



# What is Next for Health Care Reform?

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- ▶ If you are a member of the Press, please contact the NAFC Vice President, Kerry Thompson directly at (703) 647-7427 or [kerry@nafcclinics.org](mailto:kerry@nafcclinics.org) in order to arrange for an interview.

# What is the National Association of Free & Charitable Clinics (NAFC)?

- ▶ The NAFC is the only nonprofit 501c(3) organization whose mission is solely focused on the issues and needs of the more than 1,200 Free and Charitable Clinics and the people they serve in the United States.
  - ▶ Founded in 2001 and headquartered in Washington, D.C., the NAFC is an effective advocate for the issues and concerns of Free and Charitable Clinics, their volunteer workforce of doctors, dentists, nurses, therapists, pharmacists, nurse practitioners, technicians and other health care professionals, and the patients served by Free and Charitable Clinics in communities throughout the nation.

# NAFC Mission

- ▶ To ensure the medically underserved have access to affordable health care

# NAFC Vision

- ▶ To be a national voice promoting quality health care for all

# NAFC Stance on Health Care Access and Affordability

- ▶ Access to affordable health care should be a right and not a privilege.
- ▶ In the interest of public health, all individuals should have access to affordable quality health care.
- ▶ Affordability, accessibility and portability of health care are issues that remain critical to the uninsured in this country.
- ▶ On March 9<sup>th</sup> the NAFC released 3 pages of organizational beliefs with respect to health care which can be viewed at:  
<http://www.nafcclinics.org/content/nafc-states-organizational-beliefs-health-care-us-light-introduction-aca-repealrepair>

# 2017 NAFC Appropriation and Authorization Requests to Congress

## Medication Access and Affordability

- ▶ Expand 340B program to include Free & Charitable Clinics
- ▶ Protect the \$4 formulary
- ▶ Make generic medications more available and affordable

## Quality Improvement Initiatives

- ▶ Establish an automatic designation of Free and Charitable Clinics as Health Resource Shortage Areas, Dental Resource Shortage Areas and Mental Health Resource Shortage Areas.
- ▶ Expansion of health technology, tele-health funding opportunities to Free and Charitable Clinics
- ▶ Expand CMS prospective payment system (PPS) to include Free and Charitable Clinics

# 2017 NAFC Appropriation and Authorization Requests to Congress

## Charitable Health Care Volunteer Protection & Engagement

- ▶ Expand Nurse Corps Loans Repayment Program to Include Free and Charitable Clinics
- ▶ Protect the National Health Service Corp designation for Free Clinics
- ▶ Expand the National Health Service Corp Designation to include Charitable Clinics
- ▶ Expand IRS regulations to allow licensed medical professionals to claim their volunteer hours at a Free or Charitable Clinic as a tax write off
- ▶ Allow licensed medical professionals to use their hours at Free and Charitable Clinics to offset Continuing Education Units Expand the Federal Tort Claims Act to include entity coverage for Free Clinics
- ▶ Expand the Federal Tort Claims Act to include Charitable Clinics, the Charitable Clinic entity, the Charitable Clinic volunteers, staff and board

## Nonprofit Advancement

- ▶ Protect Charitable Tax Programs

# American Health Care Act - ACA Repeal

- ▶ On March 24, 2017, Speaker Ryan did not call for a vote on the American Health Care Act -which would repeal the Affordable Care Act because of lack of votes in his party.
- ▶ Both the President and the Speaker immediately stated the Affordable Care Act was the law of the land and that there would be no more efforts to repeal or replace or repair.
- ▶ In typical Washington DC fashion, both the Speaker and the President have now urged members of Congress to come together to repeal the ACA in the upcoming weeks and months.
- ▶ The conversations about health care repeal are moving rapidly and change dramatically from day to day.
- ▶ At this time, changes to the American Health Care Act are being negotiated in an effort for a repeal vote to happen before summer recess.

# Health Care Reform Key Player

## Vice President Mike Pence



- ▶ Vice President Mike Pence was one of 10 Republican governors to expand Medicaid under Obamacare and is now a key negotiator between the administration and Congress on Repeal and Replace efforts.
- ▶ Vice President Pence developed the Healthy Indiana Plan 2.0 which pushed the traditional Medicaid boundaries by adding other features that made Indiana's expansion plan different from other states.
- ▶ For example, recipients are required to pay money – \$1 a month for many – into special accounts that Pence contends will make them more conscious of the costs associated with health care.
- ▶ Individuals who fail to keep up their contributions lose dental and vision coverage and face copayments. Those above the poverty level can temporarily lose all coverage if they fall behind on contributions.
- ▶ Proponents, including Pence, have said the strategy makes Medicaid recipients share financial responsibility for their care and that it will save Indiana money by reducing unnecessary services and inappropriate emergency room use.



