



Government of the District of Columbia
Vincent C. Gray, Mayor
The Health Reform Implementation Committee



“A ONE CITY INSURED PUBLIC MEETING”

The Mayor’s Health Reform Implementation Committee

Wednesday, July 21, 2011 – 6:00 p.m.

Pennsylvania Avenue Baptist Church – 3000 Pennsylvania Avenue, SE – Washington, D.C.

Presenters

William P. White, Commissioner – Department of Insurance Securities and Banking (DISB)

Deborah Carroll, Administrator – D.C. Income Maintenance Administration, Dept. of Human Services (IMA/DHS)

Ben Finder, Associate Director for Policy, Department of Health Care Finance (DHCF)

Brendan Rose, Health Policy Analyst – Department of Insurance Securities and Banking (DISB)

Yvette Alexander, Ward 7 Councilmember

Facilitator

Deidra Abbott, Consultant – Alicia Smith & Associates, LLC

Attendees (with Organization Name, whenever indicated)

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| 1. Roy Brown – Leadership Insurance & Financial Group | 14. Justin Palmer |
| 2. Timothy Champney – IMF | 15. Anthony Proctor – DHCF |
| 3. Wil Christian – State Farm | 16. Ria Purgeda – CHF |
| 4. Karen Curry – Pennsylvania Avenue Baptist Church | 17. Marva Riley – FAR NE/SE |
| 5. Alberta Curry-Allen – FAR NE/SE | 18. Jo Ann Smoak – Student Nat’l Medical Association |
| 6. Nura Green – Aban Institute | 19. John Sumner – DHCF |
| 7. Tom Hampton – S&R Denton | 20. Geoffrey Tate |
| 8. Lauren Hillman – D.C. Hospital Association | 21. Rosemary Tate |
| 9. David Hooper, Advisory Neighborhood Commission | 22. Constance W. |
| 10. Bidemi Isiaq – DHCF | 23. Susan Walker – D.C. Coalition for Long Term Care |
| 11. Ernest Johnson | 24. Karen Williams – The Crider Group |
| 12. Helen Morse | 25. Lucy Wilson – DHCF |
| 13. Rutus E. Norris – EOM | 26. James Wright |

Staff support: Tanya Bryant—DISB; Lucy Drafton-Lowery—DISB; Michelle Phipps-Evans—DISB

I. Welcome and Introductions

The July 21st public meeting entitled “One City Insured” was officially called to order by Mr. Brendan Rose at 6:18 p.m. The meeting was hosted by the Mayor’s Health Reform Implementation Committee and was facilitated by Deidra Abbott, Consultant with Alicia Smith & Associates, LLC.

Mr. Rose welcomed all attendees to the meeting and explained that the forthcoming presentations will provide details concerning the health care reform and Health Insurance Exchange (HIX). Mr. Rose then introduced Ms. Abbott to begin facilitating the session.

II. Overview of Health Care Reform and the Health Insurance Exchange (HIX)

Ms. Abbott again welcomed the attendees to the meeting and acknowledged everyone’s resolve to be present despite the extreme heat. Ms. Abbott provided an introduction of a brief video from the Kaiser Family Foundation – “Health Care Reform Hits Main Street” – that will provide an overview of the Health Insurance Exchange and the health care reform law in its first phase through 2014; the process to be expected after 2014; and how the reform and the HIX will be funded.

The video was presented to the attendees. At its conclusion, Mr. Rose introduced Commissioner Bill White of the Department of Insurance Securities and Banking (DISB) to provide brief remarks. Commissioner White thanked everyone for attending and encouraged everyone to take notes and ask questions of the presenters.

Mr. White then introduced Councilmember Yvette Alexander from Ward 7. Ms. Alexander expressed her delight to be present during the forum, and shared her belief that the public meetings being hosted by the Mayor’s Health Reform Implementation Committee are vital to ensure everyone in the District has the opportunity to receive sufficient health insurance coverage.

Ms. Abbott then introduced Ms. Deborah Carroll, Administrator for the D.C. Income Maintenance Administration for the Department of Human Services. Ms. Carroll then gave the following presentation entitled “Health Care Reform and the Health Insurance Exchange”.

Facts About Health Care Reform

The Patient Protection and Affordable Care Act is usually called the “Affordable Care Act” or “ACA”. Its goal is to make health care affordable, of high quality, comprised of simplified rules, and easily accessible.

Major Changes

- By 2014, almost everyone will have health insurance
- More people will be eligible for Medicaid and it will be easier to apply
- Many people will be eligible for tax credits for buying health insurance
- You cannot be denied health insurance because you have a pre-existing condition – e.g., diabetes or cancer
- Insurance companies cannot put a “lifetime limit” on your health care coverage
- Some people will have a limit on co-pays
- Some prevention services will not require a co-pay at all
- Employers with less than 25 workers can get a tax credit for offering health insurance
- Creates Health Insurance Exchanges

A comparison of today’s rules versus the rules under the Affordable Care Act by 2014 shows:

Under Today’s Rules	Rules Under the Affordable Care Act by 2014
Today, insurance companies can charge you more if you: <ul style="list-style-type: none"> ▪ Have an illness ▪ Have a history of an illness ▪ Are at risk for getting sick – e.g., family history of an illness ▪ Are older ▪ Live in certain areas of the country ▪ Are a woman ▪ Smoke 	Companies will only be allowed to charge you more for your health insurance than they do other people if you: <ul style="list-style-type: none"> ▪ Are older ▪ Smoke ▪ Live in certain areas of the country (more expensive parts of the country)
Today, you can also lose your health insurance if you become sick and use a lot of costly services.	No one can be denied health insurance because they are sick.

