HEALTH CARE REFORM:
WHAT IT MEANS FOR YOU AS AN INDIVIDUAL
AND AS A MIDWIFE
American College of Nurse Midwives
January 13, 2014

Jocelyn Alt
jocelyn@ohanaparents.com
872-222-9234
Agenda

- Introduction
- Increasing Coverage
- Reducing Cost
- Improving Health Care Quality
- Provisions Specific to Women’s Health and Midwifery
- Myths vs. Facts about the ACA
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About Me
About Me
My Role During Reform

SEC. 3021. ESTABLISHMENT OF CENTER FOR MEDICARE AND MEDICAID INNOVATION WITHIN CMS.

(a) In General.—Title XI of the Social Security Act is amended by inserting after section 1115 the following new section:

"CENTER FOR MEDICARE AND MEDICAID INNOVATION

"Sec. 1115A. (a) Center for Medicare and Medicaid Innovation

"Sec. 1115A (a) Center for Medicare and Medicaid Innovation

SEC. 3501. HEALTH CARE DELIVERY SYSTEM RESEARCH; QUALITY IMPROVEMENT TECHNICAL ASSISTANCE.

Part D of title IX of the Public Health Service Act, as amended by section 3013, is further amended by adding at the end the following:
About You

Group Introductions
Key Dates

- Spring 2009: Work on health care reform begins following Obama election
- Nov. 7, 2009: House of Representatives passes first comprehensive reform bill
- March 23, 2010: President Obama signs Affordable Care Act into law
- Sept. 23, 2010: Preliminary coverage provisions go into effect
- June 28, 2012: Supreme Court ruling upholding reform law
- August 1, 2012: Women’s preventive health provisions go into effect
- Jan. 1, 2013: Subset of pay-for-quality provisions go into effect
- Jan. 1, 2014: Majority of coverage provisions go into effect
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Pre-Reform Coverage

Health Insurance Coverage, 2010
(millions of people)

Uninsured: On average, 50 million people at any given time were uninsured in 2010. Approximately 80 million individuals were uninsured for some period.

Direct: Small number of people buy direct, but significant challenges given current policies.

Medicaid: State-run program. Before reform, to get Medicaid, you had to meet both income and category criteria.

Medicare: Government program for seniors and people with disabilities.

Employer: Just under half of Americans with insurance in 2010 got insurance through employers.

Private Market Pre-Reform Policies

- **No guaranteed issue**: Insurers were allowed to deny coverage or charge people more based on their health status.

- **Pre-existing condition exclusions**: When they decide to enroll someone, insurers are allowed to deny coverage for conditions the person had before they enrolled, including pregnancy.

- **Limited Federal Insurance Requirements**: Insurers could impose caps on benefits or choose whether to cover certain types of care. There was no requirement for individuals to have insurance.
Private Market Post-Reform Policies

As of January 1, 2014, there are significant changes to the insurance market, and specifically the private insurance market.

- Guaranteed Issue: Under reform, insurers are required to enroll any person who applies.
- Subsidies: Assistance is available on a sliding scale.
- No pre-existing condition exclusions: Insurers are also not allowed to deny care for pre-existing conditions or charge people more if they have conditions.
- Insurers are not allowed to impose annual or lifetime caps on benefits.
- Insurers must cover all essential benefits.
- Coverage up to age 26 on parents’ plan.
- Individuals are required to buy insurance.
Health Care Reform: Rights and Responsibilities

**Rights**
- Guaranteed Issue/Federal Subsidies
- Elimination of Pre-Existing Condition Exclusions

**Responsibility**
- Individual Mandate
Changes to Medicaid

Pre-Reform

- Income Eligibility
- AND
- Category Eligibility

Post-Reform

- Income Eligibility
- Category Eligibility (crossed out)
Sources of Insurance for Uninsured

83 Million Uninsured at some point during the year

50 Million Uninsured in 2010 at any given time

Three Main Sources of New Coverage

1. Subsidized Private Insurance through Healthcare.gov
2. Coverage for Young Adults up to Age 26 on Parents’ Plans
3. Expanded Medicaid to Cover All Low-Income People
Health Insurance Marketplaces

Welcome to the Marketplace

How the Marketplace works

HealthCare.gov

Learn Get insurance Log in

Health Plans

All plans (85)
Bronze Plans (22)
Silver Plans (21)
Gold Plans (19)
Platinum Plans (3)

Insurance company
Blue Cross Blue Shield of Illinois
Land of Lincoln Mutual Health Insurance Co.

