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The Dynamic Impact of Health Care Reform

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Missouri Oral Health Policy Conference
Accelerating Community Health
February 28, 2019

Dynamic Impact of Health Care Reform

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- Determinants of health
- Affordable care act
- Undoing the affordable care act (or not)
- Most recent attempts
- Implications for Dentistry

Determinants of health
(Accelerating Community Health)

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- Early childhood development
- Education
- Employment and working conditions
- Food security
- Health services
- Housing
- Income and income distribution
- Social exclusion
- The social safety net
- Unemployment and job insecurity

*Centre for Social Justice: Social Determinants of Health for a Life Span Conference, Nov. 2002

Determinants of health

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What affects our health

- Lifestyle factors-51%
- Environmental factors-19%
- Human biology-20%
- Health care delivery-10%

Where does US invest

- Lifestyle factors-1.2%
- Environmental factors-1.8%
- Human biology-7%
- Health care delivery-90%

Result: Changing Mortality Patterns

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1900	1990	2007	2000*
Pneumonia	Heart disease	Heart disease	Tobacco
TB	Cancer	Cancer	Diet/physical inactivity
Gastritis	Accidents	Stroke	Alcohol
Heart disease	Stroke	COPD	Microbials
Stroke	COPD	Accidents	Toxic agents
Nephritis	Chronic liver dx	Alzheimers	MVC/Firearms

JAMA, 2004: Mokdad et al. Actual causes of death in US, 2000

The Patient Protection and Affordable Care Act (ACA)

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Signed into law March 2010

1. Insurance expansion
   - Emphasis on:
     - Individual insurance market
     - Small business insurance market
     - Few implications for self-insured employer-sponsored insurance
2. Delivery system change
   - Accountable Care Organizations (ACOs)
   - Development of Health Homes
   - Population-based perspective

What have we created?

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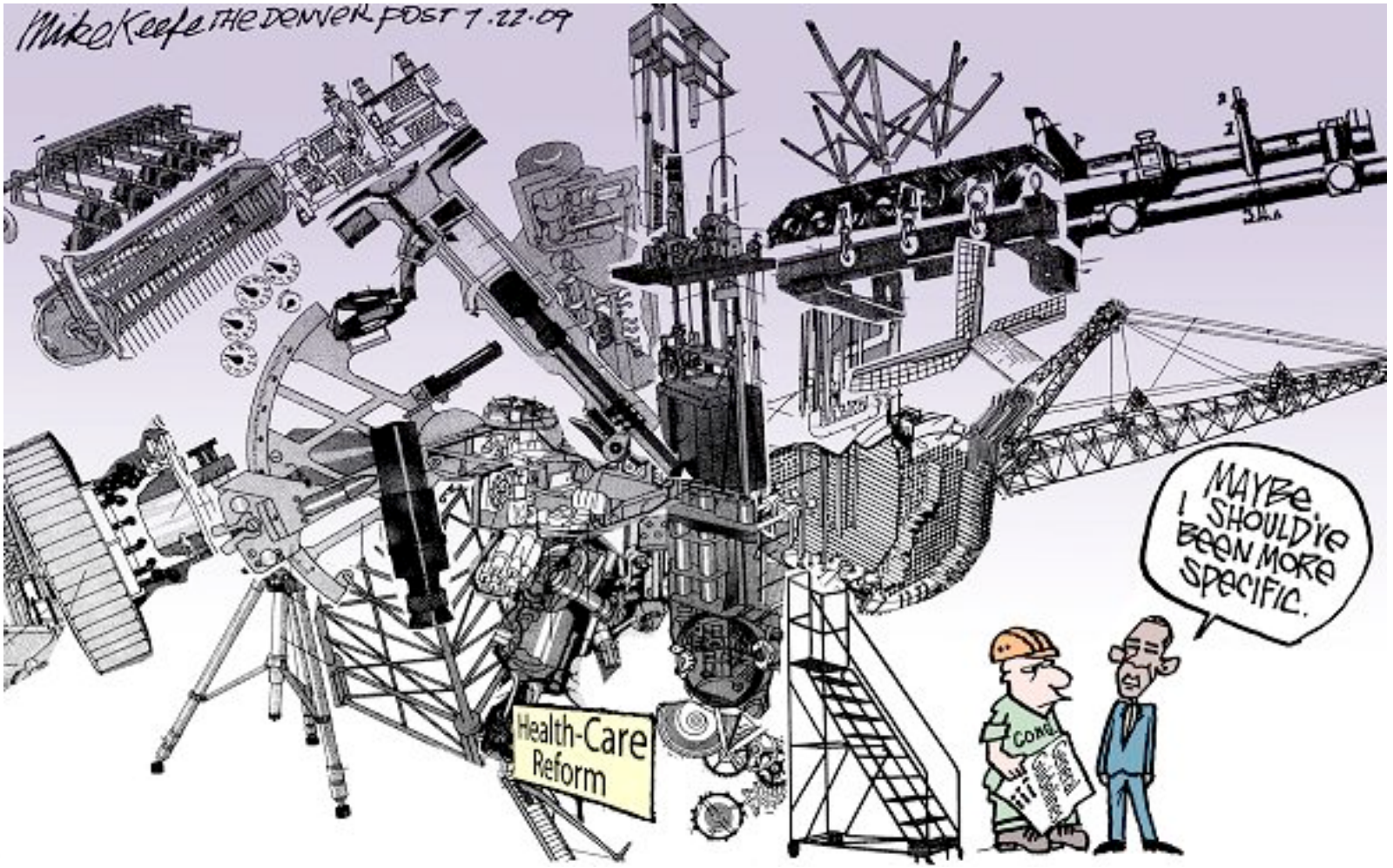

Quote of the Season

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"It's an unbelievably complex subject,"

"Nobody knew that healthcare could be so complicated."

-President Donald Trump

Speaking before the nation's governors

February 27, 2017

Confusion about ACA

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- Obamacare vs ACA

Insurance expansion

Options for Health Care Reform

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More Government

Less government

National Health Service

National Health Insurance

Employer Mandate

Individual Mandate

HSAs, Sell insurance across state lines

Stay as now (60-65% government financed)

Moderate

Insurance Expansion in US over time: Filling the gaps

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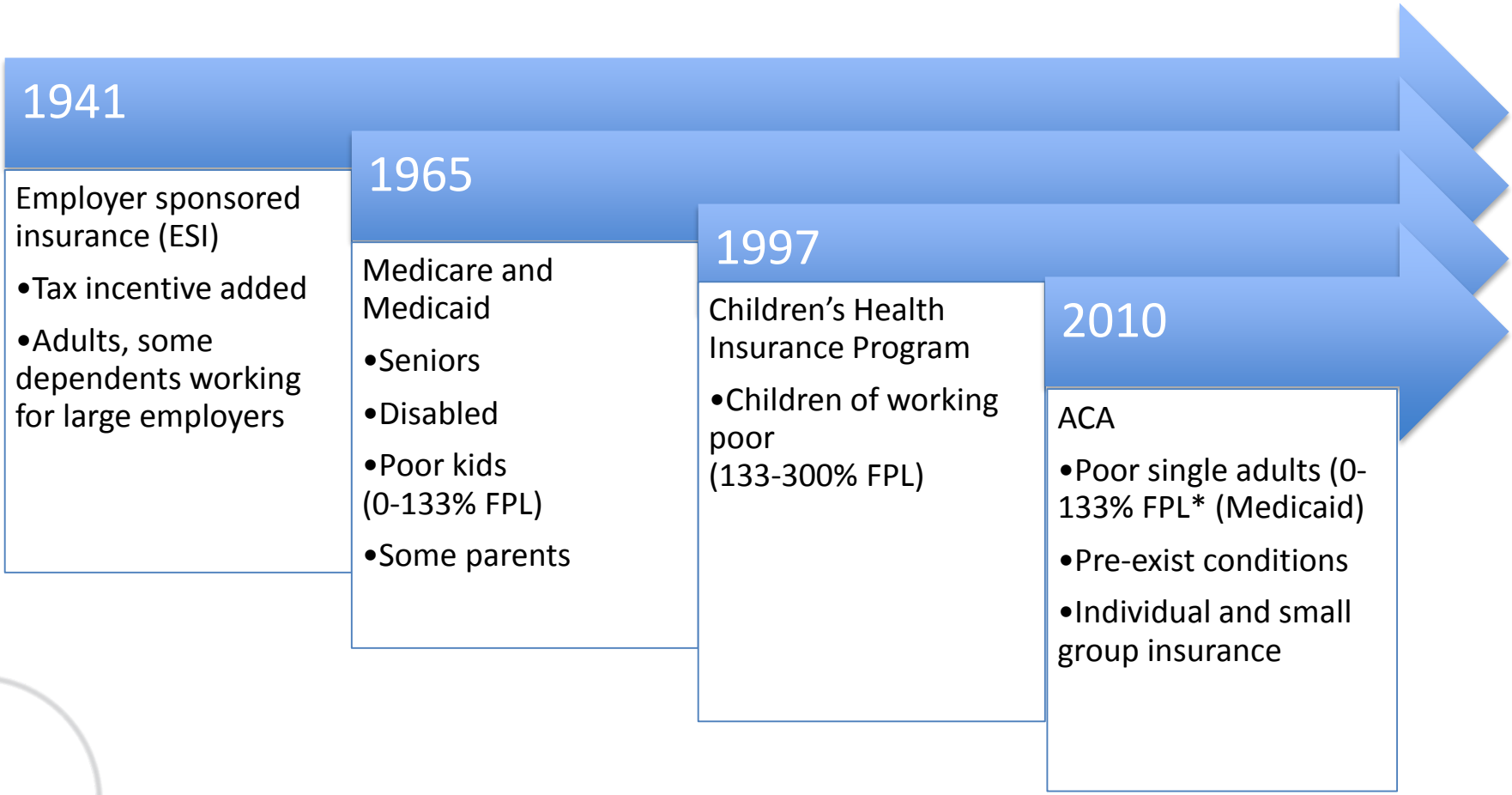

