Dear Health Committee Chairs:

This is your October 2009 Health Chairs E-Bulletin with the latest state health policy resources.

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Updates from NÇSL

➢ NÇSL on Federal Health Care Reform
   Health Care Reform webpage. This resource offers the most up-to-date information on federal legislation, reports and analyses concerning health care reform.

➢ New Opportunities -- New Ideas. Register Now!
   NÇSL will hold its 2009 Fall Forum December 9 - 12 in San Diego, California. Key health committee activities include a health reform update, lunch with CMS Director Cindy Mann, and sessions on health information technology, cost containment and the H1N1 pandemic.

➢ New and Updated NÇSL Health Policy Webpages (September 2009)
   - Children's Health Insurance Program Overview
   - Genetics Research and Technology Overview
   - H1N1 State and Federal Response
   - Health Reform: State Examples
   - Maternal and Child Health Overview
   - Pharmaceuticals: Facts, Policies and NÇSL Resources (August 2009)
   - State Pharmaceutical Assistance Programs

➢ State Legislative Tracking Databases and Webpages (September 2009)
   - 2009 Proposed State Tobacco Tax Increase Legislation
   - 2009 State Pandemic and H1N1 (Swine) Flu Legislation
   - Health Information Technology Legislative Tracking Database
   - State Cancer Laws 2009

➢ Other NÇSL Resources
   - Electronic Prescribing: Frequently Asked Questions (September 2009). Find answers to your questions about the benefits and challenges of e-prescribing, the role of the private sector, Medicare and Medicaid in e-prescribing, and provider eligibility for e-prescribing incentives.
- **State Legislatures Magazine.** This monthly publication informs legislators and staff about state actions and innovations in public policy issues. The September edition includes *Improving the Odds*, which covers state initiatives that aim to help minorities and low-income residents receive better medical care and live healthier lives.

- **Legisbriefs** are two-page briefing papers for state legislators and staff that outline all sides of emerging issues and highlight state and federal actions. The August/September series includes:
  
  - **Food Safety.** Although federal law assigns primary responsibility for food safety to federal agencies, states play a major role in ensuring the safety of the nation’s food supply by setting state food safety standards and performing a wide range of food safety activities.
  
  - **Detection As a Cure: Colorectal Cancer Screening** At least 26 states and the District of Columbia currently mandate comprehensive insurance coverage for colorectal cancer screening.
  
  - **States Take on Alzheimer's Disease.** At least 18 states have established task forces and commissions to identify the problems and develop a plan for dealing with Alzheimer’s patients.

- **July/August Long-Term Care Reform Bulletin**
  NCSL launched a new monthly bulletin to keep members informed of the latest research and state initiatives on long-term care.

- **State Legislatures' GrassCatcher**
  View today's top news clippings on health care.

**Access to Care**

**A New Profile of the Uninsured**

*The Uninsured and the Difference Health Insurance Makes*, a new fact sheet by the Kaiser Commission on Medicaid and the Uninsured, provides an updated profile of the 17 percent of Americans under age 65 who were uninsured in 2008. The brief outlines various factors that account for the increase in the number of uninsured, reveals the demographic characteristics of the uninsured population, and explains the financial consequences associated with uninsured status. In 2008, 20 percent of uninsured adults exhausted or almost depleted their savings as a result of medical bills as did ten percent of the insured.
All differences between the insured and uninsured are statistically significant (p<.05).

Source: Kaiser Family Foundation's Health Tracking Poll: August 2009

Tracking Health Benefits Over Time
Three new studies on coverage and insurance were released in September 2009.


Access to Dental Care
According to the Kaiser Family Foundation, nearly three times the number of individuals lacking health insurance are without dental coverage. Oral Histories: Report from a Dental Fair captures live footage from a weekend dental fair held on the Eastern Shore of Virginia, which provided free one-time dental care to hundreds of uninsured individuals. Interviews between researchers from the Kaiser Commission on Medicaid and the Uninsured and fair participants exposed the range of unmet dental needs and the resulting social and economic consequences faced by low-income uninsured adults. Findings and policy implications are summarized in a brief report.
Health Reform

Health Reform and Children's Coverage

*Children and Health Care Reform: Assuring Coverage that Meets their Health Care Needs*, a publication by the Kaiser Family Foundation, demonstrates that families with children can face burdensome out-of-pocket expenses for treatment under a typical health insurance option available through the Federal Employee Health Benefits Program. The findings imply that policymakers should assess child benefit limits and cost-sharing requirements under health reform proposals and consider including standards for children's coverage. For additional health reform resources from the Kaiser Family Foundation, visit the [Health Reform Gateway Page](#), which includes an updated side-by-side comparison chart of federal health reform proposals and a new health reform subsidy calculator, which computes the government assistance available to individuals under 65 through the various policy scenarios.

