Patient and Family Engagement Opportunities: Affordable Care Act

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North Carolina Institute of Medicine
shaping policy for a healthier state

Outline

- **ACA Coverage Provisions**
- Quality
- New Models of Care
- Improving Population Health

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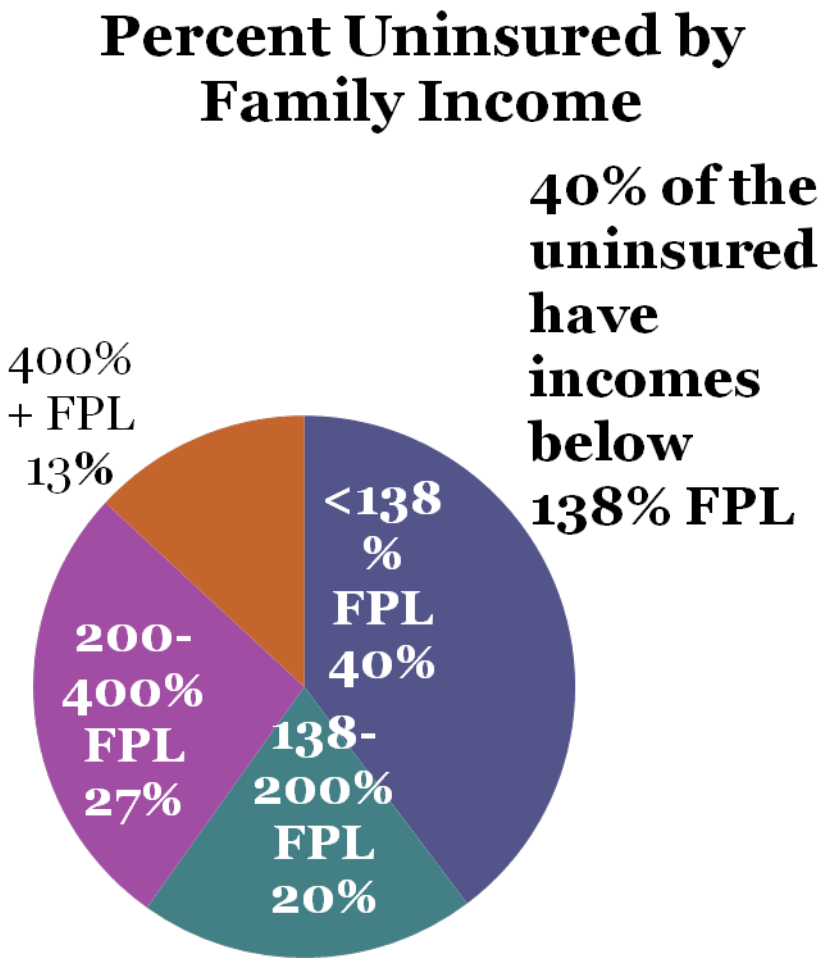
Uninsured in North Carolina

- More than 1.6 million nonelderly people were uninsured in North Carolina (2011-2012).
- Studies show that being uninsured has a profound impact on a family's health and economic wellbeing.



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More about Uninsured Adults

- Most uninsured adults (58%) have no more than a high school education:
  - 22% have less than a high school degree
  - 36% have a high school degree or GED
  - 25% have some college education
  - 17% are college graduates
- More than three-quarters (77%) of the uninsured have been uninsured for more than one year
  - 19% were uninsured for 1-2 years
  - 17% were uninsured for 3-4 years
  - 41% were uninsured for 5 years or more or never had insurance

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North Carolina Behavioral Risk Factor Surveillance Survey. 2011. http://www.schs.state.nc.us/SCHS/brfss/2011/nc/all/topics.html#unin.

Coverage Provisions *Pre*-Supreme Court Decision

- Most people will be required to have health insurance coverage in 2014. The ACA builds on our current system of providing health insurance coverage.
  - *Public coverage*: Many low income people with incomes <138% Federal Poverty Levels (FPL) would gain coverage through Medicaid.
  - *Employer-based coverage*: Most other people would get health insurance through their employer.
  - *Individual (non-group) coverage*: Some people would qualify for subsidies to purchase coverage on their own through the Health Insurance Marketplace.

