



# State Implementation of the Affordable Care Act

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# Patient Protection and Affordable Care Act

## One Hundred Eleventh Congress of the United States of America

AT THE SECOND SESSION

*Begun and held at the City of Washington on Tuesday,  
the fifth day of January, two thousand and ten*

### An Act

Entitled The Patient Protection and Affordable Care Act.

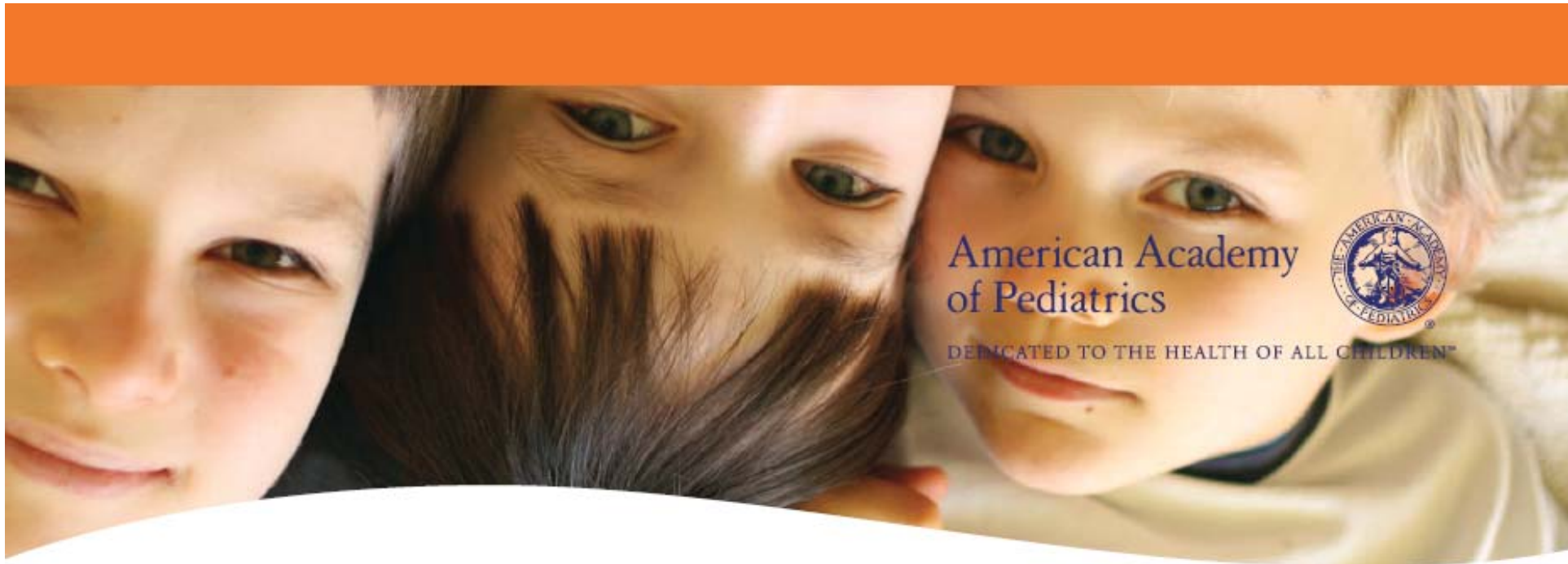
*Be it enacted by the Senate and House of Representatives of  
the United States of America in Congress assembled,*

#### **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) **SHORT TITLE.**—This Act may be cited as the “Patient Protection and Affordable Care Act”.

(b) **TABLE OF CONTENTS.**—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.



## State Context of ACA Implementation

- FY 2009 – FY 2012: \$547 billion state shortfall
- 2010: Gubernatorial elections in 37 states
- ARRA
- CHIPRA
- FMAP extension
- Connecting Kids to Coverage

# AAP Priorities for Health Reform

- Coverage – Quality health insurance for all children
- Benefits – Age-appropriate benefits in a medical home
- Access – Payment rates and workforce support to provide real access to covered services.



