



National Association of Free Clinics

Health Care Reform Update

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Free Clinics and Health Care Reform

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 - American Reinvestment & Recovery Act (ARRA)
 - 2010 Presidential budget
 - Congress and health care reform
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 - Congressional Discussions
 - FY 2011 Presidential Budget



Free Clinics and Health Care Reform

- Where We ARE
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Recap-Stimulus Package and FY2010 Presidential Budget

- Free/Charitable Clinics were not named in the FY 2010 Presidential Budget
- Free/Charitable Clinics were not named in the American Reinvestment & Recovery Act (ARRA)
- There are three areas in the Stimulus Package that may be of interest to free and charitable clinics, however they require a great deal of outcomes based reporting:
 - Two priorities for Health Technology
 - Grant opportunities for non-profits but require matching funding by entities
 - One program for rural community centers
 - Loan programs



Recap - FY2010 Presidents Budget and Health Care

- **The fiscal 2010 budget set aside a "reserve fund" of \$634 billion as a "down payment" on the costs of universal health care coverage over 10 years.**
 1. *Protect Families' Financial Health.* The plan must reduce the growing premiums and other costs American citizens and businesses pay for health care. People must be protected from bankruptcy due to catastrophic illness.
 2. *Make Health Coverage Affordable.* The plan must reduce high administrative costs, unnecessary tests and services, waste, and other inefficiencies that consume money with no added health benefits.
 3. *Aim for Universality.* The plan must put the United States on a clear path to cover all Americans.
 4. *Provide Portability of Coverage.* People should not be locked into their job just to secure health coverage, and no American should be denied coverage because of preexisting conditions.



Recap-2010 Presidents Proposed Budget and Health Care

5. *Guarantee Choice.* The plan should provide Americans a choice of health plans and physicians. They should have the option of keeping their employer-based health plan.
6. *Invest in Prevention and Wellness.* The plan must invest in public health measures proven to reduce cost drivers in our system-such as obesity, sedentary lifestyles, and smoking- as well as guarantee access to proven preventive treatments.
7. *Improve Patient Safety and Quality Care.* The plan must ensure the implementation of proven patient safety measures and provide incentives for changes in the delivery system to reduce unnecessary variability in patient care. It must support the widespread use of health information technology and the development of data on the effectiveness of medical interventions to improve the quality of care delivered.
8. *Maintain Long-Term Fiscal Sustainability.* The plan must pay for itself by reducing the level of cost growth, improving productivity, and dedicating additional sources of revenue



President's Health Care Forum and Free Clinics

- In early March 2009 the President brought together a Health Care Forum to discuss Health Care Reform
 - Free/Charitable Clinics were not invited
 - NAFC started a letter writing campaign to the White House
 - To date the NAFC has not heard from the White House at all.

Health Care Reform – PRESENT DAY

The President announced his 2011 budget which includes:

- Increased Spending for Community Health Centers.
 - The budget includes \$2.5 billion, an increase of \$290 million, for health centers to expand service capacity beyond the ARRA and to make investments in behavioral health services.
- 340B Funding Increase for Community Health Centers
 - In addition to a funding increase to expand community health centers (see below), the FY 2011 budget request includes \$5 million to “improve access to potentially lifesaving drugs as authorized by section 340B of the Public Health Service Act, allowing Federally funded grantees and other health safety net providers to purchase medications at significantly discounted prices.”



House of Representatives and Health Care Reform

- The House of Representatives passed H.R 3200 “America's Affordable Health Choices Act of 2009”
- This legislation had no reference to free/charitable clinics in the bill
 - No reference to expansion of FTCA
 - No expansion of 340B pricing for free or charitable clinic
 - No inclusion of free clinics under the medical home provision in the bill
- The bill was sent to the Senate to be considered however, the Senate passed their own version of a health care reform bill.

