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Components of the Health Reform Package

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Health Reform

• Should greatly positively impact people with HIV/AIDS

• Most changes not implemented until 2014

• Components of health reform that will impact PLWHA
Health Reform

• Health Coverage will be mandated

• Provide an estimated 32 million additional people with health care coverage
  • Medicaid Expansion
  • Exchanges

• Private health insurance reform

• Medicare Part D reforms
Medicaid Expansion

• Medicaid Expansion for People with Incomes less than 133% federal poverty rate (beginning in 2014)
  • Removes the disability requirement
  • +16 million people
    • Including many Ryan White ADAP clients
Ryan White Client Household Income 2008

Source: Ryan White Annual Data Summary, 2008
Medicaid Expansion

• Federal Share 100% in 2014-16, phase down to 90% in 2020

• State Option to Expand Medicaid Now
  • But no increased Federal Match
    • CT and DC have expanded their Medicaid programs
Medicaid Expansion

• Standard Benefit for those who are newly eligible
  • Not for Current Beneficiaries

• States key to Implementation
  • Drugs Included, but no dental, vision
  • State variation will continue

• Ryan White can wrap around and fill in the gaps
Closes the Medicare Part D “Donut Hole”

• 2010—Everyone who reaches the Donut Hole will receive a $250 rebate

• 2011—Receive a 50% discount for brand name drugs while in the donut hole

• Each year, the “donut hole” will be incrementally closed for both brand and generic drugs

• By 2020—“Donut hole” closed, but beneficiary still responsible for 25% co-pay
Post-Reform Medicare Part D Coverage: The Donut Hole in 2020 (brand-name)

Total Spending

- $0 - $310
- $310 - $2,830
- $2,830 - $7,643

Deductible

- Consumer Pays
- Plan Pays
- Out-of-pocket

Total consumer out of pocket = $2,143

Catastrophic Coverage

- 80% Feds Pay Reinsurance
- 15% Plan Pays
- 5% out-of-pocket

75% Plan Pays

50% Manufacturer Discount as TrOOP

25% Plan Pays

25% out-of-pocket

50% Manufacturer Discount as TrOOP

25% Plan Pays

25% out-of-pocket

5% out-of-pocket

15% Plan Pays

5% out-of-pocket

Total consumer out of pocket = $2,143

- Consumer Pays
- Private plan Pays
- Federal Government Pays
ADAP Expenditures Count towards TrOOP

- Beginning in 2011, ADAP expenditures can count towards True Out of Pocket Expenses (TrOOP)

- High Priority Issue for Community

- Will help Medicare Part D Beneficiaries who are on ADAP

- Will help state ADAP budgets go further
Medicare Part D Impact on PLWHA

- Allowing ADAP to count as TrOOP and closing the Donut hole will positively impact PLWHA

- Only for those ADAP clients who are also eligible for Medicare
  - 16% of ADAP clients or 17,000 clients (NASTAD)

- Ryan White can fill in the gaps
  - State decision

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State High Risk Pools

• Provides coverage to those with
  • a pre-existing condition, and
  • no creditable coverage during the previous 6 months

• Coverage begins August 2010, runs through 2013

• 31 state run, 20 federally run

• Enrollees receive both health care and treatment

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State High Risk Pools

- Plan covers 65% of total costs
  - Maximum beneficiary cost - 35% on average

- Premiums limited to “standard rate for standard population” in the state

- Monthly premium for age 50 enrollee -$320 to $570
  - depends on state of residence
State High Risk Pools

• $5 billion
  • Not a sufficient amount
  • Some estimate the program could run out by 2011

• Coverage Estimates: 200,000-400,000 people
  • Less than 10 percent of people with pre-existing conditions
  • Unknown how many people with HIV/AIDS will be included
Insurance Reform

• Beneficiaries can not be removed from a plan

• Checks on Rate Increases

• Prohibition on life-time limits

• Requires new plans to cover services that receive a Grade A or B from the U.S. Preventive Services Task Force with no cost sharing
Insurance Reform 2014

• No discrimination based on pre-existing conditions (beginning in 2014 for adults)

• Cap on out-of-pocket expenses
Exchanges

• Private Exchanges Created at the State Level (beginning in 2014)

  • +24 million people
  
  • 4 Tiers of Coverage
  
  • Subsidies for up to 400% of FPL
Exchanges

• Costs will still be high
  • For a 30 year old at 250% FPL:
    • $2,315 in premium costs (8.05% of income)
    • up to $3,125 in out of pocket costs
  • Anticipate Ryan White will be able to wrap around
Exchanges

• Non-Medicaid eligible people with HIV/AIDS with income under 400% FPL, without Private Insurance, must be in Exchanges
  • Some with private insurance will switch to exchanges

• Exchanges will offer essentials benefits, but do not know limits and co-pays.

• Specifics to be determined through rule making
Undocumented Left Out

• Exempt from individual mandate
  • not allowed to purchase private health insurance in the exchange
  • not eligible for subsidies
  • not eligible for Medicare or non-emergency Medicaid

• Remain eligible for restricted “emergency” Medicaid

• Remain eligible for services through community health centers and/or safety net providers, such as Ryan White
Essentials Benefits Package

- 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
Health Reform and Prevention

• Prevention and Public Health Fund
  • FY10 - $500 million
    • $30 million for HIV prevention
  • FY11 - $750 million
  • FY15 – increase to $2 billion
Other Aspects of Health Reform

- Workforce Development
- Community Health Centers Funding
- Quality Measures
- Waste, Fraud & Abuse
- Taxes, Fees & Penalties
- Long Term Health Care
- Comparative Effectiveness Research
- Long Term Cost Controls
- Health IT-Electronic Records
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THANK YOU

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