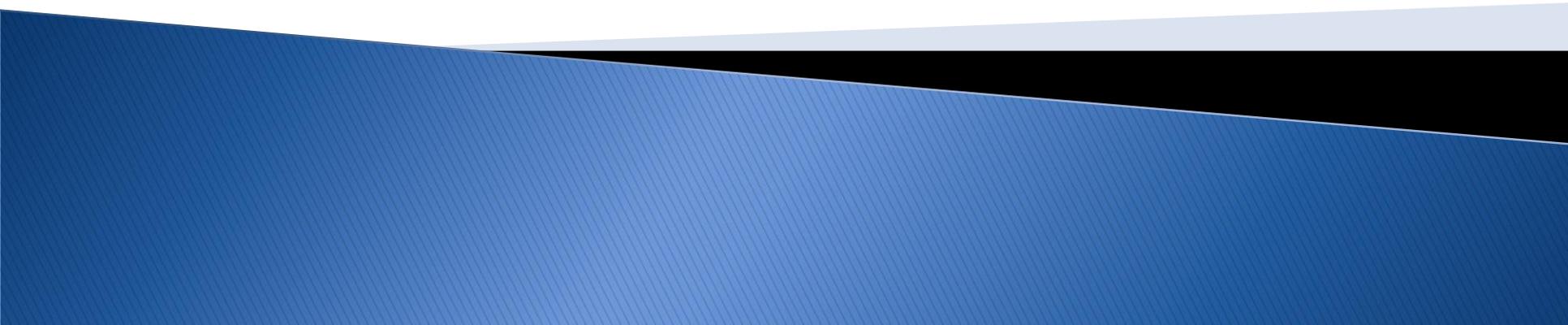


ACA Stakeholder Meetings

August 2010



Request for comment

- ▶ All comments presented were received from the request for pre-meeting comments on the below questions. They do not reflect the opinions or policies of the State or State staff.
 - What pieces of ACA reform concern you and/or your business the most?
 - What do you see as the current and future impact of the ACA to your business?
 - What are your thoughts and concerns regarding the Health Care Exchange(s)?

Business Concerns

- ▶ Cost
 - “No mechanisms to invoke cost containment strategies if health savings don’t materialize.”
 - “Hoosiers should be concerned about how the State will pay for the Act.”
 - “Costs will go up.”
- ▶ Unknown Regulations and Policies
 - “Much of the Act depends on regulations and polices that have yet to be developed by federal and/or state agencies.”
- ▶ Employer Mandate
 - “New taxes on businesses with more than 50 workers (including part-time workers) that do not provide insurance or do not provide government approved insurance (2014). For non-offering firms, with more than 50 workers, the new tax is \$2,000 per worker; For employers who offer but have a worker/s who opt-out of the employer-offered coverage, the employer is *still* taxed, this time \$3,000 per worker not enrolled in the employer-offered plan. “
- ▶ Tax Credit
 - “Often cited as a cure-all for small businesses, the small business tax credit will do little to make purchasing insurance more affordable for small firms. A tax credit that is poorly structured is not going to provide sustainable and long-term relief from high healthcare costs.”

Business Concerns (cont.)

▶ New taxes

- “The healthcare reform bill is the biggest tax increase in American history. Almost doubling the previous record, the bill increases taxes by \$569 billion. New taxes on wages ...New 3.8% Medicare tax on certain capital gains, interest, dividends, and rents (2013). “
- “The newly created tax on medical device companies revenue, regardless of their size or whether or not they are yet profitable. This is especially damaging to emerging medical device technology companies.”
- “The (medical excise tax) tax will make it even more difficult to get our business to cash flow positive in a timely fashion, as well as being able to forecast an adequate ROI to shareholders. These combine to make it more difficult to secure development and growth capital.”
- “Messaged as a “health insurance fee,” this tax is actually a tax on small business. The new tax, which doesn’t expire, is structured as an annual fee on insurers. One thing health insurers (and the CBO) have made clear: new taxes on them mean new costs passed on to customers. Small businesses will be paying for this new tax.”

▶ New 1099 Reporting Requirement

- “The so-called “corporate reporting” requirement will place a new and enormous tax-filing burden on all small business owners. The cost of complying with the new filing requirements will increase the cost of doing business and falls disproportionately on small business owners.... Worst of all, this provision has *nothing* to do with healthcare. It is simply a money grabber for new government programs.”