Senate and Health Care Reform

- The Senate passed H.R. 3950
 - “The Patient Protection and Affordable Care Act”
- The legislation includes the expansion of the Federal Torts Claim Act to include free clinics site and staff
 - Sec. 10608. Extension of medical malpractice coverage to free clinics.
 - The expansion of FTCA reform is not included in the house legislation



Health Care Reform

Where WE Are - Right NOW

Health Care Reform – PRESENT DAY

Where We Are: Passage of the Legislation

- The Senate, House and President signed “The Patient Protection and Affordable Care Act”
- We now have entered the rule making process where the legislation will go to the various agencies and receive the “rules” on how things will be implemented.
- There is much talk of repeal of the legislation, though that is very unlikely
- The Congress and the President have moved onto other priorities



Health Care Reform – PRESENT DAY

Three States and the National Plan

- Massachusetts
- Vermont
- Wisconsin
- National Reform

Massachusetts

According to Robert Wood Johnson and the CATO Institute

- In 2006, Massachusetts enacted a sweeping health insurance law that mirrors the legislation currently before Congress.
- According to Massachusetts there is a 98% insured rate
- According to the CATO institute the rate of uninsured is 4.7% and costs more than the supporters claimed.

- ER Visits-RWJ Study
 - 75.7% respondents in a Massachusetts study need to get non emergency care after normal hours
 - 55.8% cited their inability to get an appointment with a doctor or other provider as soon as was needed
 - 87.9% of Massachusetts' most frequent emergency room visitors—those who use the emergency room three or more times per year—reported problems with their health or a disability.
 - Large majorities of frequent emergency room visitors also reported being out of work and income less than 300% of the Federal Poverty Level.



Massachusetts

- Since 1996 the NAFC has “lost one member” because they became a FQHC
- In the last two years the NAFC has gained 5 new clinics from Massachusetts
- These clinics offer
 - Dental
 - Mental health
 - Vision
 - Hearing
 - Vaccinations
 - Chronic disease
- One NAFC member clinic saw 500 patients in their first year in their second year under health care reform in MA they say 1500 patients

Vermont

- In May 2006, the legislature passed and the Governor signed Acts 190 and 191, the Health Care Affordability Acts (HCAA) for Vermonters.
- Implementation of the HCAA began in early 2007.
- Between 2005 and 2008, the percentage of Vermont residents aged 0 to 64 with some type of insurance coverage increased by 2.4%, raising the percentage of insured residents in this age group from 88.8% to 91.2%.
- Insurance coverage in Vermont increased more rapidly than in other New England states, with most of the increase in Vermont's coverage coming through increases in public coverage.



Vermont

- There are 10 free clinics in Vermont
- There is a Vermont state association
- In Vermont the clinics are 9 free primary health care clinics and 2 dental clinics.
- These clinics remain active in serving a patient population that fall at 200% below the poverty level
- One clinic in Vermont does not take patients in house but rather refers the patients to doctors offices for free care

Wisconsin

- Wisconsin launched BadgerCare Plus, its expanded state health insurance program, on February 1, 2008.
- The program expanded Wisconsin's existing SCHIP program (called BadgerCare) that was itself a 1999 expansion of Wisconsin's Medicaid and Healthy Start Programs. BadgerCare Plus combines SCHIP, Medicaid, and Healthy Start program dollars, in addition to other funds, to create one larger, more streamlined program with expanded eligibility guidelines.
- The objectives of Badgercare Plus are to assure access to health insurance coverage to virtually all Wisconsin children and to bolster coverage for parents and other caretaker adults.

