

HEALTH MANAGEMENT ASSOCIATES

Affordable Care Act and Public Health:
Opportunities for Public Health
Departments and Spotlights from
across the country

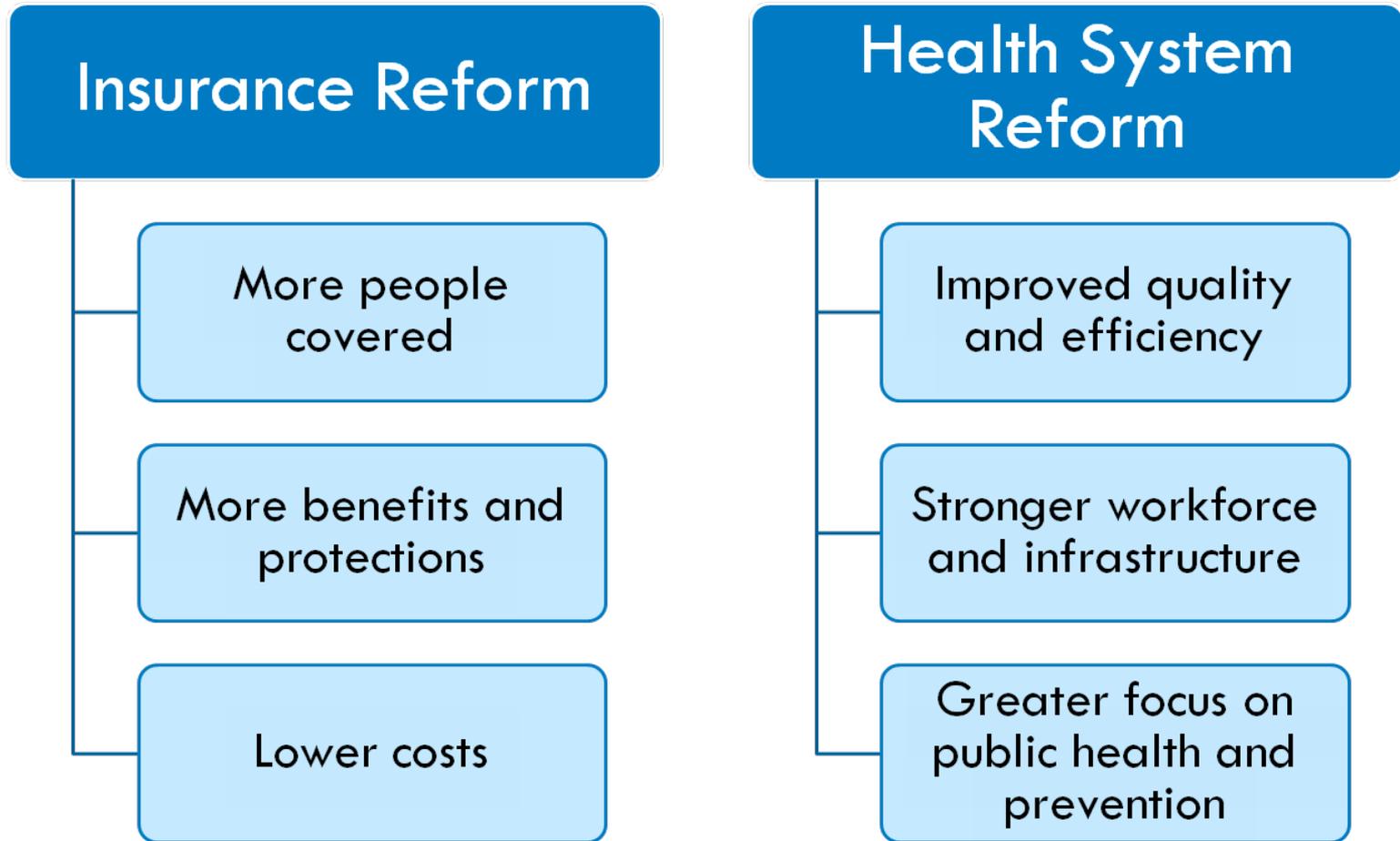
California Local Health Officers Conference
Sacramento

October 2, 2014

Margarita Pereyda, M.D.

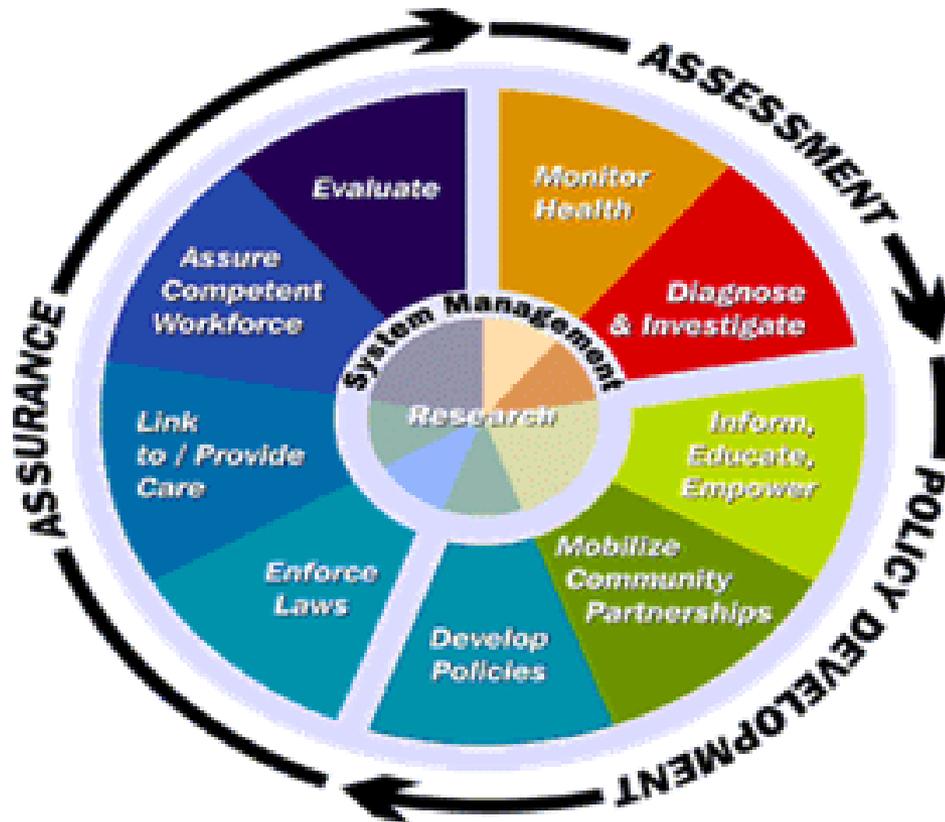
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Affordable Care Act Summary



For a more detailed version of this chart outlining major ACA provisions, see APHA's "Affordable Care Act Overview," available at <http://www.apha.org/advocacy/Health+Reform/ACAbasics/>.