Humana Health Plan, Inc.
 Coventry Health Care
 Humana Insurance Company

Aetna

Blue Choice Bronze PPO 006

PPO | Bronze
Blue Cross Blue Shield of Illinois

Monthly premium
$139/mo

Deductible
$6,000/yr Per individual

Out of pocket Maximum
$6,000/yr Per individual

Copayments/Coinsurance
Primary Doctor: No Change after Deductible
Specialist Doctor: No Change after Deductible
Generics: No Change after Deductible
Brand Name: No Change after Deductible

Blue Choice Bronze PPO 005

PPO | Bronze
Blue Cross Blue Shield of Illinois

Monthly premium
$139/mo

Deductible
$5,000/yr Per individual

Out of pocket Maximum
$6,250/yr Per individual

Copayments/Coinsurance
Primary Doctor: 20% Coinsurance after Deductible
Specialist Doctor: 20% Coinsurance after Deductible
Generics: 15% Coinsurance after Deductible
Brand Name: 15% Coinsurance after Deductible
Fixing the website

New head of Healthcare.gov, former Microsoft Exec Kurt DelBene
Post-Reform Coverage

Estimates of Health Insurance Coverage Post Reform, 2019
(millions of people)

- **Uninsured**: 50 → 22
- **Direct Market**: 27 → 49
- **Medicaid**: 40 → 51
- **Medicare**: 45 → 45
- **Employer**: 150 → 159

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Reducing Health Care Costs

Two Primary Methods:

Reducing the Rate of Payment Growth

Outcomes-Based Payment
Reducing Growth of Payments

Projected Payments Pre-Reform

Projected Payments Post-Reform

Payment Changes

Payment changes under reform are made through pilots in Medicare, but private insurers are implementing them at accelerating rates across the industry.

**Traditional Model**

Pay for Volume

**New Model**

Pay for Outcomes
Types of New Payment Structures

Patient-Centered Medical Home

Bundled Payment

Accountable Care Organization
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How would you define quality health care?
Quality Health Care

- Treatment of the whole person
- Care that takes into account social and economic context
- Evidence-Based Care
- Culturally Appropriate Care
Quality Health Care

Treatment of the whole person

Care that takes into account social and economic context

Evidence-Based Care

Culturally Appropriate Care
Using practices and treatments that lead to the best outcomes, while minimizing unnecessary harm.
Maternity Care Example: Episiotomies
Instituting Evidence-Based Care

17 years

55%
Quality Improvement Through Collaboration

1. Figure Out What Works
2. Communicate Findings to Providers
3. Arm providers with the right tools
4. Implement a process of cultural change
Keystone Center Obstetrics Quality Improvement

Elective Induction Before 39 Weeks  
NICU Admissions
Health Care Reform: Partnership for Patients
Evidence-Based Care at Ohana

- **Childbirth Classes**
  - Provide knowledge about evidence-based care
  - Increase ability to communicate with health care providers
  - Build confidence in preferences and options

- **Doulas**
  - Decrease C-sections by half (13% vs. 25%)
  - Reduce rate of complications and hospitalizations of the newborn
  - Decrease length of labor (25% decrease)

- **New Parent Support Groups**
  - Increase breastfeeding rates (51% vs. 29%)
  - Lower postpartum depression rates
  - Optimize use of evidence-based newborn care practices
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Required Women’s Preventive Health Services

- Well woman visits
- Screening for gestational diabetes
- HPV testing
- Counseling for sexually transmitted diseases
- Counseling and screening for HIV
- Contraception and contraception counseling
- Breastfeeding support, supplies and counseling
- Screening and counseling for domestic violence

All services must be covered free of charge to the woman.

