



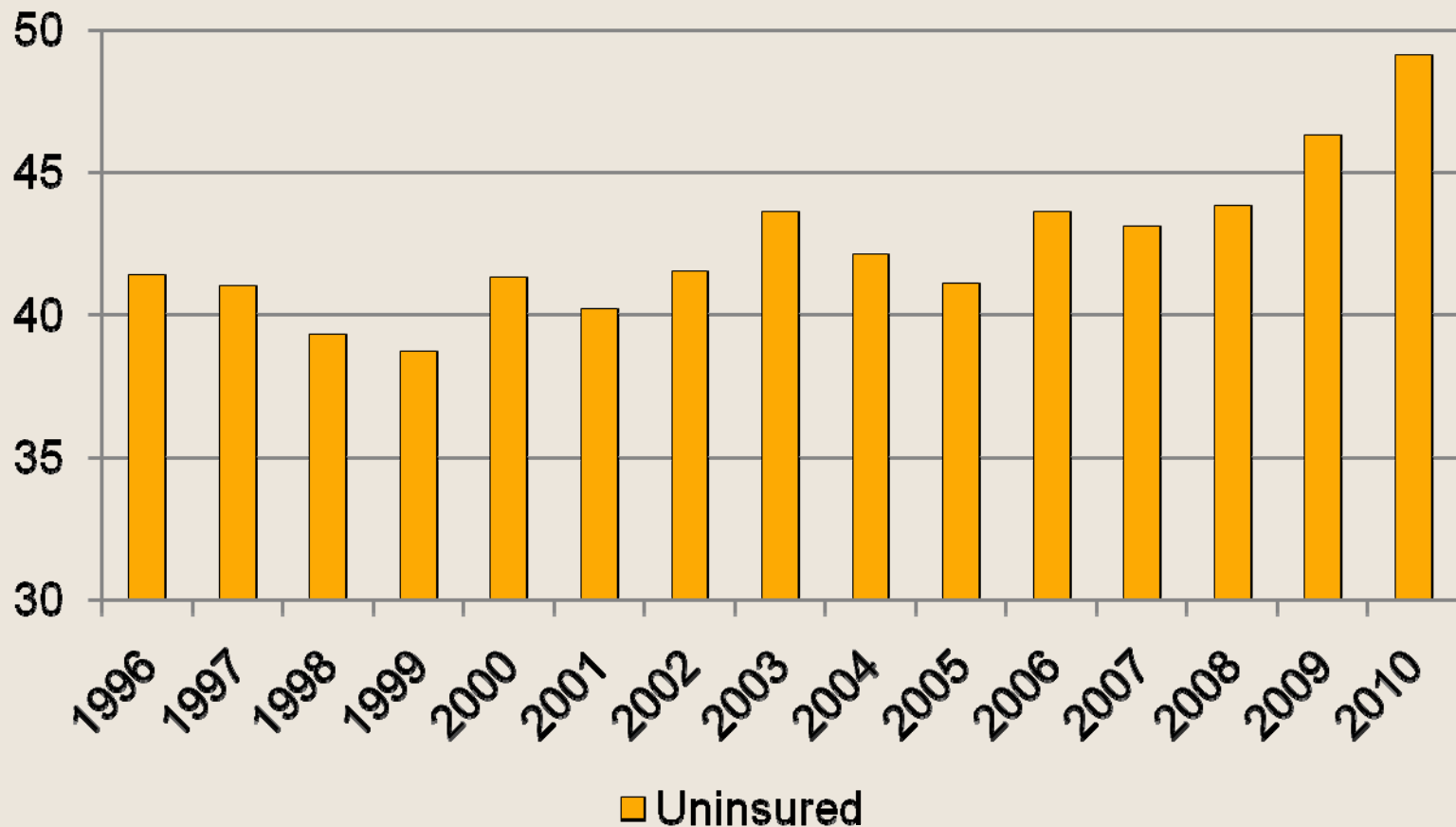
National Health Care Reform: Impact on Oklahoma