ACA affects all 10 essential Public Health Services



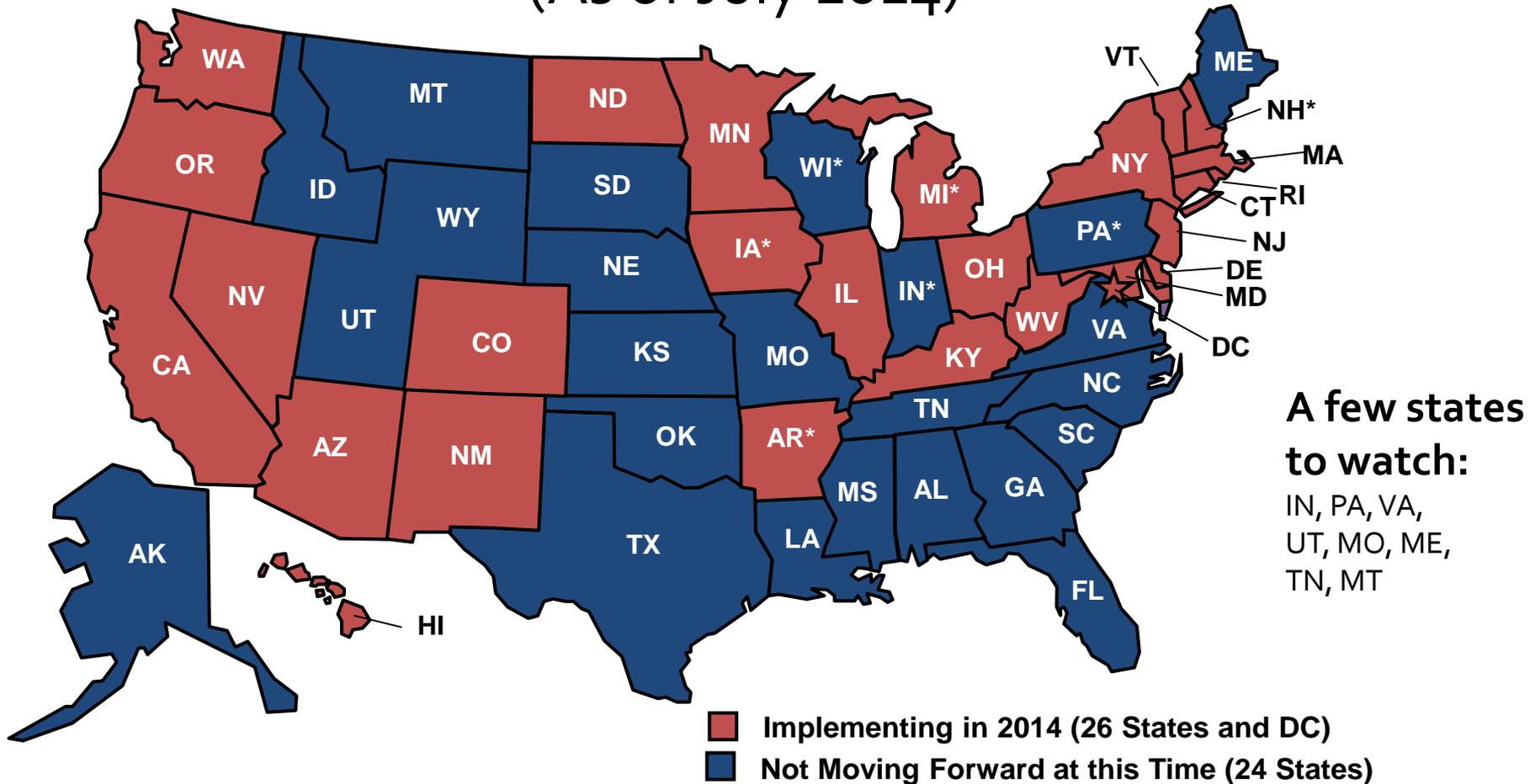
3 Major Ways ACA affects Public Health

- Expanded Insurance Coverage
- New Care Delivery Models
- Public Health Services

Insurance Expansion

- States with Medicaid Expansion
- Enrollment growth in Expansion States
- Enrollment growth in Non-Expansion States
- Alternative models for Expansion Coverage

State Medicaid Expansion Decisions (As of July 2014)