Insurance –related Policies pre-2014
(select from over 50 changes)

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- Covering children on parents policies to 26
- Kids-No pre-existing conditions/dropping coverage because of illness
- Medical loss ratio-80-85% must go for care
- Free preventive care coverage for all plans
- Can’t lose coverage because illness
- Can’t impose yearly/lifetime coverage caps

Insurance changes 2014+

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January 1, 2014

- Individual mandate
- Medicaid expansion
- Health Insurance Marketplace (Exchanges)
  - Subsidized private insurance

Health Insurance in US: 2016

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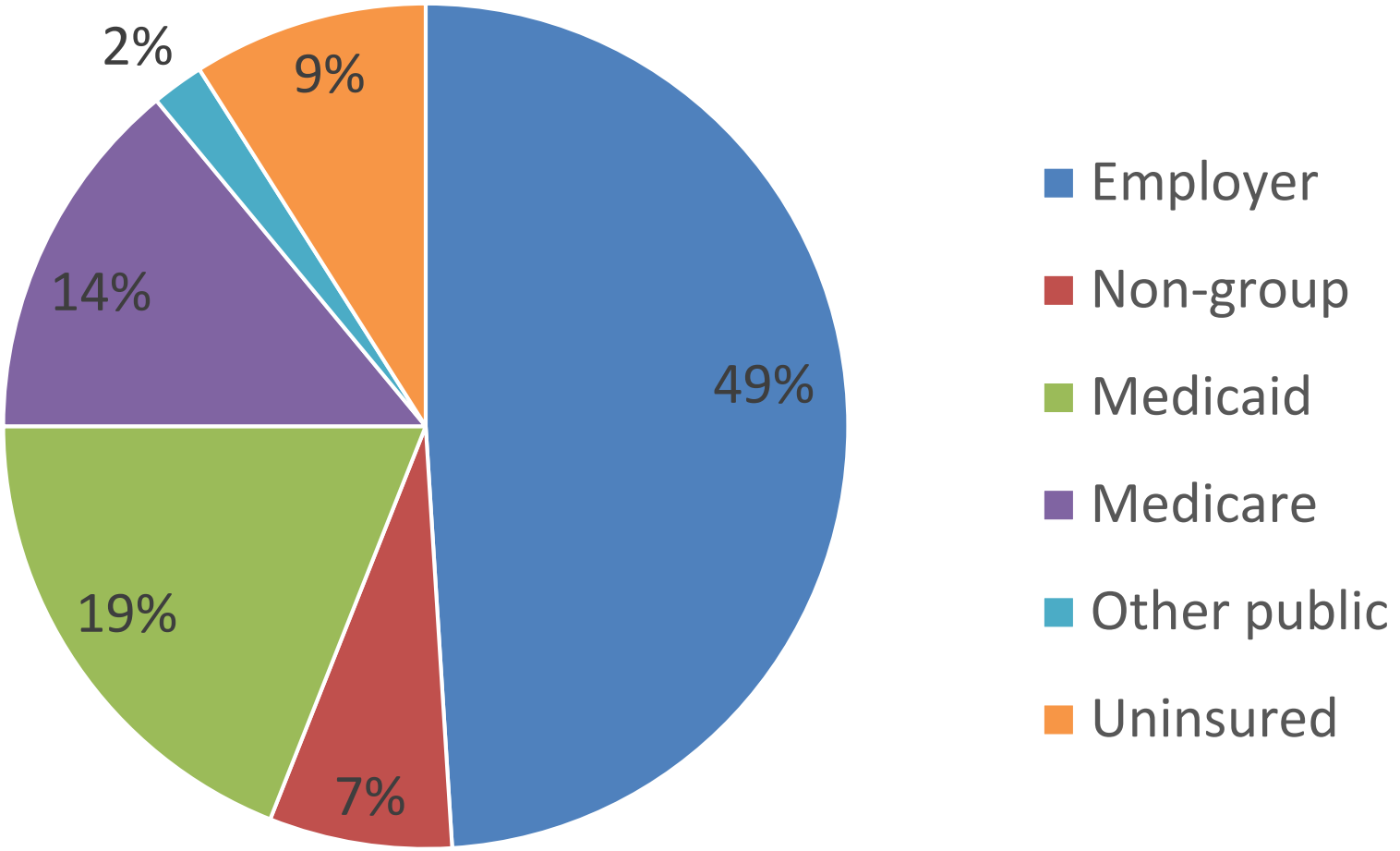

Source: Kaiser Family Foundation. State Health Facts, Last accessed Sept 25, 2017

Government supported insurance

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- Medicaid
  - Expansion in some states
- Medicare
- Children's Health Insurance Program (CHIP)
- Employer-sponsored health insurance
  - Tax breaks for businesses/employees
- Subsidies for new Marketplace
- Govt programs (e.g., VA, Military, CHCs)

Health Insurance Marketplaces: Private insurance

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- On-line health insurance marketplace
  - i.e., Healthcare.gov
- Purchase subsidized private insurance up to 400% FPL
- Offer Qualified Health Plans (QHPs) that meet state regulated standards

Essential Benefits Package

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- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services,
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management, and
- Pediatric services, including ORAL and vision care

Delivery System Changes

Goal: reduce costs and improve quality

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Pre-2014: Medicare ACOs began

- Population health
- Care coordination and management
- Medicaid managed care expanding

Post 2014

- Accountable Care Organizations growing
  - Private insurance and Medicaid
  - Some include dental

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Impact of ACA

Access (insurance coverage)

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- 28 million uninsured (10.4%)
  - Children 5.1%
  - Adults 12.4%
- 50 million uninsured pre ACA (16.3%)
  - Up 13 million in previous 10 years
  - 25-34 y.o. twice as likely as 45-64 y.o.

Source: CDC: National Health Interview Survey, released March 2017

Medicaid Expansion Jan. 2018

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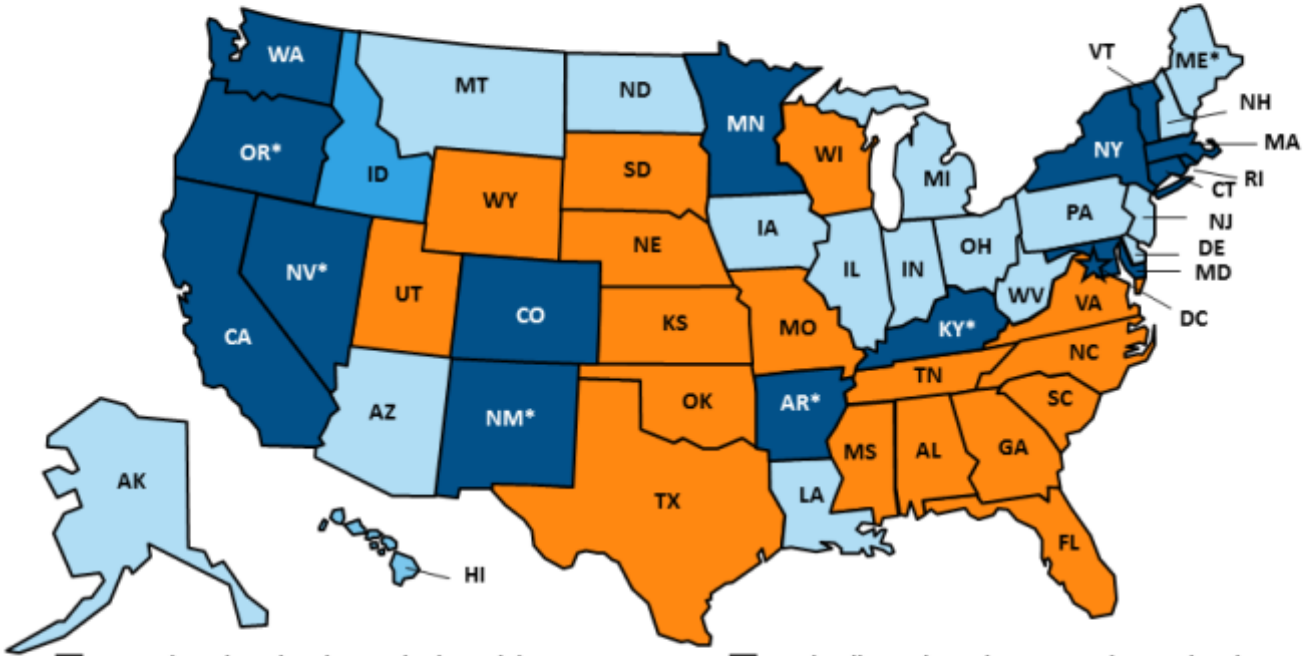
Current Status of State Individual Marketplace and Medicaid Expansion Decisions