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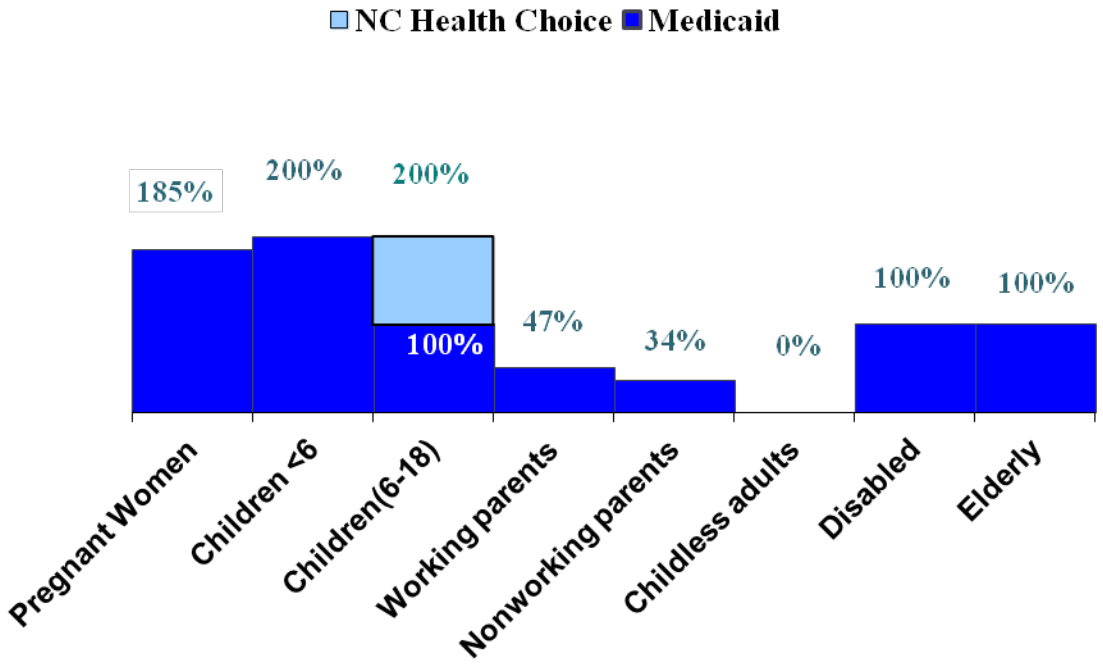
Supreme Court Challenge to ACA

- Supreme Court, in *National Federation of Independent Businesses vs. Sebelius*:
  - Upheld the constitutionality of the individual mandate (under Congress' taxing authority).
  - Struck down the government's enforcement mechanism for the Medicaid expansion, essentially creating a voluntary Medicaid expansion.
  - Left the rest of the ACA intact.

National Federation of Independent Businesses vs. Sebelius, 567 US ___ (2012)

Existing NC Medicaid Income Eligibility

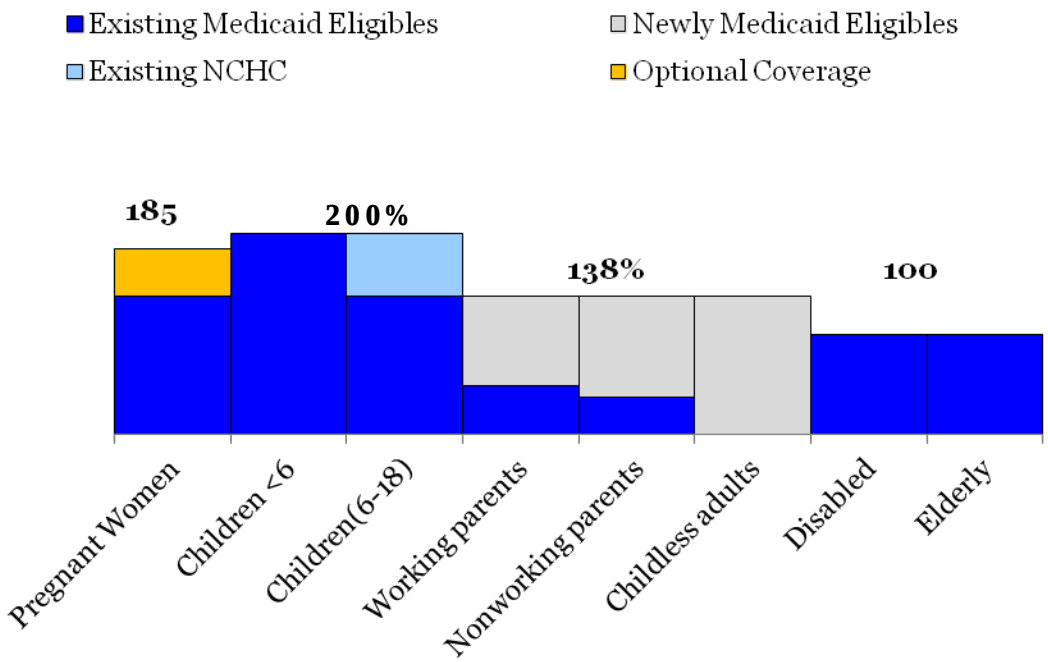
(2013) (Percent of Federal Poverty Level)



