



WISCONSIN OFFICE of  
**HEALTH CARE REFORM**

Implementing Health Care  
Reform in Wisconsin

## **State-Tribal Relations Legislation Study Committee**

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# Overview

- Background of Patient Protection and Affordable Care Act (PPACA)
- Impact of Health Care Reform on Tribes
  - Prevention & Wellness Investments
  - Workforce Investments
  - Indian Health Care Improvement Act (IHCA)
  - Expanded Access and Affordability

# **Why Reform is Needed**

- **16% of GDP Spent on Health Care**
  - Most of the industrialized world spends less than 10%
- **50.6 Million People Uninsured**
  - 6.6 million lost employer sponsored coverage
  - 5.2 million more enrolled in Medicaid
- **Growth in Premium Crowding out Wage Increases**

# **[Wisconsin Ahead of the Curve]**

- Wisconsin is a leader on health care reform. One of the top states on both health care quality and access to care
- Ahead of most states on reform: Investments in expanding coverage, IT infrastructure, maintaining eligibility, e-health and quality initiatives
- Reform will make more states look like Wisconsin
- This readiness is a tribute to the work of Governor Doyle in partnership with employers, providers, insurers, legislators, advocates

# **[Big Picture Impacts of Reform]**

- More than 125,000 Wisconsin citizens will gain access to health care
- More than a million who are underinsured will see policies improved and costs reduced
- Tax credits and lowered costs for small business owners
- Increase affordability of prescription drugs for Wisconsin's seniors
- \$750 - \$980 million Increased federal funding saves state taxpayer dollars

# Office of Health Care Reform

- Health care reform puts decision making power in the hands of the states
- We can set up health care reform in a way that works best for Wisconsin if we act now
- Our focus will be on:
  - Implement significant changes taking effect right away and begin work on major components of reform
  - Raise awareness of reform in Wisconsin
  - Influence reforms at national level

# Impact of Health Care Reform on Tribes

# Investments in Prevention and Wellness

- **National Strategy for Prevention and Wellness**
  - National Prevention, Health Promotion and Public Health Council
  - Prevention and Public Health Fund
  - Education and Outreach Campaign
  - Focus on addressing health disparities
- **Increased support for Community Health Centers**
  - Total investment of \$11B over 5 years.
  - OHCR is working with clinics and WPHCA on strategies to increase the number, competitiveness and success of Wisconsin applicants



# Investments in Prevention and Wellness

- **Community Transformation Grants**
  - Competitive grants to state, local and tribal governmental agencies and community-based organizations
  - Goal to reduce chronic disease rates, address health disparities and develop a stronger evidence-based effective prevention programming
- **National Diabetes Prevention Program**
  - Program targeted at adults at high risk of diabetes
  - Grants awarded to community-based diabetes prevention program model sites
- **Oral Healthcare Prevention Activities**
  - Establishes and oral healthcare prevention education campaign targeting specific populations, including children, pregnant women and American Indians
- **Support for trauma centers**
  - Grants are targeted to assist trauma centers in underserved areas susceptible to funding and workforce shortages
  - 3 program awards to be granted to tribal trauma centers

# **Quality Improvement Opportunities for Tribes**

- **Quality improvement in health care services delivery**
- **Possible grants for testing the utilization of telemedicine services under the Center for Medicare and Medicaid Innovation (CMI)**
- **Patient-centered medical homes**
- **Healthy Aging, Living Well Grants**

# Investments in Workforce Development

## ■ Workforce Initiatives for Health Care Professionals

- Increased scholarship and loan opportunities
- Grants to cover medically underserved areas
- Increased training and financial aid to address projected nursing shortage
- Targeted training in preventive medicine and public health for medical residents
- Mental and Behavioral health training

# **Workforce Grants Wisconsin has Received**

- \$3.8 M for primary care residency expansion
- \$7.2 M for Health Profession Opportunity Grants which help train low-income workers and tribal members for careers in health care

# Workforce Grants Wisconsin has Received

- \$1.95 M to support health care workforce training for nurses and geriatric specialists
- \$3.2 M over 5 years to establish a Public Health Training Center
- *Grants have gone to: Marshfield Clinic, UW-Madison, Milwaukee, LaCrosse, and Eau Claire, Marquette University, Gateway Tech, College of the Menominee Nation, Medical College of WI and many more...*