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Employer-based Insurance

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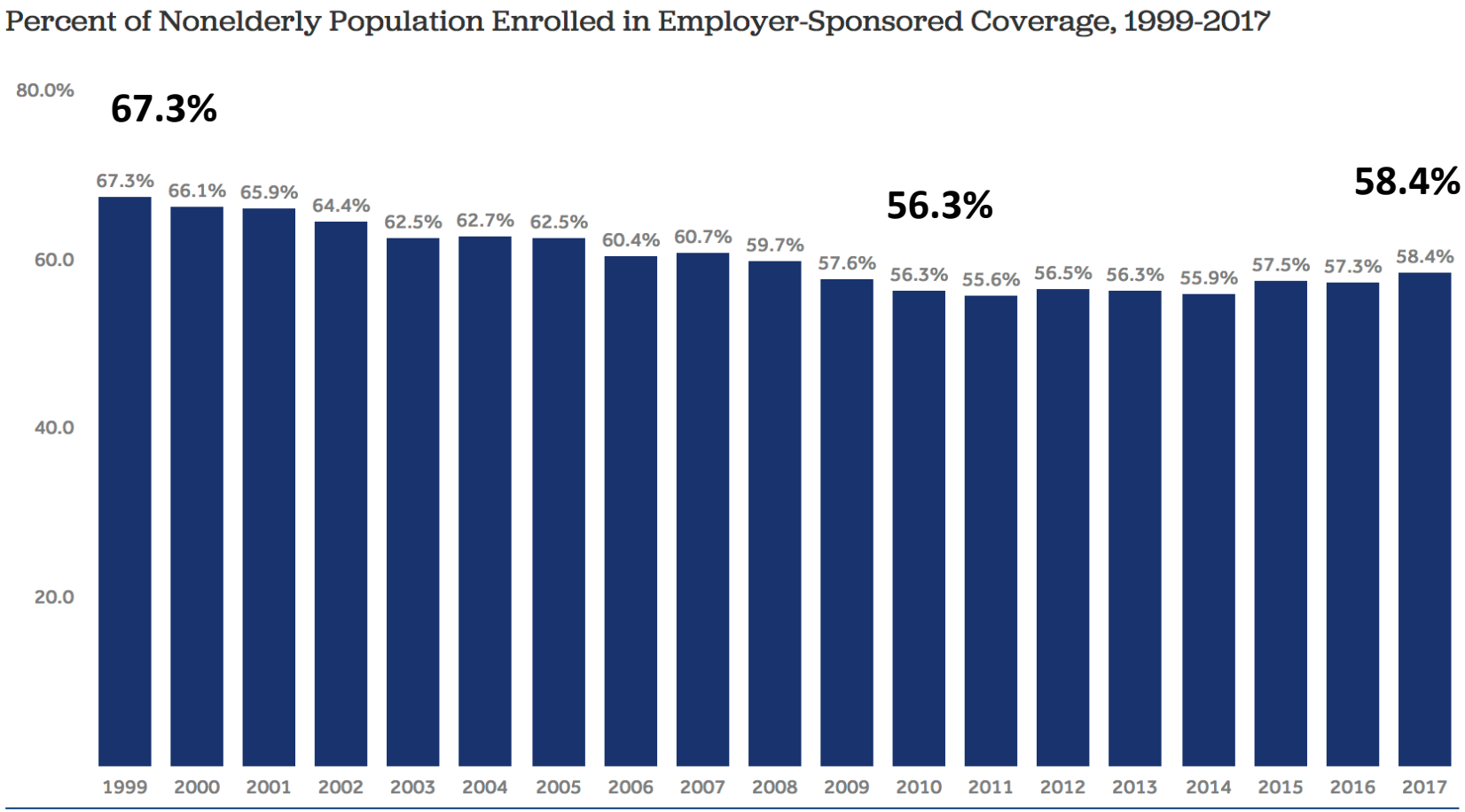
- Slight increase overall since 2010
  - Mandate for over 50 employees
- Quality of employer based plans have improved in some ways under ACA
  - No life time caps or pre-existing conditions and more preventive coverage
  - Premium increases slowed
    - 63% 2001-2006, 31% 2006-11, 20% 2011-16 (KFF)

Employer-based Insurance

The share of people with employer-sponsored insurance has declined over the past 20 years



Source: Kaiser Family Foundation analysis of the National Health Interview Survey, 1999-2017. • Get the data • PNG

Peterson-Kaiser
Health System Tracker

Employer insurance by income

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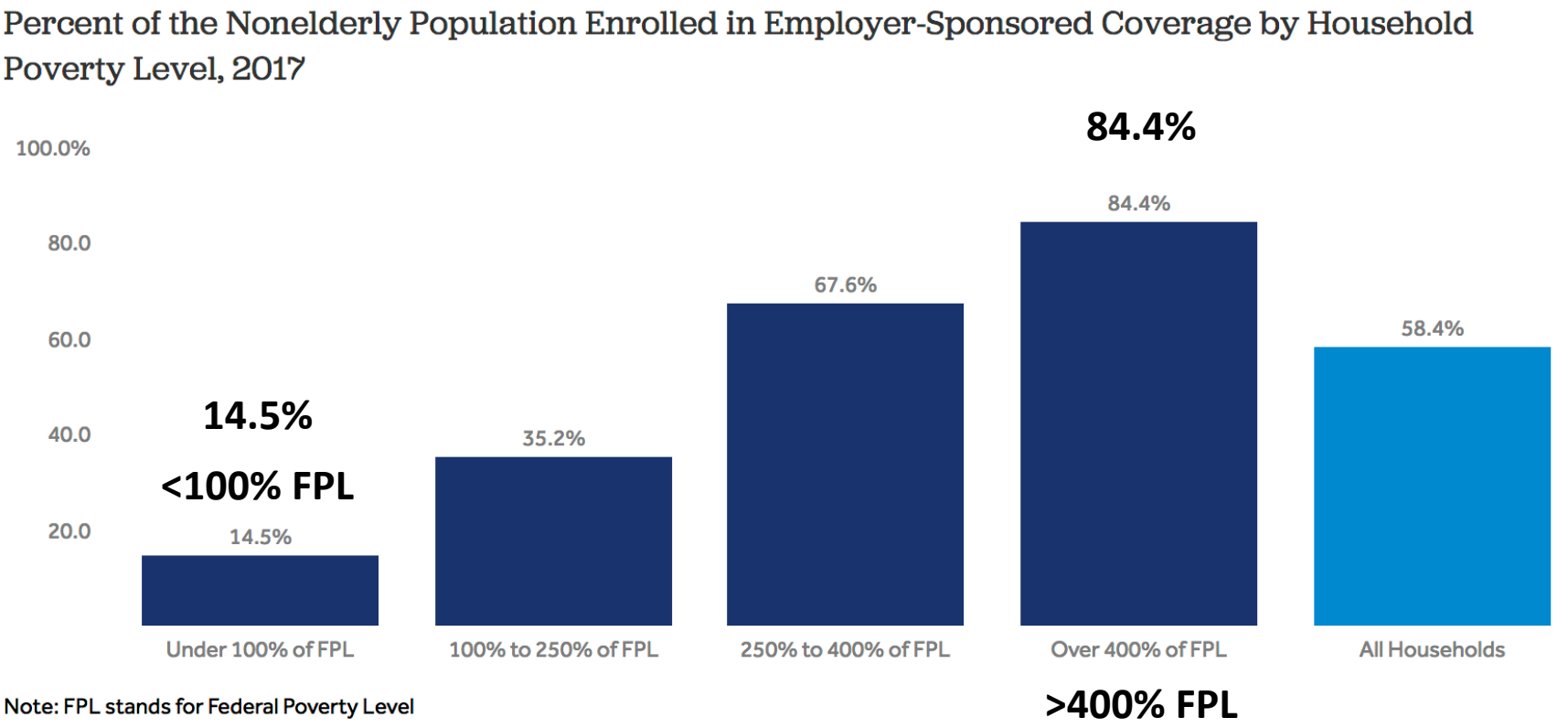
The prevalence of employer-based insurance varies significantly with household income



Source: Kaiser Family Foundation analysis of National Health Interview Survey, 2017. • Get the data • PNG

Peterson-Kaiser Health System Tracker

Uninsured rate in US 1997-2016

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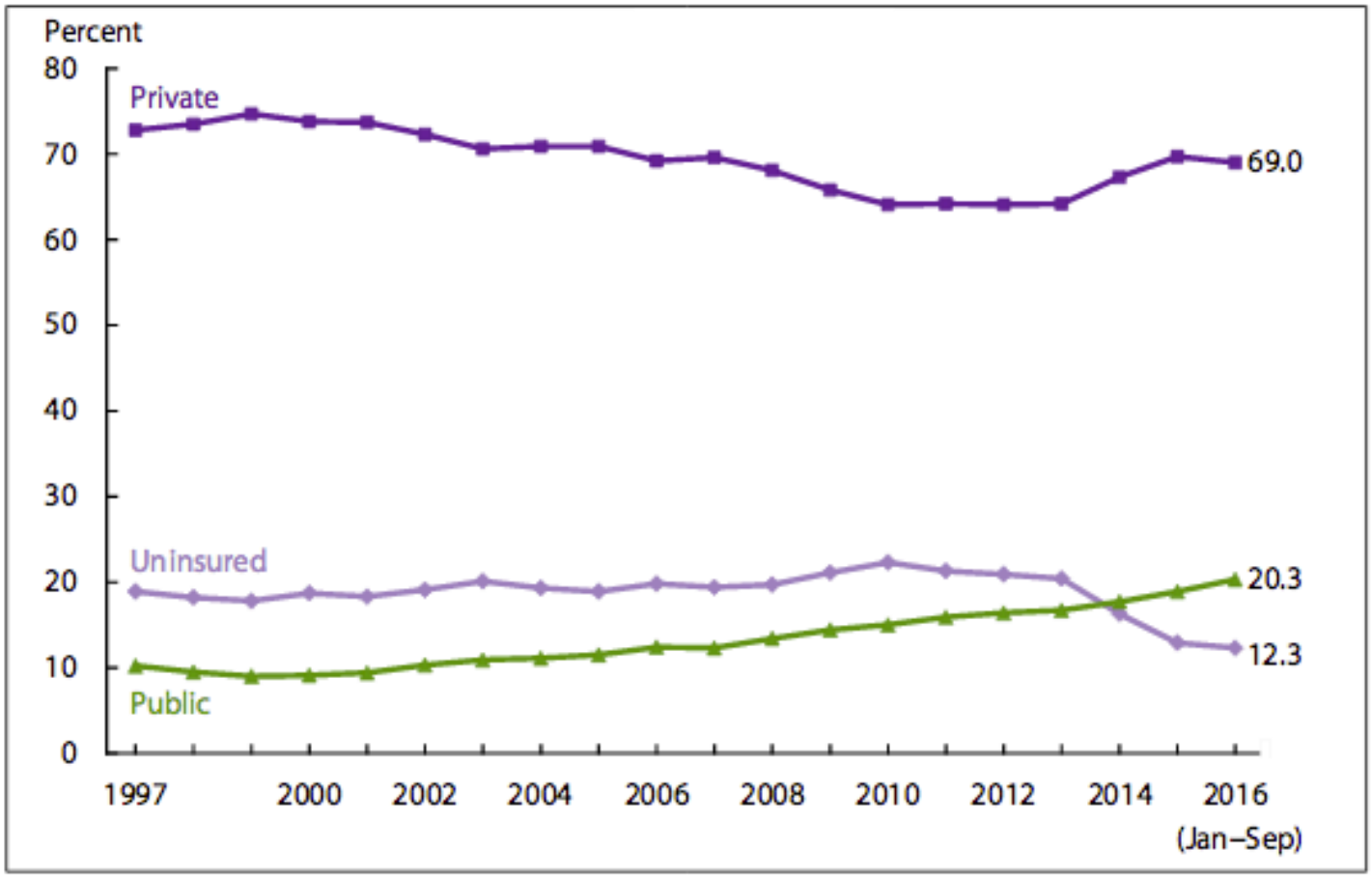
Figure 1. Percentage of adults aged 18–64 who were uninsured or had private or public coverage at the time of interview: United States, 1997–September 2016



NOTE: Data are based on household interviews of a sample of the civilian noninstitutionalized population.
SOURCE: NCHS, National Health Interview Survey, 1997–2016, Family Core component.

