



## Health Care Public Policy: Recent Developments

Lisa Ellinger  
VP Public Policy

Wisconsin Hospital Association

May 17, 2018



---

---

---

---

---

---

---

---



## Agenda:

- ACA: State and Federal Activity
- Medicaid: State and Federal Activity
- WHA Member Priorities



2

---

---

---

---

---

---

---

---



## ACA Impacts

Uninsured Rate Down  
Significantly Since 2013



3

---

---

---

---

---

---

---

---



# ACA Impacts

## Evolving Exchange Market



7

---

---

---

---

---

---

---

---

Change in Number of Insurers Participating by County, 2017 to 2018



- 225,435 enrolled on exchange in 2018**
- Many, previously on Medicaid or uninsured
  - 37% from rural areas – double national rate
  - 82% (197,800) received premium subsidy in 2017
  - 51% received cost sharing reduction (CSR) subsidy in 2017, currently eliminated.

**HOWEVER ... premiums up, participating plans and enrollment down in 2018**

- Avg. premium increase in WI 36% in 2018
- 11 plans in 2018 v. 15 in 2017



8

---

---

---

---

---

---

---

---

# Solutions?

## State-Based Solutions to Stabilize the Individual Market



9

---

---

---

---

---

---

---

---

WISPOLITICS.COM

Health Care Report

From WisPolitics.com/WisBusiness.com ...

-- In response to the news that Wisconsin premiums for insurance plans will increase 36 percent on average in 2018, WHA President Eric Borgerding is calling for Gov. Scott Walker to "explore equitably funded, state-level solutions that empower Wisconsin to strike its own path if necessary."

"If Washington, D.C. fails to deliver on its promise of repealing and replacing Obamacare, we will explore our options in seeking greater flexibility from the federal government to help lower costs for Wisconsin citizens."

- Gov. Walker, 10/12/17



10

Series of horizontal lines for handwritten notes.

Reinsurance Proposal: 1332 Waiver

- Health Care Stability Plan; Act 138
- Draft waiver released March 13, 2018
- OCI Public Hearings late March through early April
- Comments due April 14, 2018
- Waiver submission April 19, 2018
- Target CMS approval September 2018
- 2019 implementation
- Other states: Alaska, Minnesota, Oregon



11

Series of horizontal lines for handwritten notes.

Reinsurance Proposal: Objectives

- Individual market stability
  - Insurers leaving the market
- Contain premium increases
  - Average rate increase for 2018: 36%



12

Series of horizontal lines for handwritten notes.



### Reinsurance Proposal: Key Provisions

- Committed to \$200m program – change would require legislative approval
- \$166m federal, \$34m state -- assumes MA savings
- Reinsurance will cover 50% of \$50-250k claims; OCI sets rate
- 2019 premiums estimated 10.1% lower with reinsurance; 5% **decrease** for 2019



13

---

---

---

---

---

---

---

---

---

---

---

---



### Federal ACA Activity CMS Rules and Guidance



14

---

---

---

---

---

---

---

---

---

---

---

---



### Final 2019 Payment Notice Rule

- Annual CMS omnibus rule – all major changes planned for the next marketplace plan year
  - Most provisions apply to 2019
  - Insurers must submit 2019 QHPs to CMS by June 20, 2018
- Administration Goals:
- State flexibility
  - Reduction of regulatory burden
  - Improved affordability



15

---

---

---

---

---

---

---

---

---

---

---

---



**CMS Rules & Guidance**

**Essential Health Benefits (EHB)**

State flexibility in EHB-benchmark plan selection (annually)

- 2020 plan year implementation
- Maintains coverage of 10 EHBs (e.g. maternity, mental health)
- No impact on state-mandated benefits




---

---

---

---

---

---

---

---

---

---



**CMS Rules & Guidance**

**Essential Health Benefits (EHB)**

Options:

- Adopt 2017 benchmark from another state
- Replace benefit categories from another state plan
  - must maintain actuarial equivalence
- Build from scratch – must align with “typical employer plan” (min); must pass “generosity test” (max)




---

---

---

---

---

---

---

---

---

---



**CMS Rules & Guidance**

**Qualified Health Plan (QHP) Certification Standards**

- Returns review/enforcement of network adequacy to states
- Eliminates standardized plan options (federal exchange)
  - previously encouraged, but not required
  - intended to ease comparisons for enrollees




---

---

---

---

---

---

---

---

---

---



### CMS Rules & Guidance

#### Reduced regulatory burden for insurers

##### Premium increases

- 2019 implementation
- 15% increase triggers review (currently 10%)

##### Medical Loss Ratio (MLR)

- Currently 80% (individual / small group); triggers rebates
- 2019 states can request changes to stabilize markets

##### Quality Improvement Activities

Option to report .8% of premium vs tracking & reporting




---

---

---

---

---

---

---

---

---

---



### CMS Rules & Guidance

#### Guidance on Hardship Exemptions

- Allows enrollees to drop 2018 coverage without individual mandate penalty
- "Hardship exemption" in locations with one or no marketplace insurers (can be retroactive to 2016)
- Wisconsin counties with only one insurer include: Brown, Door, Kewaunee, Manitowoc, Marinette, Menominee, Oconto, Rusk, Sheboygan, Waupaca, Waushara
- 2019: Individual mandate eliminated