Garth L. Splinter, MD, MBA
State Medicaid Director
Oklahoma Health Care Authority
April, 2011

www.okhca.org

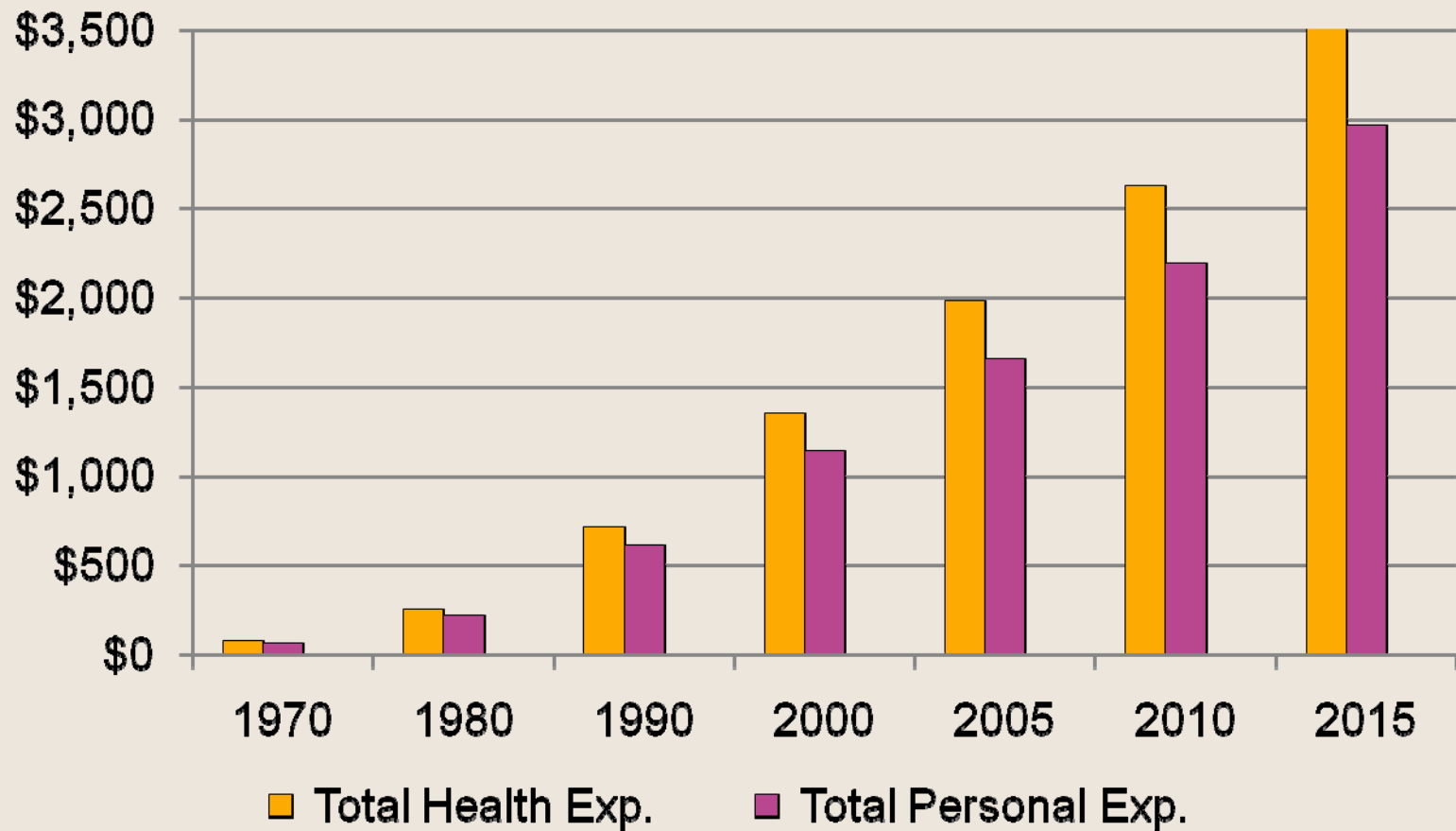


Uninsured (Millions)



