

HEALTH CARE REFORM...

but not for all...

August 7, 2012

Presentation to the Seattle City Council

Seattle Community Health Centers

- Country Doctor Community Health Center
- International Community Health Services
- Neighborcare Health
- Sea Mar Community Health Centers
- Seattle Indian Health Board

Supreme Court Decision

- ***Private insurance mandate constitutional*** – Health Care Exchanges will be developed in each state to help guide consumers in their purchase of individual insurance coverage.
- ***Medicaid expansion mandate unconstitutional*** – Each state may decide whether to expand Medicaid up to 133% of FPL.
 - 17 million people potentially added nationally to the Medicaid program;
 - 79,400 estimated to be covered in King County
- ***No impact on other provisions of the Affordable Care Act (ACA)*** – Community health center trust fund \$11 billion for expansion included.
 - \$9.5 billion of this funding is dedicated exclusively for New Access Points, expanded capacity at current sites), and service expansion (dental, pharmacy, behavioral health);
 - \$1.5 billion is dedicated for capital needs.
 - No funds are currently dedicated to base funding for existing CHCs.

What are the Changes?

- Certain provisions already in effect e.g. coverage of young adult children up to 26 years old, coverage despite pre-existing conditions, reductions in prescription expenses for Medicare
- As long as there is no disruption as a result of the November elections and/or the economy,
 - Health Benefit Exchanges will be implemented in January 2014
 - Medicaid expansion becomes an option in January 2014
 - CHC trust fund money became available in 2011 and is scheduled to continue for several years
- Washington state implementation also dependent on the new Governor
 - Health Insurance Exchange seem to be moving forward
 - Medicaid expansion may or may not occur

What will not Change?

23 million Americans nationally will remain uninsured; the number in Seattle/King County is estimated to be 165,000

- **17million will remain uninsured for different reasons**
 - *They will be exempted due to cost (people whose premium cost is more than 8% of their annual income will not be required to purchase insurance)*
 - *They cannot manage the confusion of the enrollment/re-enrollment processes*
 - *They earn too much to qualify for a subsidy but are not be able to afford coverage. Tax credits will be issued to those who purchase insurance only up to 400% of FPL*
 - *Critical services such as interpretation, case management, social work are limited by private insurance, Medicare or Medicaid.*
- **6 million will remain uninsured due to immigration status** (undocumented or legal immigrant for less than 5 years)

Community Health Center Challenges

I. Changes due to implementation of the State's own reform and the economy

- Beginning July 1, new insurance coverages for Medicaid, Basic Health, Apple Health, Disability Lifeline, and Aged, Blind and Disabled populations
- Elimination or reductions in funding and programs since 2008, affecting the low income e.g. Medicaid adult dental, Maternity Support Services, grants for uninsured care, etc.
- Reductions in reimbursement rates for community health centers

Community Health Center Challenges (cont'd)

II. Changes due to ACA and Federal Requirements

- Participate in the development of the Health Benefit Exchange
- Prepare for 2014 and expected influx of newly covered patients
- Continue to serve the rising numbers of uninsured until Medicaid expansion occurs in 2014
- Continue serving the uninsured even though Medicaid expansion occurs
- Implement and maximize health information technology
- Work with national, state, and county planning efforts to implement the ACA

QUESTIONS?

Thank you!

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