# **Workforce Development: Coming Opportunities**

- \$230 M for graduate medical education programs
- \$10 M for training for direct care workers
- \$100 M to establish National Centers of Excellence for Depression
- \$50 M for graduate nurse education

# Indian Health Care Improvement Act (IHCIA)

- Originally approved by Congress in 1976
- Authorizes Congress to fund health care services for American Indians and Alaska Natives through the Indian Health Service (IHS)
- Sets out the national policy for health services administered to Indians and the federal goal for the health condition of the IHS service population
- The last complete reauthorization of this legislation was in 1992

# IHCIA and Health Care Reform

- The PPACA permanently reauthorizes the IHCIA
- PPACA also makes several improvements to the IHCIA:

- Improved access to public programs
- Increased workforce
- Improved health care facilities
- Expansion of services offered in the Indian Health System



# **Expanded Access and Affordability**

## **Medicare Changes**

- Closes Medicare Part D Donut Hole by 2020
  - Until this gap closes, the costs incurred by IHS for providing prescription drugs will count towards true out-of-pocket expenses (TrOOP)
- Increased Funding for Low-Income Individuals
  - Grants awarded to provide outreach and assistance to Medicare beneficiaries on their benefits, including coverage for preventive services
  - \$1M provided to eight Wisconsin tribes

# **Expanded Access and Affordability**

## **Changes to Medicaid**

- Already expanded BadgerCare Plus beyond income levels required in health care reform (133% FPL)
- States must maintain current levels of eligibility for adults until 2014 and current levels for children through 2019
- In Wisconsin this means:
  - Coverage for all kids to 2019
  - Pregnant women up to 300% FPL to 2014
  - Parents/Caretakers up to 200% FPL to 2014
  - Childless adults up to 200% FPL to 2014

# **Expanded Access and Affordability**

## **Other Medicaid Changes**

- Enhanced federal matching funds for kids and childless adults below 133% FPL
- Tribal organizations are “express lane agencies” to expedite enrollment of eligible Indians into Medicaid and CHIP
- IHS is the payer of last resort
  - Requires that eligible individuals must enroll in public programs (Medicare, Medicaid) before contract health services will be authorized

# **Expanded Access and Affordability**

## **Consumer Protections and Insurance Market Reforms affecting Indians**

- **Starting in 2010**
  - Free Preventive Care: coverage without cost-sharing
  - No pre-existing condition exclusions for kids
  - Coverage for young adults on their parents insurance up to age 26
  - No lifetime limits on essential benefits and restricted annual limits on essential benefits
    - \$73 million for State High-Risk Pool
    - Health Care for people with pre-existing conditions
- **Starting in 2014**
  - Rating Reforms limiting factors to age, geography, tobacco use and family composition
  - No Annual Limits
  - Minimum essential insurance coverage requirement

# **[Expanded Access and Affordability The Exchange]**

- What is a Health Benefit Exchange?
  - Online resource through which people can compare and enroll in health insurance
  - Leverages the buying power of small businesses and individuals
  - Applies to apples comparison of what health care plans are available, what they offer and what they cost
  - Premium subsidy available to households earning up to 400% of the FPL, or about \$90K for a family of 4

# **Expanded Access and Affordability**

## **The Exchange: Special Rules for Indians**

- The PPACA includes several special provisions as they relate to Indians and the Exchange:
  - Indians at or below 300% FPL are eligible to purchase coverage from the Exchange with NO cost-sharing
  - No cost-sharing can be assessed for any services provided by an IHS, tribal or urban Indian program, or through referral to contract health services for any Indian enrolled in an exchange health plan
  - Monthly enrollment periods must be made available to Indians
  - Indians are exempt from the individual mandate

# **[Opportunity for Tribes]**

- PPACA improves access to services for Native Americans
- Tribes will be able to improve health facilities and infrastructure to improve services to members
- Tribes have a number of new funding sources for public health and wellness programs for members

# **Office of Health Care Reform**

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