# Health Care Reform Key Players

## Freedom Caucus

- ▶ The Freedom Caucus is a congressional caucus consisting of conservative and libertarian Republican members of the Congress.
- ▶ The Freedom Caucus Chairman is Representative Mark Meadows (R-NC).
- ▶ The caucus is sympathetic to the Tea Party movement. The Freedom Caucus is considered the furthest-right grouping within the House Republican Conference.
- ▶ The Freedom Caucus stood firm in their belief that a full repeal of the ACA should occur, therefore forced a no vote.
- ▶ Recently, Chairman Meadows has now said that if changes to items below were made to the repeal bill the Freedom Caucus will vote for it:
  - Health insurance coverage waivers related to community rating protections with the exception of gender,
  - Essential health benefits removals, and
  - Health insurance guaranteed issues



# Health Care Reform Key Players

## Tuesday Group

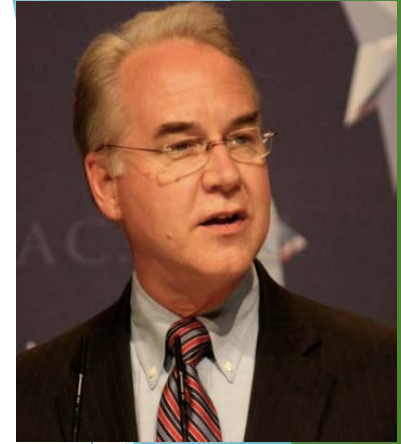
- ▶ The Tuesday Group is an informal caucus of approximately 50 moderate Republican members of the House of Representatives in the 114th Congress (2015–2017).
- ▶ It was founded in 1994 in the wake of the Republican takeover of the House. The Republican House caucus was dominated by conservative Republicans and the Tuesday Group was founded to counterbalance that conservative trend.
- ▶ The co-chairs of the Tuesday Group are were Charlie Dent (R-PA), Tom MacArthur (R-NJ) and Elise Stefanik (R-NY).
- ▶ The Tuesday Group could not agree with House Leadership on the Bill for the following reasons:
  - ▶ Tax credits to offset insurance premiums are too small
  - ▶ The Medicaid changes don't give governors enough flexibility or resources
  - ▶ The provision to defend Planned Parenthood should be dealt with in a separate bill
  - ▶ Frustration with the legislation's rapid consideration



# Health Care Reform Key Player

## Health and Human Services

### Secretary Tom Price



- ▶ Secretary Price is an orthopedic surgeon who served in Congress and chaired the House Budget Committee
- ▶ Secretary Price introduced bills offering a detailed, comprehensive ACA replacement plan in every Congress since 2009.
- ▶ Many of his ideas are included in the American Health Care Act that is being discussed in Congress.
- ▶ As Secretary, Mr. Price and HHS would have at least 10 ways that he could modify and change health care through regulations and rules.

# ACA Change Option #1 - Actuarial value of plans on the exchange

- ▶ In February, CMS issued proposed regulations to adjust the actuarial value of plans on the exchanges.
- ▶ This change gives payers the flexibility to offer cheaper plans by lowering the minimum standards for coverage.
- ▶ This could increase the amount consumers have to pay out of pocket on deductibles and co-pays.
- ▶ Administration rationale is that this action to increase insurers in states that have only one insurance option or those who have seen double digit premium increases ultimately provide some offsetting benefit to consumers, according to a filing with the Federal Register.

# ACA Change Option #2 - Authorization of subsidies

- ▶ Trump could drop the administration's appeal of *House v. Burwell* filed in 2014 by House Republicans.
- ▶ *House v. Burwell* charged that the Obama administration was unconstitutionally spending money that Congress hadn't formally appropriated, to reimburse health insurers who were providing coverage to those between 100 and 250 percent of the federal poverty line.
- ▶ While that help for consumers is required under the law, the funding was not specifically included. (Tax credits for people with incomes up to four times the poverty level to help defray the cost of premiums are a separate program and were permanently funded in the ACA.)
- ▶ Federal District Court Judge Rosemary Collyer ruled in favor of the House Republicans, however, declined to enforce her decision, pending an appeal to a higher court. The appeal was filed in July and is still months away from resolution.
- ▶ President Trump could simply order the appeal dropped, let the lower court ruling stand, and stop reimbursing insurers who are giving deep discounts to half their customers.
- ▶ The insurers would still have to provide the discounts, as required by law, but would not get subsidies.

# ACA Change Option #3 - Individual mandate

- ▶ On his first day in office, President Donald Trump signed an executive order that could effectively end the ACA's individual mandate.
- ▶ Many called this move "symbolic" of the president's intent to reform health care.
- ▶ The mandate allows HHS to create additional hardship exemptions from the penalty, paving the way for looser enforcement of the mandate.
- ▶ Reports in February indicated the Internal Revenue Service has already begun to reduce enforcement of the individual mandate on tax returns.

