



A Discussion on State-based Healthcare Reform

Prepared for:
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Healthcare Reform Defined

- ▶ At first, the idea of healthcare reform focused centrally on providing insurance coverage for all Americans.
- ▶ Today, the dialogue includes coverage AND the idea of cost containment through the improved value and quality of services provided.



States Are Leading The Way

According to a recent Kaiser study, 42 states now have some plan to expand access

What Is Possible...

Viable solutions exist for EVERY State:

- Expansions of coverage
- Chronic disease management
- Insurance market reform
- Pay for performance
- Better managed care
- Long term care reform
- Health IT
- Savings through improved quality
- Incentives for healthy behaviors and personal responsibility

Bi-Partisan Consensus is Achievable...

- ▶ Democrats
 - Reduce the number of the uninsured

- ▶ Republicans
 - Non-traditional Medicaid expansion
 - Subsidies for the purchase of a private insurance product
 - Personal responsibility

What States Are Doing...

▶ General Approach

- Extend limited benefit to adults not eligible for Medicaid
- Cover physical and mental health (at times with carve-out)
- Require cost sharing, premiums >150% FPL and co-pays
- Provide insurance through Employer Sponsored Plans (ESI) or core, basic benefit

What States Are Doing...

▶ Specific Examples

- Massachusetts – Coverage for alcohol, drug abuse and mental health services
 - Commonwealth Care (<300%) – Medicaid level of services through managed care plans; Copays- \$10 office, \$50 IP
 - Commonwealth Choice (>300%) – State mandated services; Copays - \$20 office, \$250 IP

What States Are Doing...

▶ Specific Examples

- Pennsylvania – Proposed coverage for mental health & substance abuse
 - Psychiatric Inpatient & Outpatient/partial hospitalization
 - Detoxification, non-hospital rehab, Outpatient/partial hospitalization
- Texas – In development, goals include coverage for mental health services
 - Inpatient hospital
 - Outpatient – to avoid inpatient

Opportunities to Strengthen MH/SA...

- ▶ Leverage existing uninsured data to identify needs and establish evidence-based coverage for reform
- ▶ Build adequate treatment, prevention, and recovery for mental health and addiction into components of state-based reform platforms through:
 - Managed care
 - Wellness and healthy behaviors
 - Chronic disease management
- ▶ Use quality indicators to identify and incorporate adequate mental health and addiction treatment into public and private health care plans
 - Quality Forum
 - Medicare and Medicaid
 - Large Employer Purchasing

Who Is At The Table...

- ▶ Governor
- ▶ Legislature
- ▶ Hospitals
- ▶ Doctors
- ▶ Insurers
- ▶ Consumers
- ▶ Insurance brokers
- ▶ Pharmaceutical companies
- ▶ Federal Government
- ▶ Local government
- ▶ Health delivery system
- ▶ Financing
- ▶ Big businesses
- ▶ Small businesses
- ▶ Long Term Care
- ▶ Unions

Discussion

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