The Impact of the Affordable Care Act on State and Local Public Health Systems

Updated April 10, 2013
Objectives

- Review key health reform provisions
- Discuss potential health department impacts
- Recommend questions to consider & actions to take
- Share some resources
The need for health reform

Too many people lack health coverage & care
System focuses on treatment instead of prevention
Lack of attention to SDoH, health disparities

Inefficient delivery and payment system
U.S. healthcare spending is unsustainable
Low-ranking U.S. health outcomes

For more information, see APHA’s “Why do we need the Affordable Care Act,” at http://www.apha.org/advocacy/Health+Reform/ACAbasics/.
The Patient Protection and Affordable Care Act (ACA)

Moving toward the triple aim…

 improving the individual experience of care;
 improving the health of populations; and
 reducing the per capita costs of care for populations

March 23, 2010

To read the law in full, or for section by section overviews, visit http://www.healthcare.gov/law/full/.
Affordable Care Act Summary

Insurance Reform

More people covered

More benefits and protections

Lower costs

Health System Reform

Improved quality and efficiency

Stronger workforce and infrastructure

Greater focus on public health and prevention

For a more detailed version of this chart outlining major ACA provisions, see APHA’s “Affordable Care Act Overview,” available at http://www.apha.org/advocacy/Health+Reform/ACAbasics/.
# Insurance reforms

### Insurance Reform
- More people covered
- More benefits and protections
- Lower costs

### Health System Reform
- Improved quality and efficiency
- Stronger workforce and infrastructure
- Greater focus on public health and prevention
Closing the coverage gap:
Four interrelated ACA approaches

- Medicaid expansion
- Health insurance marketplaces and subsidies
- Insurance reforms
- Individual and employer “mandates”
Medicaid expansion: widening the safety net

- Expands eligibility floor up to 133% FPL for most Americans
- Particularly important for childless adults, working parents
- A generous deal for states, but effectively optional

More information: APHA: Medicaid Expansion
Chart source: Kaiser Family Foundation: Medicaid: A Primer (2013)
Medicaid access now; states’ plans to expand

**NOW**

Dark = fewest eligible

**2014***

Red = not expanding***

*As currently known
Sources: [KFF: The Uninsured: A Primer (2012)]; [Advisory Board Company: Where the States Stand]
Health insurance marketplaces (exchanges): new options for consumers

- Why they are important
  - A new and easier way to shop for health insurance
  - “Strength in numbers”

- How they’ll work
  - Three models: state-run; state-federal partnership; or federally-facilitated
  - Websites for consumers to shop and apply, plus phone and in-person assistance
  - Single streamlined application
  - Affordability credits and subsidies
  - Open enrollment begins Oct. 1; first plans begin Jan. 1

Plans sold in the marketplaces

- “Qualified Health Plans” (QHPs)
  - Private insurance plans
  - Must cover “essential health benefits”
  - Must offer certain levels of value (“metal levels”)
  - Must include “essential community providers,” where available, in their networks
  - Must comply with ACA insurance reforms

Source: healthcare.gov

More information: Jost: Implementing Health Reform: Final Letter to Issuers on Federally Facilitated and State Partnership Exchanges (Health Affairs Blog, 4/6/13); Health Insurance 101: What will the exchanges offer?
Insurance reforms:
protecting access, controlling costs

**Most insurers MAY NOT:**

- Deny coverage due to pre-existing conditions
- Rescind coverage over simple paperwork mistakes
- Set lifetime caps on essential coverage
- Charge women more than men (gender rating)

**Most insurers MUST:**

- Cover “essential health benefits”
- Cover preventive services with no co-pays or deductibles
- Cover young adults on their parents’ plan through age 26
- Spend more on services, less on profits (MLR)
- Justify double-digit rate increases (rate review)

More information: [Healthcare.gov: Rights and Protections](https://www.healthcare.gov/)