Health Care Delivery Concerns

- ▶ Disproportionate Share Hospital (DSH) Dollars
 - “The Act reduces (non-cumulatively) the aggregate disproportionate share allotments.”
- ▶ State Plan Options and Demonstration waivers
 - “The ACT makes available various state plan options and demonstration waivers that could provide important information about how Medicaid reimbursement methodologies can be reformed... Given the information and expertise that can be obtained, the IHA hopes the State will consider whether participating in these various opportunities is merited.”
- ▶ Benchmark Plans and Hospital UPL
 - “ The Act effectively expands Medicaid coverage to 138% of the federal poverty level and benefits for this expanded population must be “benchmarked” If reimbursement to hospitals under a benchmark plan will not equal Medicare reimbursement rates, the IHA requests that FSSA consider fashioning hospital services under a benchmark plan so that such services count toward the calculation of hospital UPL.”
- ▶ Data and Reporting
 - “The federal government will establish standards for each type of report... Ideally, federal, state, and commercial health plans should align around the same data reporting requirements.”
- ▶ Workforce
 - “Some of the Act’s most transformative provisions are designed to improve access to health care and encourage preventive health measures. When the Act is fully implemented, however, it is likely that Indiana (like the rest of the country) will not have sufficient numbers of primary health care providers to meet the demand.”

Insurance and the Uninsured

- ▶ **Medical Loss Ratio (MLR)**
 - “There is concern that immediate application of the 80% medical loss ratio requirement used in calculating rebates will destabilize the Indiana market for individual medical coverage”
- ▶ **Individual Mandate**
 - “Requiring every individual to purchase health insurance or face a fine is an unprecedented and unconstitutional act of Congress. This is the first time the government is telling individuals they have to do something simply because they are alive.”
- ▶ **Personal Responsibility**
 - “No requirements for consumers to improve their health status in order to gain access to affordable health coverage”
 - “Current legal restrictions hindering implementation of more aggressive employee incentives to improve health were not removed.”
- ▶ **Increased Access to Health Insurance**
 - “Future impacts would include the feasibility of offering health coverage to employees at a reasonable price. As a small business, health insurance highly affects our employee recruiting and retaining.”
- ▶ **Reductions in the Uninsured**
 - “We see great opportunities for significant reductions in the number of uninsured in Indiana and for development of a more accountable, efficient and cost-effective health care delivery system.”

Exchanges

▶ Exchange design

- “Our main concerns are that the design will vary by state, limit effective participation because of too many rules and not adequately address medical risk.”
- “MA and OR models are not going to work.”
- “We must assure a seamless transition between Medicaid and the exchange(s), as individual situations continue to change as people become employed or lose jobs, marry, divorce, etc.””
- ““Understanding and appreciating their intent, I'm concerned about the lack of efficiency of a government run program, or whether they will be appropriately employer friendly.”
- “There is potential to utilize an Indiana Exchange to standardize quality/safety metrics (NQF, NCQA, etc.), increase transparency, create value-based benefit designs that align consumer and provider incentives for improved health outcomes”

▶ Governance

- “Our greatest concern is who will run the Indiana exchange; the federal government, the state, or a nonprofit? We believe that Indiana needs to be involved even if we disagree with the law.”
- “Our working assumption is that an Exchange operated by the Secretary of HHS would not be as responsive to the needs of Hoosier purchasers of health insurance as an “Indiana Exchange” would be.”

▶ Competiveness

- “Also, we contend that there needs to be a market outside the exchange to purchase insurance, otherwise our shopping options will be limited to exchange only and that limits products and carriers.”
- “The health plan/insurance market on its own isn't likely to become more competitive in Indiana. Could and Exchange improve that?”

General Comments

- “(We believe) the Act holds great promise for reducing the number of uninsured Hoosiers and reforming our system of provider payments to reward the value of care provided instead of the volume of care. In doing so, we can improve health outcomes and slow the rate of growth in the cost of health insurance coverage.”
- “Generally, it is the unintended consequences occurring in 2014 and beyond that concern me the most. It is still quite incoherent.”
- “...we know that state administrative and IT systems will be challenged as our Medicaid program is expanded to provide coverage for those up to 133% of the FPL”
- “Tobacco use, poor dietary choice and other “in my control” decisions that increase health risk and avoidable health costs should not be rewarded.”
- “As Nancy Pelosi said I believe: “we can’t understand the health care act until we approve it, then we’ll read it and try to understand it.”. I believe her.”
- “Our company is on both sides of the Healthcare reform. As an employer we face the same challenges as all small business owners. As a healthcare company involved in Care Coordination and all aspects of medical management we question whether reform will make our job easier or more difficult. We support healthcare change feeling the current system is basically broken. That being said we would like to see maximum flexibility in addressing the key problems. “
- “This bill could make us very successful. In addition to trying to be a viable business in helping address healthcare needs, part of the our role is to translate for the consumer what these new regulations mean . We should be very busy. As a business owner with healthcare needs we are also excited . We currently offer insurance and will have more options under this plan.”