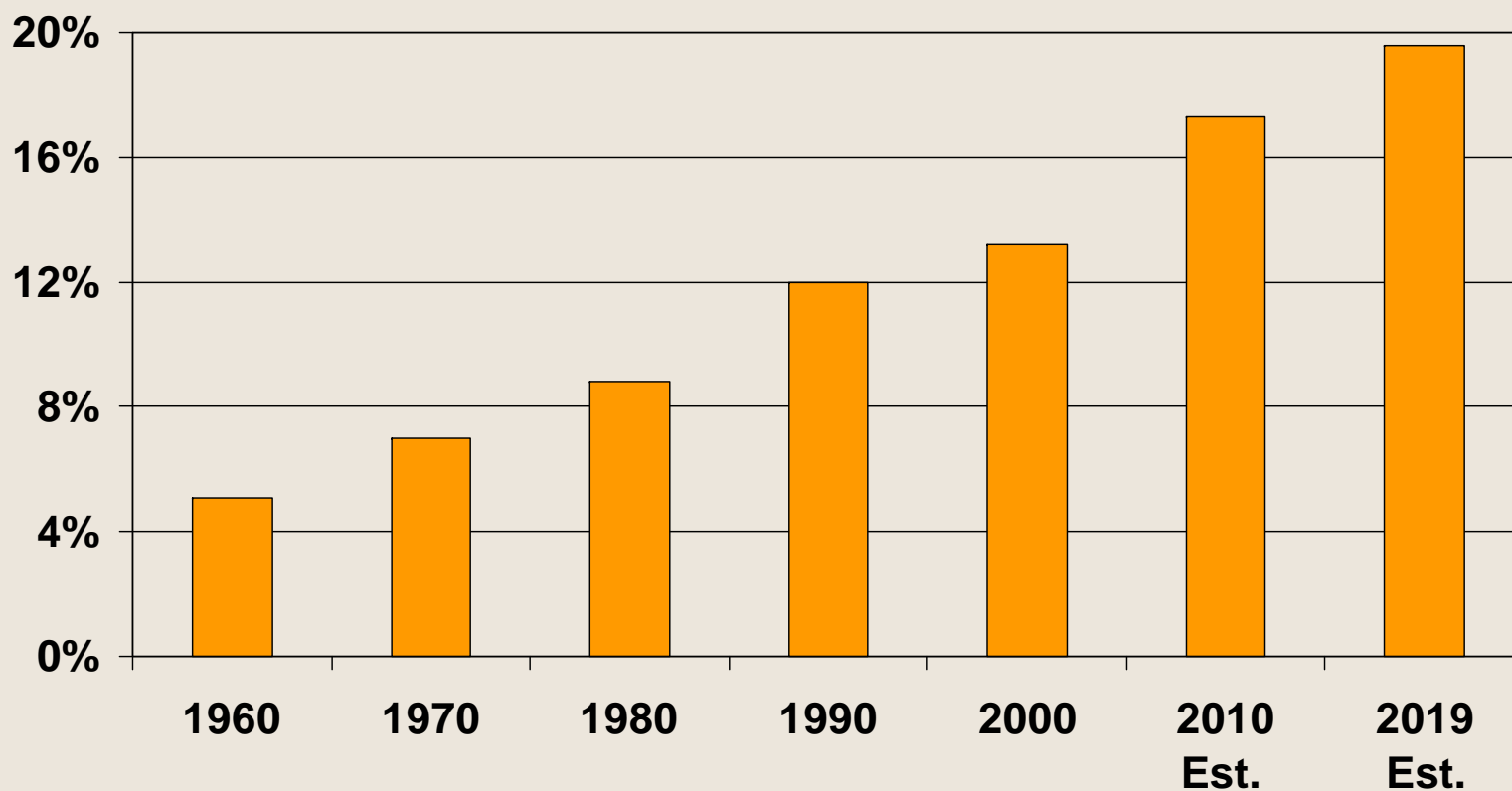


US Health Expenses (Billion \$'s)





