

2011 Legislative Review and Health Care Reform Update

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November 4, 2011

2011 Legislative Session

- \$34 Billion budget passed increasing by \$2.6% with new taxes and fees
- Public schools \$ increase by \$41.2 M = \$5.8B
- Medicaid grows \$840M with no reduction in eligibility.
- Major Changes include Pension Reform, Prescription Drug benefits for Retirees, a doubling of the Titling fee for new vehicles \$50-\$100, vanity tags from \$25-\$50 equaling \$52 M for Highway User Revenue for counties and municipalities, an increase from 6%-9% sales tax on alcohol and a fee for the administrative costs for employee retirement and health benefits passed to local government

2011 Session: Alcohol Tax

- HB1213/SB994 increases the sales tax on Alcohol from 6%-9%
- The bills authorize \$47M in Public School construction and \$10-15M for Crisis prevention and resolution services for the Developmentally Disabled.

2011 Session: HB97 Behavioral Health

- Directed the Secretary of Behavioral Health to convene a workgroup made up of local and state stakeholders to explore the possibility of combining Addiction Services and Mental Health Services.
- The DHMH indicated their commitment to the specifics of the integration of these services.
- The bill was withdrawn.

2011 Session: HB 23

- Required all offices and clinics that provide outpatient abortion services to be regulated so that the necessary procedures and equipment are in place to assure safety for women using the services.
- Currently there is no oversight.
- DHMH agreed to develop the appropriate necessary regulations.
- The bill was withdrawn.
- Regulations have been drafted.

2011 Session: Medical Marijuana

- SB 308 passed and adds an Affirmative Defense for Marijuana use for medical purposes
- It also establishes a DHMH workgroup to develop a model for legal marijuana use for medical purposes
- The workgroup has two years to report their implementation model

2011 Session: Retire Rehire

- HB1186 Eliminates the sunset on Retire Rehire provision in those health facilities with a designated workforce shortage
- HB176 passed and decreases the number of years for an earnings limitation a retired state employee who is rehired has to work.

2011 Session: Health Care Reform

- HB 170 Insurance Market Reform aligns Maryland law with the consumer protections in the Affordable Care Act (ACA)
- Pre-existing conditions exclusions are illegal and new rules will help 3.6M Marylanders who have insurance by barring lifetime limits on their benefits and reduces their risk of losing insurance when sick
- Requires insurance companies to cover certain preventative services such as flu shots and mammograms.

2011 Session: Health Care Reform

- HB 166 Health Benefit Exchange creates a workgroup to study the structure and framework possibilities for the insurance exchanges required by the ACA.
- This new online Marketplace will help individuals and small businesses to compare rates, benefits and quality among plans to help them find a plan that best suits their needs.
- Private insurers will compete in the open marketplace, creating a level playing field and providing transparent and accurate information so that Marylanders can make important decisions about their health care options.
- The Exchange Board met on June 3, 2011 to begin their work

Health Care Reform- Current Provisions

- Under the Affordable Care Act, beneficial provisions are in place:
Insurance companies-

Can not deny coverage to kids due to pre-existing conditions
asthma or diabetes

No lifetime caps

Must spend 85% of earnings on medical care , not
administrative costs

Young people can stay on their parents' insurance up to age
26

More than 32,000 seniors in Maryland have received \$250
checks to cover prescription costs in the donut hole

Small business can text "Health" to 877877 to learn about
significant tax credits for providing insurance.

ACA Public Health provisions Summary

- Health promotion & disease prevention council
- Prevention fund
- Community Transformation grants
- Workforce building- commission, Scholarships, Fellowships
- CDC research
- Prevention Task forces- Community preventative services, Clinical preventative services ACIP, HRSA guidelines
- Oral Health promotion
- Breast feeding promotion
- Quality & accountability
- Data requirements
- CDC employer wellness assistance program
- Nutritional menu labeling
- Covers preventative services
- Immunization-adult program, enhanced purchase, reauthorized 317 vaccine program
- Promotes primary care-increased reimbursement, school health centers, health centers
- Health Disparities focus
- Epidemiology-Laboratory capacity grants(ELC grant program)

National Prevention, Health Promotion, & Public Health Council

Strategic Directions include:

- 1. Create, sustain and recognize communities that promote health and wellness through prevention.
- 2. Ensure that prevention focused health care and community prevention efforts are available, integrated and mutually reinforcing
- 3. Support people in making healthier choices
- 4. Eliminate disparities, improving the quality of life for all Americans

A Rocky Road- Many challenges

- Court challenges whether Government can mandate insurance coverage
- Attempts at implementation of ACA problematic- drafting errors, omissions in details, flaws in formulas
- Concerns about sustainability over the Community Living Assistance Support Services (CLASS) have caused HHS to delay enrollment in the program that was estimated to reduce the Federal Deficit by \$70 B over 10 years.
- Kathleen Sebelius told Congress she would not launch the program unless it is modeled to be financially solvent for 75 years
- Medicare Shared Savings program has drawn criticism from providers
- What is an Accountable Care Organization
- Medicaid for the Middle Class- new concern that due to the calculation of income, 1 in 4 Americans would now be eligible for Medicaid which increases the total expansion to 25 million Americans

Maryland Medicaid Challenges

- Many Programs- Multiple waivers
- CHPS Family coverage
- PAC program
- Pharmacy Program
- Long Term Care
- Mental Health Carve out
- IT needs
- Provider availability

Medicaid Cost Shifts

- Budget deficiency due to lower Federal match 2011 and increased participation projected underfunding of \$135M

Medical Provider tax on hospital revenues 2.5%

Nursing Home provider tax 4 to 5.5%

Impact for Us

- Track the revenues- options for funds
- Conduct a community assessment and
- Develop a community strategy, engage the community leaders and unlikely partners
- Identify special populations
- Consider alternate solutions
- Focus on improved health outcomes.
- Tell stories about what works

Eastern Shore Community Mental Health Alternative

System Progress following the
Closure of Upper Shore
Community Center

Framework Elements

CRISIS/URGENT CARE RESPONSE

24/7 Eastern Shore Operations Center
Mobile Crisis Teams
Assertive Community Treatment
Crisis Beds (KCHD)
Same-Day Appointment
Chester River Hospital Emergency Department
Community Hospital Acute Psychiatric Capacity

RESIDENTIAL CO-OCCURRING UNIT

Crisis Beds
Detoxification Beds
Residential Beds

HOUSING & EMPLOYMENT

Housing First Flex Funds
Residential Rehabilitation Bed Expansion
Supported Employment

PIONEERING FRESH SOLUTIONS

Integrated Dual Disorders Treatment
Aging in Place Programming
Peer Support / Wellness & Recovery

Thank You!