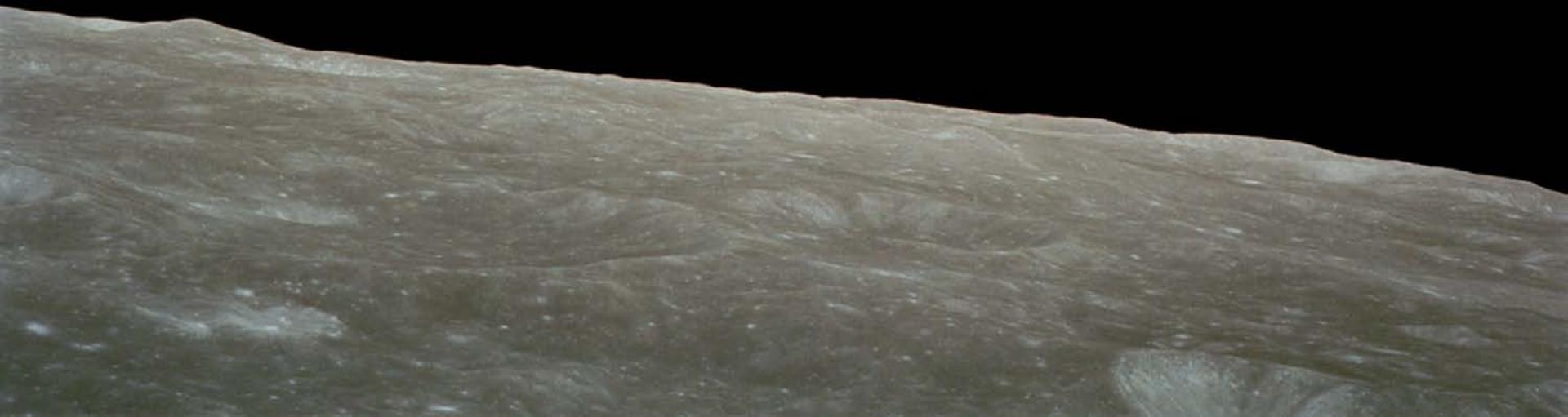