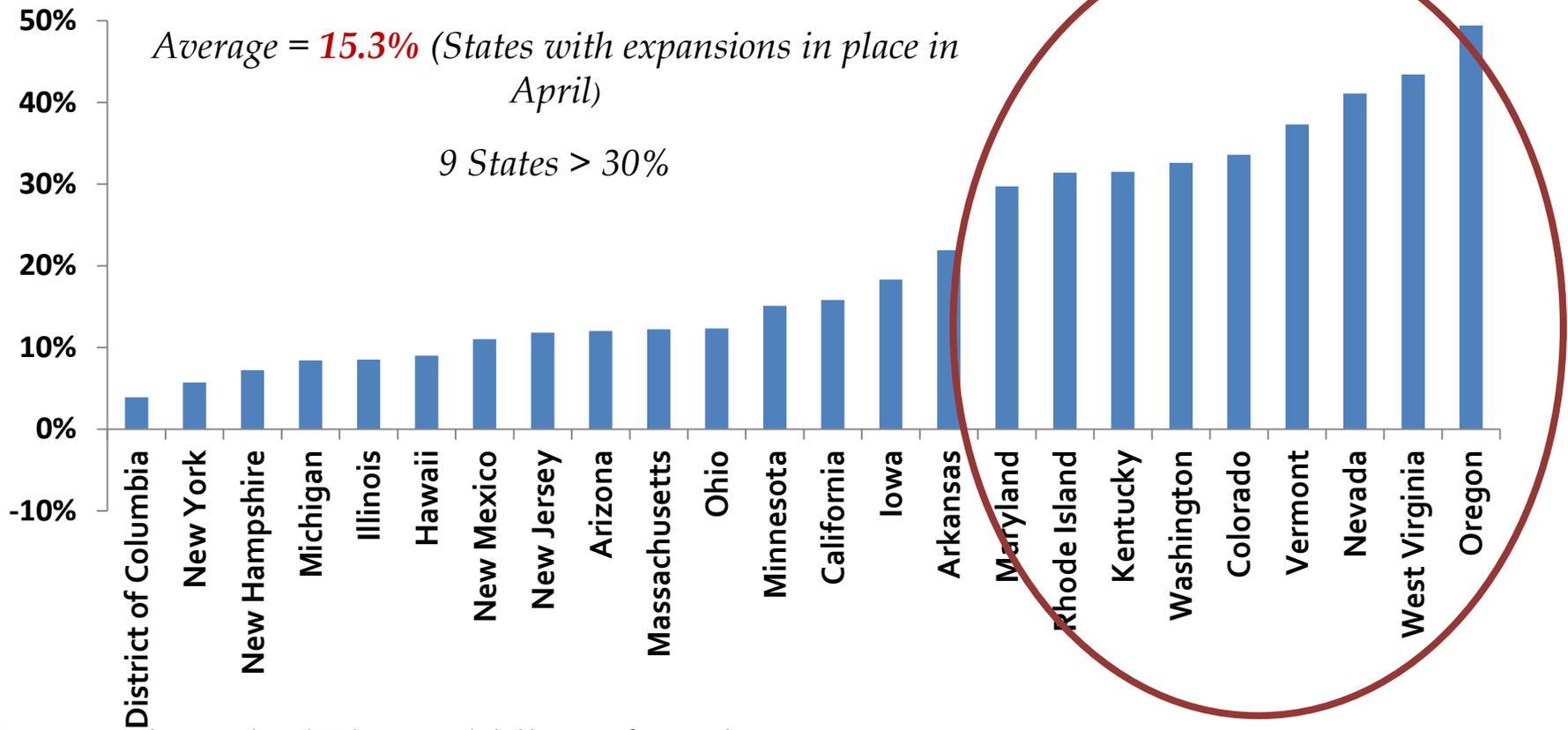


*AR, IA and MI obtained waivers for Medicaid expansion. IN and PA have pending waivers for alternative Medicaid expansions. WI amended Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion. NH expansion to begin August 2014.

SOURCES: States implementing in 2014 based on CMS data. Slide adapted from Kaiser Family Foundation.

In many “Expansion States,” enrollment growth has been robust

Percent Change in Medicaid/CHIP Enrollment
From Pre-ACA to April 2014

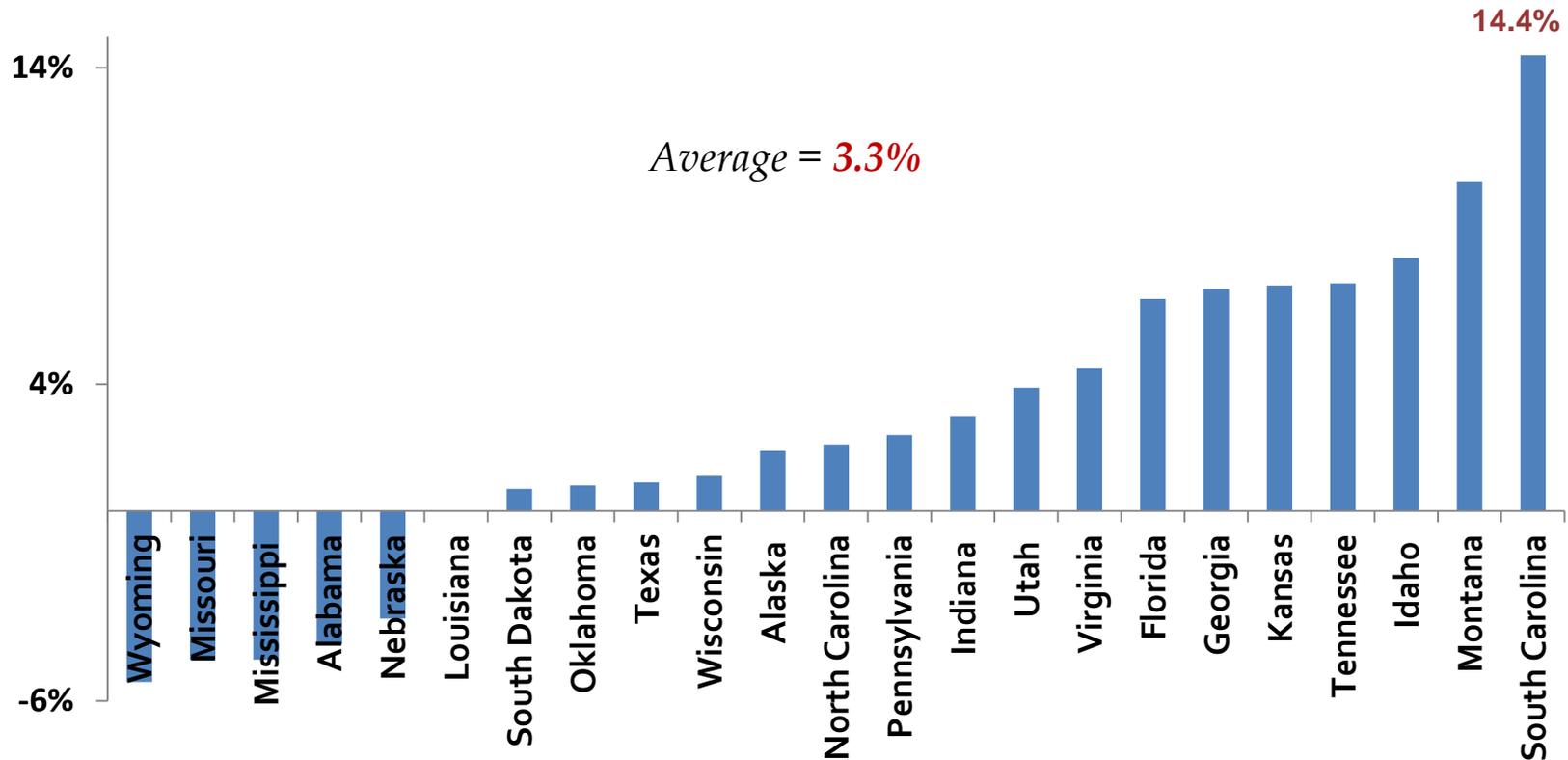


Connecticut, Delaware and North Dakota are excluded because of missing data.