Source: http://www.hrsa.gov/womensguidelines/
Payment to Birth Centers

The ACA requires state Medicaid programs to reimburse for care provided in birth centers.
Increased Payments for Midwives

The ACA increases the Medicare payment level for midwives from 65% to 100% of the Physician Fee Schedule.

Source: http://www.midwife.org/Midwives-and-Medicare-after-Health-Care-Reform
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Myth vs. Fact #1
“Obamacare is government run healthcare”
Myth vs. Fact #1
“Obamacare is government run healthcare”

MYTH
Health System Structures

- **Public Insurance**
  - Public Doctors
  - Examples: Britain, Scandinavia, USA Veterans Care

- **Public Insurance**
  - Private Doctors
  - Examples: Canada, Taiwan, USA Medicare & Medicaid

- **Private Insurance**
  - Private Doctors
  - Examples: China, India, USA private market

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Myth vs. Fact #2

“‘If you like your plan you can keep it’ is not true.”
Myth vs. Fact #2

“‘If you like your plan you can keep it’ is not true.”
Grandfathering Provisions
Myth vs. Fact #3

“Health care reform cut Medicare benefits.”
Myth vs. Fact #3
“Health care reform cut Medicare benefits.”
Medicare Cuts & Added Benefits

Projected Payments Pre-Reform

Projected Payments Post-Reform

Approx. $600 billion

Myth vs. Fact #4

“It will cost over $600 million to build Healthcare.gov”
Myth vs. Fact #4
“It will cost over $600 million to build Healthcare.gov”
Comparisons

National Institutes of Health Annual Budget: $10,000,000,000

10 Year Cost of Coverage Provisions in ACA: $788,000,000,000

Cost of Iraq and Afghan Wars: $1,500,000,000,000

Change in Deficit Due to ACA: -$143,000,000,000
Myth vs. Fact #5

“What about those death panels?”
Myth vs. Fact #5
“What about those death panels?”

MYTH
Advance Directives & Comparative Effectiveness
Thank you!
Appendix
State Medicaid Expansion

Where the States Stand on Medicaid Expansion
25 States, DC, Expanding Medicaid—December 20, 2013

Notes: Based on literature review as of 12/20/13. All policies subject to change without notice.

HHS has announced that states can obtain a waiver to use federal funds to shift Medicaid-eligible residents into private health plans.

The District of Columbia plans to participate in Medicaid expansion and will operate its own exchange.

Learn more about ACA implementation at advisory.com/daily-briefing
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State Marketplace Implementation

Figure 1. Status of 2014 Exchange Implementation

Coverage Eligibility In Illinois

Figure 2

Eligibility for Coverage as of 2014 Among Currently Uninsured Illinoisans

- Medicaid Eligible Adult: 36%
- Medicaid/CHIP Eligible Child: 10%
- Eligible for Tax Credits: 21%
- Unsubsidized Marketplace or ESI: 20%
- Ineligible for Coverage Due to Immigration Status: 15%
- Eligible for Coverage through Employer: 5%
- Uninsured: 15%

Total = 1.8 Million Uninsured Nonelderly Illinoisans

Notes: Shares may not sum to 100% due to rounding. People who have an affordable offer of coverage through their employer or other source of public coverage (such as Medicare or CHAMPUS) are ineligible for tax credits. Unauthorized immigrants are ineligible for either Medicaid/CHIP or Marketplace coverage.
Subsidy calculations allow people earning up to 400 percent of the federal poverty guidelines to receive help in paying for their insurance. The following table explains the 2013-2014 poverty guidelines.

Federal Poverty Guidelines Used to calculate Premiums, Cost-Assistance and Taxes in 2013 - 2014:

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<th>133%</th>
<th>150%</th>
<th>200%</th>
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<td>$52,708</td>
<td>$54,669</td>
<td>$59,445</td>
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<td>$5,548</td>
<td>$6,030</td>
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