



# Health Systems Digest

NATIONAL CONFERENCE of STATE LEGISLATURES

## AN NCSL SERVICE TO STATE LEGISLATIVE HEALTH STAFF

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*ABOUT THIS DIGEST: The NCSL Health Program works in collaboration with professional researchers and writers across the nation. They often publish and post material on current state events that are valuable but may be hard to find for busy legislators and legislative staff. This digest pulls together a concise list that may be of interest or use for your legislative research, hearings, briefings or other events. A special thanks to The Commonwealth Fund for supporting this resource.*

### **CMS Announces New Reduced Funding for Federally Run Exchange Navigator Program**

The Centers for Medicare and Medicaid Services (CMS) expects to award up to \$10 million for a one-year period to pay for locally-based navigators who assist, at no charge, anyone seeking to buy health insurance for 2019.. A minimum of \$100,000 will be awarded in each of the 34 states with a federally facilitated health exchange to provide assistance to exchange consumers, starting in the fall of 2018. Awards will go to eligible grantees, such as chambers of commerce, small businesses, trade associations and faith-based organizations. This amount represents an average 72 percent reduction from current-year(2018) funding. To view the funding announcement and application, visit [www.grants.gov](http://www.grants.gov) and search for CFDA # 93.332. You can also visit NCSL's [webpage](#) on state health insurance exchanges for more information. [READ CMS](#), [READ ISSUE BRIEF](#).

### **NCSL's 2018 Legislative Summit Features Health insurance, Medicaid and More!**

NCSL's 2018 Legislative Summit, which runs from July 30 through Aug. 2, features two sessions related to the changing insurance climate and Medicaid programs. **For those unable to attend, use links below** to listen and/or download resources, live or anytime! **If you or colleagues will attend**, view the updated [agenda details](#).



**Latest Ideas for Fixing Health Insurance Markets:** A record 216 million Americans rely on some type of commercial or private health insurance. Yet an array of pending major changes divide and confuse the public, who expect legislators to help them understand what's next. As health insurance regulators and purchasers—and voices of constituents—how can lawmakers play an effective role in getting to the next phase? Hear from experts and join the dialogue. Hear latest ideas, options and requirements for the coming years from federal health and human services officials, insurers, state regulators and a leading legal policy analyst. This session's presentations also will be [audio streamed](#) for those unable to attend. [VIEW SESSION RESOURCES](#).

**Medicaid: Follow the Money:** Medicaid 1115 waivers provide opportunities to test new strategies that aim to improve health and save money. This session explores what the data show about what works and where to find cost savings, focusing on five promising strategies in state Medicaid programs—from integrated care initiatives to alternative payment models. Explore the latest return on investment analyses and evidence showing improved efficiencies in state Medicaid systems. [VIEW SESSION RESOURCES](#).

## Implications of Eliminating Cost-Sharing Reductions

In October 2017, the Trump administration **eliminated federal funding** to reimburse insurers for cost-sharing reduction (CSR) subsidies, which insurers are obligated to provide to qualifying enrollees in the Affordable Care Act (ACA) marketplace. President Donald Trump had threatened to eliminate CSR funding throughout 2017, so insurers and insurance regulators in many states had anticipated the move by adding the cost of CSRs to premiums for 2018. [HEALTH AFFAIRS](#)



## Congressional Budget Office: Federal Subsidies for Health Insurance Coverage for People Under Age 65: 2018 to 2028

The federal government subsidizes health insurance for most Americans, including those with employer-sponsored coverage, through a variety of programs and tax provisions. This May 2018 report updates CBO's baseline, providing estimates for the 2018–2028 period, of the number of noninstitutionalized people under age 65 with health insurance, and the federal costs associated with each kind of subsidy. [READ THE REPORT.](#)

## What's in the Association Health Plan Final Rule? Implications for States

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The Trump administration has released new rules to expand the availability of association health plans that are exempt from many of the Affordable Care Act's consumer protections. In her latest article for State Health and Value Strategies' "Expert Perspectives" blog, Sabrina Corlette from the Georgetown Center on Health Insurance Reform covers key provisions of the new policy. She also digs into the implications for

states, insurance markets, and the consumers and small businesses that purchase private coverage. [READ THE BLOG.](#)

