

*Strong States. Strong Nation*



## Top 10 Federal Health Issues

 NATIONAL CONFERENCE of STATE LEGISLATURES

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## Overview:



- Cover significant changes and proposals made by Congress and the administration over the past year and a half.
- Briefly touch on each issue and happy to do in-depth follow up.



## Top 10 Federal Re: Health Policy

### Providing Top-Level View Of:

- ❑ Expanding short-term insurance plans
- ❑ Sale of health insurance across state lines and association health plans
- ❑ Centers for Medicare and Medicaid Services (CMS) policy on work and community engagement requirements in waivers
- ❑ Health insurance market and premiums
- ❑ Medicaid Payments



## Top Federal Health Issues Cont.

- ❑ Future costs of Medicare and Medicaid
- ❑ Resources and responses to Substance Use Disorder (SUD) crisis
- ❑ Medicaid expansion in states and the federal role
- ❑ Prescription drug costs
- ❑ A-87 Cost Allocation Exception



## Expanding short-term insurance plans

- Part of Executive Order proposed last fall, now part of proposed rule.
- Change Affordable Care Act (ACA) law for plans from 3 months to 364 days.



## Sale of health insurance across state lines & association health plans

- Also part of the executive order (EO) released last fall.
- States and ACA already allow sale of insurance across lines.
- Association Health Plans, around since the 1980s- similar employers to implement plans.

## Work and community engagement requirements



- ❑ Created to incentivize work/community engagement among non-elderly, non-pregnant, adult Medicaid enrollees.
- ❑ Authorized under a section 1115 Medicaid waiver.
- ❑ Sec. 1115 Medicaid Waivers: are demonstration waivers where states can apply to try and test new methods of care in Medicaid that fall outside of federal rules.

## Health Insurance Market and Premiums



- ❑ Last year the administration stopped paying for Cost Sharing Reduction (CSR) payments.
- ❑ States have tried to address the lack of providers and increasing premiums by doing reinsurance programs through 1332 waivers, but continues to be debated.

# Medicaid Payments



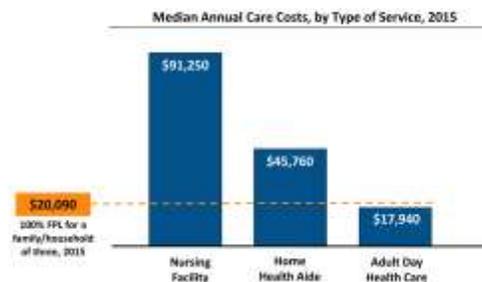
- Last summer congressional activity around health care reform.
- Proposals included changing Medicaid from a state-federal match program to a block grant system.
- CMS rule in 2016 on Medicaid Managed Care, emphasis on: quality of care, delivery system and payment reform, network adequacy and care, and program integrity.

# Future Costs of Medicare and Medicaid



- Dual Eligible Populations - about 9 million in the U.S. covered by Medicare and Medicaid.
- Long-Term Support Services one of the faster growing health care products in the U.S.
- States looking at ways to better integrate care.

Figure 2  
Long-Term Services and Supports Are Expensive, Often Exceeding What Beneficiaries and Their Families Can Afford



SENWORLD Research, "Seniors' 2015 Out-of-Pocket Survey (Reviewed, VA Seniors' Initiative, Inc., April 2015).  
SOM: Center for Health Equity Research and Promotion, University of Virginia, 2015. Also, U.S. Department of Health and Human Services, 2014 Poverty Guidelines, <http://www.hhs.gov/2014/poverty-guidelines/>.



## Response to Substance Use Disorder (SUD) crisis



- Congressional 2018 Omnibus Deal:
  - ▣ \$4.7 billion for opioid issues including:
    - \$500 million for state opioid grants under 21<sup>st</sup> Century Cures Act
    - \$330 million for law enforcement grant programs under the Comprehensive Addiction and Recovery Act (CARA).
- White House updated proposal to deal with crisis.

## Medicaid expansion in states and the federal role



- In the past year and a half more states considering Medicaid expansion through:
  - Legislation & waivers
  - Ballot initiative



# Prescription Drug Costs



- ❑ Bipartisan Budget Act accelerated closure of the Medicare Part D program, with beneficiary costs reducing to 25% in 2019.
- ❑ Increased percentage drug manufacturers must decrease the cost of prescriptions from 50% to 70%.
- ❑ Secretary of HHS Alex Azar also discussed the White House budget proposals to reduce prescription drug costs.

# A-87 Cost Allocation Exception



- ❑ Over the past six years states have used a federal rule referred to as the A-87 Exception.
- ❑ Provided changes in the way federal matching funds have been allocated for Medicaid and human services IT system costs.
- ❑ Saved states an estimated \$1.4 billion on Medicaid and human service costs.
- ❑ Rule will expire 12/31/2018 unless it's extended.

## Additional Resources:



- [http://www.ncsl.org/Portals/1/Documents/Health/EO\\_Insurance\\_Across\\_State\\_Lines\\_31029.pdf](http://www.ncsl.org/Portals/1/Documents/Health/EO_Insurance_Across_State_Lines_31029.pdf)
- <https://khn.org/news/trump-administration-unveils-proposed-rule-to-loosen-restrictions-on-short-term-health-plans/>
- [http://www.actuary.org/files/publications/AssociationHealthPlans\\_021317.pdf](http://www.actuary.org/files/publications/AssociationHealthPlans_021317.pdf)
- <http://www.milliman.com/uploadedFiles/insight/2017/selling-insurance-across-state-lines.pdf>
- [http://www.ncsl.org/Portals/1/Documents/statefed/health/Overview\\_of\\_CMS\\_Work\\_and\\_Community\\_Engagement\\_Policy\\_26999.pdf](http://www.ncsl.org/Portals/1/Documents/statefed/health/Overview_of_CMS_Work_and_Community_Engagement_Policy_26999.pdf)
- [https://aspe.hhs.gov/system/files/pdf/258456/Landscape\\_Master2018\\_1.pdf](https://aspe.hhs.gov/system/files/pdf/258456/Landscape_Master2018_1.pdf)

## Additional Resources:



- <http://files.kff.org/attachment/CMSs-Final-Rule-on-Medicaid-Managed-Care>
- <https://www.cbo.gov/publication/53624>
- <http://files.kff.org/attachment/issue-brief-an-overview-of-medicare>
- <https://www.whitehouse.gov/briefings-statements/president-donald-j-trumps-initiative-stop-opioid-abuse-reduce-drug-supply-demand/>
- [https://aphsa.org/APHSA/Collaborative\\_Centers/National\\_Collaborative/Guidance\\_and\\_Resources\\_Sub/a87-exception.aspx](https://aphsa.org/APHSA/Collaborative_Centers/National_Collaborative/Guidance_and_Resources_Sub/a87-exception.aspx)



**Thank You.**

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