

Federal Health Care Reform: Focus Points for Older Adults and Persons with Disabilities

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Patient Protection & Affordable Care Act
Public Law 111-148
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Overview

I. Expansion of coverage:

- Medicaid
- Medicare/Medicaid preventative care
- CLASS Act long-term care insurance benefit
- continuation of funding for Aging & Disability Resource Centers (ADRC's)
- home and community-based long-term care options

II. Relief from cost sharing requirements:

- Medicare D

III. Consumer Protections:

- terms of participating in health plans
- disclosure of information on nursing homes
- criminal background check requirements
- Elder Justice Act

I. Expansion of Coverage

Medicaid Coverage

- expands Medicaid coverage to all non-elderly individuals with incomes < 133% of the Federal Poverty Level (FPL) (in 2010, \$24,350 for a family of three)
- regardless of family composition
- continues the Children's Health Insurance Program (CHIP)

Financial Relief for Near-Poor Individuals

- establishes tax credits for individuals and families whose incomes are between 133% of Federal Poverty Level (FPL) and 400% of FPL
- also available to non-citizen, legal resident low-income individuals who cannot qualify for Medicaid because they have not been in the United States for the required 5 years

Medicare Preventative Services

- effective January 1, 2011, eliminates all deductibles and co-payments for Medicare covered preventative services
- establishes coverage of an annual "wellness" visit

Medicaid preventative services

- effective January 1, 2013
- incentive to states to provide Medicaid coverage of preventative services, and to remove cost sharing for same
- States that elect will receive an additional percentage point in Federal Medical Assistance Payment (FMAP)

CLASS Act

Long-Term Care Benefit

- Community Living Assistance Services and Supports (CLASS)
- voluntary, public long-term care insurance program
- will be initiated in 2011; five-year vesting period

CLASS Act

Long-Term Care Benefit (cont.)

- financed via payroll tax (for working individuals); opt-out
- in contrast to private long-term care insurance:
 - no medical underwriting
 - premiums will not relate to health status
 - lifetime benefit (no durational limitation)

CLASS Act

Long-Term Care Benefit (cont.)

- daily cash benefit:
 - Individual decides how to use benefit
 - home care
 - home modification
 - Estimated average daily benefit = \$75
(approximately \$27,000 per year)
- estimated average monthly premium = \$123

Continuation of Aging & Disability Resource Centers (ADRC's)

ADRC's act as an information and counseling hub point for older adults and individuals with disabilities.

- funds appropriated for fiscal years 2010 through 2014
- appropriates funds for continuation of ADRC's that were implemented with grant funds from the Administration on Aging

Home and Community-Based Long-Term Care Options: MFP

MFP supports individuals in transitioning from the nursing facility to the community.

- effective 30 days from enactment
- extends the MFP Demonstration Program through 2016; enhanced federal medical assistance percentage (FMAP)
- PPACA also reduces the minimum qualifying stay in an institution from 6 to 3 months

Home and community-based care options: State plan amendment

Permits states that have relied principally on 1915(c) Medicaid “waivers” to cover home and community-based services for various populations to instead do so by amendment of their State plans.

- effective October 1, 2010

Home and Community-Based Long-Term Care Options: workforce initiatives

Scholarships, loans, state grants to providers in medically underserved areas, public health workforce loan repayment program, graduate medical education initiatives.

- first appropriation occurs in 2010

Home and Community-Based Long-Term Care Options: Also of interest . . .

Community First Choice Option

- October 1, 2011
- permits states to provide community-based personal care assistant and other services to individuals with disabilities who would otherwise require an institutional level of care
- States that elect will receive an additional six percentage points in FMAP

Medical health home

- effective January 1, 2011
- creates a Medicaid state plan option under which individuals with 1) at least two chronic conditions; 2) one chronic condition and an identified risk of developing a second; or 3) at least one serious and persistent mental health condition, are permitted to designate a provider as a health home

State Balancing Incentive Program

- effective October 1, 2011 - September 30, 2015
- incentive to states to increase the proportion of Medicaid spending on community-based long-term care services
- States that elect will receive enhanced FMAP

II. Relief From Cost-Sharing Requirements

Medicare D Cost-Sharing

- establishes a schedule over which the “coverage gap” will gradually be closed:
 - 2010: \$250 rebate for individuals who reach coverage gap

***Please note:** a section of the recently passed Connecticut budget: (a) holds harmless recipients of state and local programs from being found income ineligible due to payments received under the auspices of the federal health care reform law (and ensures that such payments will not be counted as assets in the month of receipt and two subsequent months); and (b) requires that such payments not be counted as income for purposes of property tax exemptions, credits or rental rebates. (effective upon passage).*

Medicare D Cost-Sharing (cont.)

- 2011: 50% discount on name-brand drugs purchased in the coverage gap; discounts on generic drugs purchased in the coverage gap
- 2011-2020: discounts gradually increase according to a schedule until, in 2020, beneficiaries are responsible for only 25% of their drug costs in the coverage gap

III. Consumer Protections

Terms of Participating in Health Plans

Effective September, 2010 and later, plans cannot:

- impose lifetime limits on coverage for a list of essential benefits
- impose annual coverage limits for a list of essential benefits
- rescind policies except where an individual has made fraudulent or intentionally misrepresentative statements

Terms of Participating in Health Plans (cont.)

At later implementation points, new plans:

- will be required to make guaranteed issue and renewal, irrespective of health status
- cannot impose pre-existing condition limitations
- cannot determine premiums according to health or gender (note, however, 3:1 ratio for older adults)

Disclosure of Information on Nursing Homes

- requires streamlined access to information on:
 - ownership status
 - staffing
 - history of complaints
 - survey reports
- requires states to maintain comprehensive web sites
- requires CMS to make enhancements to Nursing Home Compare (e.g. state-specific pages on consumer rights)

Criminal Background Check Requirements

- establishes requirements for national and state criminal background checks for certain employees of home care providers and nursing homes

Elder Justice Act

- establishes a comprehensive agenda of enhancements to current efforts to identify and respond to elder abuse: prevention, detection, response, and coordination of efforts
- to be implemented, the Act will require Congressional appropriation

In conclusion:

- new opportunities to expand coverage
- financial relief from cost-sharing obligations
- important enhancements in consumer protections