# ACA: Successes for Children and Pediatrics

# Coverage

The Affordable Care Act will:

- Expand coverage to nearly **32 million** more children, parents, and other individuals.
- Fund state-based **health insurance exchanges** to make insurance more accessible.
- Preserve the **CHIP program**, increasing federal funding through FY 2019.



# Benefits

The Affordable Care Act will provide age-appropriate benefits:

- Cover all **Bright Futures** preventive services for children with private and public insurance as a benefit with no cost-sharing.
- Provide comprehensive **essential benefits** for new plans in health insurance exchanges (including habilitative care, oral health, mental health, pediatric services).
- Provide funding for Medicaid **medical home demonstration programs**.

# Access

The Affordable Care Act:

- Invests \$8.3 billion to bring parity to Medicaid and Medicare **payments for primary care services**
- Redefines **Medical Assistance** to include the provision of health care services
- Limits **annual out-of-pocket expenses** for families to \$5000/individual and \$10,000/family
- Makes significant investment in **primary care and subspecialty workforce**

# Individual Mandate

- All US citizens, legal residents, and their dependents must have qualifying health care coverage by 2014 or pay a tax penalty
- Political and legal opposition



# State Implementation

# Who's Involved?

- State legislators, governors, state commissions or offices of implementation, state agencies
- HHS/CMS
- HHS Office of Consumer Information and Oversight
- State Insurance Commissioners
- National Association of Insurance Commissioners (NAIC)
- Medicaid/CHIP
- National Association of State Medicaid Directors (NASMD)
- National Conference of State Legislatures (NCSL)
- National Governors Association (NGA)
- AAP chapters and YOU!

# State Opportunities

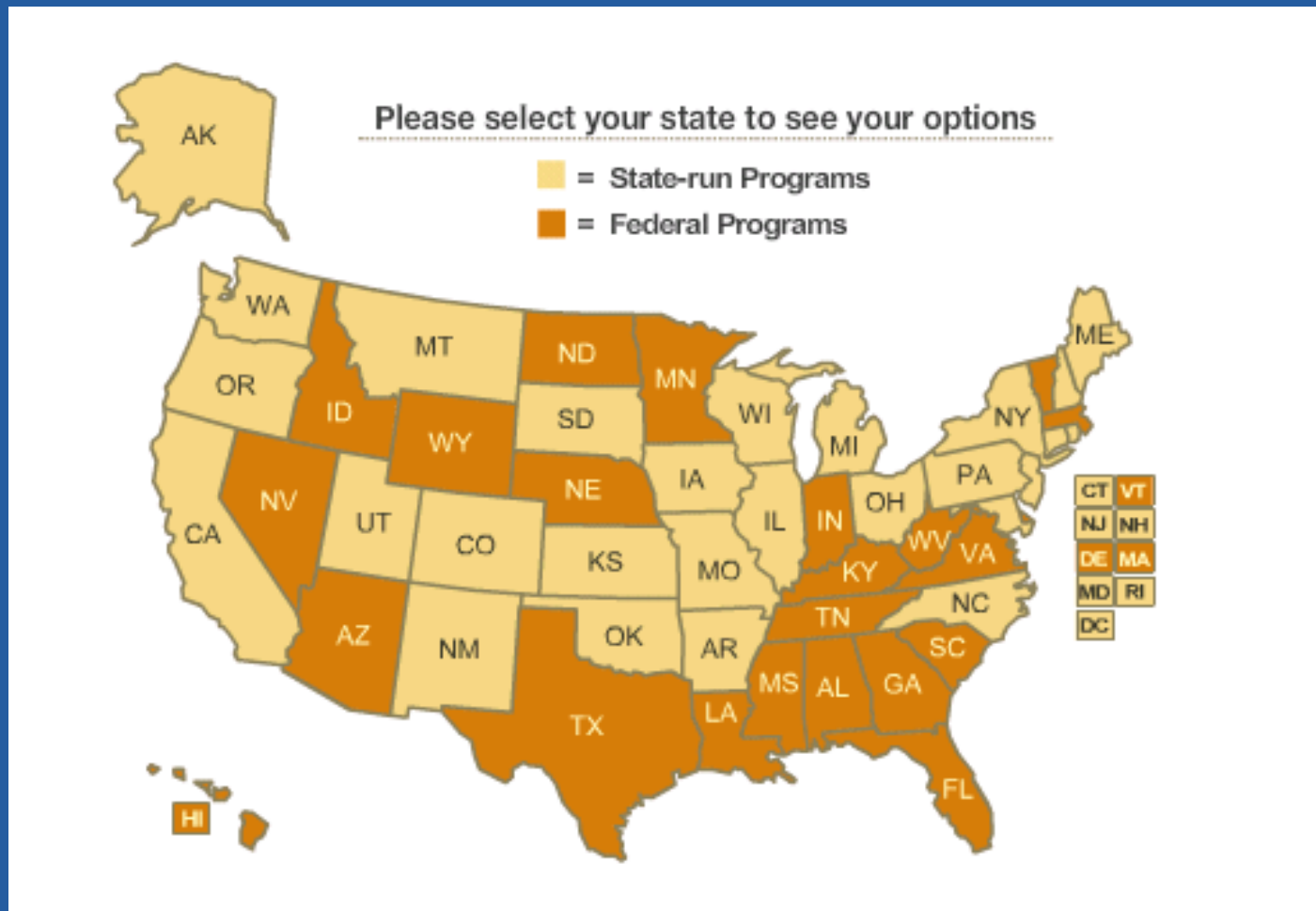
- Capturing and creating delivery system innovation and infrastructure
- Taking advantage of prevention, public health, and other funding opportunities



