

# State Health Reform in a Fiscal Crisis



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Community Catalyst is a national non-profit advocacy organization dedicated to quality affordable health care for all. Since 1997, Community Catalyst has been working in partnership with national, state and local consumer organizations, policymakers, and foundations to build the consumer and community leadership required to transform the American health system so it serves everyone—especially vulnerable members of society.

Our staff of experienced policy analysts, attorneys, community organizers, and communications specialists has worked with organizations in over 40 states. From Oregon to Orlando, Community Catalyst strengthens organized consumer voices wherever important decisions about the health system are made: in communities when hospitals go up for sale; in courtrooms where consumers challenge the illegal practices of drug companies; and in statehouses when advocates strive to win improvements in health care programs.

# Outline



- How can advocates protect health coverage in the current economic environment?
  - Federal assistance
  - Protecting and defending Medicaid
- How can advocates make progress in the current economic environment?
  - State approaches
- What can advocates do?

# States Look to the Federal Government



- SCHIP

- Based on 2007 bill that Bush vetoed, except includes coverage for legal immigrant children to receive care without the five year waiting period (ICHIA).
- Debate is this week.
- Expires at the end of March – need reauthorization so states do not run out of funds.
- It costs less to insure children than to care for children who do not have insurance.

# States Look to the Federal Government



- \*Economic Recovery Proposal:
  - COBRA
    - 65% subsidy for the first 12 months of COBRA for workers who lost their jobs after September 1, 2008.
    - Make it possible for those over 55 or those who worked for an employer for 10 years to retain COBRA until they qualify for Medicare or other employer coverage.
  - Covering Adults and Families
    - Provide 100% federal Medicaid matching funds for the unemployed without insurance who meet certain criteria.

\*based on House Summary.

# States Look to the Federal Government



- Federal Medical Assistance Percentage (FMAP)
  - Percent of state Medicaid expenditures that the federal government contributes to program.
  - An increase would help provide additional funding to states and help preserve Medicaid services and enrollment.
  - \$87 billion is proposed amount.
  - “Maintenance of Effort” - Must not have adopted stricter eligibility standards since July 1, 2008.

# Medicaid: In the States



- 27 states have tried to cut Medicaid costs through provider payments, limiting benefits, reducing eligibility or increasing copayments.
- Cutting Medicaid can reduce the number enrolled, reduce services and diminish quality.
- Medicaid should be strengthened during tough economic times. It is an important source of federal revenue to the states and helps stimulate the economy.

# Women and Medicaid



- Women [of all ages] are the majority of Medicaid beneficiaries.
- Improves women's and children's access to health care.
- Reproductive health, prenatal, breast/cervical cancer, prescription all covered.

# Generating Revenue for Health Access



- Tobacco Tax (PA, MS, FL, KY, GA, OR)
  - One of the easier taxes to pass, especially when using funds to prevent kids from smoking
  - Can help fund Medicaid, which can then bring more federal dollars
- Provider Assessments (CO, WI)

# Making Progress: State Approaches



- Medicaid Cost and Quality Improvement Measures:
  - Better care management (NC, ME, MA)
  - Tying payment to quality (MA, NY, Medicare)
  - Invest in primary care (NY)
  - Prescription Drug Reform
    - Prescription Drug Lists
    - Academic Detailing
  - Public Health Investments

# Making Progress: State Approaches



- State efforts need to continue to help drive the national reform debate and help fill in the gaps.
- **Improve Charity Care Transparency** (NY)
  - Better guidelines for screening and notifying patients about free care.
  - Impose sanctions on those that do not meet standards.
  - End hospital overcharging of uninsured and underinsured
- **Dependent Coverage** (CA, IL, IA, KY, NY)

# Making Progress: State Approaches



- Insurance Market Reform (PA, OH, IL)
  - Establish a medical loss ratio.
  - Move to guaranteed issue. (NY)
  - End gender rating and other types of individual rating, in favor of community rating. (NY)

# What can advocates do?



- Advocate for additional federal funds (FMAP, SCHIP).
- Evaluate the possibility of provider assessments to help draw more federal money.
- Create a consumer friendly cost and quality agenda.
- Press state leaders to support quality initiatives that save money and spend more efficiently.

# What can advocates do?



- Review prescription drug reform policies.
- Review your state's charity care policies.
- Use this time to build relationships and organize supporters who can be poised to move on both state and national reforms.

# Community Catalyst Web Resources

www.communitycatalyst.org



- [Building Blocks for State Health Reform](#): a policy guide for advocates
- [Free Care Compendium](#): state-by-state summaries and analysis of free care requirements
  - [Hospital Monitoring Toolkit](#)
  - [Free Care Web Tool: build customized state legislation](#)
- [Getting Ready for National Health Reform: a handbook for state advocates](#)
- [Raising Tobacco Taxes to Support Health Access](#): a step-by-step campaign guide
- [The Prescription Project](#)