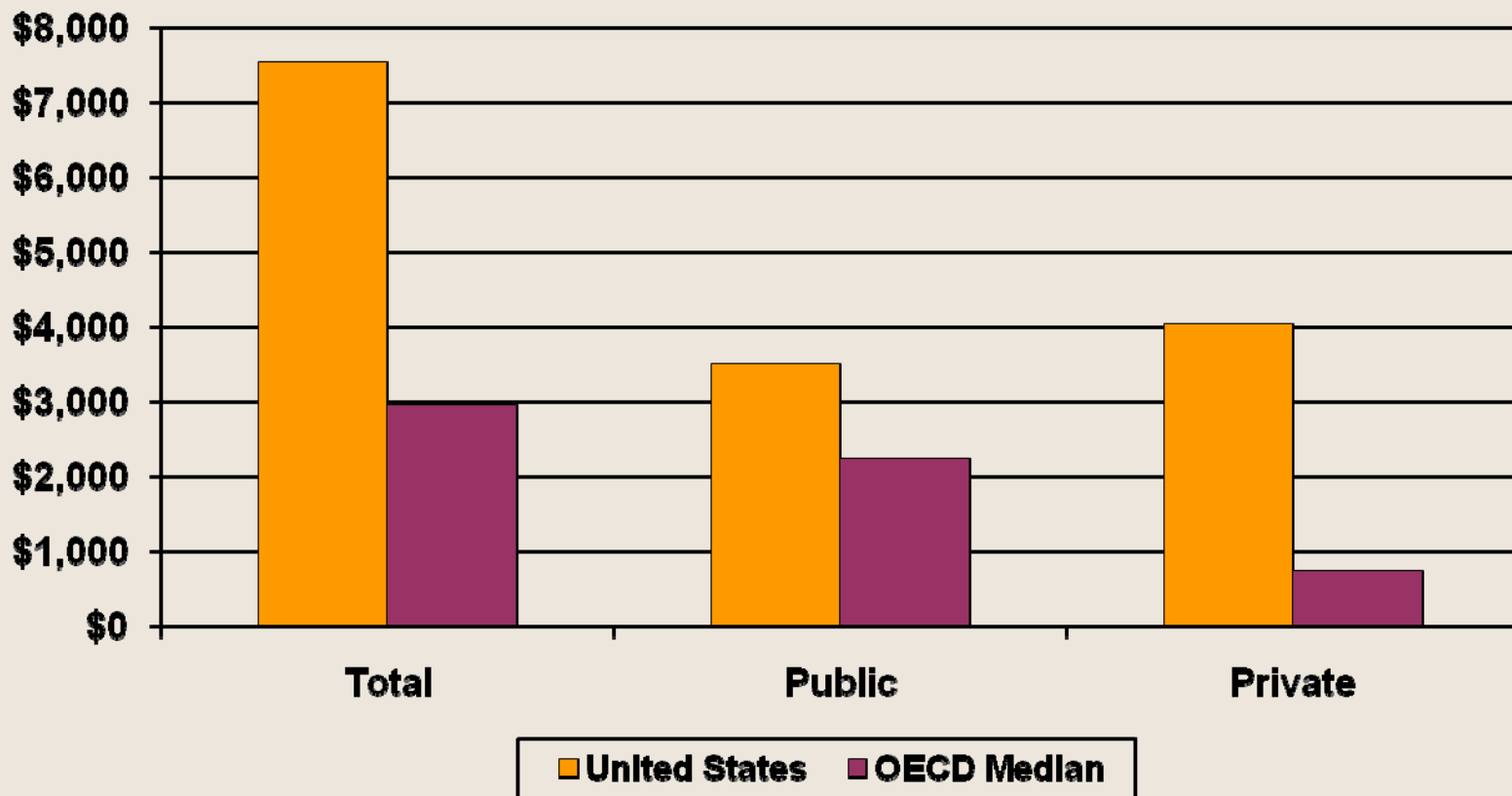
US Health Expenditures as a % of GDP





Total Health Expenditures

US vs. Other Countries –
Annual Health Spending per Person, \$'s, 2008



Based on 18 of the 25 non-US OECD countries reporting; not adjusted for population.



Outcomes

Country	Expected healthy life span in years (2007)	Total expenditure on health as % of GDP (2008)
France	73	11.1
Italy	74	9.0
Japan	76	8.1
UK	72	9.0
Germany	73	10.4
Canada	73	10.3
US	70	16



Patient Protection and Affordable Care Act (ACA)

- 906 Pages
- Became law March 23, 2010
- Approximately 405 provisions
- Implementation from 2010 through 2018
- Provisions focus on:
 - expanding coverage,
 - reform of health insurance,
 - controlling health care costs, and
 - improving the health care delivery system.



ACA Specifics, 1

Most Notable Provisions:

- Requires most U.S. citizens and legal residents to have health insurance;
- Create exchanges for individuals (133 - 400% FPL) and small businesses (up to 100 employees);
- Some employers (> 50 employees) pay penalties for some employees not covered at work;
- Expand Medicaid to 133% of FPL (family of 3 - \$24,645).



ACA Specifics, 2

- Employers with > than 200 employees must automatically enroll them at work;
- Premium credits for individuals and families between 133 - 400% FPL are given for purchase through the exchange;
- Exchange categories of plans offered for individual and small group markets (Bronze, Silver, Gold, Platinum, and Catastrophic-with restrictions).