- Currently, childless, non-disabled, non-elderly adults can not qualify for Medicaid
- Because of categorical restrictions, Medicaid only covers 30% of low-income adults in North Carolina

Kaiser Family Foundation. State Health Facts. Calculations for parents based on a family of three. Note: 100% of the federal poverty levels (FPL) (2013) = $11,490/yr. (1 person), $15,510 (2 people), $19,530 (3 people), $23,550 (4 people)

NC Medicaid Income Eligibility *if Expanded* (2014)



- *Medicaid expansion would provide coverage to approximately 500,000 new eligibles in 2014, if the state chose to expand Medicaid.*
- *Even without expansion to <u>new</u> eligibles, an additional 70,000-90,000 people likely to enroll (currently eligible but not enrolled).*

Note: 138% FPL (2013)= $15,856/yr (1 person), $21,404 (2 people), $26,951 (3 people), $32,499 (4 people).

Employer Responsibilities

- Employers with 50 or more full-time employees required to offer insurance to the full-time employee and his/her dependents or pay penalty (Sec. 1201, 1513, amended Sec. 1003 Reconciliation)
- Employers with less than 50 full-time employees exempt from penalties. (Sec. 1513(d)(2))
  - Employers with 25 or fewer employees and average annual wages of less than $50,000 can receive a tax credit. (Sec. 1421, Sec. 10105)
- *Note: the requirement that employers offer health insurance coverage to their employees was delayed until 2015 and 2016.*

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Individual Mandate

- Most citizens and legal immigrants will be required to pay penalty if they do not have qualified health insurance, unless exempt. (Sec. 1312(d), 1501, amended Sec. 1002 in Reconciliation)
  - Penalties: Must pay the greater of: $95/person or 1% taxable income (2014); $325 or 2.0% (2015); or $695 or 2.5% (2016), increased by cost-of living adjustment*
  - No individual or family will have to pay more in penalties than they would have paid for the national average bronze plan.

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Individual Mandate and Exemptions

- Certain groups are exempt from the penalties, including:
  - Those who would have to spend more than 8% of their income for the lowest cost premium.
  - Individuals who would have been eligible for Medicaid (in states that choose not to expand Medicaid).
  - People who do not have to pay taxes because their income is too low.
  - Certain people with religious exemptions.
  - Undocumented immigrants.*
  - Prisoners, while incarcerated.

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*Undocumented immigrants are exempt from the coverage mandate because they are not allowed to purchase health insurance through the marketplace.

Federally Facilitated Marketplace

- In North Carolina, the federal government has created marketplace for individuals and small businesses (Sec. 1311, 1321)
- The marketplace:
  - Provides standardized information (including quality and costs) to help consumers choose between qualified health plans.
  - Links to provider directories.
  - Determines eligibility for the subsidy.
  - Facilitates enrollment for subsidized insurance, Medicaid and NC Health Choice through use of insurance navigators or certified application counselors.

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Subsidies to Individuals

- Subsidies to help pay for health insurance premiums is available to some individuals to purchase coverage through the Health Insurance Marketplace.
- Eligible individuals include those with incomes between 100-400% FPL on a sliding scale basis, *if* not eligible for government coverage or affordable employer-sponsored insurance (Sec. 1401)
  - Family Size 1: $11,670/yr. (100% FPL) - $46,680/yr. (400% FPL)*
  - Family Size 4: $23,850 - $95,400
- Most poor people (<100% FPL) not eligible for subsidies to purchase coverage in the Marketplace in states—like NC—that chose not to expand Medicaid.