---

---

---

---

---

---

---

---

---

---



### 2019 Medicare Hospital Inpatient Prospective Payment System (IPPS) Proposed Rule

#### Hospital rate changes

- uncompensated care payments will increase by \$1.5 billion compared to fiscal 2018

#### Price transparency

- hospitals required to publish a list of standard charges online; rule specifically seeks feedback on what information should be reported

#### Meaningful measures

- numerous measures deemed duplicative, excessively burdensome or "topped out" are eliminated

#### Meaningful use update

- meaningful use will shift to a focus on interoperability and flexibility, and the rule specifically seeks feedback on enhancing interoperability




---

---

---

---

---

---

---

---

---

---



**2019 Medicare Hospital Inpatient Prospective Payment System (IPPS) Proposed Rule**

- Effective 10/19
- WHA analysis/comment underway
- Comment period closes June 25




---

---

---

---

---

---

---

---



**Medicaid**

State Activity: 1115 Waiver



23

---

---

---

---

---

---

---

---



**1115 Waiver**

- BadgerCare Reform Demonstration Project
- Approved 2013, Expires 12/31/18
- Childless adult population, <100% FPL
- WHA comment letter to DHS 1/5/18
- Waiver Extension Application submitted to CMS 1/19/18




---

---

---

---

---

---

---

---







**1115 Waiver**

**Eligibility**

- 48-month limit
- exceptions: employment/training >80 hours/mo, >49 y.o., mental illness, SSDI, caregiver, physically/mentally unable, UI, AODA treatment, 1/2 time student

**WHA requests**

- expand exemptions (e.g. dealing w major medical condition)
- add community service as acceptable activity
- evaluation of impacts




---

---

---

---

---

---

---

---



**1115 Waiver**

**Wellness**

- HRA completion required
- no risk = reduce premium 1/2 (for those above 50% FPL)

**WHA requests**

- ensure timely appropriate usage
- consider exemptions and additional incentives




---

---

---

---

---

---

---

---



**1115 Waiver**

**Drug screening/testing/treatment**

- drug screening/testing required
- test positive, must enter treatment
- waive IMD exclusion to allow residential coverage up to 90 days

**WHA requests**

- incentives vs ineligibility
  - consider availability of treatment programs/providers
  - increase behavioral health reimbursement
- IMD: clarify broad interpretation/application




---

---

---

---

---

---

---

---



1115 Waiver

Health Savings Accounts

- January 2018 Special Session AB 9
- requires DHS to submit waiver to establish HSA for all except elderly, blind, disabled, child

WHA questions

- limited detail in statute
- lacking clarity on funding (premiums?), which participants




---

---

---

---

---

---

---

---

---

---



Medicaid

National Activity: 1115 Waivers



32

---

---

---

---

---

---

---

---

---

---



Other States / Issues

- Lifetime limits:** Kansas **rejected**
- Work Requirements:** Arkansas, Indiana, Kentucky\*, New Hampshire **approved**
- Expansion Changes:** Arkansas on hold

\*lawsuit underway




---

---

---

---

---

---

---

---

---

---



## WHA Member Priorities

2017 CEO Survey



34

---

---

---

---

---

---

---

---



### Top Issues That "Keep You Up at Night"

1. Workforce Shortages
2. Uncertainty in the Insurance Market
3. Government Underpayments

### Greatest Concerns if Congress Does Nothing to Address Insurance Market

- Insurance costs will increase, people will become uninsured
- ED utilization will increase
- Uncompensated care will rise



WHA's Members Want **STABILITY and (relative) CERTAINTY**



35

---

---

---

---

---

---

---

---



## WHA Councils, Committees, Task Forces

### Standing Councils/ Committees

- Advocacy Committee
- Audit & Investment Committee
- Board Subcommittee on Health Care Reform
- Council on Finance & Payment
- Council on Rural Health
- Council on Public Policy
- Council on Workforce Development
- Physician Leaders Council

### Work Groups and Task Forces

- Quality Measures Group
- Network Adequacy Council
- Behavioral Health Task Force
- Transparency Task Force
- **Medicaid Policy Work Group**
- Telemedicine Work Group
- Opioid Taskforce
- Post Acute Care Working Group
- Special Needs Dental Patients Work Group



---

---

---

---

---

---

---

---



### WHA Medicaid Policy Work Group

Focus areas:

- Reimbursement
- Managed Care
- Access, Utilization & Population Health

***Consider delivery of services  
across the continuum of care***



37

---

---

---

---

---

---

---

---



### Topic #1: Reimbursement

*Which areas of Medicaid reimbursement would provide the most value to your organization?*




---

---

---

---

---

---

---

---



### Topic #2: Managed Care

*What aspects of Medicaid managed care are of most concern for your organization?*




---

---

---

---

---

---

---

---