ACA Specifics, 3

- Guaranteed issue and renewability of private insurance (rating variation allowed for age, area, family size, and tobacco use);
- Dependent coverage for children up to age 26 for all individual and group policies;
- No lifetime limit on coverage and no cancelling coverage except in cases of fraud;
- Various Medicare changes.



ACA Specifics, 4

Miscellaneous:

- For 2013 and 2014 Medicaid must pay primary care doctors 100% of Medicare fee schedule;
- Private policies may not have a > 90 day waiting period;
- States must establish a consumer assistance office (advocate) for people with private insurance.



ACA Specifics, 5

- Development of National Centers of Excellence for Depression;
- Mental Health and Substance Abuse populations, prevention, and treatment services;
- Develop a national quality improvement strategy;
- Develop programs for post-partum depression mothers and family.



ACA Specifics, 6

- Grants to states to study medical malpractice tort reform;
- Cover proven preventive services and eliminate cost-sharing for preventive services in Medicare and Medicaid;
- Require chain restaurants and vending machines to disclose the nutritional content of each item;
- New excise tax on high cost insurance estimated to raise \$32 billion over ten years.



Congressional Budget Office Estimates

- An additional 32 million persons covered by 2020;
- Additional cost will be \$938 billion over ten years;
- Costs are financed through savings from Medicare and Medicaid and new taxes and fees;
- The deficit will be reduced by \$124 billion over ten years.



ACA Challenges, 1

5 cases have addressed the constitutionality of the ACA:

- | | | |
|------------|----------------|------------------|
| • Michigan | October, 2010 | constitutional |
| • Virginia | November, 2010 | constitutional |
| • Virginia | December, 2010 | unconstitutional |
| • Florida | January, 2011 | unconstitutional |
| • D.C. | February, 2011 | constitutional |



ACA Challenges, 2

Unconstitutional argument- the Supreme Court has never found that NOT BUYING something is economic activity.

Constitutional argument- NOT BUYING insurance is not inactivity, but a decision to try to pay for health care later out of pocket, rather than now, with insurance. The totality of these economic decisions has a substantial impact on the national health care market, shifting costs onto other market participants, driving up the price of other insurance policies.

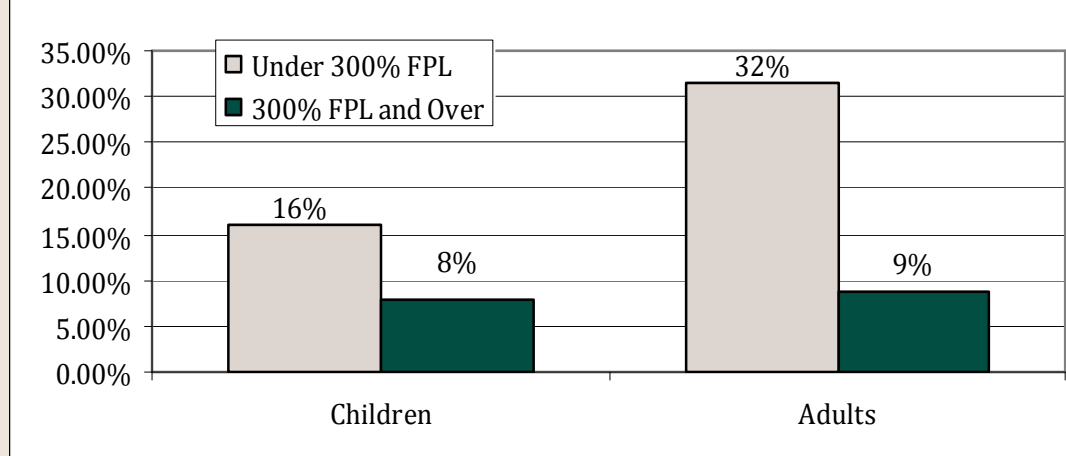


Oklahoma's Uninsured

Oklahoma Uninsured 2009

Total	18% (658,011 persons)
Children (0-18)	13% (129,755 children)
Adults (19+)	20% (528,256 adults)