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*2014 Federal Poverty Level

NC Qualified Health Plans

- Blue Cross Blue Shield of North Carolina (BCBSNC) is offering 26 plans
  - Three network plan designs (some networks have more limited choice of providers than others)
  - Plans are available in every county
- Coventry is offering 25 plans
  - Two network plan designs
  - Plans are available covering 39 counties

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Initial Enrollment Period

- Initial enrollment period runs from October 1, 2013 through March 31, 2014.
  - If someone fails to enroll during open enrollment period, s/he is not eligible until next open enrollment period.
  - Certain exceptions:
    - If someone is eligible for Medicaid or NC Health Choice, s/he can apply at any time during the year.
    - If someone meets other "qualifying event," s/he can apply for coverage in the Marketplace.
      - Examples: birth of child, divorce, loss of job or change in hours that would make person eligible for subsidy (or change in subsidy level)

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Importance of Enrollment Assisters

- Enroll America is helping to identify the uninsured and educate them about insurance options.
- Different types of people have been trained to help people enroll:
  - *Navigators.* Federal government contracted with four organizations (1 being a consortium of 11 different organizations).
  - *Certified application counselors.* Trained volunteers.
  - *Community health centers.* Community health centers received federal grants to hire people to help with enrollment.
  - *Agents/brokers.*
- All official enrollment assisters have to be trained and certified by federal government.

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Consumer Engagement Needed to Select a Marketplace Plan

- Enroll America, Navigator, FQHC, and Certified Application Counselor entities are all engaged in community outreach and education
  - Goal is to educate the public about the insurance options available under the ACA
  - Intent is to help them enroll in coverage
- There is a lot of confusion about the law; many of the uninsured are unaware of the law or the availability of subsidies

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Early Enrollment into Marketplace

- Between October 1, 2013 – March 1, 2014:
  - 390,925 North Carolinians were determined to be eligible to enroll into coverage. Of these:
    - 200,546 selected a marketplace plan
    - 55,691 assessed to be potentially eligible for Medicaid or CHIP
  - We do not know whether the people who enrolled were previously uninsured or had insurance coverage.
- North Carolina has the:
  - 5th highest enrollment in the country (based on actual numbers of people who have selected a marketplace plan).
  - Tied for 6th highest enrollment (based on the percentage of the population who were previously uninsured or who had purchased insurance coverage in the nongroup market).

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Quality

- *To Err is Human* estimated that preventable medical errors in hospitals led to between 44,000-98,000 deaths in 1997. (Institute of Medicine, 1999)
- People only receive about half of all recommended ambulatory care treatments. (E. McGlynn, et. al. *NEJM*, 2003; Mangione-Smith, et. al. *NEJM*, 2007)
- Quality provision of the PPACA are the cornerstone of parent & family engagement opportunities under the new law.

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Affordable Care Act

- The ACA directs the HHS Secretary to establish national strategy to improve health care quality. (Sec. 3011, 3012)
  - Funding to CMS to develop quality measures (i.e., health outcomes, functional status, transitions, consumer decision making, meaningful use of HIT, safety, efficiency, equity and health disparities, patient experience). (Authorizes $75M for each FY 2010-2014; Sec. 3013-3014)
  - Plan for the collection and public reporting of quality data. (Sec. 3015, 10305, 10331)
  - Begins paying providers on the basis of quality of care provided, not just volume (called "value-based purchasing").

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Example of New Quality-Related Payment Policies: Excess Readmissions

- Hospitals with excess readmissions (risk-adjusted 30-day readmission rates) are receiving lower Medicare payments (Sec. 3025)
  - Initially, CMS is tracking readmissions for pneumonia, heart failure, and heart attacks. Additional health conditions will be added in 2015.
  - DRGs reduced by up to 1% (FFY 2013), 2% (FFY 2014), and 3% (FFY 2015)
  - In NC, 59 hospitals were subject to a penalty (average reduction in DRG payments across all NC hospitals: 0.25%) (2013).

Kaiser Health News. Medicare Revised Readmissions Penalties-Again. March 14, 2013; Centers for Medicare and Medicaid Innovations.