Released Feb. 2017

Uninsured children by Poverty Status

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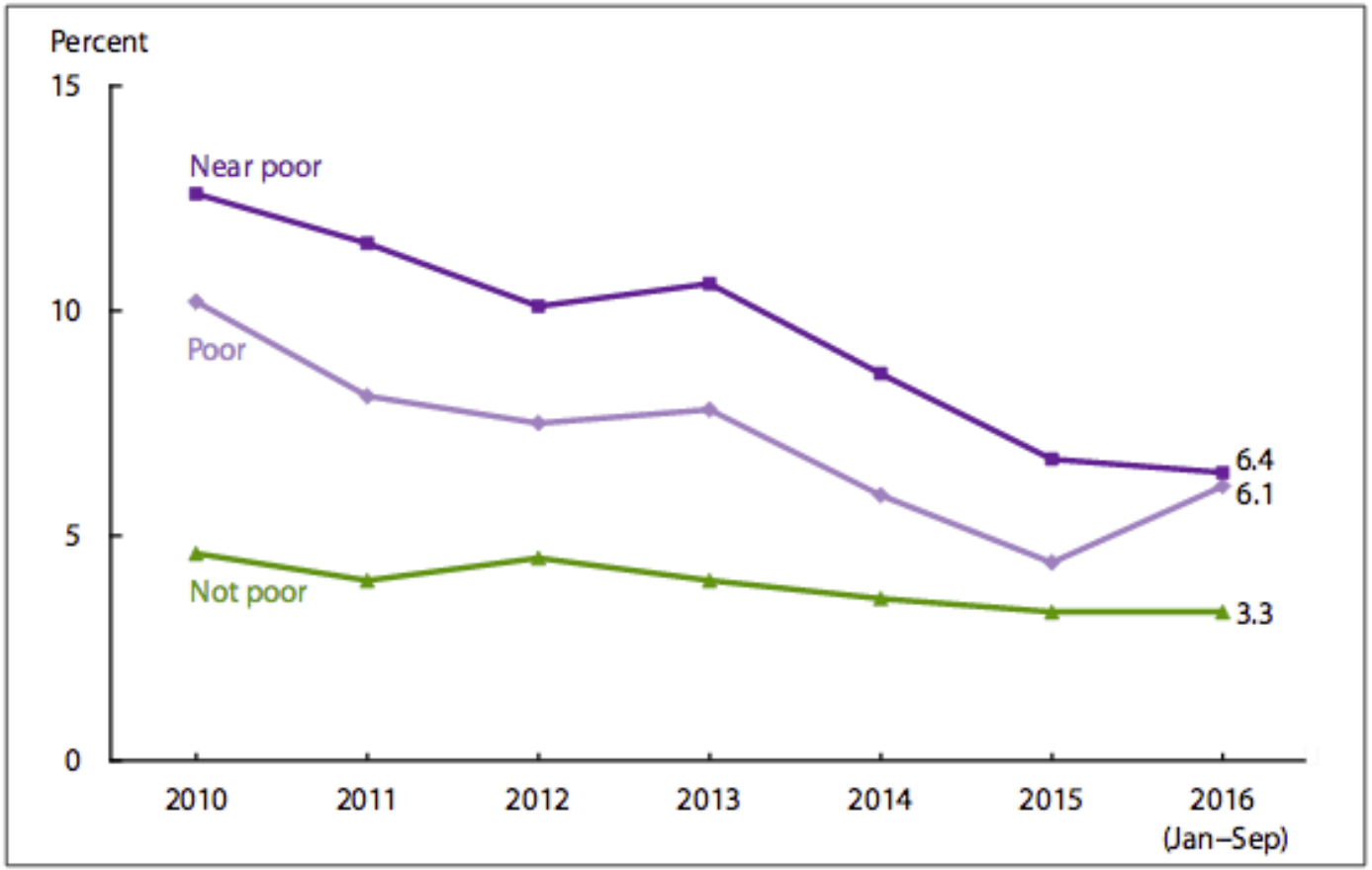
Figure 5. Percentage of children aged 0–17 years who were uninsured at the time of interview, by poverty status: United States, 2010–September 2016



NOTE: Data are based on household interviews of a sample of the civilian noninstitutionalized population.
SOURCE: NCHS, National Health Interview Survey, 2010–2016, Family Core component.

Uninsured Adults by Poverty Status

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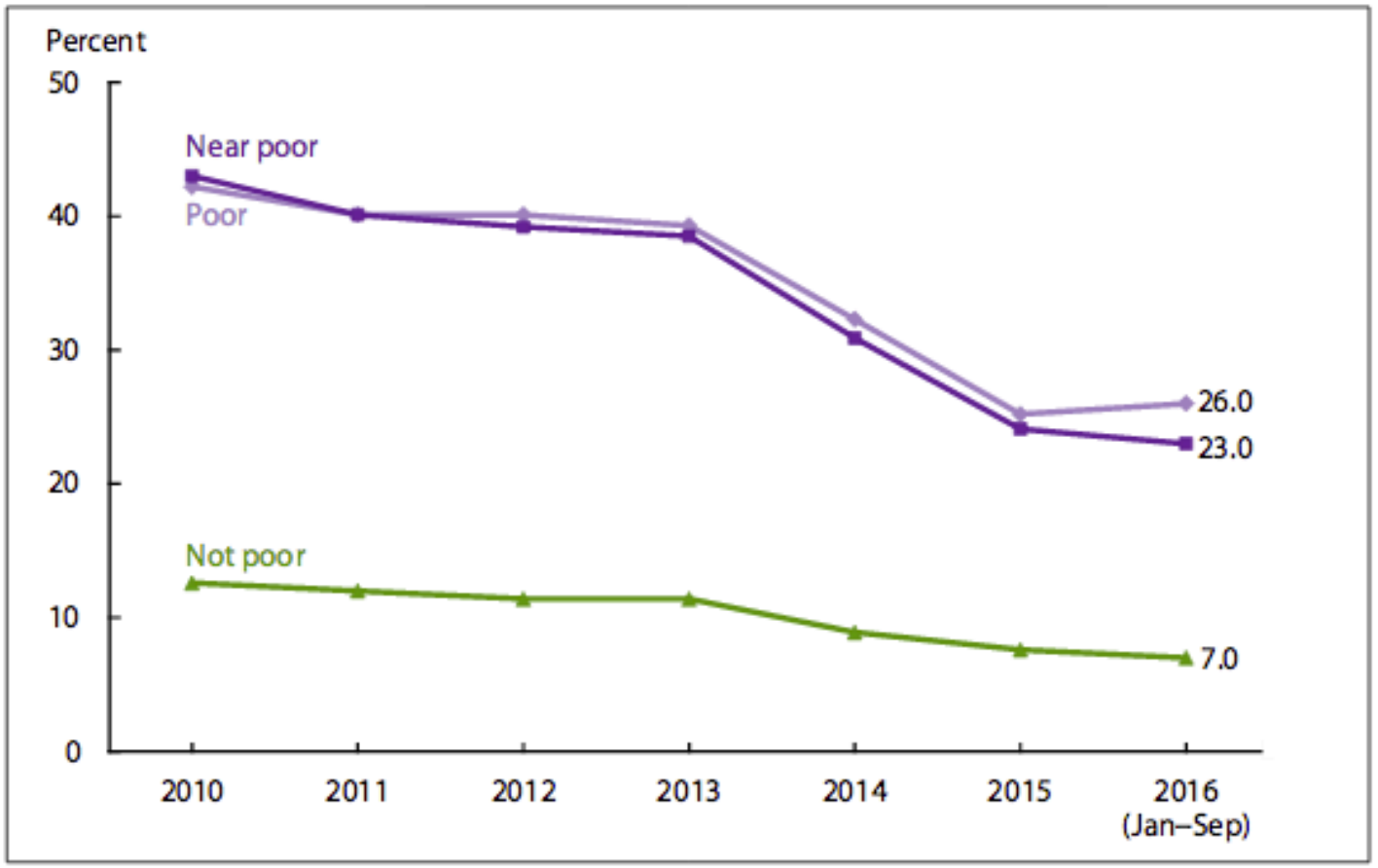
Figure 4. Percentage of adults aged 18–64 who were uninsured at the time of interview, by poverty status: United States, 2010–September 2016



NOTE: Data are based on household interviews of a sample of the civilian noninstitutionalized population.
SOURCE: NCHS, National Health Interview Survey, 2010–2016, Family Core component.