Health Reform and Small Businesses

*Out of Options: Why So Many Workers in Small Businesses Lack Affordable Health Insurance, and How Health Care Reform Can Help* discusses disparities in health benefits provided by large firms and small businesses. Findings from the Commonwealth Fund's 2007 Biennial Health Insurance Survey reveal that employees in small businesses were only 25 percent likely to have employer-based health coverage while 74 percent of workers in large businesses secured health insurance through their own employer. The brief includes a chartpack in PowerPoint format.

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**Figure 9. Low-Wage Workers in Small Firms Are Less Likely to Have Health Insurance Than High-Wage Workers in Small Firms**

Insurance sources for working adults ages 19–64*

<table>
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<tr>
<th></th>
<th>Employer-own</th>
<th>Employer-other</th>
<th>Individual</th>
<th>Public</th>
<th>Other</th>
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<tr>
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<tr>
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<tr>
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</table>

<table>
<thead>
<tr>
<th>Small Firms (fewer than 50 employees)</th>
<th>Large Firms (50 or more employees)</th>
</tr>
</thead>
<tbody>
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<td>Total</td>
</tr>
<tr>
<td>&lt;$15/hour</td>
<td>Total</td>
</tr>
<tr>
<td>$20/hour or more</td>
<td>Total</td>
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</tbody>
</table>

*includes both part-time and full-time workers.

**Source:** The Commonwealth Fund Biennial Health Insurance Survey (2007).
Health Reform and the Uninsured
The Urban Institute's *How Will the Uninsured be Affected by Health Reform?* issue brief series models a health reform scenario that expands Medicaid eligibility to 133 percent of the Federal Poverty Level (FPL), provides subsidies for uninsured individuals between 133 and 399 percent of the FPL, and requires individuals who are ineligible for Medicaid or subsidies to purchase health insurance or pay a penalty. Four short papers illustrate the impacts of the reform scenario on the nonelderly uninsured population, children, parents and childless adults.

![Figure 3. Premiums as a Percent of Family Income Among Uninsured Nonelderly in Today's Market by Coverage Category Under Reform](image)

Notes: Nonelderly individuals who would be ineligible for Medicaid or subsidies on the basis of immigration status or because they have resided in the United States for fewer than five years are not included in these estimates. Data may not sum to 100% due to rounding.

Source: Urban Institute Health Policy Center Eligibility Model, based on data from the 2008 ASEC to the CPS

Health Reform and the States
The Robert Wood Johnson's *Health Care Reform and American Federalism: The Next Intergovernmental Partnership* discusses the relationship between states and the federal government under various health reform scenarios. Citing the range of intergovernmental partnerships and the diversity of state and regional health care systems in place today, the brief establishes a need for further clarification on how proposed reforms would sustain and effectively build on successful and innovative state practices. The report features responses from states that have taken on leadership roles in health policy. This paper is posted at "[Speaking of the States](#)", The Robert Wood Johnson Foundation's interactive webpage featuring state and federal health reform news and state funding opportunity announcements.
Medicaid & CHIP

Children's Coverage in 2009: A Progress Report
The Georgetown University Center for Children and Families published Weathering the Storm, a report on state efforts to extend health care coverage to children and families since January 1, 2009. The authors find that all but three states were able to maintain existing levels of Medicaid and CHIP enrollment, while 23 states took action to increase eligibility or enrollment levels.

Cross-Program Enrollment Initiatives: Lessons from the Pioneers
In an effort to bolster Medicaid and Children's Health Insurance Program (CHIP) enrollment rates, The Children's Health Insurance Program Reauthorization Act (CHIPRA) created an Express Lane Eligibility option permitting state CHIP administrators to borrow eligibility information from other agencies that manage programs for low-income individuals rather than establish a separate set of qualifications to identify and enroll children in CHIP. The Kaiser Family Foundation's Express Lane Eligibility Efforts: Lessons Learned from Early State Cross-Program Enrollment Initiatives highlights the successes and challenges encountered by states that experimented with cross-program enrollment initiatives prior to CHIPRA and outlines key factors for states to consider in choosing an express lane agency.
The Distribution of Child CHIP and Medicaid Spending

"Containing Costs And Improving Care For Children In Medicaid And CHIP," a Health Affairs article, discusses findings that Medicaid and CHIP spending is highly concentrated within small groups of children, while 30 percent of children receive little or no care. Among those who were enrolled in Medicaid and CHIP continuously for one year, ten percent of children accounted for 72 percent of spending, and thirty percent of children accounted for 90 percent of spending.

![Pie chart showing distribution of Medicaid and CHIP spending on children](chart.jpg)

**Source:** Kenney G et al. Health Affairs 2009. (Pooled data from the Medical Expenditure Panel Survey, 2002-2005, aged to 2008 using per capita medical spending growth rates from the National Health Expenditure Accounts (historical and projected), Centers for Medicare and Medicaid Services.