SOURCE: CMS, “Medicaid & CHIP: April 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report,” June 4, 2014.

Some “Non-Expansion States” have also seen significant growth

Percent Change in Medicaid/CHIP Enrollment
From Pre-ACA to April 2014

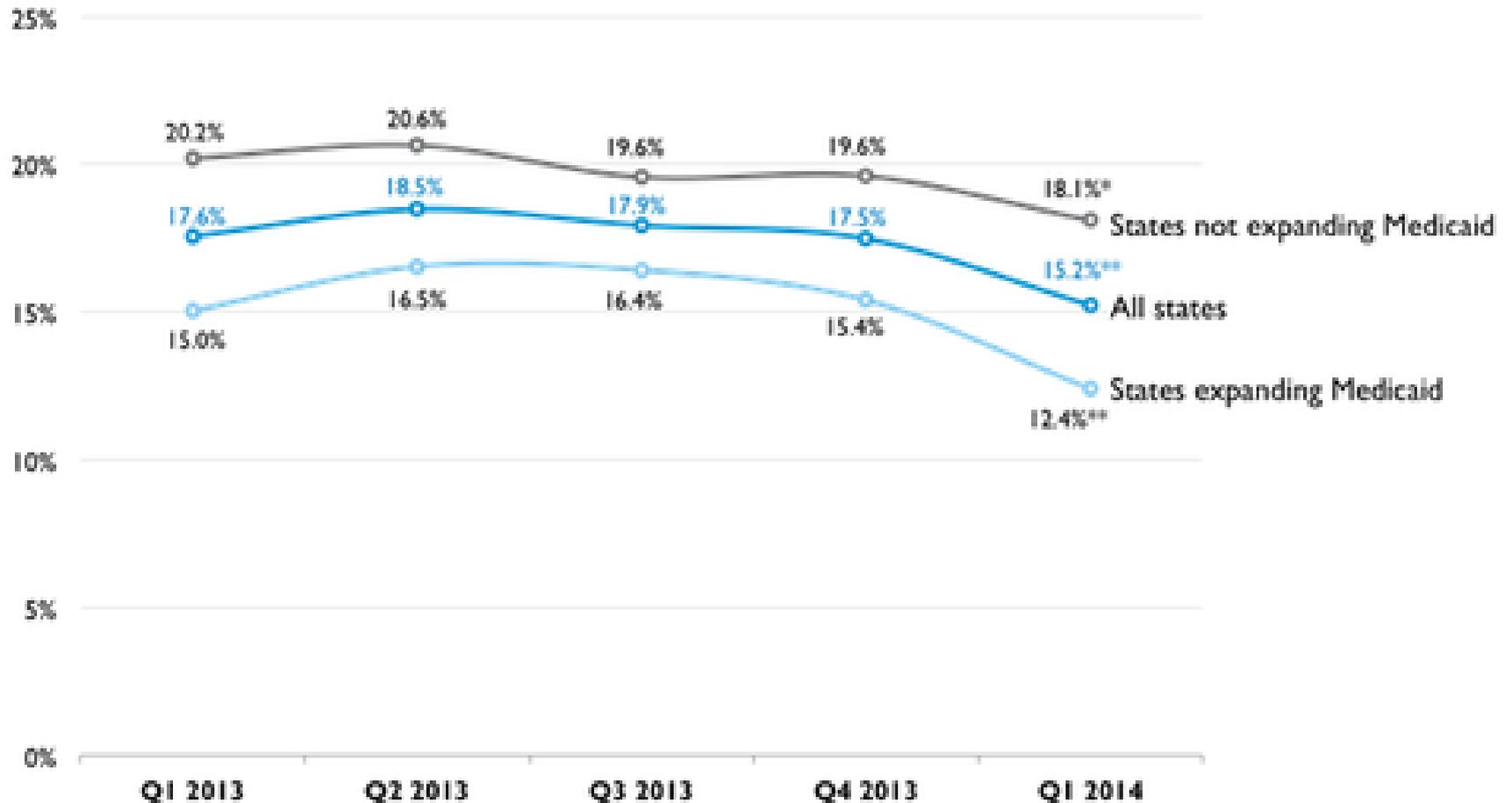


Maine’s data is also omitted because it was not comparable to the data submitted by other states.

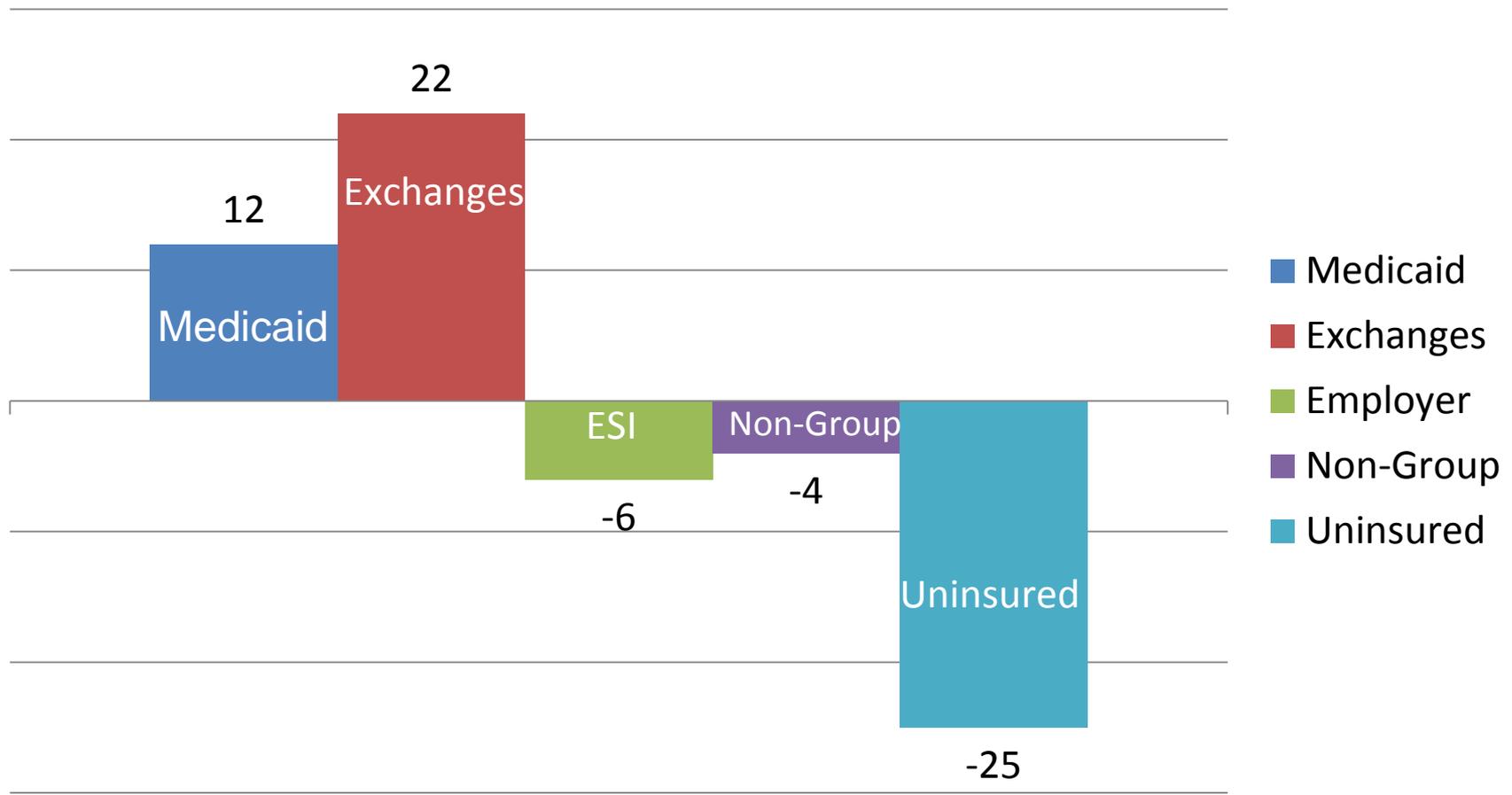
SOURCE: CMS, “Medicaid & CHIP: April 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report,” June 4, 2014.