Uninsured by Race/Ethnicity

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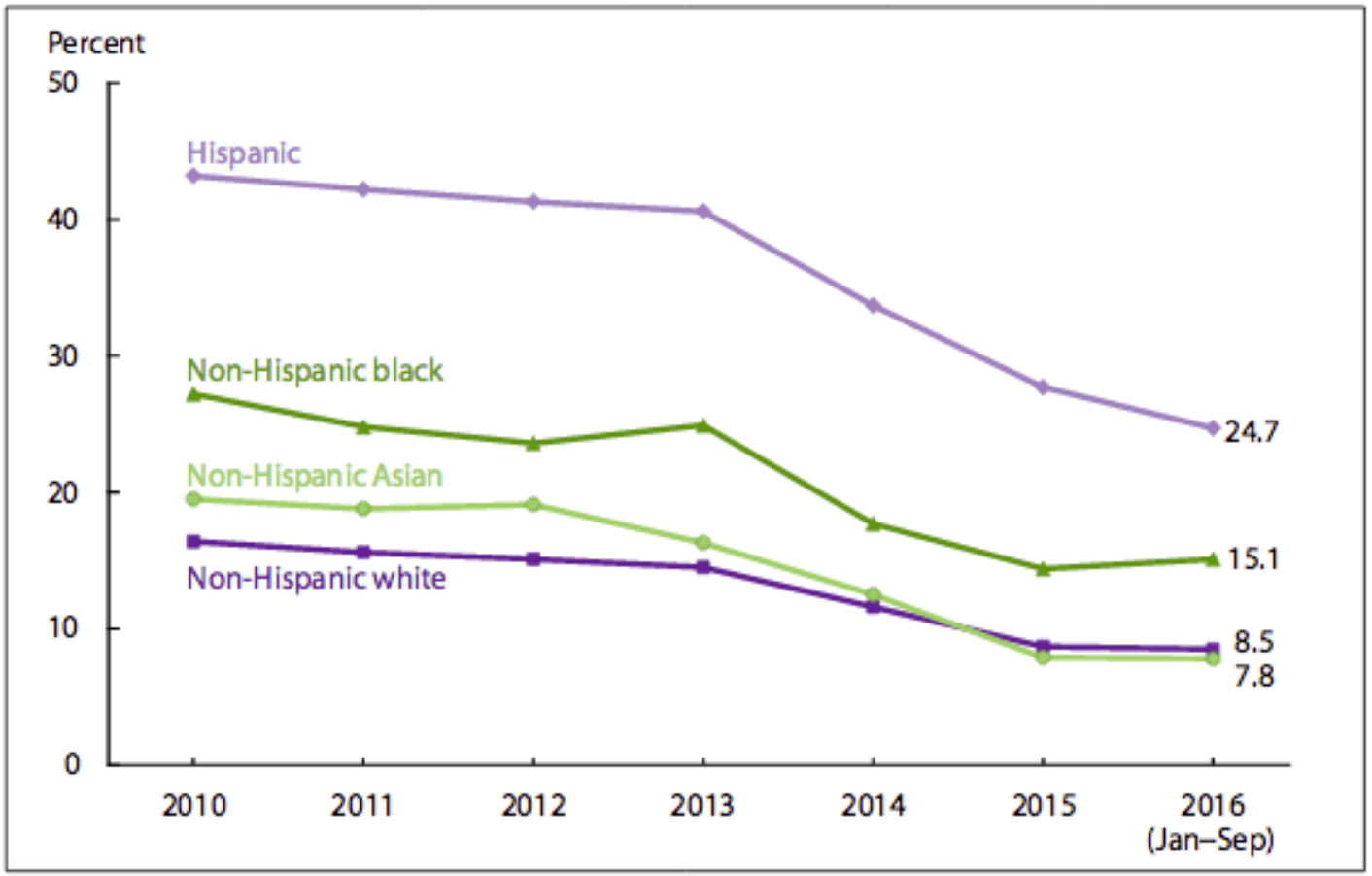
Figure 6. Percentage of adults aged 18–64 who were uninsured at the time of interview, by race and ethnicity: United States, 2010–September 2016



NOTE: Data are based on household interviews of a sample of the civilian noninstitutionalized population.
SOURCE: NCHS, National Health Interview Survey, 2010–2016, Family Core component.

Uncompensated Care

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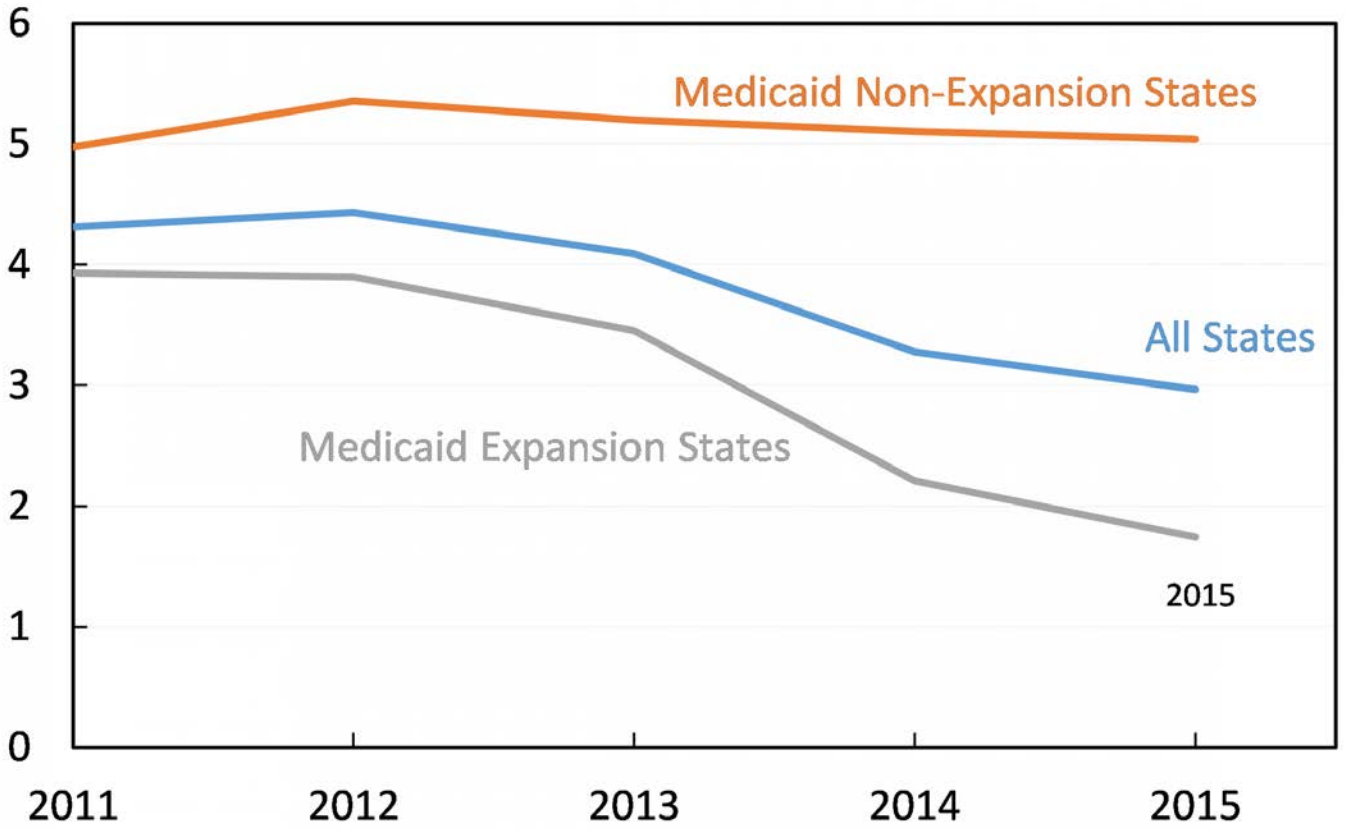
Figure 14: Uncompensated Care as a Share of Hospital Costs

Percent of hospital operating costs



Source: Centers for Medicare and Medicaid Services, Hospital Cost Reports; CEA calculations.
Note: State Medicaid expansion status is as of July 1, 2015. Data for 2015 are incomplete.

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Health Care Reform Post ACA

The changing landscape

More recent activities regarding health care reform

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- Federal legislative repeal and replace attempts
- Legislative activities that affect health care reform
  - Federal Tax Bill
- Legal challenges
- State efforts

Repeal and Replace

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- Republicans campaigned on this for 7 yrs
- Policy and political landscape changed over this time

Policy Challenge

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- "You know, I could maybe give you 10 reasons why this bill shouldn't be considered," the Iowa Republican said. "But Republicans campaigned on this so often that you have a responsibility to carry out what you said in the campaign. That's pretty much as much of a reason as the substance of the bill."
  - Sen. Charles Grassley, Sept. 20, 2017

Repeal and Replace

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- Public originally liked pieces, not the whole
  - Pre-existing conditions
  - Employer mandate
  - Medicaid and private insurance expansion
  - But……"I don't like Obamacare"
- Attitudes now more positive about the ACA overall