No-Cost Clinical Preventive Services

- No deductibles, co-payments, etc
- Coverage effective 2010 (examples):
  - Cancer screenings such as mammograms and colonoscopies
  - Vaccinations such as flu, mumps, and measles
  - Blood pressure and cholesterol screenings
  - Tobacco cessation counseling and interventions
- Coverage effective 2012-13: Add’l women’s preventive health services such as pap smears and birth control*

*As of April 2013, certain religious organizations are exempted from providing this contraceptive coverage, and proposed accommodations for certain other eligible organizations are under consideration. More information: [Healthcare.gov: Preventive Care](https://healthcare.gov/preventive-care); [HealthReformGPS: Update: Contraception Coverage within Required Preventive Services](https://healthreformgps.org/update-contraception-coverage-within-required-preventive-services) (March 2013)
Shared responsibility requirements: to keep the markets balanced

- Most individuals and families must obtain minimum essential coverage or pay a penalty
  - Acceptable coverage includes employer-based, plans in the marketplaces, public insurance, and more
  - Numerous exemptions such as religious objections, financial hardship, undocumented immigrants

- Large employers (50+) must offer minimum essential coverage to full-time employees, or pay penalties
  - Penalties only apply if employees instead get coverage and subsidies in marketplaces

ACA predicted to cut uninsured rate in half

Estimated Health Insurance Coverage in 2016

Total Nonelderly Population = 275 million

Without Health Reform

- Uninsured: 20%
- Medicaid/CHIP: 12%
- Private Non-group/Other: 10%
- Employer-Sponsored Insurance: 58%

With Health Reform

- Uninsured: 9%
- Medicaid/CHIP: 18%
- Exchanges/Private Non-group/Other: 17%
- Employer-Sponsored Insurance: 56%

Source: KFF: The Uninsured: A Primer (2012)
Coverage expansion and health departments: questions to consider

- Will previously uninsured consumers still seek health department services once they have other options?
- If newly insured consumers do want to remain as HD patients, are you able to bill public and private insurers?
- What about the remaining uninsured? Sensitive services? Outbreak response?
- Primary care workforce capacity issues – a problem or an opportunity?
- Does it make sense to transition away from clinical service provision, and focus more (or only) on non-clinical and population-based services?
- What is your potential roles as a “navigator” (official or unofficial)?
Health system reforms: public health, workforce and infrastructure provisions

- **Insurance Reform**
  - More people covered
  - More benefits and protections
  - Lower costs

- **Health System Reform**
  - Improved quality and efficiency
  - Stronger workforce and infrastructure
  - Greater focus on public health and prevention
Prevention and public health; workforce and infrastructure provisions

- Prevention and Public Health Fund
- National Prevention Council & Strategy
- Community health needs assessments
- Community and school-based health center funding
- Public health and primary care workforce development
- Health equity promotion
- Public health research
- Public education campaigns
- Menu labeling
Prevention and Public Health Fund

- A much needed investment in prevention
- The U.S.’s first *mandatory* funding for public health
- Meant to supplement, not supplant, existing funding
- Public health system still underfunded, but this is a start

More information: [APHA: Prevention and Public Health Fund](http://www.apha.org)
Prevention Fund amounts per year

- **Original funding:** $15B over fiscal years (FYs) 10-19, then $2B per year
- **P.L. 112-96 (Feb 2012):** cut $6.25B over 9 years (FY13-21)
- **2013 sequestration:** Likely to cut another 5.1% per year, starting FY13 (not shown in figure). Pending President’s announcement of FY13 HHS allocations.