New Coverage is Reducing Uninsured, Through Medicaid and Marketplace

Uninsurance Rate for Adults Age 18–64 by State Medicaid Expansion Decision



Effect of ACA on Health Insurance Coverage: Change from “No ACA”, Projected to 2016 Millions of Persons



Source: HMA, based on CBO Calculations in February 2014 Baseline.

New Care Delivery Models

- Accountable Systems of Care
- Focus on High Need/High Cost Populations
- Focus on Patient Centered Medical Homes
- Focus on Home and Community Based Services
- Goal to achieve TRIPLE AIM
 - Improved Population Health
 - Cost Containment
 - Improved Health Care Experience

Prevalent Elements Across “State Health Care Innovation Plans”

- **Accountable Systems of Care:**
 - payment for performance and outcomes
 - bundled or episode-based payments, with shared savings
 - integrated, accountable, value-driven, community-based delivery system
 - multi-payer ACOs that integrate LTC and behavioral health
 - Accountability, using metrics for cost-effectiveness, quality and outcomes.

Delivery System and Payment Reforms: Strong Medicaid Focus in 2014:

– *Focus on high-need, high cost populations*

- Persons with complex, chronic conditions and disabilities, and persons on both Medicare and Medicaid (dual eligibles).
- Managed care, care management, coordinated and integrated care
- Strengthened contractual requirements for health plans, Pay-for-performance, special initiatives e.g., for reducing non-emergency ER use.

– *State Innovation Model (SIM) initiatives*

- Catalyst for change and innovation

CMS State Innovation Model (SIM) Grants

“...to transform health care systems through development and testing of state-based, multi-payer models of care delivery and payment transformation.”

CMS Priorities for SIM Grants:

- Achieve triple aim: improve care, health, reduce costs
 - Multiple payers - Medicare, Medicaid, CHIP, State Employee Plans and private payer plans
 - Organized health care networks that provide integrated, seamless patient/person – centered care
- Accelerate broad health system transformation:
 - To move the delivery system away from fee-for-service, to value and performance, outcome-based reimbursement.

2013 SIM Awards: \$300 Million

- **25 states received awards:**
 - 6 Model Testing: **AR, MA, MN, ME, OR, VT**
 - 3 Model Pre-Testing: **CO, NY, WA**
 - 16 Model design and planning: **CA, CT, DE, HI, ID, IA, IL, MD, MI, NH, OH, PA, RI, TN, TX, UT**
- **“State Health Care Innovation Plan”** described how each state would improve care, improve community health, reduce long-term health risks, and reduce costs for Medicare, Medicaid, and CHIP.

2014 SIM Awards: >\$700 Million

- **27 states received awards**
- **“State Health Care Innovation Plan”** described how each state would improve care, improve community health, reduce long-term health risks, and reduce costs for Medicare, Medicaid, and CHIP.

Public Health Service

- **Prevention and Public Health Fund**
- **Community Transformation Grants**
- **National Public Health Improvement Initiative**
- **Community Health Needs Assessments**
- **Other Key Public Health Initiatives**

Prevention and Public Health Fund

- A much needed investment in prevention
- The U.S.'s first *mandatory* funding for public health
- Meant to supplement, not supplant, existing funding
- Public health system still underfunded, but this is a start

