



# 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.*

### Highlights from NCSL's Legislative Summit 2018 in Los Angeles—Latest Ideas for Fixing Health Insurance Markets

NCSL hosted its annual Legislative Summit in August where more than 5,000 attendees came to discuss health policy for 2018 and beyond. One headlining session, Latest Ideas for Fixing Health Insurance Markets, featured national experts who gave their interpretations of the current landscape of health insurance marketplaces and exchanges. You can still experience the audio/webinar version of this session by visiting the NCSL Streaming Video Gallery/Webinar Archive webpage, which also highlights two HHS-related sessions: Opioids: Lessons Learned from the States and At a Crossroads: States, the Federal Government and Cannabis. The full Health and Human Services track agenda with links to resources is online—click on individual sessions to access handouts and PowerPoint presentations (or you can choose “expand all” to see details for all sessions held).

[SEE THE FULL HHS AGENDA](#), [VIEW THE WEBINAR](#), [ACCESS THE HANDOUTS](#), [GO TO THE GALLERY](#)



### State Health Insurance Markets—Hanging in the Balance



What can states do to ready themselves for federal changes to health insurance markets because of laws, regulations and executive orders? Will the cost of health insurance premiums level off? Where can states innovate to help consumers? At NCSL's 2018 Legislative Summit, some of the nation's leading experts answered such questions for lawmakers and other attendees during the session, Latest Ideas for Fixing Health Insurance Markets. NCSL asked a panel of esteemed health policy professionals to share their insights and opinions on the latest trends and developments in the health insurance market and about the stability of the state exchanges or marketplaces.

[READ THE NCSL BLOG](#)

### As Federal Medicaid Money Fades, How Are States Funding Expansion?

Many are tapping into tax revenues, making hospitals help or adding work requirements and premiums to account for their increasing share of the expansion bill. In some states, the debate is so heated that it's ended up in court. [READ GOVERNING MAGAZINE](#)

## Impact of Removing ACA's Preexisting Condition Protections Will Depend on the State You Live In

Opponents of the Affordable Care Act (ACA) continue to target its rules that prevent insurance companies from denying coverage to people with preexisting conditions, or refusing to cover services people need to treat such conditions. A lawsuit filed in Texas federal court in February by 20 states seeks to invalidate these and other ACA protections, arguing that Congress's repeal of the individual mandate penalty has rendered the mandate unconstitutional and, therefore, the rest of the law must be struck down, too. The U.S. Department of Justice has agreed with the plaintiff states, but has urged the court to strike down the law's preexisting condition protections, and keep the rest of the law.

In a new post on To the Point, researchers from Georgetown University's Center on Health Insurance Reform note that this would not inhibit states' ability to enact and enforce their own laws to protect residents. However, in a comprehensive review of insurance statutes in 50 states and the District of Columbia, they find most states have not fully incorporated the ACA's consumer protections into state law. [READ THE POST](#)

## What Is Your State Doing to Affect Access to Health Insurance?

Health insurance premiums have increased year over year since the start of the Affordable Care Act. By allowing association health plans, short-term limited duration health plans and through eliminating the individual mandate penalty, the Trump administration has taken steps at the federal level to try to mitigate this trend. In response, states have started to explore and utilize a variety of policy levers to prepare for the effect of these federal actions. The Commonwealth Fund has created a comprehensive, interactive 50-state map describing the various strategies states are pursuing to stabilize the individual insurance market. This new online tool provides statute data on eight categories of state regulation, including historical requirements from several decades, recent changes during the ACA implementation and examples in response to the 2018 proposed and final federal regulations. Select a state on the map and a policy action to learn what is being done to affect access to health insurance in every state in the country. [VIEW THE GRAPHIC](#)



