

NAMI and Federal Health Insurance Reform Legislation

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Federal Health Reform Legislation

- Move toward universal coverage
- "If you like what you have, you can keep it"
- Must not add to the deficit over 10 years
- Health Insurance Exchange
- Individual coverage mandate and "pay or play" mandate for large businesses
- Tax credits for small businesses
- Subsidies for low-income, and
- Medicaid expansion up to 133% of FPL with 100% federal match



Federal Health Reform Legislation

- Market reforms including guaranteed issue, no preexisting condition exclusions, no annual or lifetime limits on coverage, caps on cost sharing, limits on higher premiums based on health status, gender
- Cost containment and improved efficiency
- Investments in prevention and wellness
- Workforce development and investment primary care
- "Downpayments" included in economic stimulus package:
 - SCHIP reauthorization signed into law in February
 - Increased focus on primary care and prevention
 - Health IT but CMHCs excluded
 - Comparative effectiveness research



Health Reform – Process & Status 5 Congressional Committees Have Completed Action – HR 3200 & S 1679

- Senate Finance on October 13
- Senate HELP on July 15
- House Education & Labor on July 17
- House Energy & Commerce on July 31
- House Ways & Means on July 16
- House vote expected by the end of October simple majority vote, limited debate
- Senate could begin debate next week 60 votes needed to limit debate and pass the bill



Big Controversial Issues Remain

- Will it be "paid for" or "budget neutral"
- CBO cost scoring remains a huge barrier
- Public plan option?
- Tax on high cost plans?
- Surtax on high income households?
- Limit certain itemized deductions?
- Excise taxes on alcohol and certain soft drinks?
- Oversight of "comparative effectiveness" research?
- Cuts to providers and health plans under Medicare?



Watch the Details

- Cost & Coverage Senate Finance covers 94% of eligible Americans at a cost of \$829 billion over 10 years (no immigrants). House bill covers 97% at \$1.182 trillion over 10 years.
- Individual Mandate Most people required to have insurance or pay a fine up to \$1,500 for families and \$750 for individuals, similar provision in House bill with a penalty of 2.5% of gross income up to cost of the average national premium



Watch the Details

- Employer requirement Senate bill requires employers of over 50, that do not offer coverage, to pay up to \$400 per employee if the employee gets federal subsidies. House bill requires all but the smallest firms to offer coverage or pay a penalty of 2% of payroll, rising to 8% of firms with a payroll above \$750,000.
- Subsidies Senate bill allows those with incomes above 133% of FPL to get Medicaid, those between 133% and 400% of FPL get subsidies on a sliding scale. House bill has sliding scale subsidies up to 400% (\$88,000 for a family of 4)



Watch the Details

- Paying for it Senate Finance bill would tax insurers offering plans valued at more than \$21,000 for a family or \$8,000 for an individual and adds new fees on drug and device makers. House bill places a 5.4% surtax on incomes above \$500,000 for individuals and \$1 million for families.
- Public plan option Excluded from Senate Finance bill (which instead sets up non-profit cooperatives). House and Senate HELP bills create a public health insurance option to compete in the Exchange. Some compromise is certain.



NAMI Health Reform Principles

- 1. Require that all health plans made available to uninsured individuals and families through the Exchange both offer coverage for mental illness treatment and comply with the Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 regardless of whether purchased by small employers or individuals
- 2. Integrate mental and physical health care, promote wellness
- 3. Do not discriminate in the coverage of inpatient psychiatric treatment
- 4. Address serious workforce shortages and increase the qualified mental health workforce
- 5. Make early identification and early intervention priorities in healthcare reform
- 6. Enhance information sharing, while protecting privacy
- 7. Improve data collection, outcomes measurement, and accountability
- 8. Improve cultural and language competence
- 9. Protect access to psychiatric medications



NAMI Legislative Priorities

- Medicaid Emergency Psychiatric Services S 1130 & HR 1415
- Mental Illness Chronic Care Improvement Act Medicaid demonstration for primary care access in CMHCs – S 1136
- Comparative Effectiveness Research (CER) S 1213 & HR 2502 – making sure that CER is:
 - 1. Well designed and of the highest quality,
 - 2. Inclusive of racial and ethnic minority populations,
 - 3. Not used to drive coverage decisions in public programs and private health plans,
 - 4. Not oriented toward finding the least expensive treatment in order to control costs, and
 - 5. Governed through an open, transparent and accountable process that includes input from, and oversight by, patients and families.



Where does Medicaid fit in?

- Medicaid is the largest source of funding for mental illness treatment and supports,
- Bush Administration regulations have been pulled optional services for mandatory (SSI) populations preserved,
- House and Senate bills propose increasing eligibility to 133% of FPL with 100% federal match,
- Medicaid benefit package (mandatory & optional services) v. 1937 benefit package
- Should Medicaid beneficiaries have the option of going into the Health Insurance Exchange?