American Public Health Association
Center for Public Health Policy

ISSUE BRIEF

JUNE 2012

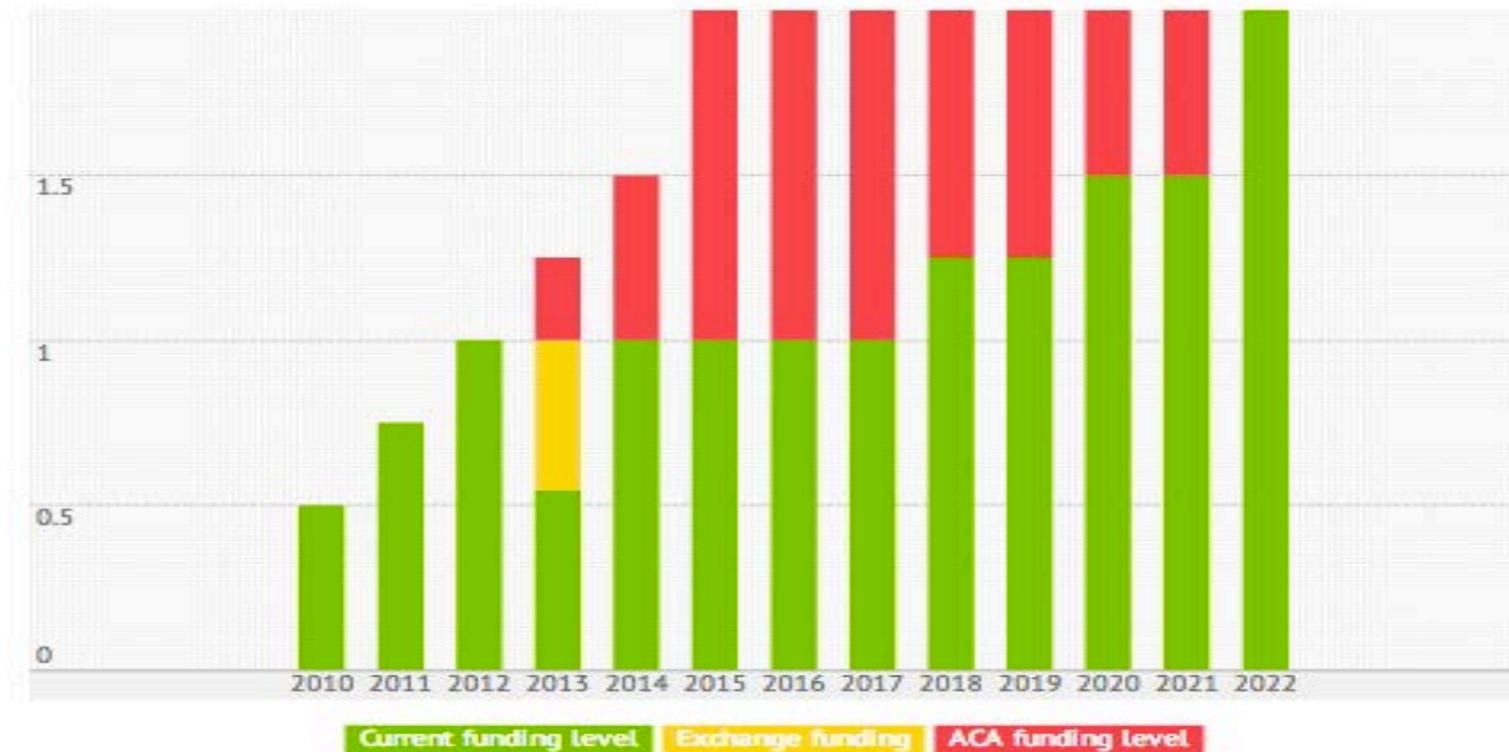


The Prevention and Public Health Fund:
A critical investment in our nation's physical and fiscal health

APHA American Public Health Association
800 I Street, NW • Washington, DC 20001-3710 • 202-777-APHA • fax: 202-777-2534 • www.apha.org

Funding for Public Health Fund

Prevention and Public Health Fund spending (in billions)



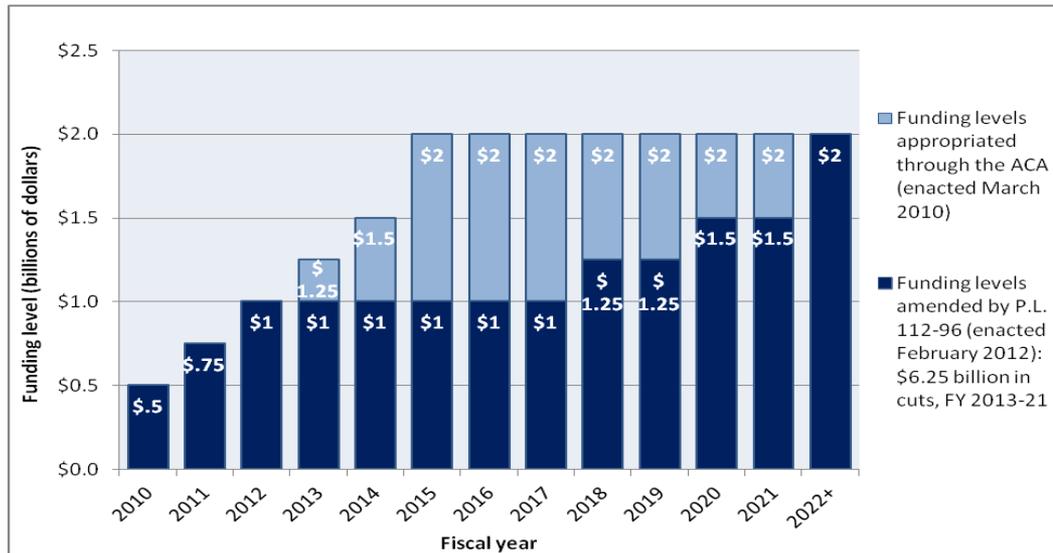
Create infographics

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Prevention and Public Health Fund

- Initially funded with \$15B infusion with ongoing \$2B annual funding
- 2012 Deficit Reduction Act cut \$6.5B (over 1/3 of the fund budget)
- Another \$4.5M used to help set up Federal Insurance Exchange
- Funds not earmarked----prime targets for Legislators

Prevention Fund amounts per year



- ❑ **Original funding:** \$15B over fiscal years (FYs) 10-19, then \$2B per year
- ❑ **P.L. 112-96 (Feb 2012):** cut \$6.25B over 9 years (FY13-21)
- ❑ **2013 sequestration:** Likely to cut another 5.1% per year, starting FY13 (not shown in figure). Pending President's announcement of FY13 HHS allocations.

States Are Now Looking for Alternative Ways to Expand Coverage

- Arkansas “Private Option” opened door:
 - Premiums to QHPs selected in Marketplace to 133% FPL
- Iowa: Premium assistance > 100% FPL
 - Premiums < 2% of income, Wellness incentives
 - < 100% FPL, enroll in MCO
- Michigan:
 - “Healthy Michigan Plan,” MCOs, cost sharing paid from HSA-like “MI Health Account”
- New Hampshire:
 - Premium Assistance, MCOs, “private option” in 2016

Prevention and Public Health Fund

- Created by the Affordable Care Act
- Nation's first mandatory funding stream dedicated to improving the public's health
- Provide for expanded and sustained national investment in prevention and public health programs to improve health and help restrain the rate of growth in private and public health care costs (by law)

The Prevention and Public Health Fund:

Four major funding goals

Clinical prevention

- Enhance awareness of ACA prevention services and benefits
- Immunization programs
- Integrating primary and behavioral health

Community prevention

- **Community Transformation Grants**
- Comprehensive Chronic Disease Prevention Grants
- Other efforts (e.g. CDC's "Tips from Former Smokers" campaign)

Workforce and infrastructure

- **National Public Health Improvement Initiative**
- Lab capacity grants
- Workforce training grants

Research and tracking

- **National Prevention Council & Strategy**
- Environmental Public Health Tracking System
- Prevention research centers

The Fund also supports more programs and initiatives in each category.