## The Prevention and Public Health Fund:
### Four major funding goals

<table>
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<tr>
<th>Clinical prevention</th>
<th>Community prevention</th>
<th>Workforce and infrastructure</th>
<th>Research and tracking</th>
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| • Enhance awareness of ACA prevention services and benefits  
• Immunization programs  
• Integrating primary and behavioral health | • Community Transformation Grants  
• Comprehensive Chronic Disease Prevention Grants  
• Other efforts (e.g. CDC’s “Tips from Former Smokers” campaign) | • National Public Health Improvement Initiative  
• Lab capacity grants  
• Workforce training grants | • National Prevention Council & Strategy  
• Environmental Public Health Tracking System  
• Prevention research centers |

*The Fund also supports more programs and initiatives in each category.*
Community Transformation Grants (CTG)

- Investments in (and dissemination of) evidence-based and practice-based community strategies and programs

- Four main areas of focus
  - tobacco-free lifestyles
  - active living and healthy eating
  - high-impact quality clinical and other preventive services
  - creation of healthy and safe physical environments

- Run by CDC, funded by Prevention Fund
  - $145M in FY 2011, $226M in FY 2012

More information: [CDC: Community Transformation Grants](#)
National Public Health Improvement Initiative (NPHII)

- Support for STLT health departments to build capacity and improve systems, to improve delivery and impact of public health services
  - Focus on accreditation, QI, systems change
  - National orgs providing tech. assistance

- Run by CDC, funded by Prevention Fund
  - $42.5M in 2010, $33.5M in 2011

More information: CDC: National Public Health Improvement Initiative
Community health needs assessments (CHNAs)

- Tax-exempt hospitals must conduct CHNAs and implement strategies to address community needs
  - A revision to existing community benefit requirements
  - First assessments due 2012-13, then at least every 3 years

- CHNAs must take into account input from “persons who represent the broad interests of the community served by the hospital facility, including those with special knowledge of or expertise in public health.”

More information: Health Organizations: Maximizing the Community Health Impact of CHNAs (2012); NACCHO: Community Benefit
Other key public health provisions

- **Public education campaigns**
  - Lifestyle choices, chronic diseases (campaigns active)
  - Menu labeling (coming soon?)
  - Oral health (campaign not yet active)

- **Health equity promotion**
  - REACH funding
  - Data collection & reporting
  - Research, training, workforce (funded?)

- **Workplace wellness programs**
  - Incentives; implementation grants

Workforce and systems funding

- PH workforce training centers and programs: avg $30M/yr FY10-12
- Community health centers: $11B over 5 years
- School-based health centers: $50M/yr, FY10-12
- PH services and systems research: $20M in FY11

- But many unfunded provisions, including:
  - PH workforce loan repayment program
  - Community health workforce grants
  - National Health Workforce Commission

Implications for health departments

- Watch for funding opportunities and apply
  - [Grants.gov](https://grants.gov)
  - [HHS Grants Forecast](https://www.hhs.gov/grants/)

- Where funding isn’t available (yet/anymore), learn from what others are doing. For example:
  - [Community Transformation Grants (CTGs): Promoting Proven Strategies to Fight Chronic Diseases](https://www.tfahtx.org/communitytransformation.htm) (TFAH)

- More important than ever to demonstrate the value (ROI) of public health and prevention
Health system reform: delivery, payment and quality provisions

**Insurance Reform**
- More people covered
- More benefits and protections
- Lower costs

**Health System Reform**
- Improved quality and efficiency
- Stronger workforce and infrastructure
- Greater focus on public health and prevention
Networks of providers that coordinate care for patient populations

- Goals: control costs, increase quality, improve population* health
- Bonuses for hitting quality and cost targets (some ACOs may also receive penalties for not hitting them)

Now more than 400 ACOs in the U.S.

- Medicare Shared Savings Program (three options)
- Medicare Pioneer Program
- Private insurer ACO contracts
- Medicaid initiatives

Patient Centered Medical Homes

- Primary care practices (PCPs) that receive monthly fees to provide “whole person” enhanced care for patients (primarily those with chronic illnesses).

