

A large blue horizontal bar with a gradient from dark blue on the left to light blue on the right. On the left side, a large black bracket '[' is positioned vertically. On the right side, a large teal bracket ']' is positioned vertically. A teal circle is partially visible behind the bar, centered under the text.

# Implementing Health Care Reform in Wisconsin

Viewpoint Luncheon  
Monday, July 12, 2010

Karen Timberlake  
Wisconsin Department of Health Services

# Wisconsin Ahead of the Curve

- Wisconsin: 1<sup>st</sup> in health care quality, 2<sup>nd</sup> highest in access to coverage
- Ahead of most states on reform: Investments in expanding coverage, maintaining eligibility, e-health and quality initiatives
- Reform will make more states look like Wisconsin
- Already expanded BadgerCare Plus beyond income levels required in health care reform
- This readiness is a tribute to the work of Governor Doyle in partnership with employers, providers, insurers, legislators, advocates

# Office of Health Care Reform

What is it?

- Brings together the two state agencies primarily responsible for implementing health care reform – DHS and OCI
- Allows for input from other agencies: DOR, ETF, DWD, DOA, Commerce
- Conduit for Businesses, Advocates, Providers, Consumers to obtain information and provide input

# Getting Organized

What is “Office” responsible for?

- Developing a plan to build on successes we have achieved in Wisconsin
- Track 400 separate items for implementation to ensure Wisconsin doesn't miss any opportunities
- Set up a listserv to help track grant opportunities and disseminate information to stakeholders
- Pursue federal funds for grant opportunities
- Design an easy to use, consumer friendly online health care purchasing exchange
- Maintain public website:

[www.healthcarereform.wi.gov](http://www.healthcarereform.wi.gov)

# [ Big Picture Impacts ]

- More than 125,000 Wisconsin citizens will gain access to health care
- More than a million who are underinsured will see policies improved and costs reduced
- Tax credits and lowered costs for small business owners
- Increase affordability of prescription drugs for Wisconsin's seniors
- Increased federal funding saves state taxpayer dollars

# [ The Next 6 Months ]

- Health care reform puts decision making power in the hands of the states
- We can set up health care reform in a way that works best for Wisconsin if we act now
- Our focus will be on:
  - Implement significant changes taking effect right away and begin work on major components of reform
  - Raise awareness of reform in Wisconsin
  - Influence reforms at national level

# Changes Happening Now

- Small business tax credit
- Seniors in the Medicare Part D donut hole eligible for \$250 rebate on prescriptions
- Medical loss ratio requirements
- Insurer rate review

# Changes Happening Now: Early Retiree Reinsurance Program

- Will help offset the costs of expensive premiums for employers and early retirees age 55-64
- Program provides reimbursement for a portion of early retiree health benefit costs for employment based plans
  - Certain claims between \$15,000 and \$90,000
- Limited funds; employers should go to [www.hhs.gov](http://www.hhs.gov) for more information and to apply

# Changes Happening Now: Temporary High Risk Pool

- Wisconsin Share = \$73 million over 3 ½ years, \$21 million per year
- Wisconsin is using funding available to design a meaningful, affordable and sustainable option for people with pre-existing conditions who can't get coverage until 2014
- Applications accepted beginning July 15th and services begin August 1<sup>st</sup>
- Go to [www.hirsp.org](http://www.hirsp.org) for more information

# Transition to 2014: BadgerCare Plus Basic

- Newly created program is another option for people below 200% FPL who aren't eligible for traditional BadgerCare Plus
- \$130 per month for basic level of coverage, no state funds invested
- First step is to apply for Core Plan and get placed on waiting list
- Coverage began July 1<sup>st</sup>
- Visit [www.badgercareplus.org/basic/](http://www.badgercareplus.org/basic/) for details.

# Transition to 2014: 6 months after enactment

- Free preventive care
- No discrimination against kids with pre-existing conditions
- Coverage for young adults on their parents insurance up to age 26
- Banning companies from dropping coverage when a person gets sick
- Banning lifetime coverage limits.

# Transition to 2014 Medicaid

- States must maintain current levels of eligibility for adults until 2014 and current levels for children through 2019
- In Wisconsin this means:
  - Coverage for all kids to 2019
  - Pregnant women up to 300% FPL
  - Parents/Caretakers up to 200% FPL
  - Childless adults up to 200% FPL

# 2014 and Beyond Increased Federal Funding

- Childless adults below 133% FPL will be considered “newly eligible” in 2014
- Enhanced federal funding for newly eligible means federal funding replaces GPR
- Enhanced FMAP for kids
- Increased federal funding funding for Public Health grants and long term care

# 2014 and Beyond Increased Federal Funding

- Increased federal funding will provide real savings to state taxpayers
  - Annual MA budget: \$6 billion, 20% of total state budget
  - HCR will bring \$750-980 million in additional federal funding 2014-2019

# Transition to 2014 Medicaid Maintenance of Effort

- Hardship exemption
  - A state may be exempt from the maintenance of eligibility requirement between January 1, 2011 and January 1, 2014 for:
    - Optional, non-pregnant, non-disabled adults populations
    - Income above 133% FPL
  - State **must** certify it is currently experiencing a budget deficit or projects to have a budget deficit in the following fiscal year

# 2014 and Beyond Medicaid Coverage Options

- **After 2014, the state may choose 3 coverage options for parents, caretakers, pregnant women and childless adults with incomes over 133%-200% FPL**
  - Provide coverage under BadgerCare Plus - benefits are an entitlement rather than being capped with budget limits as they are under a waiver under Core.
  - Receive benefits through a “Basic” health plan option created by the state - state would receive 95% of amount of premium tax credits to fund program
  - Receive benefits through the health insurance purchasing exchange and receive a premium subsidy