# ACA Change Option #4 - Enrollment periods

- ▶ As part of the regulations proposed mid-February, CMS suggested constricting the enrollment period for ACA signups to align dates with the employer-sponsored market and Medicare.
- ▶ The proposal would cut down the enrollment period by half a month.

# ACA Change Option #5 - Marketing

- ▶ Prior to the election, the Health and Human Services Administration (HHS) decided to dramatically limit their spending on television and digital ads encouraging ACA enrollment prior to deadlines.
- ▶ While most of the major cuts were reversed during the Fall enrollment period, some believe the decline in ads may have had an effect on enrollment this year, which garnered 1.6 million fewer signups than projected.
- ▶ Under Secretary Price, HHS will cut the ACA Enrollment public relations budget dramatically.



# ACA Change Option #6 - Verification requirements for special enrollment

- ▶ In February, the Trump administration proposed changes to special enrollment, adding extra verification requirements.
- ▶ The proposal expands the documentation required of people who enroll in marketplace coverage outside of normal enrollment periods.
- ▶ For example, a person who moves to a new city cannot apply for special enrollment unless he had coverage in his previous city, with a look-back of 60 days

# ACA Change Option #7 - Benefit requirements

- ▶ Under the Obama administration, all health plans were required to cover 10 essential health benefits.
  - ▶ Ambulatory patient services [outpatient care]
  - ▶ Emergency services
  - ▶ Hospitalization [inpatient care]
  - ▶ Maternity and newborn care
  - ▶ Mental health and substance use disorder services, including behavioral health treatment
  - ▶ Prescription drugs
  - ▶ Rehabilitative and habilitative services and devices
  - ▶ Laboratory services
  - ▶ Preventive and wellness services and chronic disease management
  - ▶ Pediatric services, including oral and vision care
- ▶ In the final hours before a vote on the AHCA, Republicans targeted this requirement for repeal to help sway conservative members of the House to vote for the bill.
- ▶ While these requirements cannot be entirely eliminated without Congress, they can be adjusted, for example reimbursement payments for Medicaid and Medicare could change therefore insurers would change their coverage options.

# ACA Change Option #8 - Medicaid Waivers

- ▶ Centers For Medicare/Medicaid Administrator Seema Verma coauthored a letter with Secretary Tom Price, MD, calling for states to submit more Medicaid waivers.
- ▶ In the letter, the administrator made it clear the new administration would approve waivers with work requirements for Medicaid beneficiaries.
- ▶ Based on her work on Medicaid in Indiana, *The New York Times* also noted she will be likely to approve Medicaid waivers that include small premiums and cost sharing provisions for beneficiaries.

# ACA Change Option #9 - Medicare demonstrations

- ▶ Through the Center for Medicare and Medicaid Innovation, which was created under the ACA, HHS can use mandatory demonstration projects to change Medicare.
- ▶ How Secretary Price chooses to use this authority remains to be seen — he may focus on dialing back demonstration projects launched under the ACA due to his opposition to CMMI.
- ▶ During the Senate health committee hearing on his nomination, he voiced his opposition to CMMI, saying, "Because it carries the full force of the federal government and the payment for those services, it means we are answering the question of who decides about what kind of care patients receive, by saying the answer on that ought to be Washington, D.C. I simply reject that that is where those decisions ought to be made."
- ▶ CMS has already begun to exercise some of this power — delaying the implementation of the cardiac care bundled payment program and the expansion of the Comprehensive Care for Joint Replacement model.

# ACA Change Option #10 - State innovation waivers

- ▶ Secretary Price sent a letter to governors asking for Section 1332 waiver submissions.
- ▶ This waiver allows states exemption from "the law's burdens" if they can propose a five-year plan that provides residents with similar coverage options without increasing the federal deficit.
- ▶ HHS is currently reviewing a 1332 waiver for Alaska, which seeks to expand a reinsurance program for 2018.

# What's Next for Health Care Reform?

- ▶ One thing is for certain, now more than ever our patients need us to be vocal and strong.
- ▶ The conversations about and changes to the Affordable Care Act will happen despite what Congress does. They will happen through rule making, federal regulations and dramatically on the state level.
- ▶ It is no longer a question of IF there will be changes to the ACA, the question is when.
- ▶ In the upcoming months and years, doctors, hospitals, navigators, states, pharmacies, policy makers, the public, clinics and patients will be addressing the needs of the underserved with respect to affordability, accessibility and portability of care.
- ▶ While a little overwhelming right now, we have an opportunity to collectively tell our story and show our support for our patients and those in need.

## To stay updated on issues:

- ▶ Follow the NAFC on Facebook: <https://www.facebook.com/NAFCclinics/>
- ▶ Follow the NAFC on Twitter @NAFCclinics

# THANK YOU!

Stay in Touch with the NAFC:

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