Community Transformation Grants (CTG)

- Investments in (and dissemination of) evidence-based and practice-based community strategies and programs
- Four main areas of focus
 - ▣ tobacco-free lifestyles
 - ▣ active living and healthy eating
 - ▣ high-impact quality clinical and other preventive services
 - ▣ creation of healthy and safe physical environments
- Run by CDC, funded by Prevention Fund
 - ▣ \$145M in FY 2011, \$226M in FY 2012



National Public Health Improvement Initiative (NPHII)

- Support for STLT health departments to build capacity and improve systems, to improve delivery and impact of public health services
 - ▣ Focus on accreditation, QI, systems change
 - ▣ National orgs providing tech. assistance
- Run by CDC, funded by Prevention Fund
 - ▣ \$42.5M in 2010, \$33.5M in 2011



Community health needs assessments (CHNAs)

- Tax-exempt hospitals must conduct CHNAs and implement strategies to address community needs
 - A revision to existing community benefit requirements
 - First assessments due 2012-13, then at least every 3 years

- CHNAs must take into account input from “persons who represent the broad interests of the community served by the hospital facility, **including those with special knowledge of or expertise in public health.**”



Other key public health provisions

- ❑ **Public education campaigns**
 - ▣ Lifestyle choices, chronic diseases (campaigns active)
 - ▣ Menu labeling (coming soon?)
 - ▣ Oral health (campaign not yet active)
- ❑ **Health equity promotion**
 - ▣ REACH funding
 - ▣ Data collection & reporting
 - ▣ Research, training, workforce (funded?)
- ❑ **Workplace wellness programs**
 - ▣ Incentives; implementation grants



More information: [APHA: Prevention Provisions in the ACA \(2010\)](#); [NACCHO: PH & Prevention Provisions of the ACA \(2013\)](#)

Health system reforms: public health, workforce and infrastructure provisions

Insurance Reform

More people covered

More benefits and protections

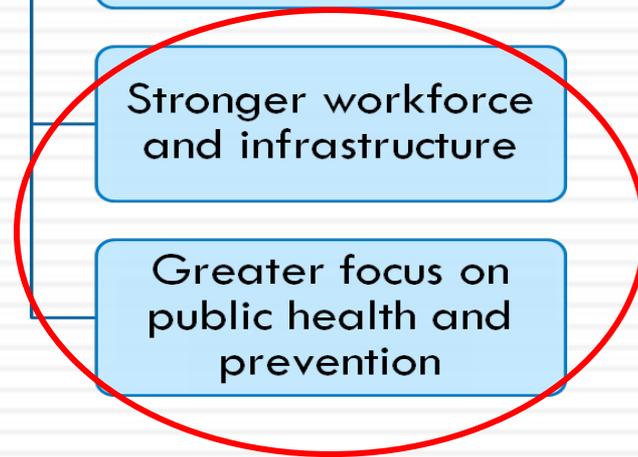
Lower costs

Health System Reform

Improved quality and efficiency

Stronger workforce and infrastructure

Greater focus on public health and prevention



Workforce and systems funding

- ❑ **PH workforce training centers and programs:** avg \$30M/yr FY10-12
- ❑ **Community health centers:** \$11B over 5 years
- ❑ **School-based health centers:** \$50M/yr, FY10-12
- ❑ **PH services and systems research:** \$20M in FY11
- ❑ But many **unfunded provisions**, including:
 - ▣ PH workforce loan repayment program
 - ▣ Community health workforce grants
 - ▣ National Health Workforce Commission



Implications for health departments

- Watch for funding opportunities and apply
 - [Grants.gov](https://www.grants.gov)
 - [HHS Grants Forecast](#)
- Where funding isn't available (yet/anymore), learn from what others are doing. For example:
 - [Community Transformation Grants \(CTGs\): Promoting Proven Strategies to Fight Chronic Diseases](#) (TFAH)
- More important than ever to demonstrate the value (ROI) of public health and prevention

Implications for health departments

- **Potential roles in coordinated care efforts like ACOs and medical homes**
 - ▣ Clinical provider in ACO networks, PCMH partnerships
 - ▣ Offer enabling services, community programs that enable ACOs, PCMHs, etc to meet population health goals
 - ▣ Convene stakeholders, help ensure a true focus on prevention and population health as contracts are made

- **Potential roles in value, quality and efficiency efforts like ACOs, value based purchasing, EHR**
 - ▣ Collection and analysis of data
 - ▣ Development of new quality measures

Summary of considerations for health departments

□ **Coverage expansion**

- ▣ Evaluate future role in providing clinical services
- ▣ Consider needs/opportunities for community education, outreach, enrollment

□ **Public health programs, workforce, infrastructure**

- ▣ Watch for funding, or learn from others' efforts
- ▣ Collaborate on community health needs assessments

□ **Delivery and payment reforms**

- ▣ Explore opportunities for involvement as a provider
- ▣ Explore opportunities for making other contributions (convening stakeholders, data collection and analysis)

Coverage expansion and health departments: questions to consider

- Will previously uninsured consumers still seek health department services once they have other options?
- If newly insured consumers do want to remain as HD patients, are you able to bill public and private insurers?
- What about the remaining uninsured? Sensitive services? Outbreak response?
- Primary care workforce capacity issues – a problem or an opportunity?
- Does it make sense to transition away from clinical service provision, and focus more (or only) on non-clinical and population-based services?
- What is your potential roles as a “navigator” (official or unofficial)?

Insurance reforms: protecting access, controlling costs

Most insurers **MAY NOT**:

- ❑ Deny coverage due to pre-existing conditions
- ❑ Rescind coverage over simple paperwork mistakes
- ❑ Set lifetime caps on essential coverage
- ❑ Charge women more than men (gender rating)

Most insurers **MUST**:

- ❑ Cover “essential health benefits”
- ❑ Cover preventive services with no co-pays or deductibles
- ❑ Cover young adults on their parents’ plan through age 26
- ❑ Spend more on services, less on profits (MLR)
- ❑ Justify double-digit rate increases (rate review)

No-Cost Clinical Preventive Services

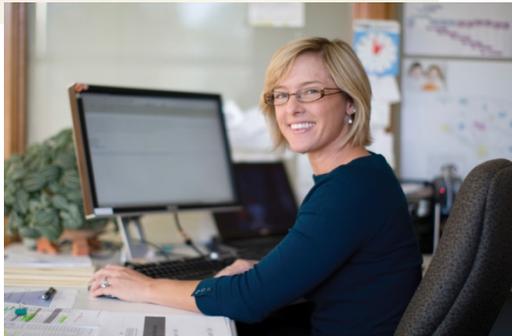
- No deductibles, co-payments, etc
- Coverage effective 2010 (examples):
 - Cancer screenings such as mammograms and colonoscopies
 - Vaccinations such as flu, mumps, and measles
 - Blood pressure and cholesterol screenings
 - Tobacco cessation counseling and interventions
- Coverage effective 2012-13: Add'l women's preventive health services such as pap smears and birth control*



*As of April 2013, certain religious organizations are exempted from providing this contraceptive coverage, and proposed accommodations for certain other eligible organizations are under consideration.