# Capturing and Creating Delivery System Innovation and Infrastructure

- High Risk Pools / Pre-Existing Insurance Plans
- Medicaid and CHIP
- State health insurance exchanges
- Rate increase approval
- State alternative programs
- Private insurance reforms

# High Risk Pools / Pre-Existing Insurance Plans



# Medicaid and CHIP

- Medicaid expansion
- Medicaid maintenance of effort (MOE)
- Medicaid payment increase for primary care
- Coverage of foster children alumni
- Medicaid Recovery Audit Contractor (RAC) program
- CHIP extension
- CHIP coverage of state employees
- Enrollment simplification

# State Health Insurance Exchanges

- Federal or state
- American Health Benefit Exchange and Small Business Health Options Exchanges
- Health Insurance Exchange Planning



# State Health Insurance Exchanges

- Funding
- Eligibility
- Subsidies
- Coverage
- Child only coverage
- Plan Certification
- Benefits
- Operation
- Functions

# State Alternative Programs

- Consumer Operated and Oriented Plan (CO-OP)
- Basic Health Programs for Low-Income Individuals
- Waivers for State Innovation
- Health Care Choice Compacts



# Rate Increase Approval

- State rate justification increase
- Health insurance premium review grants
- Indiana Current Authority
  - No new legislation required
  - State to improve reviews
  - Consumer Web site



