MAKING HEALTH REFORM HAPPEN

HOW MARYLAND IS IMPLEMENTING THE AFFORDABLE CARE ACT

October 16, 2012

Governor’s Office of Health Care Reform
Carolyn Quattrocki, Executive Director
Overarching Goal of Reform Implementation

BETTER HEALTH FOR ALL MARYLANDERS
Maryland’s Collaborative Approach

State Agencies, Local Jurisdictions, Non-Profits and Private Sector
Four Pillars of ACA

- Stronger, Non-discriminatory Insurance Coverage
- Expanded Access to Health Insurance and Health Care
- More Affordable Insurance Coverage
- Cost Control and Quality Improvement
Pillar I: Stronger, Non-Discriminatory Coverage – Patients’ Bill of Rights

- **Young adults** can stay on parents’ insurance plan until age 26; **52,000 in MD; 2.5 million nationwide.**

- No **children** denied coverage because of pre-existing condition.

- No **lifetime limits** on benefits and harder to rescind policies when people get sick; **2.25 million Marylanders benefiting, including over one half million children.**

- Small business **tax credits**: **66,000** eligible in Maryland.
Pillar I: Stronger, Non-Discriminatory Coverage – Patients’ Bill of Rights

- In **2014**, no exclusions for **pre-existing conditions** or **annual limits** on benefits.

- **Women** will no longer have to pay **higher premiums** because they are women.

- **Preventive services** like mammograms and flu shots; **1.2 million Marylanders** covered with no cost-sharing; **554,000 on Medicare** have received at no cost.
Pillar II
Expanded Access to Care

Medicaid Expansion Projections
2014: 84,000
2015: 188,000
2020: 239,000

Health Benefit Exchange Projections
2014: 180,000
2015: 365,000
2020: 385,000

NUMBER OF UNINSURED CUT IN HALF BY 2020
Pillar III
More Affordable Coverage: Support for Maryland Families and Employers

Medicaid Expansion
Up to 133% of federal poverty level (FPL) ($14,860 for individual; $30,660 for family of 4)
2014-16: 100% federally funded; 2017-20: tapers to 90%

Small Business Tax Credits: 35% of premium (2010) and 50% (2014)

Federal Subsidies for Low-Income People Between 133% and 400% FPL
($14,860-$44,680 for individual; $30,660-$92,200 for family of 4)
PILLAR IV
Cost Control and Quality Improvement:
Save Money While Making People Healthier

Keeping people healthy:
Investments in wellness and prevention

Higher quality and more efficient care delivery models:
Pilots and demonstration projects with leadership from doctors and hospitals

Health Information Technology:
Support ongoing efforts to develop Health Information Exchange and meaningful use of Electronic Medical Records
BRINGING THESE BENEFITS OF HEALTH REFORM TO MARYLAND
Health Care Reform Coordinating Council
Established by Executive Order, March 2010

EXECUTIVE ORDER
01.01.2010.07
Maryland Implementation of Federal Health Care Reform
Governor’s Executive Order 01.01.2010.07

WHEREAS, The Maryland Health Care Reform Coordinating Council (HCRC) was established on March 24, 2010, under Executive Order 01.01.2010.07 to provide a comprehensive evaluation of the federal Health Care Reform legislation, to develop a blueprint for the State’s implementation of the Affordable Care Act, and to identify critical decision points that must be considered;

WHEREAS, In its final report delivered on January 1, 2011, the HCRC set forth this blueprint, which included 16 short- and long-term recommendations on how the State can implement federal reform most effectively;

WHEREAS, Recognizing that effective implementation will require continued leadership, oversight, and coordination, the HCRC included in its recommendations the establishment of a Governor’s Office of Health Care Reform; and

WHEREAS, The HCRC recommended further that its membership be expanded to include two additional legislative members, the Chair of the new Health Benefit Exchange, and the Secretary of the Department of Labor, Licensing and Regulation because of the valuable insight these representatives will be able to provide regarding implementation of key provisions of the Affordable Care Act.

NOW, THEREFORE, I, MARTIN O’MALLEY, GOVERNOR OF THE STATE OF MARYLAND, BY VIRTUE OF THE AUTHORITY VIETED IN ME BY THE CONSTITUTION AND THE LAWS OF MARYLAND, HEREBY REPEAL EXECUTIVE ORDER 01.01.2010.07 AND PROCLAIM THE FOLLOWING EXECUTIVE ORDER, EFFECTIVE IMMEDIATELY.