**Note:** Children enrolled for a full year accounted for 72 percent of all enrolled children; those enrolled for part year accounted for 28 percent.

The Healthy Indiana Plan: One Year Later

Milliman, Inc. conducted an evaluation of Indiana's Medicaid waiver program that extends health insurance coverage to low-income adults who are not able to access coverage through their employer, Medicare, or regular Medicaid. Key findings of *Experience Under the Healthy Indiana Plan: The short term cost challenges of expanding coverage to the uninsured* include that Healthy Indiana participants, particularly non-caretakers (i.e. individuals without CHIP- or Medicaid-eligible dependents), consumed more medical services and exhibited higher levels of morbidity when compared to the general commercial population. In addition, the Milliman study reveals that program costs for physician, inpatient and outpatient services peaked in the second and third months of the program. The author attributes the short-term increase in costs to an anti-selection process, which occurs when high-risk, high-cost individuals who are most in need of care sign up for health coverage and consume services relatively quickly, particularly when low-income participants are required to pay premiums and when enrollment is voluntary.
Prevention & Costs

The Cost-Savings and Cost-Effectiveness Potential of Preventive Care

The Cost-Savings and Cost-Effectiveness of Clinical Preventive Care, a publication of the Robert Wood Johnson Foundation's Synthesis Project, summarizes research on the cost savings associated with preventive care. While the literature agrees that preventive care generates important health benefits and is often cost-effective, evidence suggests that prevention does not frequently lead to cost savings. The brief includes a chart of proven cost-saving and cost-effective practices and outlines specific ways in which policymakers may encourage preventive interventions that generate the greatest benefit for the lowest cost. A Webinar featuring the report and its authors is archived and available for viewing on the Robert Wood Johnson website.

Encouraging Healthy Lifestyles through Medicaid in the Mountain State

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In 2006, West Virginia adopted Mountain Health Choices, a program that aligns low-income families' level of health benefits with their behavioral choices, as a strategy for preventing chronic disease, reducing levels of emergency room care, and controlling costs. The West Virginia University Institute for Health Policy Research (IHPR) and Mathematica Policy Research conducted an early evaluation of the program and published Evaluation of Mountain Health Choices: Implementation, Challenges, and Recommendations. While program achievements included meeting enrollment targets and eliciting multi-stakeholder support, the report recommends new outreach strategies, a review of the sanctions for noncompliance, and further collaboration with Centers for Medicare and Medicaid Services.
Taxing Soda in the States
A recent article in the New England Journal of Medicine, *The Public Health and Economic Benefits of Taxing Sugar-Sweetened Beverages*, explores a tax on sugar-sweetened beverages as a potential generator of revenue and public health. The authors predict that a national tax of one cent per sugar-sweetened beverage would generate 14.9 billion dollars in revenue in the first year. They also highlight scenarios associated with state-level taxes and link to an online calculator developed by researchers at Yale University, which state policymakers may use to estimate potential revenues at home.

News

A New Health Insurance Exchange Model
In "What Utah's Health Reform Means to Small Business", *Business Week* outlines the features of Utah's recently-launched small-group health insurance exchange. Motivated by the state's dependency on small businesses for economic growth, the initiative is designed to reduce the risk incurred by small firms that offer insurance, improve choice for consumers and foster competition among insurers. Firms contribute a fixed amount to employee health benefits, while employees select a plan from various options offered on the exchange, putting pre-tax dollars toward premiums. The approach differs from the Massachusetts exchange, which largely regulates employer and employee participation. The success of Utah's approach will depend on whether the 62 percent of small businesses that currently do not offer coverage will participate and whether premiums will be affordable for employees, *Business Week* reports.

Preventing Cost-Shifting among Payers
"Maryland Reins In Hospital Costs by Setting Rates", a *Wall Street Journal* article, reflects on the State of Maryland's use of an independent entity to set payment rates for all payers for acute care hospitals.
About Us

The National Conference of State Legislatures is a bipartisan organization that serves the legislators and staffs of the nation's 50 states, commonwealths and territories, providing research, technical assistance, and opportunities for policymakers to exchange ideas on the most pressing state issues.

Located in NCSL's Washington, DC office, the Forum for State Health Policy Leadership program works with state legislators and staff to identify critical health policy issues and address the challenges in developing effective state policy.

Established by the Forum, the Health Chairs Project serves the health committee chairs of all 50 states by providing educational materials on health policy issues, direct access to policy experts and the opportunity to share information and discuss policy strategies among other health chairs.

The Health Chairs E-Bulletin is a monthly email that provides an overview of new developments concerning topics in health, resources that may be helpful in developing policy, and updates on the Health Chairs Project, the Forum, and NCSL. Missed an issue? Visit the E-Bulletin archive.

See you in November!

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