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healthcare financial management association

PPACA: Status 18 Months Later
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by

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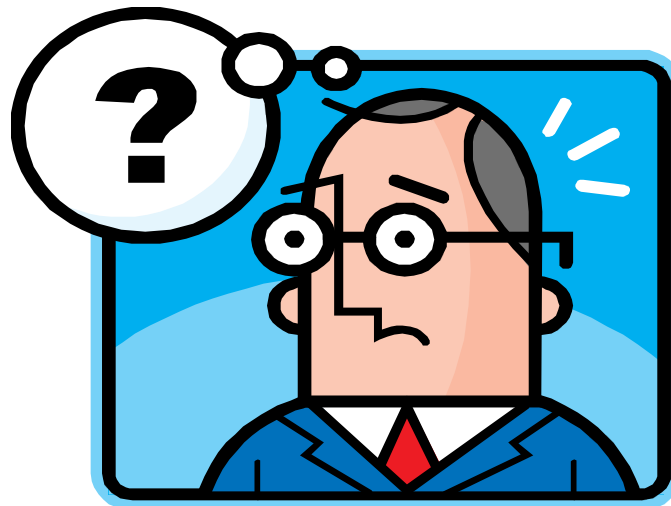
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Health Care Reform Under PPACA

- Where are we?



What Has Happened to Date?

Insurance Reforms

- Small business health insurance tax credits;
- “Donut Hole” rebates;
 - 50% discount on brand name drugs; some coverage for generics
- Temporary reinsurance program for early retirees;

What Has Happened? (Cont'd)

- No lifetime limits
- Restricted annual limits
- Restrictions on rescission
- No preexisting conditions for children
- First dollar coverage of preventative services
- Extended dependent coverage
- Internal/External review
- Disclosure of justifications for premium increases

Information

- *Healthcare.gov* available to consumers to compare health insurance coverage options

Primary Care

- Money from the preventive and public health fund to create additional primary care residency slots, support PA training in primary care, support nurse practitioner training, clinics and staffing issues.
- Annual wellness visits and personalized prevention plans are available to Medicare recipients without copays. These apply to a yearly wellness exam “Welcome to Medicare,” tobacco use cessation counseling and screenings.

Grant Monies Available

- Grants have been made available to community health centers.
- Grants remain available to the states to develop consumer assistance programs. (New Hampshire rejected its money).
- Monies available to rural healthcare providers.
- There's money available for smoking cessation and combating obesity.

Status of Legislation

- Circuit Courts are split on whether or not the individual mandate provision of PPACA exceeds the federal government's enumerated powers and is therefore unconstitutional.
- Question is whether the individual mandate is an appropriate exercise of congressional power under the Interstate Commerce Clause.
- On August 12th, the Eleventh U.S. Circuit Court of Appeals decided that the reform law's mandate for individuals to purchase private insurance was unconstitutional.
- The Court ruled that the rest of the reform law should be allowed to stand without the individual mandate.
- Justice Department filed a request with the U.S. Supreme Court on August 28th for oral arguments before the U.S. Supreme Court on appeal the Eleventh Circuit decision.
- Justice Department hopes for a decision by June 2012.

Status of the Exchanges

- The exchanges and the ability to access insurance coverage through the exchange are to go into effect in 2014.
- If New Hampshire does not operate its exchange, the federal government will.
- New Hampshire's contract to review the feasibility of an exchange was rejected by Governor and Council.
- The Department of Insurance has \$333,000 to expend on review.

Medicaid Expansion

- In 2014 Medicaid expands.
- The Medicaid Program must accept beneficiaries with incomes less than 139% of the federal poverty level by 2014.
- Certain services expanded as well.
- The federal government committed to supporting expanded costs initially.

New Hampshire Reaction

- Numerous states have challenged federal government's authority to mandate Medicaid expansion.
- New Hampshire's Attorney General has not signed on.
- Providers have challenged Medicaid cuts.
- New Hampshire transitioning to Medicaid Managed Care.

Medicaid Managed Care

- New Hampshire Department of Health and Human Services issued a request for proposal for Medicaid Managed Care Management Services on October 17, 2011.
- While the ink is drying, the Legislature has already questioned whether it can change the RFP itself.
- The RFP is a result of SB 147 which directed DHHS to develop a comprehensive statewide care management program for all Medicaid enrollees.
- The state is supposed to move to Medicaid Managed Care by July 1, 2012.

Details of the RFP

- The RFP identifies both federally mandated services and optional services.
- Step 1 services will be implemented by July 1 2012 (and include mental health)
- In Step 2, DHHS plan to expand to all waived services and long term care services;
- Step 3 will commence on January 1, 2014 and will include the expanded Medicaid population
- Payment will be based on capitated rates per member per month
- RFP provides for a maternity birth “kick” payment.

Accountable Care Organizations: A Brief Update

- Payment reform continues
- Value Based Purchasing Rules
- Quality reporting
- But SGR?
- Medicare Shared Savings Program (ACO)

ACO

- Interim Final Rule – 10/20/11
- Will be published – 11/2/11
- Accompanied by FTC-DOJ and IRS guidance
- A number of requirements relaxed due to industry concerns.

What changed?

- No downside model
- Savings shared early.
- Quality measures qualify for performance bonuses was reduced from 65 to 33.
- The ACOs will also be told when they form which Medicare beneficiaries are likely to be part of their system.
- Community health centers and rural health clinics will be allowed to lead ACOs.
- CMS also relaxed the timetable for the launch of the ACOs with groups allowed to apply throughout 2012.
- To entice providers, CMS said it will give physician-owned and rural providers early access to some of the expected savings -- \$170 million -- so that they can use the cash to start ACOs.

What's Next

- Regardless of the individual mandate or exchange, providers will continue to plan to meet Medicare payment reform initiatives.
- Private pay directives also motivator

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