Example of New Quality-Related Payment Policies: Hospital Value Based Purchasing (VBP) Program

- Beginning in 2013, hospitals had their Medicare payments increased or reduced depending on how well they perform on certain quality measures.
  - Payments or penalties based on how well hospital performs to peer institutions, and how much they improve over a baseline.
  - Hospitals examined on process of care, patient experience with care, outcomes, and efficiency measures

Physician Quality Reporting and Value-Based Purchasing

- Physicians that participate in Medicare will be required to report quality measures beginning in 2015, or have Medicare payments reduced by 1.5% (2015) and 2% (2016 and thereafter) (Sec. 3002)
- Medicare will begin "value-based payments" to some physicians beginning in 2015 based on quality and cost measures (Sec. 3007)
  - Some physicians will be paid more, others less, based on quality and costs
  - Payments will be cost neutral to federal government
- Data will be made available to the public on a physician compare website (Sec. 10331)

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Public Information Available for Consumers on Quality

- Hospital compare: http://www.medicare.gov/hospitalcompare/search.html
- Nursing home compare: http://www.medicare.gov/nursinghomecompare/search.html
- Physician compare: https://data.medicare.gov/data/physician-compare (Note: data not easily searchable by consumers)
- Data also available for home health and dialysis providers

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Does Greater Transparency Drive Consumer Health Care Decisions?

- In addition to reporting on quality of care measures, many states are moving towards greater transparency in costs.
- Many consumers do not use available quality and cost information in selecting health care providers.
  - Consumers not always aware of available quality or cost data.
  - Many consumers equate higher costs with better care.
  - Information not always presented in a way where it is easy for consumers to use.

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New Models of Care

- ACA includes new opportunities to test new models of care delivery and payment models in Medicare and Medicaid to improve quality, health, and reduce unnecessary health care expenditures
- Once new models are shown to work in different communities and with different delivery systems, Secretary of HHS has the authority to implement broadly in other communities.

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Affordable Care Act

- New models of care will reward health professionals and health care systems for:
  - 1) Improving population health
  - 2) Improving health care quality and health outcomes
  - 3) Reducing health care costs
- Some of the new models being tested in North Carolina (and nationally) include: patient centered medical homes, bundled payments, and accountable care organizations.

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ACO: Overview

- An ACO is an organization of eligible providers and suppliers who are accountable for the quality, cost, and overall care of the an assigned group of enrollees (eg, Medicare beneficiaries).
- ACOs can share Medicare savings with the federal government IF:
  - The ACO complies with all the ACO requirements, AND
  - The ACO meets quality standards, AND
  - The ACO has measured savings below a calculated threshold
- Two models in NC: Shared Savings Program, Advance Payment Model (for rural)

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North Carolina ACOs

- There are 14 ACOs located across NC. A few of the ACOs include:
  - Accountable Care Coalition of Caldwell County
  - Accountable Care Coalition of Eastern NC
  - CaroMont Medical Group (Gastonia)
  - Coastal Carolina Quality Care (New Bern)
  - Cornerstone Health Care (Triad)
  - Duke Connected Care
  - Physicians Helathcare Collaborative (Wilmington)
  - Triad Healthcare Network (Triad)
  - WakeMed Key Community Care (Raleigh)

ACOs Need Patient Activation to Be Successful

- ACOs will save money by helping keep patients healthy and out of hospitals
- ACOs will need to engage patients and families to:
  - Reduce unnecessary hospitals and use of the emergency department
  - Prevent unnecessary readmissions
  - Better manage chronic and complex health problems
- ACOs also allow for a change in incentive to fundamentally alter the way health care is delivered and the incentives.

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ACA Does More Than Expand Insurance Coverage….

- The goal of any health care system should be to help improve the health of a population.
- North Carolina ranks 35th of the 50 states and DC in population health measures in 2012. (America's Health Rankings, 2013)
  - North Carolina has significant health disparities that impact on population health based on race and ethnicity, geography, income, age, etc.

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Affordable Care Act

- Prevention and Public Health Trust Fund to invest in prevention, wellness, and public health activities (Sec. 4002)
  - ACA initially appropriated $500 million in FY 2010 increasing to $2 billion over time.*
  - Creates a national prevention, health promotion, and public health council to establish public health and prevention priorities for the country (Sec. 4001)
  - Priority areas include: tobacco free living, preventing drug abuse or excessive alcohol use, health eating, active living, injury and violence free living, reproductive and sexual health, and mental and emotional wellbeing.

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* Will reach $2 billion in 2022.
http://www.healthcare.gov/prevention/nphpphc/strategy/report.pdf.

ACA Opportunities to Improve Population Health

- North Carolina has received ACA funds to support greater investment in prevention and health promotion.
  - Many of these initiatives include efforts to engage consumers in their own health.
- Example: North Carolina $6.7 million (current) to support evidence-based maternal and infant, early childhood home visiting programs (MIECHV).
  - Trained professionals work with families with young children to promote parenting skills to support programs and infrastructure.

