, many plans offered in the individual market leave out major categories of coverage
- Consumers often don't realize the omission until they need the coverage
 - 62 percent don't have maternity benefits
 - 34 percent don't cover substance abuse
 - 18 percent don't provide mental health coverage
 - 9 percent don't cover prescription medication

Ensuring Comprehensive Care

- These improvements in insurance coverage make available the comprehensive care needed by people living with HIV
- A major issue for states:
 - HHS issued a bulletin last December giving states flexibility in determining the benchmark plan that will determine the benefits level
 - HHS is developing final regulations
 - The final rule seeks to balance affordability with coverage and benefits



IMPROVING PUBLIC PROGRAMS

Strengthening Medicare

➤ New Medicare benefits began in 2011:

- free preventive care
- a free annual wellness visit
- lower cost for prescription drugs

➤ In 2012, Medicare participants received:

- a 50 percent discount on brand-name drugs once they hit the doughnut hole coverage gap
- a 14 percent discount on generic drugs



➤ In 2012 2.8 million people saved an average \$677, because the law is closing the prescription drug doughnut hole.

➤ The discount rises every year until the coverage gap is gone in 2020

Medicare savings for people on ADAP

- AIDS Drug Assistance Program benefits are now considered contributions toward the out-of-pocket spending limit
 - This could save a low-income person with HIV more than \$2,700



Expanding Coverage

- Funding for the Children's Health Insurance Program is increased and extended through 2015
 - Covers children from homes modestly above the poverty level
- For people with incomes too low to buy health insurance:
 - In 2014, Medicaid expands to cover families with income up to 133 percent of the poverty level
 - Medicaid enrollment is estimated to increase by 510,000
 - 75,000 are newly eligible childless adults
 - Hospitals will no longer shift the cost of this care to people with insurance
 - Maximum annual income of:
 - \$14,856 for 1 person
 - \$30,656 for a family of 4



Expanding Access to Medicaid

- The expansion of Medicaid in 2014 has the potential to change the way many people with HIV receive medical care
 - People living with HIV will no longer need an AIDS diagnosis to be eligible for Medicaid
 - 56% of ADAP clients have incomes at or below 133%, making them eligible for public insurance to cover medical costs



Medicaid expansion & drug rebates

- Drug rebates accounted for \$522.6 million, or 29%, of the national ADAP budget in FY2010
- Drug rebates have risen from six percent of the budget in FY 1996 to 29% in FY2010
 - In May 2010, drug makers agreed to help ADAPs to help build a “bridge to 2014,” including:
 - deeper discounts
 - increased rebates
 - price freezes to ADAP
 - ACA increased drug rebates to Medicaid programs beginning in 2010
 - ACA changes will bring increased comprehensive care for ADAP clients and fiscal relief for ADAPs between now and 2014
 - However, ADAPs must build the infrastructure necessary to make these changes

*Source: National ADAP Monitoring Project Annual Report, March 2011
http://www.nastad.org/Docs/Public/Resource/2011429_NASTAD%20Module%20One%20slide%20set%20-%20March%202011.pdf*

The Supreme Court wrinkle

- States have the option:
 - They can choose to expand Medicaid coverage and receive generous federal funding
 - Or states can refuse the expansion and continue receiving the funding they receive for their current Medicaid programs



The Medicaid expansion

Beginning in 2014, federal aid to states rises dramatically

- For new enrollees, the federal government picks up:
 - 100 percent in 2014-2016;
 - 95 percent in 2017;
 - 94 percent in 2018;
 - 93 percent in 2019; and
 - 90 percent in 2020 and each year thereafter
- From 2012-21:
 - CMS Actuary estimates federal spending will cover about 94 percent of new Medicaid expenditures; states pay 6 percent
- This estimate did **not** consider states' savings from:
 - less uncompensated care
 - less need for State-financed health programs
 - greater efficiencies in the delivery of care

Ryan White HIV/AIDS Programs

- HIV-related services for those without sufficient health care coverage or financial resources to cope with HIV
- Up for reauthorization in 2013
 - Enacted in 1990 and reauthorized 4 times
 - FY 2011 funding: \$2.312 billion
 - 2012 request was \$2.376 billion
 - June 2011 report by the Congressional Research Service:
 - *“The long-range impact of the new health care law on HRSA’s Ryan White program (meaning the replacement of health and treatment services provided under Ryan White with access to such services through health insurance via PPACA) remains to be determined.”*

Sustainable Business Models

- Current sources of funding are likely to change:
 - Growing sentiment: When more people have insurance, there is less need for direct federal grants

- Nonprofits that rely on direct grants need to move their revenue streams toward a more sustainable model



- Agencies involved in direct patient care must adopt systems for billing insurance companies and Medicaid
- Agencies must adopt electronic medical records
- Agencies that fail to make these moves put themselves in financial jeopardy

“Opportunity is missed by most people because it is dressed in overalls and looks like work.”

----Thomas Edison

Balancing coverage with costs

- Final rules will be based on recommendations from the Institute of Medicine
- IOM recommendations, issued last October, attempt to balance affordability with coverage and benefits
- The Essential Health Benefit package will be updated to take into account advances in science, gaps in access and the effect of any changes on cost
 - Drug availability and affordability:
 - Advocates want to require a full range of medications available
 - Current proposals require at least one medication per drug class