Wisconsin

- 34 free clinics in the State of Wisconsin
- These clinics estimated a 20% decrease in their patients when badgerCare plus came into being
- After 3 months the program capped out the level of patients that it could serve therefore leaving the free clinics with an increase in patients
- These clinics as well are focusing on the same ailments as Massachusetts

Health Care Reform – National Plan

- 1. No public option is included in this bill.**
- 2. Broader implementation (i.e. health insurance requirements for all legal Americans) will start in 2014 and the expectation is that full implementation will take place in 2019.**
- 3. Signs indicate that some 23 million Americans will lack insurance in 2019, after key provisions of the law have been in effect for as long as five or six years, according to a Congressional Budget Office (CBO) estimate.**

Health Care Reform – PRESENT DAY

- 4. The bill restricts access to health insurance through the Health Insurance Exchange to U.S. citizens and legal immigrants who are not incarcerated.**

- 5. Requires most U.S. citizens and legal residents to have health insurance. The bill creates state-based American Health Benefit Exchanges through which individuals can purchase coverage, with premium and cost-sharing credits available to individuals/families with income between 100- 400% of the federal poverty level (the poverty level is \$18,310 for a family of three in 2009) and creates separate Exchanges through which small businesses can purchase coverage for its employees.**

Health Care Reform – PRESENT DAY

- 6. Requires U.S. citizens and legal residents to have qualifying health coverage. Those who are without coverage or who choose to opt-out of the coverage will pay a tax penalty of the greater of \$750 per year up to a maximum of three times that amount (\$2,250) per family or 2% of the household income.**

- 7. The penalty will be phased-in according to the following schedule: \$95 in 2014, \$495 in 2015, and \$750 in 2016 for the flat fee or .05% of taxable income in 2014, 1.0% of taxable income in 2015, and 2% of taxable income in 2016**



Health Care Reform – PRESENT DAY

- 8. People who feel insurance is unaffordable can get an exemption. This is similar to the "opt out," except that they may not owe a penalty. If insurance coverage would cost more than 8 % of household income, people won't face a penalty for going without it.**

- 9. The bill expands Medicaid to 133% of the federal poverty level.**

Health Care Reform – PRESENT DAY

- 10. Beginning after 2016, the penalty will be increased annually by the cost-of-living adjustment. Exemptions will be granted for financial hardship, religious objections, American Indians, those without coverage for less than three months, undocumented immigrants, incarcerated individuals, if the lowest cost plan option exceeds 8% of an individual's income, and if the individual has income below 100% of the poverty level.**

- 11. Requires employers to pay penalties for employees who receive tax credits for health insurance through an Exchange, with exceptions for small employers. It imposes new regulations on health plans in the Exchanges and in the individual and small group markets.**



Health Care Reform – PRESENT DAY

Issues of specific interest to Free Clinics

1. EXPANSION OF MEDICAL MALPRACTICE COVERAGE FOR FREE CLINICS. This provision will expand the Federal Tort Claims Act to include free clinics staff, governing board members or contractors of free clinics. (This expansion does not include the entity or free clinic site - NAFC is working on this.) According to the law this expansion will take place the date this law is enacted. *PLEASE NOTE THIS DOES NOT MEAN THAT FREE CLINICS AUTOMATICALLY RECEIVE THIS COVERAGE. ALL CLINICS WILL NEED TO APPLY FOR FTCA COVERAGE.*
2. *GRANTS TO PROMOTE THE COMMUNITY HEALTH WORKFORCE. The Director of the Centers for Disease Control and Prevention, in collaboration with the Secretary, will award grants to eligible entities to promote positive health behaviors and outcomes for populations in medically underserved communities through the use of community health workers.*



Health Care Reform – Future

Where We Are Going

2010 Implementation Timetable

2010 will be the creation year

- Establish a temporary national high-risk pool to provide health coverage to individuals with pre-existing medical conditions. (Effective 90 days following enactment until January 1, 2014)
- Create Tax Credits for Small business to offer health insurance, though not mandated yet
- Creates a state option to cover childless adults through a Medicaid State Plan Amendment. (rule process and not mandated)

2010 Implementation Timetable

2010 will be the creation year

- Support comparative effectiveness research by establishing a non-profit Patient-Centered Outcomes Research Institute.
- Establish the Workforce Advisory Committee to develop a national workforce strategy.
- Increase workforce supply and support training of health professionals through scholarships and loans.