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Conclusion

- Patient and family engagement needed to successfully:
  - Enroll people into health insurance, and understand how to navigate the health system
  - Use quality of care and cost data to promote high quality health services
  - Help identify strategies to improve quality of care and reduce unnecessary expenditures
  - Improve overall population health

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Thanks

- The NCIOM would like to thank the following North Carolina foundations for their support of ACA educational sessions
  - The Duke Endowment
  - Kate R. Reynolds Charitable Trust
  - Cone Health Foundation
  - Reidsville Area Foundation

Questions

For More Information

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Sliding Scale Subsidies

Individual or family income	Maximum premiums (Percent of family income)	Out-of-pocket cost sharing:*	Out-of-pocket cost sharing limits (2014)**
100-133% FPL	2% of income	6%	$2,250 (ind)/$4,500 (more than one person)
133-150% FPL	3-4%	6%	$2,250 / $4,500
150-200% FPL	4-6.3%	13%	$2,250 / $4,500
200-250% FPL	6.3-8.05%	27%	$5,200 / $10,400
250-300% FPL	8.05-9.5%	30%	$6,350/ $12,700
300-400% FPL	9.5%	30%	$6,350/ $12,700
400% + FPL	No limit	30%	$6,350 / $12,700

*Out-of-pocket cost sharing includes deductibles, coinsurance, and copays, but does not include premiums, noncovered services, or services obtained out of network.
Subsidies tied to the second lowest cost silver plan in the market.

2014 Federal Poverty Guidelines

Family Size	100% Federal Poverty Level (FPL)	138% FPL	200% FPL	250% FPL	400% FPL
1	$11,670	$16,105	$23,340	$29,175	$46,680
2	$15,730	$21,707	$31,460	$39,325	$62,920
3	$19,790	$27,310	$39,580	$49,475	$79,160
4	$23,850	$32,913	$47,700	$59,625	$95,400
Each add'l	$4,060	$5,603	$8,120	$10,150	$16,240

Office of the Assistant Secretary for Planning and Evaluation. 2014 Poverty Guidelines. http://aspe.hhs.gov/poverty/14poverty.cfm

NCIOM Health Reform Resources

- Ushering in a New Era in Health Care. http://www.ncmedicaljournal.com/archives/?new-era-in-health-care
- Implementation of the Affordable Care Act in North Carolina. http://www.nciom.org/wp-content/uploads/2011/03/HR-Interim-Report.pdf
- Implementation of the Affordable Care Act in North Carolina. *NCMJ*, May/June 2011;72(2):155-159. http://www.ncmedicaljournal.com/wp-content/uploads/2011/03/72218-web.pdf
- What Does Health Reform Mean for North Carolina? *NCMJ*, May/June 2010;71:3 http://www.ncmedicaljournal.com/archives/?what-does-health-reform-mean-for-north-carolina
- NCIOM: North Carolina data on the uninsured http://www.nciom.org/nc-health-data/uninsured-snapshots/

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National Health Reform Resources

- Patient Protection and Affordable Care Act. Consolidated Bill Text
  http://docs.house.gov/energycommerce/ppacacon.pdf
- US Health Reform website
  www.healthcare.gov
- National Federation of Independent Business v. Sebelius
  http://www.supremecourt.gov/opinions/11pdf/11-393c3a2.pdf
- Congressional Budget Office. Selected CBO Publications Related to Health Care Legislation, 2009-2010.
  http://www.cbo.gov/ftpdocs/120xx/doc12033/12-23-SelectedHealthcarePublications.pdf
- Kaiser Family Foundation
  http://healthreform.kff.org/
- SOPHE Issue Brief. Affordable Care Act : Opportunities and Challenges for Health Education Specialists. April 2013.
  http://www.sophe.org/Sophe/PDF/ACA-Opportunities-and-Challenges-for-Health-Educators-FINAL.pdf

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Important Contact Information

- Federal website to apply:
  - www.healthcare.gov
    cuidadodesalud.gov (for Spanish)
- North Carolina website to apply
  - Epass.nc.gov
- Paper applications can be accessed at:
  http://marketplace.cms.gov/getofficialresources/publications-and-articles/publications-and-articles.html
- To make appointment with NC navigator or Community Health Center for assistance
  - 1-855-733-3711 (will begin taking appointments October 14)
  - Federal website: localhelp.healthcare.gov

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