Support for ACA has increased

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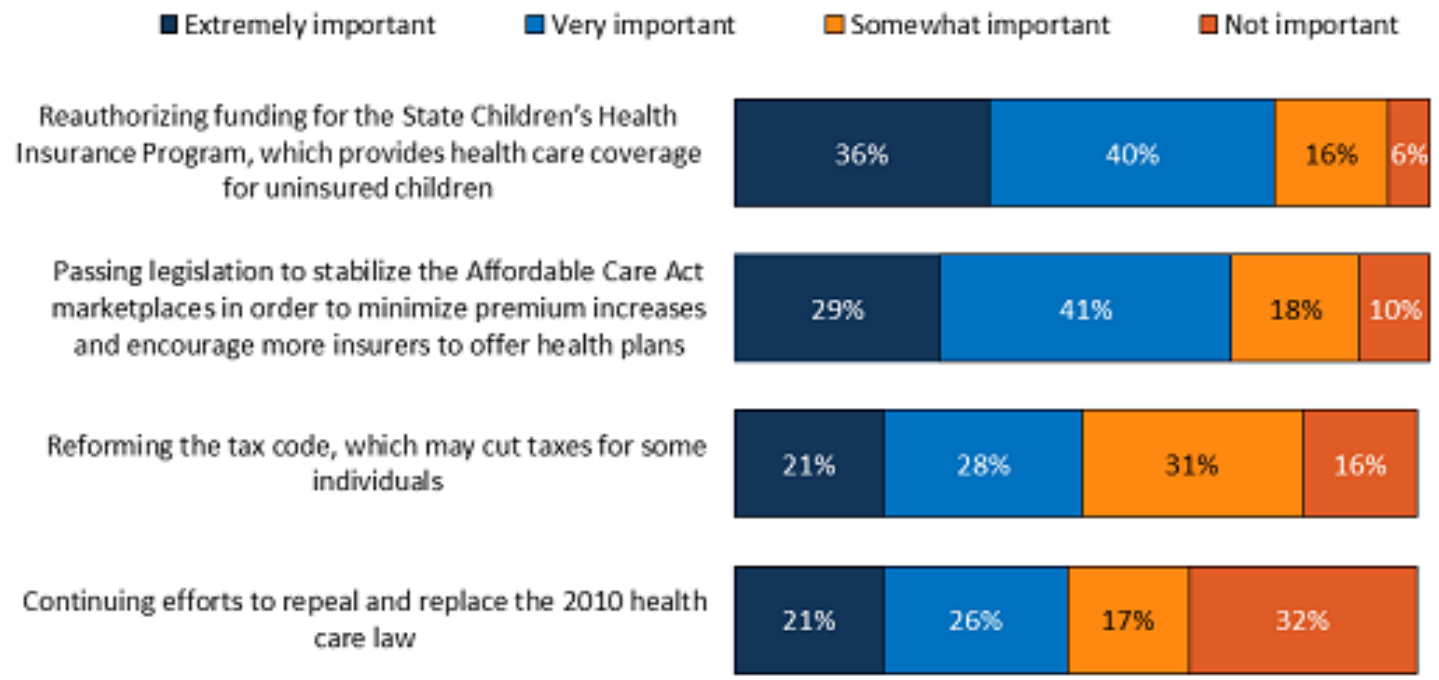
Most Say Reauthorizing CHIP and Stabilizing the ACA Are Important Priorities for Congress to Work on Now

Would you say each of the following priorities are extremely important, very important, somewhat important, or not important for Congress to work on now?



NOTE: Don't know/Refused responses not shown. Question wording abbreviated. See topline for full question wording.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted September 13-18, 2017)

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Underlying issues post ACA

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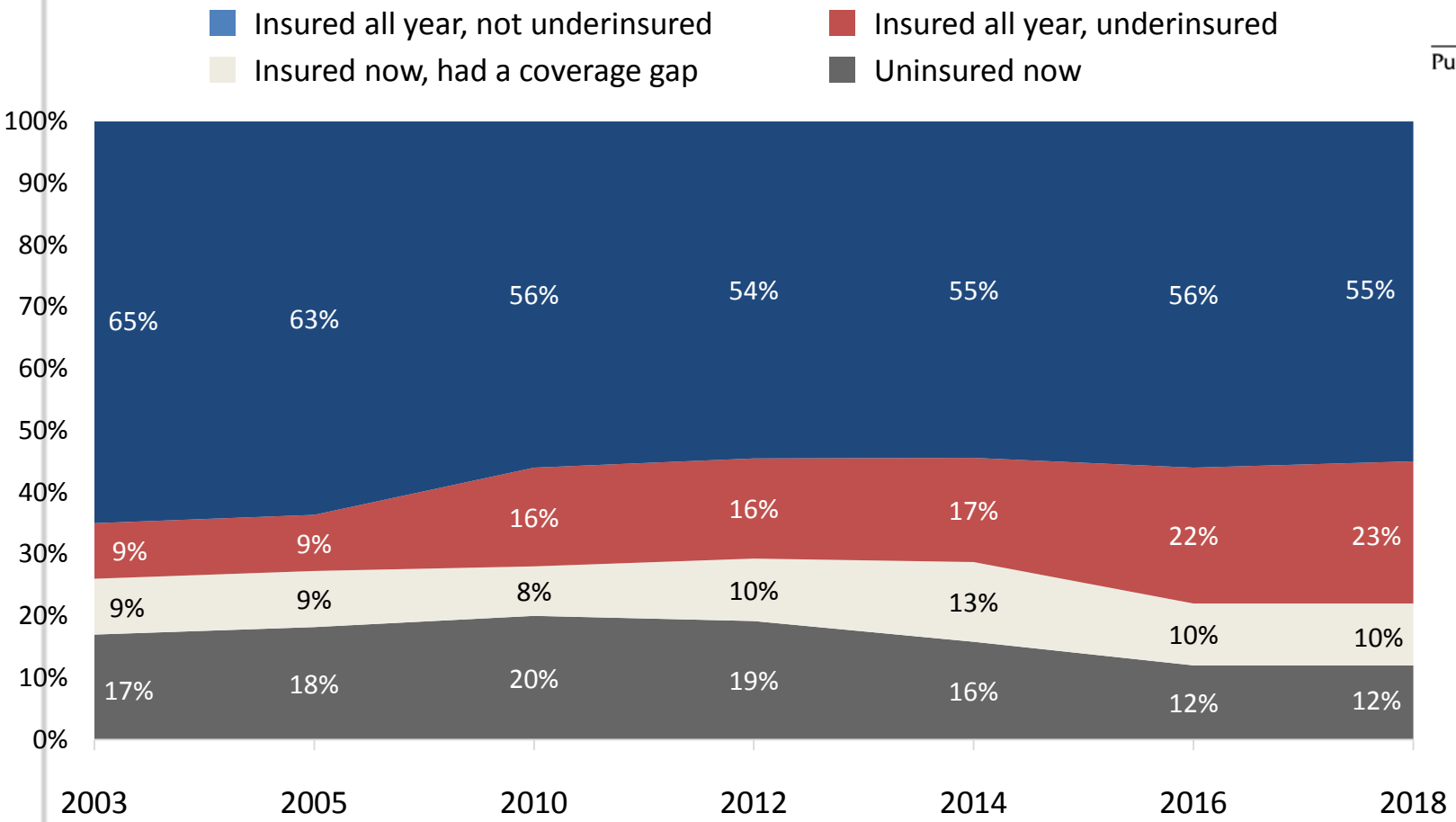
- 45% of adults inadequately insured
  - Same as 2010
- Fewer adults uninsured and shorter gaps
- Uninsured rates haven't yet slipped from
- Underinsurance now bigger issue

2018 Commonwealth Fund, Biennial Health Insurance Survey, Feb 2019

Since the ACA, Fewer Adults Are Uninsured, but More Are Underinsured

Percent of adults ages 19–64



Notes: "Underinsured" refers to adults who were insured all year but experienced one of the following: out-of-pocket costs, excluding premiums, equaled 10% or more of income; out-of-pocket costs, excluding premiums, equaled 5% or more of income if low-income (<200% of poverty); or deductibles equaled 5% or more of income. "Insured now, had a coverage gap" refers to adults who were insured at the time of the survey but were uninsured at any point in the 12 months prior to the survey field date. "Uninsured now" refers to adults who reported being uninsured at the time of the survey.

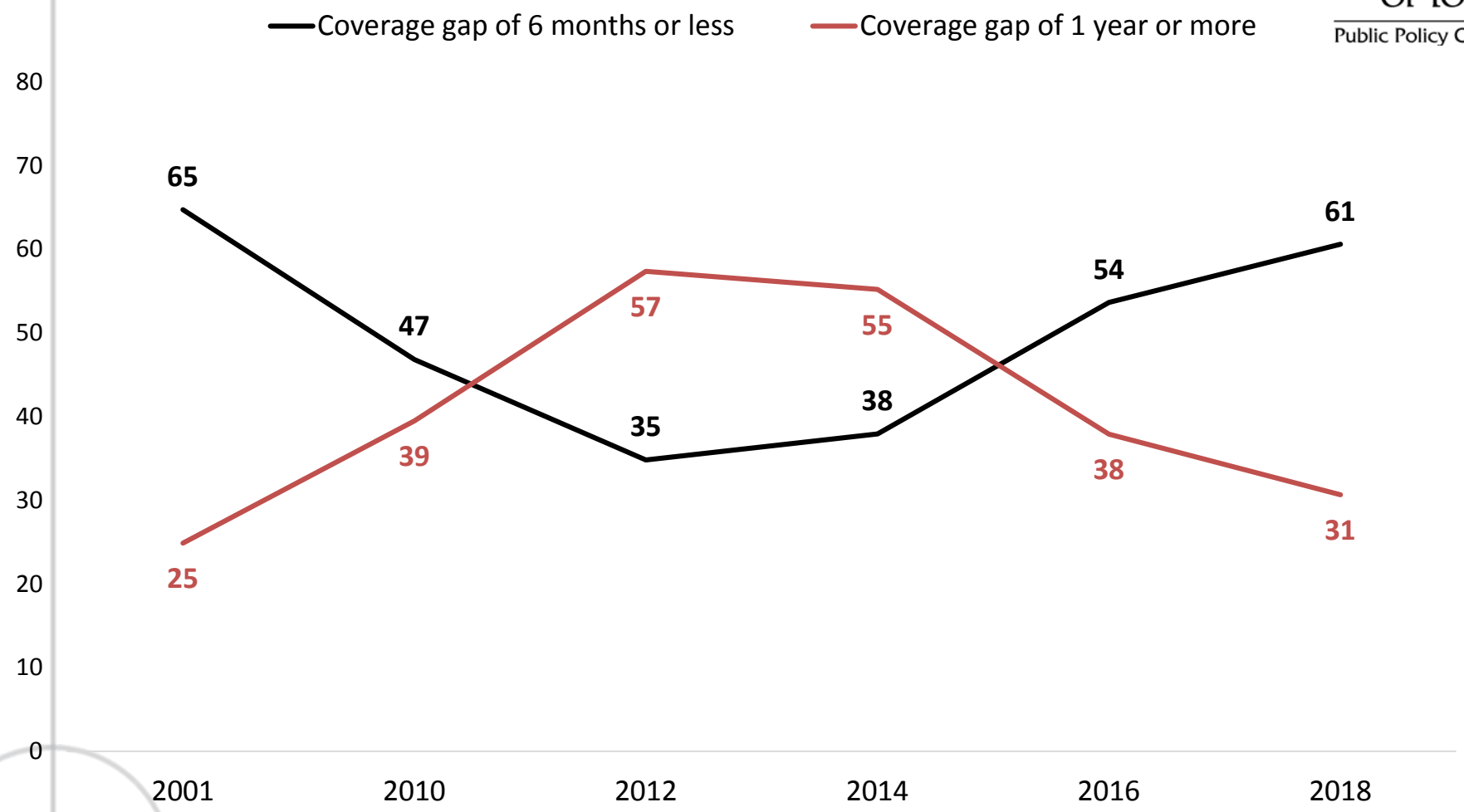
Data: Commonwealth Fund Biennial Health Insurance Surveys (2003, 2005, 2010, 2012, 2014, 2016, 2018).