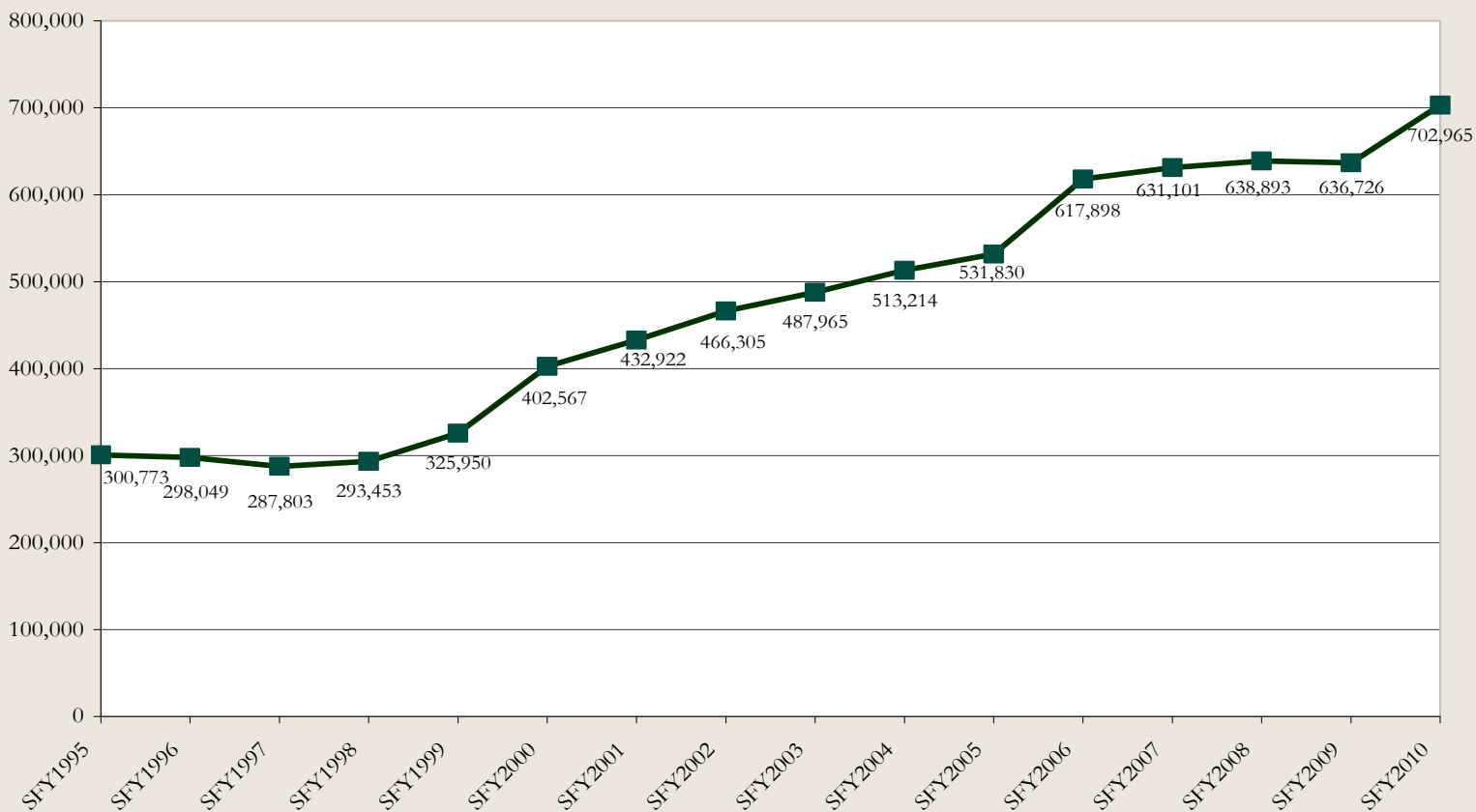
*Children and Adult Uninsured Rates
by FPL in Oklahoma (2009)*