# Health Insurance Purchasing Exchange

- States must prove by January 1, 2013 that they will be ready to successfully implement an exchange by January 1, 2014
- If states do not participate the federal government will implement an exchange in those states

# Health Insurance Purchasing Exchange in Wisconsin

- **Keep it simple**
  - One front door to health care access.
  - Provide customers with useful information but don't overwhelm.
  - Utilize brokers, community partners and other "navigators" to help consumer make informed decisions.
- **Fully integrate the exchange with Medicaid**
  - Many consumers will not know whether they are eligible for Medicaid or exchange help.
  - Many families will have certain members eligible for Medicaid while others will be exchange subsidy eligible.
  - Full integration will allow us to leverage previous investments in IT systems to implement the exchange in a cost-effective manner.
- **Make the exchange truly transformative**
  - Don't do the minimum required.
  - See the exchange as a vehicle to push payment reform.
  - Coordinate with payers and providers.
  - Harness managed competition to reward value over volume.
  - See the exchange as opportunity to align quality improvement efforts statewide.

# Health Insurance Purchasing Exchange in Wisconsin

## ■ **Build off regional strengths**

- Health care in Wisconsin is local and/or regional.
- Exchanges should recognize regional providers/insurers and allow them to effectively compete against statewide insurers.
- Wisconsin is well positioned to implement health care reform because we have a number of strong, integrated partners.

## ■ **Focus on customer service**

- Consumers should be the number one priority.
- The website application tool must be easy to utilize.
- The call center must be adequately staffed.
- Community based partners must be engaged to help.
- Brokers must also be part of the solution.
- Philosophy – No wrong door to health care in Wisconsin.

# Health Insurance Purchasing Exchange in Wisconsin

- **Coordinate with other existing health care reform initiatives**
  - The exchange should coordinate with WHIO, WIRED, WCHQ, WHA, WMS and other reform efforts.
  - Don't replicate other efforts.
- **Implement a pilot program if possible**
  - Wisconsin has led the nation in health care reform.
  - Wisconsin is interested in moving quickly to implement an exchange.
  - If funding for subsidies are available early and insurers and other key stakeholders are willing a pilot exchange may be possible.

# Health Insurance Purchasing Exchange Opportunities

- Advance payment reform.
- Partner with Medicaid, Medicare, ETF and other large payers.
- Ensure greater portability in health insurance and prevent employees from getting “handcuffed” to their job because of health care needs.
- Create strong economic incentives for insurers and providers to better align around value.
- Drive real improvement in health care quality and efficiency.

# Opportunities for Payment Reform

- **Medical Homes**
  - Medical homes for Medicaid beneficiaries with chronic conditions
- **Accountable Care Organizations**
  - Incentive payments under Medicaid for pediatricians meeting certain criteria such as expenditure and services savings and quality of care
- **Health Care Quality initiatives**
  - Delivery System reform
- **Comparative Effectiveness Research**
  - Establish non-profit Patient-Centered Outcomes Research Institute
- **Independent Payment Advisory Board**
  - Recommend ways to reduce costs in Medicare spending, as well as private sector cost growth and promote quality
- **Medicare Payment Bundling Pilot Program**
  - Incentives to providers to coordinate patient care and be jointly accountable for the entire episode of care.

# Important Public Health Investments

- **Wisconsin has work to do...**

- 43% of adults fail to meet physical activity recommendations
- 76% do not consume 5 or more fruits or vegetables per day
- 22% of women 40 and older hadn't had a recent mammogram
- 36% of men over 50 have never had a colonoscopy
- 19.8% of adults still smoke
- 65% of adults are overweight or obese

- **Health care reform goes beyond direct treatment for disease and also focuses heavily on prevention.**

- **Many synergies with Healthiest Wisconsin 2020**

<http://dhs.wisconsin.gov/hw2020/report2010.htm>

# Important Public Health Investments

- **Increased support for Community Health Centers**
  - Total investment of \$11B over 5 years.
  - OHCR is working with FQHCs and WPHCA on strategies to increase the number, competitiveness and success of Wisconsin applicants
- **Workforce initiatives for health care professionals**
  - Increase scholarship and loan opportunities for health professionals
  - Targeted training in preventive medicine and public health for medical residents
  - Interdisciplinary mental and behavioral health training programs
  - Training program for oral health professionals
  - Greater training opportunities and financial assistance to address projected nurse shortage

# Important Public Health Investments

- **Community Transformation Grants**
  - Competitive grants to state and local governmental agencies and community-based organizations
  - Goal to reduce chronic disease rates, address health disparities and develop a stronger evidence-based effective prevention programming
- **Community Wellness Pilot**
  - 5 year pilots to provide community prevention interventions, screenings and clinical referrals for 55-64 year olds
- **Family Planning Coverage**
  - State may cover non-pregnant individuals with income up to the highest level applicable to pregnant women covered under Medicaid or CHIP (300% FPL for Wisconsin)

# Important Public Health Investments

- **Menu labeling**

- Restaurants with 20 or more locations will be required to disclose calories on the menu board
- Additional nutrition information must be available upon request, including: total calories and calories from fat, amounts of fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber, and protein

- **National Strategy for Prevention and Wellness**

- National Prevention, Health Promotion and Public Health Council
- Prevention and Public Health Fund
- Education and Outreach Campaign

# [ Opportunity for Wisconsin ]

- The Affordable Care Act gives states latitude to shape health care reform to work for them
- Some states will wait or let the federal government take charge
- Wisconsin should continue to move forward

# Office of Health Care Reform

Please visit  
**[www.healthcarereform.wi.gov](http://www.healthcarereform.wi.gov)**  
for more information