More information: Healthcare.gov: Preventive Care; [HealthReformGPS: Update: Contraception Coverage within Required Preventive Services \(March 2013\)](http://HealthReformGPS: Update: Contraception Coverage within Required Preventive Services (March 2013))

Prevention and public health; workforce and infrastructure provisions



- ❑ Prevention and Public Health Fund
- ❑ National Prevention Council & Strategy
- ❑ Community health needs assessments
- ❑ Community and school-based health center funding
- ❑ Public health and primary care workforce development
- ❑ Health equity promotion
- ❑ Public health research
- ❑ Public education campaigns
- ❑ Menu labeling

Spotlights from around the Nation



- ❑ Oregon
- ❑ Illinois
- ❑ Michigan
- ❑ Lake County, Illinois
- ❑ San Francisco, California
- ❑ Hennepin County, Minnesota

Oregon: Bringing Health Departments into Regional Governance of Resource Allocation

- New approach to meeting the Triple Aim
- Established 15 regional Coordinated Care Organizations (CCOs)
- CCO's given latitude to utilize public dollars in innovative ways to meet access, quality, and cost performance metrics
- Each CCO has a governance structure that is representative of all key stakeholders (local health departments are mandated members)

Illinois: Building Regional Health Hubs

- Illinois SIM leadership: Alliance for Health
- Illinois Department of Health and local departments of health are integrally involved in the Alliance
- Planning process identified four Population Health Values:
 - ▣ Equity
 - ▣ Integration
 - ▣ Continuous learning
 - ▣ Sustainability

Illinois Regional Public Health Hubs (Regional Hubs)

- ❑ Designed to help operationalize four values
- ❑ Serve as a “nexus” between the Illinois Department of Public Health (IDPH), local health departments (LHDs), and communities
- ❑ IDPH will serve as a “coach” and resource for Hubs by providing technical assistance, data analysis, and epidemiological expertise
- ❑ Local health departments will play a key role in organizing communities and providing local expertise

Michigan: Building Regional Hubs

- Identified the integration of health care services and the traditional public health functions as a key element
- Michigan's State Health Care Innovation Plan (SHCIP) envisions five pillars undergirding health care reform:
 - ▣ Patient-Centered Medical Homes
 - ▣ Accountable Systems of Care
 - ▣ Community Health Innovation Regions
 - ▣ Payment Reform
 - ▣ Infrastructure

Michigan: Regional Hubs

- Key role for Community Health Innovation Regions (CHIRs)
- CHIRS encompass:
 - ▣ traditional public health entities and
 - ▣ convene stakeholders across competitive entities
 - ▣ conduct community assessments
 - ▣ link people to needed services
 - ▣ establish health policies and priorities
 - ▣ spur integration of clinical, behavioral, and social services within accountable systems of care

Lake County, IL: Improving Access to Specialty Care and Diagnostics and Improving Care Coordination

- Since 2003 community leaders representing county and local government, the Lake County Health Department/Community Health Center, HealthReach (a free clinic), all five hospitals in Lake County, private health care providers, and local private foundations, have worked together to address unmet needs of uninsured, low-income residents of Lake County, particularly in the area of specialty care

San Francisco: Integrating the Health Care Delivery System within the Public Health Department

- SFDPH one of few large urban health and hospital systems in nation with local gov't operated medical delivery system, behavioral health services (inpatient, outpatient, care management, residential mental health, and addiction programs), and population/public health are all under one department
- SF Health Network: Innovative program to coordinate into one integrated delivery system

Hennepin County, MN: Bringing Employment Services, Housing, Nutrition, and Oral Health into Health Reform for Poor Childless Adults

- Department of Health and Hennepin Health, a managed care organization serving poor childless adults in Medicaid, formed a partnership with North Point Health and Wellness Center, the County Human Services Department, and the Hennepin County Medical Center, to address a wide range of needs

Hennepin County, MN: Addressing the Social Determinants of Health

- Assignment of single accountable individual to each of the members in the top 20% of health care utilizers
- County-operated intensive case management team assists patients with persistent and serious mental illness
- ER “in-reach” unit links high utilizers of the ER and other crisis services to primary care and non-emergency behavioral health services
- Strong emphasis on averting care in high-cost settings, such as the ER and inpatient admissions
- Portion savings used to finance types of housing and employment services that ordinarily fall outside Medicaid coverage

Opportunities resulting from ACA

- Public Health and Prevention Fund – a significant investment despite decrease from original funding
- National Prevention, Health Promotion, and Public Health Council--involves 17 federal agencies, departments, and offices, and is chaired by the Surgeon General
- Drives alignment between Health Plans and Public Health
- Annual free Wellness and Prevention Exam for Medicare Recipients
- Disallows insurers from risk rating based on health status AND allows adjustment of premiums based on tobacco use
- Community Health Centers Fund: \$11 billion new investment in community health centers

In Summary.....

- Public health brings an important additional dimension to health policy by addressing social determinants of health and the forces that drive people into the health care system in the first place, in order to keep the population healthier
- Local public health officials and leaders of community-based organizations can bring innovations to the table addressing these drivers of poor health and high spending, but only if they are invited into the decision-making process, and *only if they accept, and even push for such invitations*

CONTACT INFORMATION AND ADDITIONAL RESOURCES

mpereyda@healthmanagement.com

www.healthmanagement.com

[http://www.healthmanagement.com/assets
/Publications/The-Critical-Role-of-Public-
Health-Departments-in-Health-Care-
Delivery-System-Reform.pdf](http://www.healthmanagement.com/assets/Publications/The-Critical-Role-of-Public-Health-Departments-in-Health-Care-Delivery-System-Reform.pdf)