# Private Insurance Reforms

- Which plans?
- Grandfathered plan status
- Importance of  
September 23, 2010



# Private Insurance Reforms

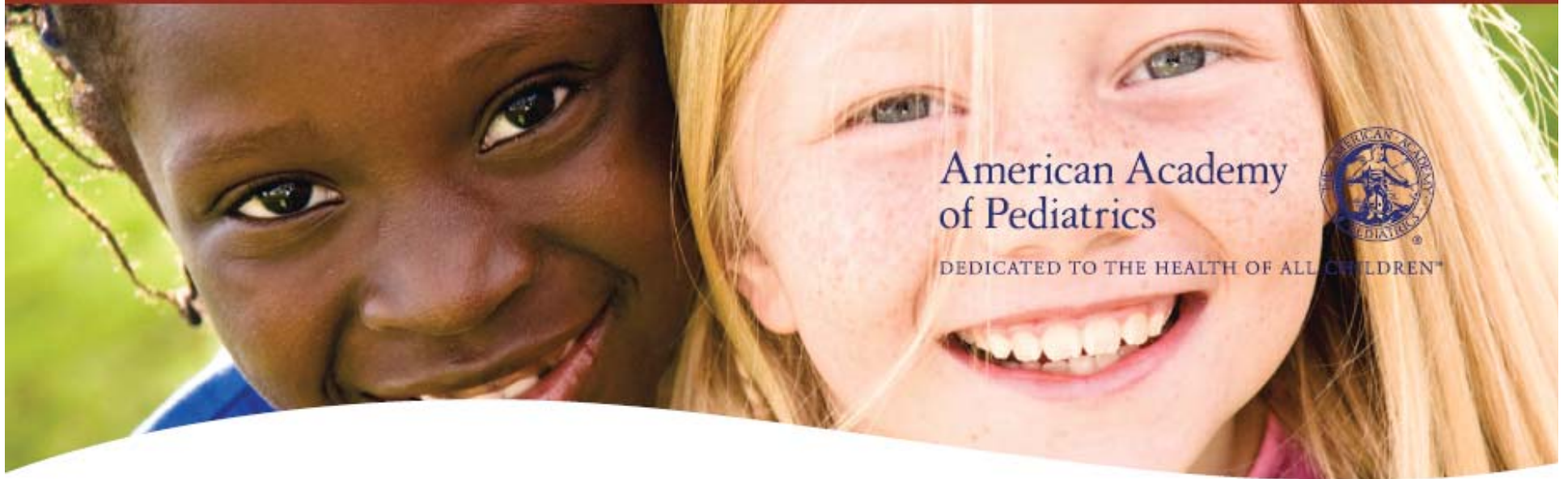
- Prohibition on pre-existing condition exclusions
- Prohibition on lifetime and annual coverage limits
- Coverage of and prohibition on cost sharing for preventive care
- Extension of dependent care coverage to age 26
- Medical loss ratio requirement
- Prohibition on rescissions
- Choice of provider
- Uniform explanation of coverage
- Community rating requirements
- Guaranteed Issue

# Taking advantage of prevention, public health, and other funding opportunities

- Prevention and Public Health Fund
- Primary care workforce grants
- Medicaid Quality and Demonstration Programs
  - Payment for health care-acquired conditions
  - State health homes
  - Integrated care around a hospitalization
  - Medicaid global payment
  - Pediatric Accountable Care Organization (ACO)

# Taking advantage of prevention, public health, and other funding opportunities

- Center for Medicare and Medicaid Innovation
  - State models for payment, practice, and system reform
  - Includes medical homes
  - \$5 billion for planning, \$10 billion for model facilitation, FY 2011 – FY 2019
- Maternal, Infant, and Early Childhood Home Visiting Program
- State alternatives to tort litigation



## State Challenges

- Establishing exchanges and 16 million new Medicaid patients by 2014
- State budgets and political environment
- Medicaid underpayment
- Grant timetables

# Chapter Activities

- Monitoring state actions
- Convening coalition partners
- Building or strengthening relationships with
  - State Insurance Commissioner
  - Governor's Office
  - State agency officials

# AAP Division of State Government Affairs

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## StateHealth

A look at state implementation of federal health reform and state access initiatives

STATE GOVERNMENT AFFAIRS

AAP Division of State Government Affairs June 16, 2010

### Maternal, Infant, and Early Childhood Home Visiting Program

#### Overview

A provision in the Affordable Care Act (ACA) enacted earlier this year authorizes the creation of the Maternal, Infant, and Early Childhood Home Visiting Program, in response to the diverse needs of children and families in communities at risk. This program provides an opportunity to improve the health and development outcomes for at-risk children through evidence-based home visiting programs.

The program funds, available for fiscal years 2010 - 2014, are intended to assure effective coordination and delivery of critical health, development, early learning, child abuse and neglect prevention, and family support services to these children and families through home visiting programs.

Most states have some type of home visiting programs in place already, either in various communities throughout the state or statewide. This new program will play a crucial role in the national effort to build quality, comprehensive statewide early childhood systems for pregnant women, parents and caregivers, and children from birth to 8 years

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# Contact Information

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AFFAIRS 

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