2011 Implementation Timetable

2011 another creation year

- Develop a national quality improvement strategy that includes priorities to improve the delivery of health care services, patient health outcomes, and population health.
- Establish the Community-based Collaborative Care Network Program to support consortiums of health care providers to coordinate and integrate health care services, for low-income uninsured and underinsured populations.
- Establish a new trauma center program to strengthen emergency department and trauma center capacity.



2012 The year of Medicare and Medicaid Changed

2012 All about Medicare and Medicaid

- Expansion and reduction of payments of Medicare and Medicaid throughout 2012.
- Require enhanced collection and reporting of data on race, ethnicity, sex, primary language, disability status, and for underserved rural and frontier populations.

2013 Gearing up for 2014

- Create the Consumer Operated and Oriented Plan (CO-OP) program to foster the creation of non-profit, member-run health insurance companies in all 50 states and the District of Columbia to offer qualified health plans. (Appropriate \$6 billion to finance the program and award loans and grants to establish CO-OPs by July 1, 2013)
- Simplify health insurance administration by adopting a single set of operating rules for eligibility verification and claims status (rules adopted July 1, 2011; effective January 1, 2013),
- Increase the threshold for the itemized deduction for unreimbursed medical expenses from 7.5% of adjusted gross income to 10% of adjusted gross income for regular tax purposes; waive the increase for individuals age 65 and older for tax years 2013 through 2016.



2014 Implementation STARTS

- Require U.S. citizens and legal residents to have qualifying health coverage (phase-in tax penalty for those without coverage).
- Limit any waiting periods for coverage to 90 days.
- Create state-based American Health Benefit Exchanges and Small Business Health Options Program (SHOP) Exchanges, administered by a governmental agency or non-profit organization, through which individuals and small businesses with up to 100 employees can purchase qualified coverage.



2013 Gearing up for 2014

Reduce the out-of-pocket limits for those with incomes up to 400% FPL to the following levels:

100-200% FPL: one-third of the HSA limits (\$1,983/individual and \$3,967/family);

200-300% FPL: one-half of the HSA limits (\$2,975/individual and \$5,950/family);

300-400% FPL: two-thirds of the HSA limits (\$3,987/individual and \$7,973/family).



FREE CLINICS

FREE CLINICS AND HEALTH CARE REFORM



FREE CLINICS AND HEALTH CARE REFORM

- What does this mean for my clinic and community?
 - Implementation does not begin until 2014
 - Rule making process has just started
 - Accessibility, Portability and Affordability have these been answered?
- Will my clinic still be needed?
 - YES without a question free clinics will still be needed
 - There will always be those without coverage or with out access to care
- What are the next steps for my clinic?



FREE CLINICS AND HEALTH CARE REFORM

- What are the next steps for my clinic?
 - You must start “selling” your clinic and your services
 - Must talk to your board about the big question
 - Do you still want to be a free clinic
 - Are you willing to change the services we offer
 - Who are you willing to partner with to service our patients
 - Are we willing to partner
 - Will our model change and is that ok with the board and your mission
 - Do you need a new mission



FREE CLINICS AND HEALTH CARE REFORM

- What are the next steps for the NAFC?
 - Continue to read this legislation and be involved in the rule making process
 - NAFC Summit will focus on Health Care Reform and different delivery models that exist.
 - NAFC will continue to offer partnership opportunities and information sharing to the members
 - Will be sending out a survey to truly understand what clinics are doing now and what they will be doing in the future.
 - Will continue to use the media as a way to drive volunteers and funds to local clinics
 - Will continue to listen to you and your needs/concerns

Next Steps?

- Free and Charitable clinics need to invite their members of Congress to their clinics to see first hand what work you do everyday
- Free and Charitable clinics need to be as vocal as possible with respect to your patient increase and demand for services
- If possible, attend NAFC lobby day-federal legislation is driving this discussion just as much as state
- Visit your members of Congress when they are in town and attend town hall meetings.
- Press, press, press. Be visible in your community



Questions and Answers?

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