A. Established. There is a Co-Reform (Office). The Office shall

✓ Composed of executive and legislative branch leaders in health care
✓ Directed to examine the Affordable Care Act and make recommendations to the Governor and General Assembly as to how the State should implement federal health care reform in ways that would work best for Maryland.
HCRCC Report:
16 Recommendations in 5 Categories

- Health Benefit Exchange and Insurance Market
- Health Care Delivery and Payment Reform
- Public Health, Safety Net, and Special Populations
- Workforce Development
- Communications/Outreach and Leadership/Oversight
Leadership/Oversight

Recommendation

#16 Continued leadership and oversight of health care reform

Progress

✓ Health Care Reform Coordinating Council extension and expansion
✓ Governor’s Office of Health Care Reform
Health Benefit Exchange, Insurance Market Reform, and Medicaid Expansion

**Recommendations**

#1 Establish Exchange; #2 Develop seamless entry into public and private coverage. #15 Preserve Maryland’s strong base of employer-sponsored insurance.

**Progress**

- Health Benefit Exchange Act of 2011
- Innovator/Establishment Level I and II grant awards - $157 M
- IT infrastructure – contract awarded and design begun
- MIA enhanced rate review policies and $3.96 million grant
  - 141,000 Marylanders have received $28 M in rebates
- Exchange Board’s December, 2011 report
- Maryland Health Benefit Exchange Act of 2012
- Executive Director Rebecca Pearce, and other staff on board
- Name/Brand of Exchange – Maryland Health Connection
Maryland Health Benefit Exchange

Hybrid Model of Governance: Public Corporation
- Transparency, openness, and accountability of government
- Hiring and contracting flexibility of private sector

EXCHANGE BOARD OF DIRECTORS

Joshua Sharfstein, Secretary, Maryland Dept. of Health & Mental Hygiene
Therese Goldsmith, Commissioner, Maryland Insurance Administration
Ben Steffen, Acting Executive Director, Maryland Health Care Commission
Kenneth Apfel, Professor, University of Maryland School of Public Policy
Georges Benjamin, M.D., Executive Director of American Public Health Association
Darrell Gaskin, Ph.D., Professor, Johns Hopkins Bloomberg School of Public Health
Jennifer Goldberg, J.D., LL.M., Assistant Director of Advocacy for Elder Law and Health Care, Maryland Legal Aid Bureau
Enrique Martinez-Vidal, M.P.P., Vice President at AcademyHealth, Director of the Robert Wood Johnson Foundation's State Coverage Initiatives program
Thomas Saquella, M.A. retired President, Maryland Retailers Association
MARYLAND HEALTH BENEFIT EXCHANGE
ACT OF 2012: COMPONENTS

- Operating Model
- Design of Small Business Health Options Program (SHOP) Exchange
- Outreach and Consumer Assistance – “Navigator” Programs
- Dental and Vision plans
- Essential Health Benefits
- Risk adjustment and reinsurance programs
- Fraud, waste and abuse detection and prevention program
- Market rules
- Exchange Financing
- Scope of Exchange’s authority and interstate contracting
Medicaid Expansion and Health Benefit Exchange
Enrollment Projections

Medicaid Expansion (including woodwork effect):
- 2014: 101,685
- 2015: 135,402
- 2020: 239,000

Health Benefit Exchange:
- 2014 with subsidy: 104,741
  - Total: 147,233
- 2015 with subsidy: 120,245
  - Total: 169,836
- 2020 with subsidy: 198,757
  - Total: 283,743
### ADDITIONAL ECONOMIC BENEFIT OF HEALTH BENEFIT EXCHANGE AND MEDICAID EXPANSION

<table>
<thead>
<tr>
<th>Economic Benefit</th>
<th>2104</th>
<th>2015</th>
<th>2020</th>
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<tr>
<td>Federal Subsidies</td>
<td>$254 Million</td>
<td>$607 Million</td>
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<td>Increase in Total Health Expenditures</td>
<td>$1.06 Billion</td>
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<tr>
<td>Number of New Jobs</td>
<td>9,000</td>
<td>16,000</td>
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Health Care Delivery and Payment Reform

Recommendations

#12  Enhance quality and reduce costs through payment reform and delivery innovations.
#13  Improve access to primary care.
#14  Reduce and eliminate health disparities through financial, performance-based incentives and other strategies.