The Commonwealth Fund

Source: Sara R. Collins, Herman K. Bhupal, and Michelle M. Doty, *Health Insurance Coverage Eight Years After the ACA: Fewer Uninsured Americans and Shorter Coverage Gaps, But More Underinsured — Findings from the Commonwealth Fund Biennial Health Insurance Survey, 2018* (Commonwealth Fund, Feb. 2019).

Since the ACA, Gaps in People's Coverage Have Been Shorter

Percent of adults ages 19–64 insured now but had a coverage gap in past year



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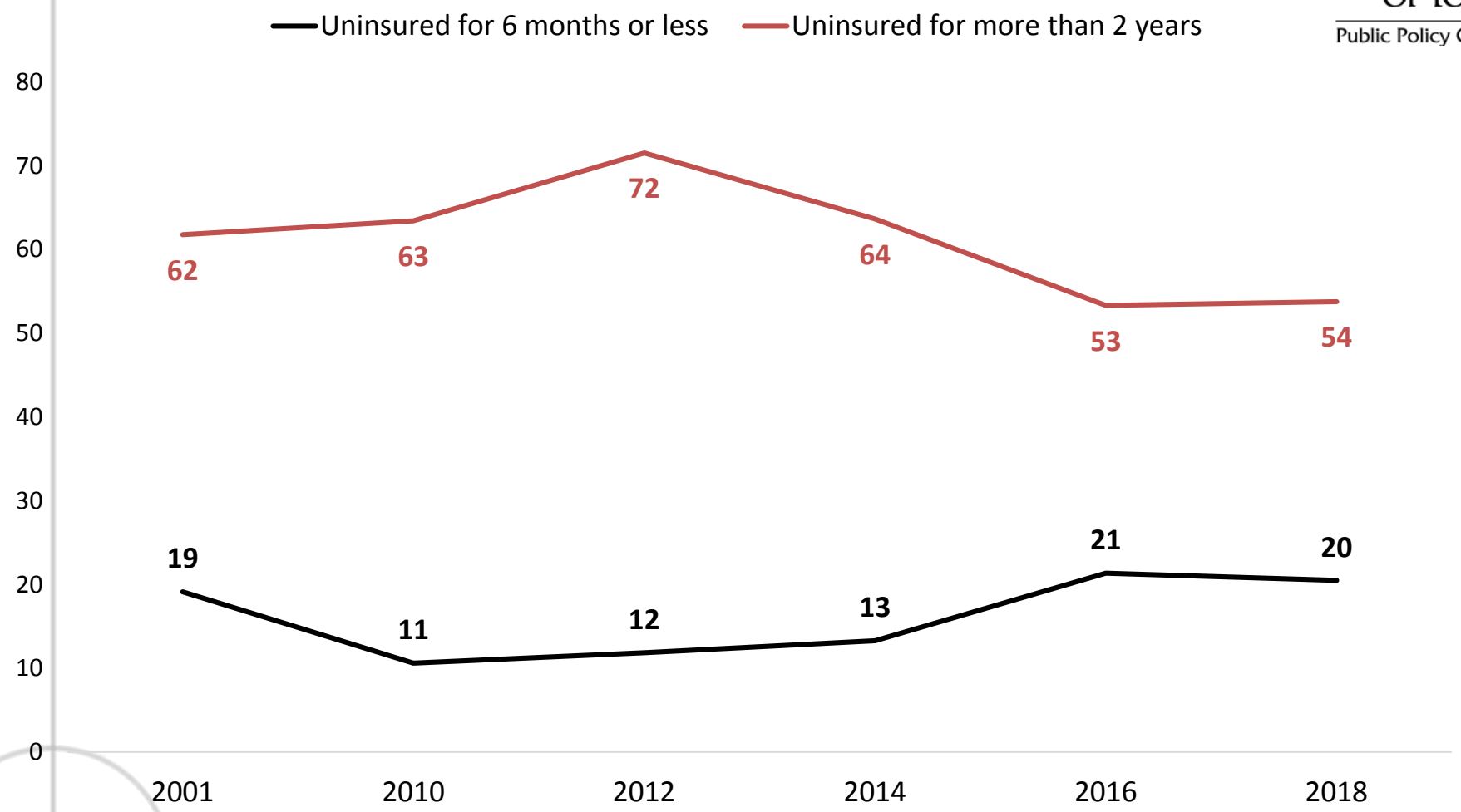
There Has Been Some Improvement in Long-Term Uninsured Rates

Percent of adults ages 19–64 who are uninsured now



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“Obamacare is broken”

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- Usually this refers to the individual or non-group insurance market
- Non-group market was broken before ACA
  - Pre-existing conditions
  - Annual Maximums
  - Lifetime Maximums
  - Lose coverage if get sick
- Costs increased widely annually

Risk Adjustment Payments Ended

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- 3 components of ACA protected insurance companies from poor risk pool from pre-existing condition mandate
  - 2 were temporary, 1 was permanent
  - Trump admin ended payment to insurers who had bad risk
  - Money was pooled from insurers with good risk
- This will make individual markets less stable

Federal Tax Bill (Dec 2017)

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- Eliminates penalties for lack of insurance*
  - Premiums will increase
    - Disrupts individual insurance market
  - 13 million could lose coverage
    - No penalty
    - Higher premiums, esp. higher income
- Reduce Medicare and Social Security Trust fund solvency

Cong Budget Office report, Nov 2017

Association Health Plans

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- Association health plans would allow groups to purchase plans together that don't have to comply with ACA
- Hurt individual insurance market
  - Would remove more younger, healthier
  - Exempt from consumer protections of ACA
    - Essential health benefits
    - Pre-existing conditions
  - History of fraud and abuse
    - Not state regulated in same way

Short term health plans

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- Intended to be transitional coverage
- Used to be for a max of 3 months
- Now extended to 364 days
- Exempt from many ACA requirements
- Further undermines the individual and small business market

Medicaid changes

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- More states considering expansion
- Work requirement option for states
  - Affects about 6% of Medicaid able bodied population (not disabled or on Medicare)
    - 60% are working full (43%) or part time (19%)
    - 30% in fair or poor health (not disabled)
    - 11% caregivers
    - 6% in school
  - Provides cover for conservative states to expand Medicaid

* Kaiser Family Foundation poll, June 2018

Medicaid Expansion Jan. 2018

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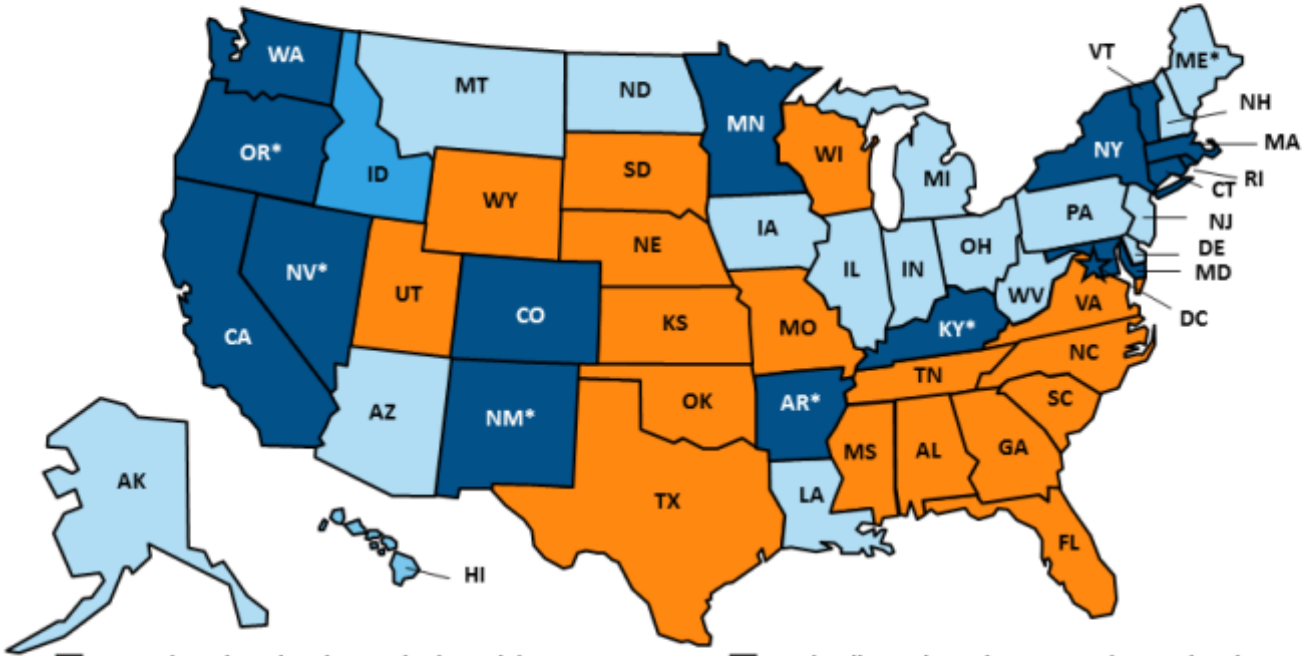

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Administrative/Regulatory Changes to ACA

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- Halved annual sign up period for HI marketplace
- Cut marketplace advertising and outreach budget by 90%
- Cost sharing reduction payments ended