Historic Average Enrollment

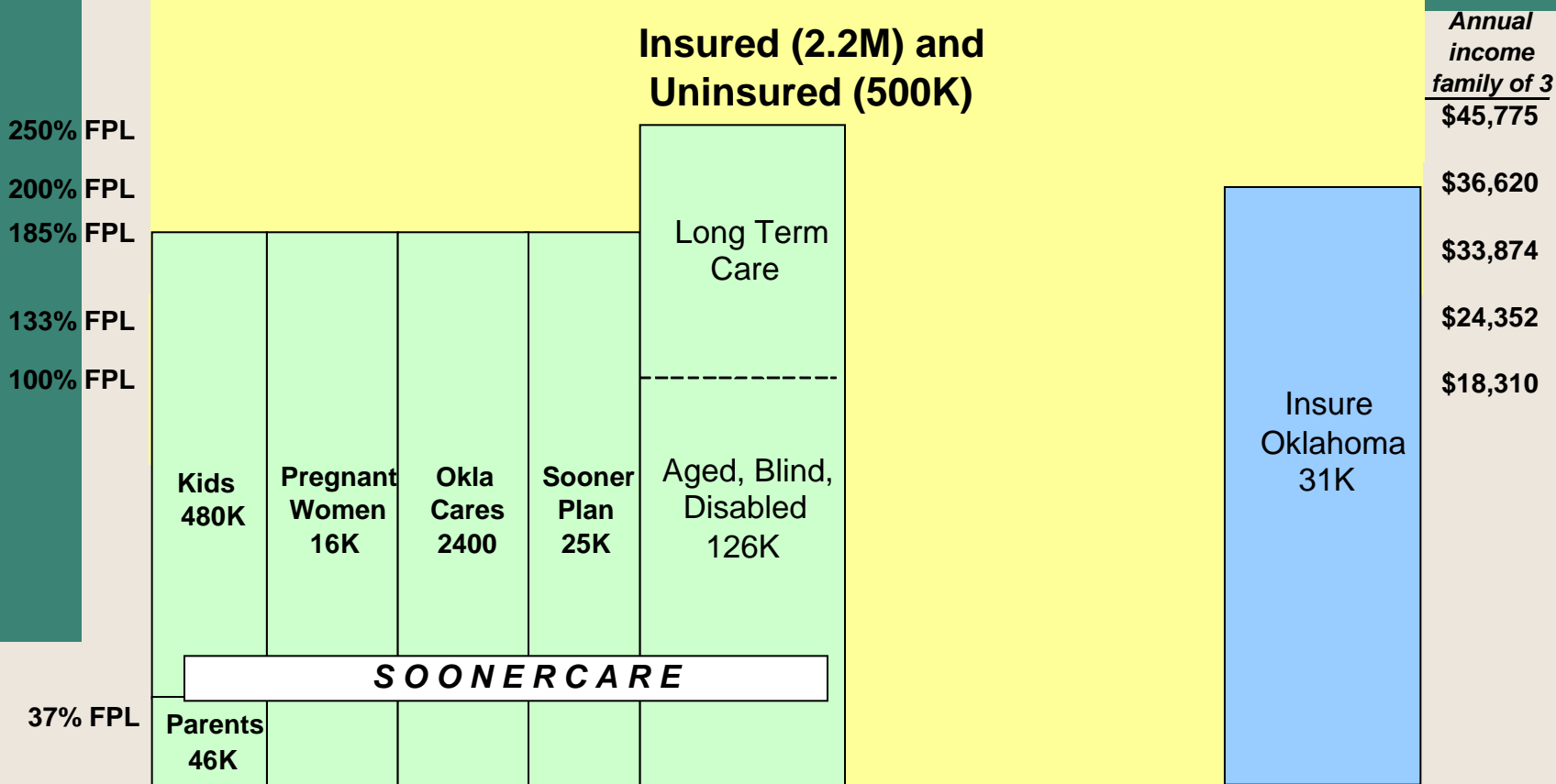
Historic Average SoonerCare Enrollment Per Month



Data prior to SFY2000 is from the OKDHS County Summary Report. During SFY1998 Title 19 expansion and CHIP were implemented. SoonerPlan and Oklahoma Cares enrollment began in the last half of SFY2005. In SFY2006 OHCA implemented 12 month certifications and TEFRA.