## Health Insurance: Premiums and Increases

The increased cost of health insurance is a central fact in any discussion of health policy and health delivery. Annual premiums reached \$18,764 for 2017, up 3 percent from 2015 for average family coverage with workers, on average, paying \$5,714 toward the cost of their coverage.\* For those Americans who are fully-covered, these cost realities affect employers, both large and small, plus the "pocket-book impact" on ordinary families. For those buying insurance on an exchange or private market plan for 2018, the average increase with subsidies was \$201. The 2019 policy premiums are still in negotiation, but appear to have more moderate average increases. [VIEW NCSL'S WEBPAGE ON 2019 RATE FILINGS](#)

## Navigator Grants, New Hardship Guidance From CMS



On Sept. 12, 2018, the Department of Health and Human Services (HHS) announced its next round of grants for the navigator program in states with a federal marketplace. The number of navigator organizations has been cut by about half, mostly because of significantly reduced funding for 2019. HHS also released new guidance on hardship exemptions from the individual mandate for 2018. The guidance appears to allow all hardship exemptions to be claimed directly from the Internal Revenue Service (IRS), meaning consumers will not need to obtain a certificate from the marketplace first. [READ HEALTH AFFAIRS](#)

## Medicaid Managed Care: Improvements Needed to Better Oversee Payment Risks

Almost half—\$171 billion—of Medicaid spending in 2017 went to managed care organizations (MCO). In Medicaid managed care, states pay a set periodic amount to MCOs for each enrollee, and MCOs pay health care providers for the services delivered to enrollees. Used effectively, managed care can help states reduce Medicaid costs. However,

managed care still is at risk of making incorrect payments, such as duplicate payments or payments for ineligible patients. The U.S. Government Accountability Office (GAO) identified six types of payment risks: four related to state payments to MCOs, and two related to MCO payments to providers. [READ THE REPORT](#)

## **Employer-Sponsored Health Insurance at the State Level, 2013-2017:**

### **Premiums Grow Faster, Deductibles Continue to Rise**

The nation's attention has recently concentrated on health insurance coverage purchased through Affordable Care Act marketplaces, but it is important to remember that the majority of non-elderly Americans (51.6 percent) continue to get their health insurance coverage from an employer. A new 50-state analysis from the State Health Access Data Assistance Center at the University of Minnesota highlights the experiences of private sector workers with employer-sponsored insurance (ESI) from 2013 through 2017 at the national level and within the states. [SEE THE ANALYSIS](#)

## **Updated State Medicaid Fact Sheets Describe the Role of Medicaid in the U.S. Health Care System**

An updated collection of Medicaid fact sheets from the Kaiser Family Foundation provides a snapshot of Medicaid in every state as the country heads into fall elections for Congress and 36 gubernatorial contests that could have implications for Medicaid expansion, Medicaid work requirements and state and federal Medicaid spending. A related issue brief highlights key Medicaid issues to watch in the elections, including Medicaid expansion ballot initiatives in three states. [SEE THE FACT SHEETS](#)



## **Association Health Plans Spark Tussle Between State Regulators, Business Groups**

Some business associations and insurers are plunging ahead in launching a cheaper type of health plan newly permitted by the Trump administration, while others are holding back due to big regulatory and legal uncertainties about the future of these products. Since the U.S. Labor Department issued a final rule in June allowing small employers and self-employers to band together across state lines and form association health plans, or AHPs, there have been intensive discussions between business groups, state insurance commissioners and Labor Department officials about how states can regulate these plans. [READ MODERN HEALTHCARE](#)

## **Health Care Coverage and Access in Your State**

Health care is top of mind for a lot of voters going into November's midterm elections. To provide an overview of health care coverage and access around the United States in the years since the Affordable Care Act expanded health coverage, the Commonwealth Fund created fact sheets for each state and the District of Columbia. Visit the map and download the fact sheets to see changes over time in the percentage of uninsured adults and adults going without care because of costs; enrollment in marketplace plans and Medicaid; and the amount of federal support for health coverage. [VIEW THE MAP](#)

*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.*