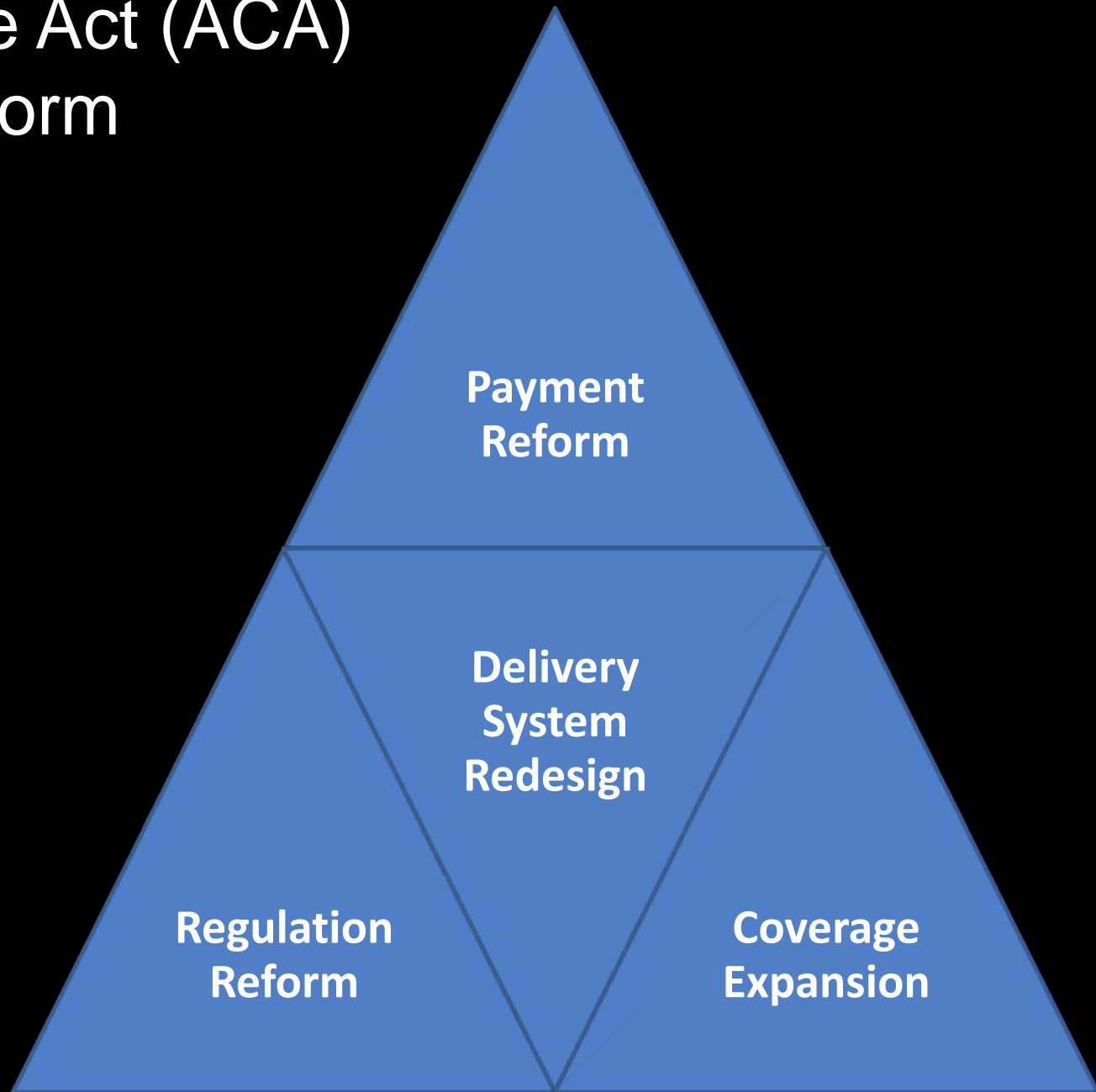