- Multiple models
  - Multi-payer Advanced Primary Care Practice Demo
  - FQHC Advanced Primary Care Practice Demo
  - HRSA Patient-Centered Medical/Health Home Initiative
  - Medicaid Health Home State Plan Option
  - Comprehensive Primary Care Initiative

More information: Center for Medicare and Medicaid Innovation; AHRQ: Patient Centered Medical Home Resource Center; NASHP: Medical Home & Patient-Centered Care
Other delivery and payment reforms

- **Community-based Care Transitions Program**: hospital and CBO coordination to reduce readmissions
- **State Innovation Models Awards**: to design or test new delivery and payment models
- **Bundled Payments for Care Improvement**: one bundled Medicare payment to multiple providers, to encourage coordination
- **Pay for performance programs like VBP**: Medicare payments tied to performance on outcome measures
- **Health IT**: Electronic health records, health information exchanges

More information: [Center for Medicare and Medicaid Innovation](https://innovation.cms.gov); [Healthcare.gov: Clinicians and the Affordable Care Act](https://healthcare.gov/)
Implications for health departments

- Potential roles in coordinated care efforts like ACOs and medical homes
  - Clinical provider in ACO networks, PCMH partnerships
  - Offer enabling services, community programs that enable ACOs, PCMHs, etc to meet population health goals
  - Convene stakeholders, help ensure a true focus on prevention and population health as contracts are made

- Potential roles in value, quality and efficiency efforts like ACOs, value based purchasing, EHR
  - Collection and analysis of data
  - Development of new quality measures
Now what?
A promising step forward...

- Even if ACA works just as planned, we’ll still have work to do...
  - More funding and focus needed on public health and prevention
  - Workforce funding and reforms needed
  - Cost reforms needed
  - Coverage gaps remain
  - Health disparities persist

- But the health reform law is a step in the right direction!
  - Insurance more accessible, affordable
  - Safety net strengthened
  - Increased focus on prevention
  - Funding for public health, workforce, innovation, and more
Summary of considerations for health departments

- **Coverage expansion**
  - Evaluate future role in providing clinical services
  - Consider needs/opportunities for community education, outreach, enrollment

- **Public health programs, workforce, infrastructure**
  - Watch for funding, or learn from others’ efforts
  - Collaborate on community health needs assessments

- **Delivery and payment reforms**
  - Explore opportunities for involvement as a provider
  - Explore opportunities for making other contributions (convening stakeholders, data collection and analysis)

More information: [Transforming the PH System: What are We Learning? (APHA's Dr. Georges Benjamin for IOM)](Transforming the PH System: What are We Learning? (APHA's Dr. Georges Benjamin for IOM))
Issues to watch

- Coverage expansions in 2014
  - State and federal implementation decisions & progress
  - Consumers’ understanding of the law
  - Consumer, employer, insurers: costs, impacts, and reactions
  - Workforce and infrastructure capacity

- System and delivery reforms (esp. ACOs)
- Unfunded and underfunded provisions (esp. PH)
- Ongoing litigation against ACA provisions
- Outstanding rulemaking and guidance
APHA resources

- Health reform webpages
  www.apha.org/advocacy/health+reform

- “Health Reform Update” e-newsletter
  www.apha.org/advocacy/Health+Reform/newsletter/

- Issue briefs, fact sheets, and webinars
  www.apha.org/advocacy/reports

- Public health law and policy resources
  www.apha.org/programs/cba

- Public Health Newswire
  www.publichealthnewswire.org/
Other ACA resources

- Healthcare.gov (U.S. Dept. of Health and Human Services)
- State Refor(u)m (National Academy for State Health Policy)
- Health Reform Source (Kaiser Family Foundation)
  - Health reform summary; Implementation timeline; ACA federal funds tracker; Statehealthfacts.org
- Health Reform Central (Families USA)
- Health Reform GPS (George Washington Univ. and the Robert Wood Johnson Foundation)
- Health Affairs blog
- Health Insurance 101 (Community Catalyst and Georgetown University)
- Enroll America
- Center for Medicare and Medicaid Innovation
- Federal Register: Health Care Reform
Thank you!