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What about Dentistry and the ACA

- Insurance-related issues
- Delivery system related issues

Insurance-related issues

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- Medicaid
- Private insurance

Medicaid-most dental coverage gains

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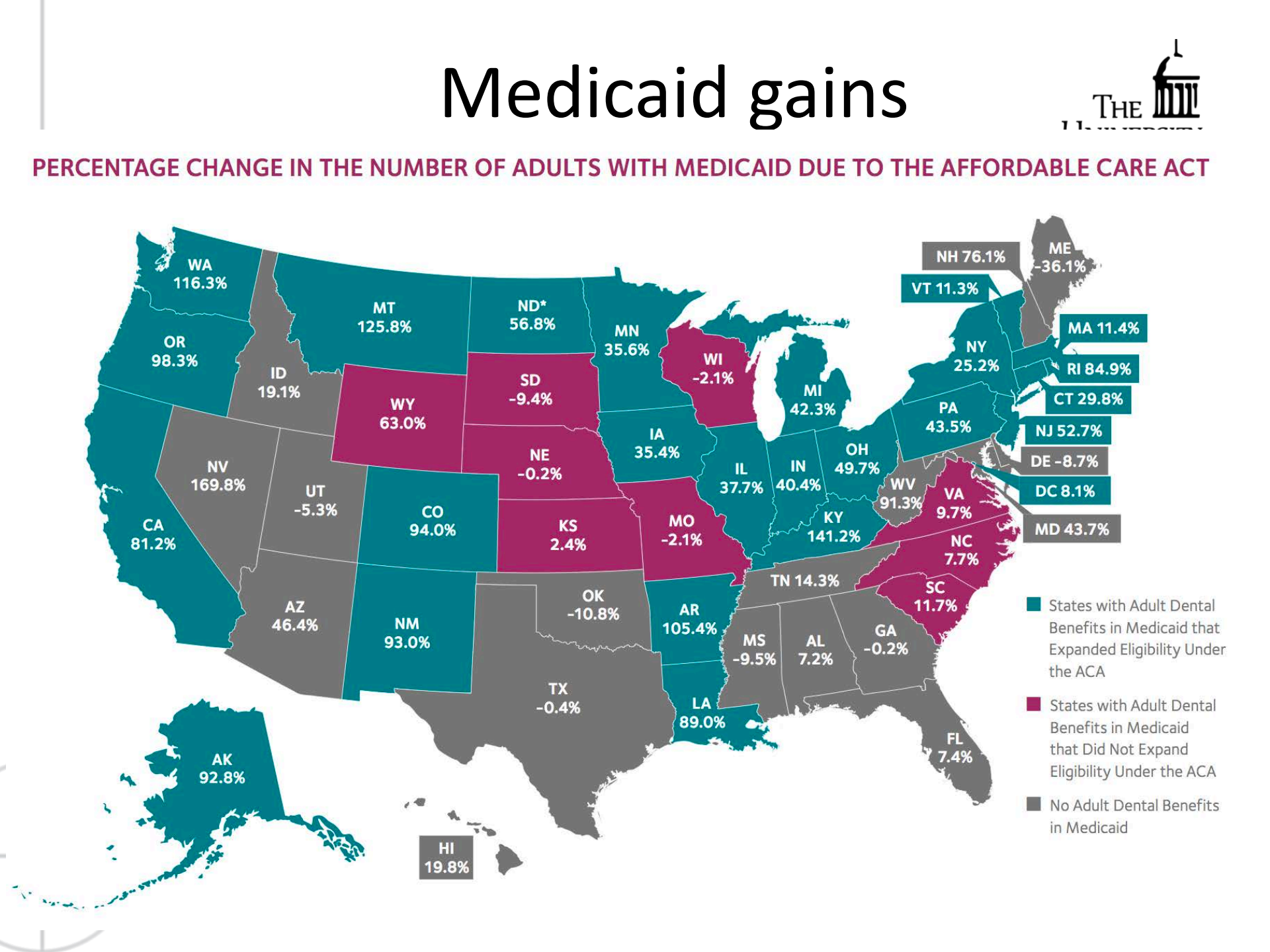
- *Children (under 19)-*
  - All gained comprehensive dental coverage
  - Most from woodwork affect

- *Adults-9.8 million gained dental benefits**
  - Some woodwork effect
    - States with dental coverage and no expansion
  - Gains from expansion
    - Only states with adult dental benefits
  - Cost estimated at 1% of total state Medicaid costs*

Health Policy Institute. Medicaid Expansion and Dental Benefits Coverage. American Dental Association. December 2018.

Medicaid gains



Why is Medicaid expansion important for adult oral health

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- Significant pent-up need among uninsured adults

Top chronic health conditions (Dentally uninsured adults)

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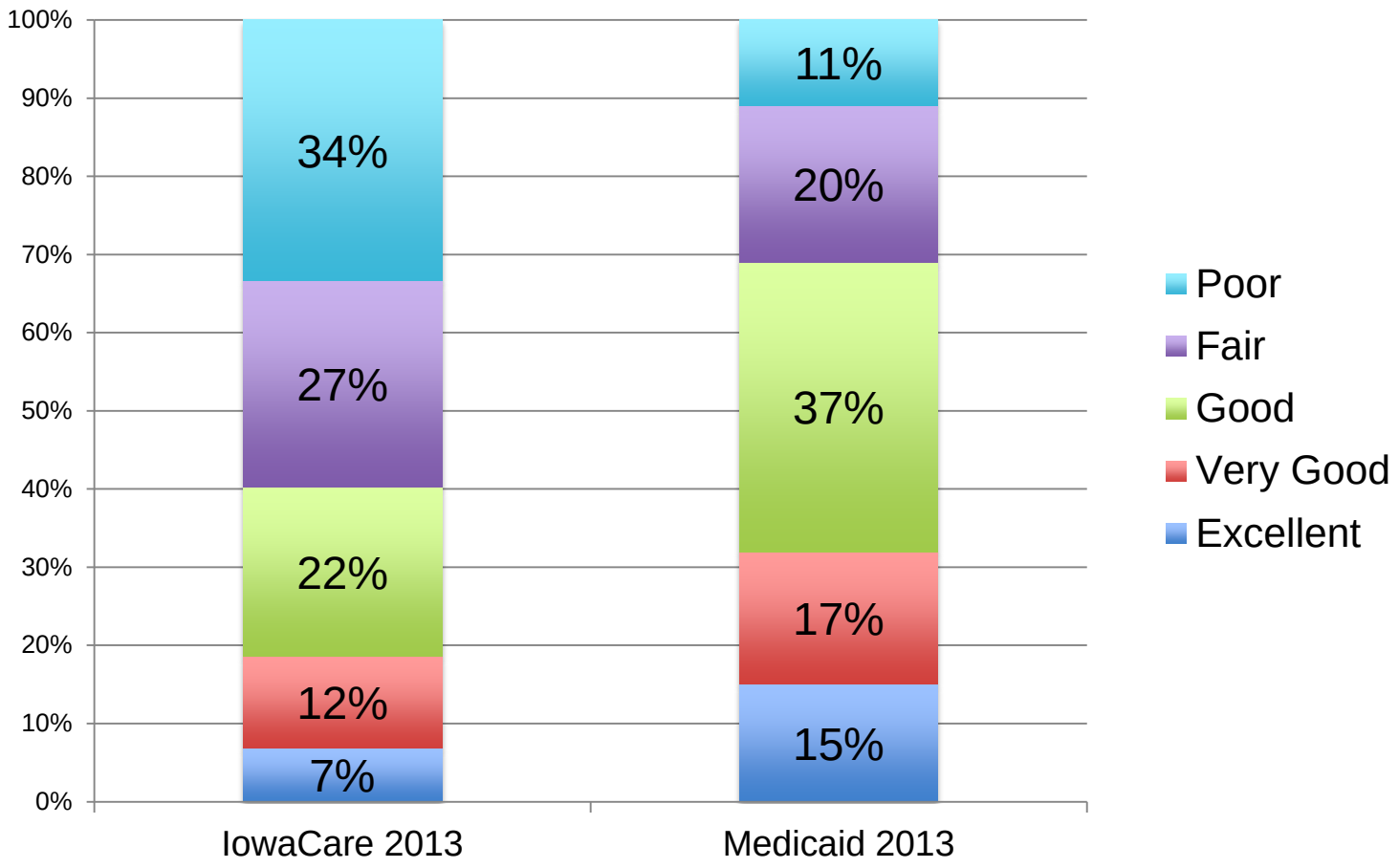
Health conditions lasting >3 months	% reporting
Dental, Tooth or Mouth Problems	**39%**
Back or Neck Problems	37%
Arthritis, Bone or Joint Problems	36%
Hypertension	34%
Overweight/Obesity	31%
Allergies or Sinus Problems	29%
Indigestion, Heartburn or Ulcers	27%
Migraine Headaches	16%
Bladder or Bowel Problems	15%
Diabetes	15%
Bronchitis, Emphysema, Lung Problems	14%
Heart Problems	11%
Asthma	11%

*Self-report, 2013 survey: http://ppc.uiowa.edu

Oral health status



Private dental insurance

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- No good data on impact
  - ACA marketplace plans
  - Expansion of employer plans

Delivery system changes

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- Accountable care organizations
  - Value-based purchasing
  - Very limited data
    - 21 Known ACOs with a dental component-DSOs
      - Hennepin County, MN
    - Patient-centered dental home model of care
- Expansion of DSOs
- Role for Public health and CHCs

Implications for dental programs

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- New program designs
  - Healthy behavior incentives
- Possibly new payment arrangements
  - Pay for performance
  - Risk-based payments/value based purchasing
  - Shared savings
- Possibly new delivery system structures
  - More dentists as employees (DSOs)
    - Second generation of some corporate structures
    - (original owner no longer involved)

Implications for Dentistry and oral health

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Discussion

1. Insurance coverage
   - Medicaid primarily-state specific changes
2. Delivery system
   - ACO relationship?
3. Public Health
   - Will there be the resources to fill the gaps

Discussion

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