Progress

✓ HCRCC’s Health Care Delivery and Payment Reform Committee, John C. Colmers and Laura Herrera, Co-chairs
  ❖ Identifies and supports successful clinical innovations, financial mechanisms and integrated programs underway in private sector to promote delivery system reform
  ❖ Website, www.dhmh.maryland.gov/innovations
Health Care Delivery and Payment Reform

Further Progress

✓ Health Quality & Cost Council
  - Public-private Partnership to address chronic disease management, wellness and prevention, new care delivery models, health disparities, and other quality and cost control measures
  - Maryland Patient Centered Medical Home Pilot

✓ Health Disparities Workgroup of HQCC
  - Maryland Health Improvement and Disparities Reduction Act of 2012
  - Health Disparities Collaborative

✓ Balancing Incentives Payment Program
  - $106 million grant

✓ Health Service Cost Review Commission
  - Total Patient Revenue, Quality-based Reimbursement Initiative, and Hospital Acquired Conditions Initiative

✓ Chronic Health Home model
#4 Develop state/local strategic plans for better health outcomes.
#5 Encourage active participation of safety net providers in health reform and new insurance options.
#6 Improve coordination of behavioral health and somatic services.
#7 Promote access to quality care for special populations.

Progress

✓ State Health Improvement Process
   ▪ Funding for local coalitions – **17 grants totaling $600,000**

✓ Expanded health officers’ authority to contract for health care services

✓ CHRC plan for technical assistance for safety net providers

✓ Community Transformation grant for **chronic disease prevention**

✓ Community Health Centers – federal grants totaling **$17.7 million**

✓ Enhanced public health funding ($9.7 M in FY’ 13 budget) for programs like: Maternal, Infant and Early Childhood Home Visiting program; teen pregnancy reduction programs; Coordinated Chronic Disease program; Enhanced HIV prevention program
Governor’s Workforce Investment Board’s release of blueprint “Preparing for Health Reform: Health Reform 2020”

Health Enterprise Zones – Maryland Health Improvement and Disparities Reduction Act of 2012 includes incentives for primary care providers to practice in underserved areas (e.g., loan assistance and tax credits).

Workforce Advisory Committee – GOHR convening a group of educators, practitioners, and other stakeholders to recommend short and long-term workforce development initiatives, including:

- Training opportunities to increase workforce diversity and align with emerging care delivery models.
- Workforce data – comprehensive data collection, analysis, and reporting.
- Licensing and credentialing – identify opportunities to streamline, reduce barriers, and make more efficient
GOAL

Build public support for health care reform and help Marylanders understand how to benefit from it.

- GOHR collaboration with Robert Wood Johnson Foundation’s communications experts to develop strategic plan and revamp website
- Launch of new consumer-centric website in March, 2012
- Communications and Outreach Public/Private Advisory Committee
- Ongoing communications efforts, development of materials, and coordination with Exchange naming, branding, and strategic planning
What does health care reform mean for me?

Lots of Marylanders are asking this question. That’s why we created this site to give you answers about how health care reform impacts you. To learn more, please select one of the options below. Be sure to visit often as we continue working to improve health care for all Marylanders.

Sincerely,

Lt. Governor Anthony G. Brown
Co-Chair, Maryland Health Care Reform Coordinating Council
Beginning in January, 2014, all plans offered in small group and individual markets inside and outside exchanges must cover “essential health benefits.”

Must cover 10 categories of mandated essential health benefits:

- Ambulatory patient services;
- Emergency services;
- Hospitalization;
- Maternity and newborn care;
- Mental health & substance use disorder services;
- Prescription drugs;
- Rehabilitative and habilitative services;
- Laboratory services;
- Preventive/wellness services & chronic disease management;
- Pediatric services, including oral and vision care
ESSENTIAL HEALTH BENEFITS: HCRCC’S SELECTION OF BENCHMARK PLAN

STATE EMPLOYEE HEALTH PLAN

- Plan offers meaningful, relatively comprehensive coverage of all ten categories required by the ACA, but not so robust as to be unaffordable;
- Only option which covers all benefits mandated under State law;
- Meets requirements of the Mental Health Parity and Equity Addiction Act;
- Prescription drug benefit with open formulary;
- Received support of majority of stakeholders.
QUESTIONS

www.healthreform.maryland.gov

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