## Americans' Confidence in Their Ability to Pay for Health Care Is Falling

The Trump administration has shined a spotlight recently on the rising cost of prescription drugs. But Americans are worried about more than drug prices. New findings from The Commonwealth Fund Affordable Care Act Tracking Survey show that consumers' confidence in their ability to afford all their needed health care continues to decline. [READ THE SURVEY.](#)

## Health Tracking Poll – June 2018: Campaigns, Pre-existing Conditions and Prescription Drug Ads

Health care continues to be one of the top issues that voters want to hear candidates talk about during their 2018 congressional campaigns. One-fourth of voters say health care is the "most important issue" for 2018 candidates to discuss during their campaigns, which is similar to the share who say the same about the economy and jobs (23 percent). Slightly fewer say gun policy (20 percent), immigration (18 percent) and foreign policy (13 percent) are the most important issues for 2018 candidates to talk about during their campaigns. [SEE THE RESULTS.](#)



## CMS Launches Slate of Initiatives Aimed at Curbing Fraud, Waste in Medicaid

The Centers for Medicare and Medicaid Services recently launched several initiatives aimed at cutting down on fraud and waste in Medicaid. Administrator Seema Verma told reporters at a briefing that the programs are part of the third pillar of the agency's blueprint to reform Medicaid: a focus on integrity and accountability. NEED VERB [FIERCE HEALTHCARE](#) (6/26); [READ THE CMS FACT SHEET.](#)

## Looking at a State's Role in Medicaid Work/Community Engagement Requirements

The Centers for Medicare and Medicaid Services issued a [letter](#) to state Medicaid directors announcing a new policy regarding work and community engagement requirements as an option for Medicaid eligibility. This CMS guidance applies to section 1115 [waivers](#), which are used by states to propose different demonstration projects within their Medicaid program. In early June, CMS had approved four states for work requirements: Arkansas, Kentucky, Indiana and New Hampshire. As of late June, a federal judge invalidated Kentucky's waiver, [citing](#) that Health and Human Services Secretary Azar, "failed to adequately consider the effect of any demonstration project on the state's ability to help provide medical coverage." For additional information on Section 1115 waivers, please visit the NCSL webpage [HERE](#).



## U.S. Justice Department Court Filing Says Obamacare Individual Mandate Unconstitutional

The U.S. Justice Department recently announced that the part of Obamacare requiring individuals to have health insurance is unconstitutional, which could lead to stripping away some of the most significant and popular parts of the law. Need first name Milliman analyzes the impact of the \$0 individual mandate penalty in his? Her? white paper, "What state characteristics will influence costs when the mandate is gone?" You can also visit NCSL's [webpage](#) on state insurance mandates and the ACA essential benefits provisions for more information. [READ MILLIMAN](#); [READ REUTERS \(6/8\)](#); [READ HEALTH AFFAIRS \(6/22\)](#).

## State Efforts to Pass Individual Mandate Requirements Aim to Stabilize Markets and Protect Consumers

A handful of states are moving forward with plans to implement state-level individual health insurance mandates in light of Congress's [recent elimination](#) of the federal mandate's financial penalty, effective in 2019. The Affordable Care Act's individual mandate helped stabilize the insurance market when the ACA's coverage expansions launched by encouraging healthier people to buy plans. The penalty repeal, in combination with other federal actions, is [projected](#) to reduce coverage by about 8.6 million people and [increase premiums](#). [READ THE COMMONWEALTH FUND REPORT](#).

## CMS Releases Reports on the Performance of the Exchanges and Individual Health Insurance Market

The Centers for Medicare and Medicaid Services recently released three reports that provide important information on the current condition of the federal and state-based exchanges and state individual health insurance markets. Taken together, these reports show that state markets are increasingly failing to cover people who do not qualify for federal subsidies even as the exchanges remain relatively stable. Steps taken by CMS in 2017, as the reports show, improved the performance of the exchanges and began addressing market stability issues. However, serious problems persist. Rising premiums have left unsubsidized people with poor health coverage options and dramatically increased the federal cost of premium subsidies. SEE THE [THREE CMS REPORTS](#). More information on state health exchanges and enrollment can be found on NCSL's webpage [HERE](#).

*The Commonwealth Fund is a national, private foundation based in New York City that supports independent research on health care issues and makes grants to improve health care practice and policy. The views presented here are those of the presenters and not necessarily those of NCSL or of The Commonwealth Fund, its directors, officers or staff. Unless noted, NCSL takes no position on state legislation or laws mentioned in linked material.*