The World is Changing

healthcare



Affordable Care Act (ACA) Healthcare Reform Fundamentals



Regulation Reform

Coverage Expansion

Delivery System Redesign

Payment Reform



Regulation Reform

Coverage Expansion

Delivery System Redesign

Payment Reform



Essential Health Benefits

Medical Loss Ratios

Pre-Existing Conditions

Annual and Lifetime Limits

Essential Health Benefits

- Ambulatory Patient Services
- Emergency Services
- Hospitalizations
- Maternity & Newborn Care
- *Mental Health & Substance Use Disorder Services, including Behavioral Health*
- Prescription Drugs
- *Rehabilitative and Habilitative Services and Devices*
- Laboratory Services
- Preventive & Wellness & Chronic Disease Management
- Pediatric Services including Oral and Vision care



Medical Loss Ratio

John Smith pays \$100 for insurance.

His medical bills total \$70.

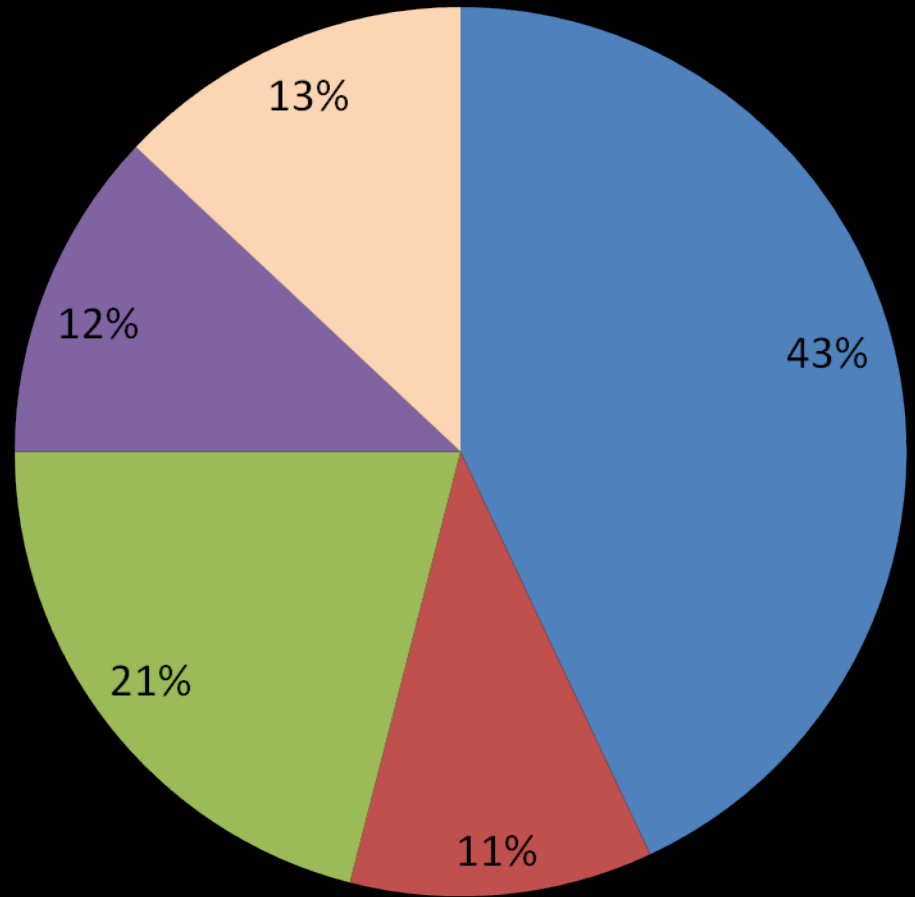
The insurance company keeps \$30.

Medical Loss Ratio = 70%



Current Uninsured by ACA Expansion Category Texas

Regulation Reform
Coverage Expansion
Delivery System Redesign
Payment Reform



- Subsidy Eligible
- Medicaid Expansion
- Undocumented
- No Subsidy
- Eligible but Not Enrolled

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Medicaid Expansion

Coverage for all individuals below \$15,000 a year (138%) of the Federal Poverty Level.

Over 1.2 million adults in Texas in 2014.

Medicaid benefits cover a full range of medical needs but access to providers will be an issue.

“Benchmark” Benefit package may be different than current Medicaid benefits. Federal Essential Health Benefits will set the floor.

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Coverage Through the Exchange

Subsidies for persons between 139% and 400% of the Federal Poverty Level. At the 2011 FPL levels, this would be between about \$15,000 to \$43,500 for an individual.

Half of the individuals up to 200% of the federal poverty level will move between Medicaid and the Exchange within 12 months.

Mental Health, Substance Use Disorder and Habilitative services included in the list of essential health benefits.

Essential Health Benefits are being further define.

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“If we want to be able to support integration of care, we have to be smarter about the way we pay. When we pay in fragments, we buy fragments.

We have to pay more for outcomes, more for journeys, more for bundles of care instead of individual elements.”

--Dr. Don Berwick, CMS Administrator

Healthcare Redesign Texas Style

How will it all come together?

Creation of the Exchange

Interstate Health Care Compact

Benchmark Benefit Design

Medicaid Block Grant

Streamlined Eligibility

1115 Waiver

Insurance Regulation

Lawsuit



Key ACA Initiatives to Watch

2014

- Medicaid Expansion up to 138% of the Federal Poverty Limit
- Insurance Exchange coverage available

2012

- State Medicaid Benchmark Benefit Package defined

2011

- Federal Essential Health Benefits defined

2010

- Children covered on parent's policy until age 26
- Federal Pre-Existing Condition Insurance Plan (PCIP)



Texas Council
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