



States Implement Health Reform



June 2011

Prevention and Wellness Provisions

Overview

Treating chronic diseases and conditions accounts for more than 75 percent of health care costs. The Affordable Care Act (ACA) contains numerous provisions to reduce the burden of chronic diseases and promote health for all.

Key Federal Provisions

Among its many provisions, the ACA (P.L. 111-148) appropriates funding to states to improve access to community health services, strengthen public health infrastructure, and promote healthy eating and living. The law establishes the following:

- A National Prevention, Health Promotion and Public Health Council and a Prevention and Health Promotion Strategy;
- A Prevention and Public Health Fund;
- State grants to improve public health;
- Requirements to cover clinical preventive services;
- Nutritional labeling requirements; and
- Insurance wellness programs.

National Prevention Council and Strategy

The ACA created the National Prevention, Health Promotion and Public Health Council to coordinate prevention efforts and leadership across 18 federal agencies. The council sought public input on a draft framework created for the National Prevention and Health Promotion Strategy released June 16, 2011. The National Prevention Strategy makes recommendations to help shift the nation's focus from sickness and disease to wellness and prevention to help reduce preventable death and disability in the United States. The council, chaired by Surgeon General Regina Benjamin, will submit an annual progress report to Congress through 2015.

Prevention and Public Health Fund

The law created a Prevention and Public Health Fund to invest in public health initiatives, health screenings and prevention research to improve health and help contain the rate of increase in private and public sector health costs. The fund allocated \$500 million in FY 2010, with \$250 million for investment in prevention and public health infrastructure and \$250 million to

fund training for new primary care providers. Appropriations increase by \$250 million per year to \$2 billion for FY 2015 and each fiscal year thereafter.

- In 2010, public health grants supported activities to increase physical activity, improve nutrition, and prevent smoking and tobacco use.
- In 2011, more than \$100 million in funding for community transformation grants will support activities to reduce chronic disease, violence and injury, and to improve mental health.

Fact sheets are available that detail how the initial \$500 million was distributed in states.

State Grants to Improve Public Health

In addition to the Prevention and Public Health Fund, the ACA created several other public health grant opportunities for states.

- **Incentives for prevention of chronic diseases.** On Feb. 25, 2011, the Department of Health and Human Services (HHS) announced \$100 million in grants for states to provide incentives to Medicaid enrollees who adopt healthy behaviors, such as weight loss, smoking cessation, blood pressure and cholesterol control, or diabetes prevention or management. The program will award \$100 million each year through 2015.
- **Childhood obesity.** On Jan. 19, 2011, the Centers for Disease Control and Prevention announced \$25 million in childhood obesity demonstration grants. The community-based project will integrate primary care and public health approaches to reach underserved children ages 2-12 and their families to increase physical activity and improve nutrition. The program will award \$25 million each year through 2014.
- **Immunizations.** The ACA established a demonstration program to award grants to states in FY 2010 to improve immunization rates in high-risk populations, including coverage to adults, adolescents and children.



The program also will determine if access to vaccines is improved among Medicare enrollees. Funding for 2011 through 2014 was authorized, but not appropriated.

- **Healthy living.** The ACA established a five-year pilot program that awarded \$50 million in grants in FY 2010 to promote healthy living among people ages 55 to 64. Grants were awarded to state and local health departments and Indian tribes for public health community interventions to address nutrition, physical activity and tobacco use. Funding for 2011 through 2014 was authorized, but not appropriated.
- **School-based health centers.** The ACA appropriated \$50 million in FY 2010 and each year through 2013 to build and provide equipment to develop school-based health centers, especially those that serve children who are eligible for Medicaid and the Children's Health Insurance Program (CHIP).

Coverage for Preventive Benefits

The ACA established new requirements for preventive services under private health plans, Medicare and Medicaid. The law cites preventive care recommendations that receive an "A" or "B" rating by the U.S. Preventive Services Task Force (USPSTF), such as immunizations; screenings for diabetes, cholesterol, and breast and colorectal cancer; and prenatal care.

- **Insurance plans.** New group or individual health insurance plans must cover the "A" or "B" ranked preventive services without cost sharing. The requirement applies to job-related health plans or individual health insurance policies issued after March 23, 2010.
- **Medicare.** As of Jan. 1, 2011, the ACA eliminated cost-sharing for Medicare preventive services that receive an A or B rating from the USPSTF and also waived the deductible for colorectal cancer screening tests. The law also prohibits copayments for annual wellness visits or personalized prevention plans, which include a comprehensive health risk assessment.
- **Medicaid.** Effective Jan. 1, 2013, states will receive a 1 percentage point increase in federal Medicaid matching payments for immunizations and services that receive an A or B rating from the USPSTF and for which states do not charge a copayment. Effective Oct. 1, 2010, state Medicaid programs also must cover tobacco cessation services for pregnant enrollees.

Nutritional Labeling Requirements

The ACA requires nutrition labeling of standard menu items at chain restaurants with 20 or more locations and for operators of vending machines with 20 or

more locations. This includes disclosing calories on menu boards and additional information in written form, available on request, to include calories from fat and saturated fat, cholesterol, sodium, carbohydrates, sugars, dietary fiber and protein. On April 1, 2011, the Food and Drug Administration (FDA) issued proposed rules for comment on the labeling requirements, due for menu labeling by June 6, 2011, and by July 5, 2011, for vending machines. Final rules will be issued before Dec. 31, 2011.

Insurance Wellness Programs

The ACA allows higher incentive levels for employer wellness programs than those previously established at 20 percent of coverage costs under the federal Health Insurance Portability and Accountability Act (HIPAA). The ACA permits employers to offer employees rewards of up to 30 percent of the cost of coverage for participating in a wellness program and meeting certain health-related standards such as weight control, smoking cessation, blood pressure and cholesterol control, and diabetes management.

By July 1, 2014, the ACA also establishes 10 pilot programs to permit participating states to apply similar rewards for participating in wellness programs in the individual market.

State Roles in Implementation

States have various roles and responsibilities under the ACA, ranging from implementing new health insurance requirements to providing oversight of grant-funded initiatives. Prior to the ACA provisions and in an effort to prevent chronic conditions and promote healthy behavior, many states passed initiatives to educate and facilitate healthy lifestyle choices by allowing health insurance discounts for certain health behaviors, such as quitting smoking; requiring physical education in schools; supporting walking and biking trails; and requiring nutrition labeling on menus.

Additional Resources

NCSL State Health Reform Database: <http://www.ncsl.org/default.aspx?tabid=22123>

NCSL State Wellness Legislation: <http://www.ncsl.org/Default.aspx?tabid=13826>

Trust for America's Health: www.healthyamericans.org

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