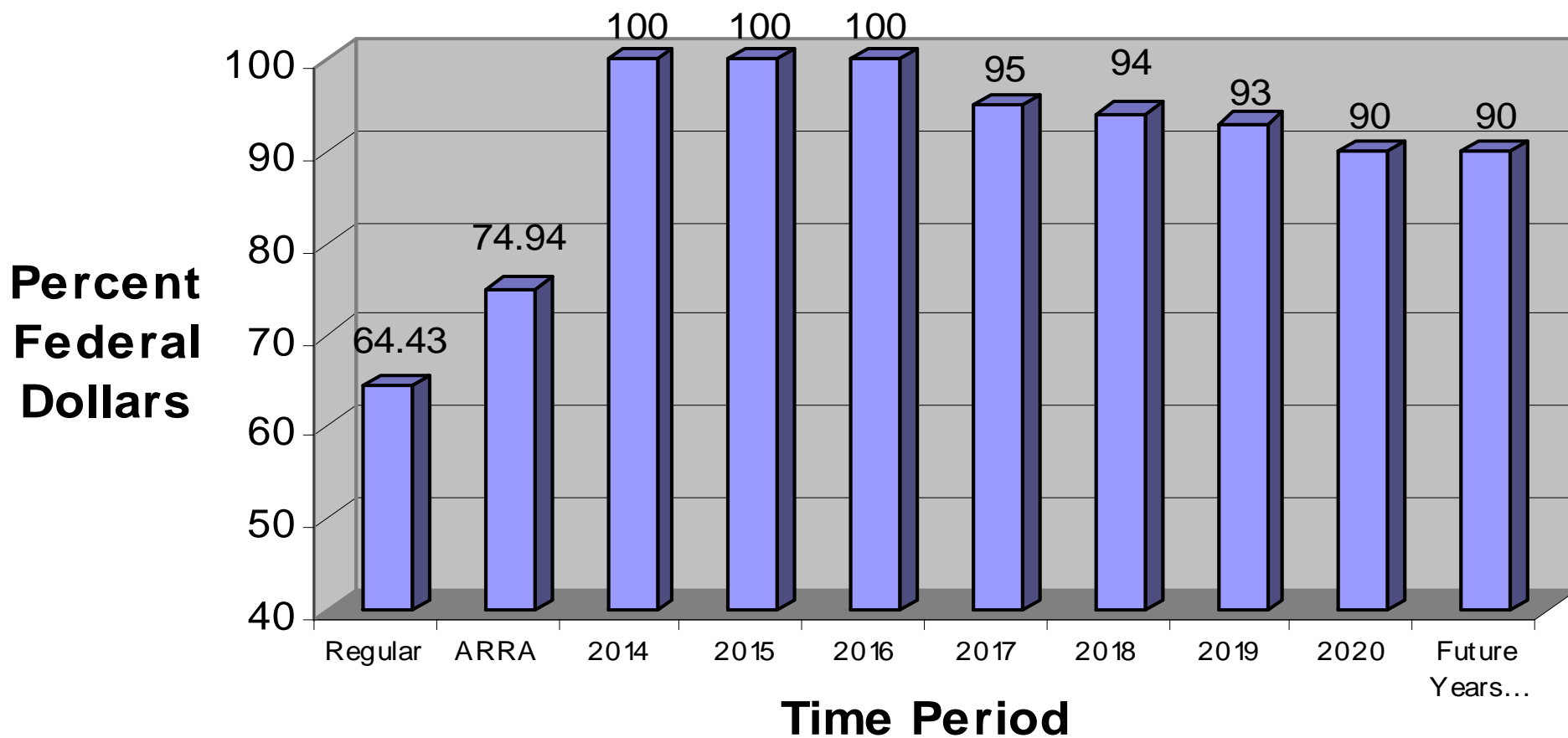


Current Categorical Eligibility





Federal Match Rate for Newly Qualified Under ACA





Grant Funding-Current and Potential

Affordable Care Act	\$1M grant - insurance exchange planning
CMS Medicaid EHR Incentives (SB 539-Whitehouse) BH Information Technology Act	\$298M to Physicians and Hospitals SB 539- to add MH & SA Providers, CMHC, Psych hospitals
Health Information Exchange	\$8.9M to date
Early Innovator Grant	\$54.6M
ARRA Regional Extension Center	\$5.5M
ARRA Beacon Community Grant	\$12M
Workforce Grants	\$10M for LBHPs and \$5M for paraprofessionals
Broadband Grants	Ten grants some span more than 1 state - \$158M
Medicaid ER Psychiatric Demo Projects	Adults 21-64 in Institution For Mental Diseases for 72 hour stabilization
Health Homes for Chronic Conditions	
Primary Care & BH Co-Location Awards	
Community Prevention Wellness Transformation Grants	



QUESTIONS?

National Health Care Reform: Impact on Oklahoma

Garth L. Splinter, MD, MBA

State Medicaid Director

Oklahoma Health Care Authority

April, 2011

www.okhca.org