Individual Mandate

- Almost everyone will be required to have health insurance. To do that, health insurance must be affordable.
- An expansion of D.C. Medicaid will extend Medicaid eligibility to more people.
- Limits will be placed on the amount insurance companies can charge. They will not be allowed to deny people insurance coverage if they have health problems.

Exceptions to the Individual Mandate

The Affordable Care Act requires almost everyone to be insured beginning in 2014, but there are a few exceptions:

1. Undocumented immigrants
2. People who have been uninsured less than three months
3. Religious objections
4. Incarcerated individuals
5. American Indians
6. People with income below the tax filing threshold – \$9,350 for singles and \$18,700 for couples (2009 data)
7. People who would have to pay more than 8% of their income to buy the most inexpensive health insurance plan

Penalties for Those Who Do Not Become Insured

Penalties start small in 2014, but become larger each year. The penalty will either be a flat fee or a percentage of the household's income – whichever is greater.

In 2014, the penalty will be \$95.00 or 1% of taxable income.

In 2015, the penalty will be \$325.00 or 2% of taxable income.

In 2016, the penalty will be \$695.00 or 2.5% of taxable income.

After 2016, the penalty will increase annually by the “cost of living adjustment” set by the federal government.

Small Businesses

- The Affordable Care Act does not require that employers offer health insurance to their employees. However, the ACA offers tax credits in some cases to those who do.
- Business with less than 25 employees may receive a tax credit if they provide health insurance to their workers. The tax credit is available now.
- In 2014, the law will penalize some businesses for not offering health insurance or not making it affordable for their employees.

The Health Insurance Exchange

- A Health Insurance Exchange (HIX) is where people will go to shop for and buy health insurance in 2014.
- The HIX will be web-based and found on the Internet.
- The HIX will show you different health insurance plans, what they offer, and what they cost (a comparison shopping experience like with eBay, Amazon, and Priceline).
- The information presented will be in simple and plain language.
- A customer service center and “navigators” will be available to help.

Rules for Plans Sold on the Health Insurance Exchange

The law says that health insurance plans sold on the Exchange must follow certain rules:

- The cost must be affordable.
- The quality must be good.
- Choices for insurance plans and what each plan offers must be clear.

Tax Credits for Individuals

If your income is less than 400% of federal poverty level (also called “FPL”), you will be able to get a tax credit if you buy your health insurance through the Health Insurance Exchange.

Family Size	Maximum Income
1	\$43,320
2	\$58,280

3	\$73,240
4	\$88,200

Medicaid

The ACA makes changes to the Medicaid program, too. The ACA will require every state and the District to expand Medicaid to people with incomes up to 133% of the federal poverty level – income of up to \$14,400 for one person, or income of up to \$24,352 for a family of three. D.C. has already expanded Medicaid to more people.

Easier to Apply for Medicaid

- In 2014, people will be able to apply using a simple application through the Health Insurance Exchange.
- Your income will be determined by what you filed on your tax return.
- There will be less paperwork for you.
- This will result in faster decisions regarding your eligibility.

Medicare

A “donut hole” is the period when Medicare temporarily quits paying for prescription drugs and you have to pay the entire amount alone.

- A rebate of \$250 was given in 2010 for those in Medicare who spent money during the donut hole period.
- In 2011, those who pay for their medicines during the donut hole period will receive a 50% discount on brand name drugs.
- In 2011, you will pay less for generic drugs during the donut hole period.
- By 2020, people on Medicare will only have to pay 25% of the costs of their prescription drugs during the donut hole period instead of the 100% they paid when the law was passed.

Health Services

For everyone insured, including those on Medicare, some prevention services will not require any co-payments. Examples include:

- Adult Screenings for Type 2 Diabetes, HIV, Alcohol Misuse, Blood Pressure, Cholesterol, Colorectal Cancer, Breast and Cervical Cancers, and STDs.
- Immunizations for Hepatitis A and B, Herpes Zoster, Influenza, Measles, Mumps, Rubella, Meningococcal, Tetanus, and Diphtheria Pertussis.
- Children and/or Adolescent Services or Screenings for Depression, Alcohol Use, Drug Use, Immunizations, Developmental Screening, Obesity, Vision and Oral Health, HIV, and Autism.

III. Question & Answer Period Concerning Health Care Reform

After the presentation by Ms. Carroll, Ms. Abbott opened the floor for attendees to ask questions of the presenters concerning health care reform. Attendees presented their questions orally at the microphone or in writing.

Rosemary Tate: (1) What will the co-payments be for individuals to see specialists? (2) Why are women specifically charged more for health insurance under the current rules? Will it be the same under the Affordable Care Act in 2014?

Responses: (1) Ms. Carroll replied the co-payment amount will depend on the kind of insurance the individual has and how the insurance is being offered. (2) Mr. Finder explained that insurance companies typically see women as more expensive to insure because women have the ability to become pregnant and usually require health care services for their children. However, the disparity between men and women will be erased under the Affordable Care Act.

Wil Christian – State Farm: As an insurance agent, he sells various kinds of insurance, including health insurance. How will training be granted to those who provide health insurance options to their clients?

Response: Mr. Rose explained that while there are no definitive plans yet about training, he believes training is something that should be taken into consideration. Once the Exchange web site is functional and live on the Internet, it will offer assistance to those who are selecting an insurance plan. The Exchange will go into effect on January 1, 2014. For now, interested District residents should visit www.HealthReform.DC.gov for the latest information.

James Wright – Washington Informer: (1) What services will the plan offer to assess individuals' body mass index? (2) The health reform law will become effective on January 1, 2014. What options would an uninsured District resident have who is diagnosed with a major illness on January 2, 2014?

Responses: (1) Mr. Finder relayed that by today's standards, it is up to the insurance company whether body mass index screenings and testing is covered by an insurance plan. However that will change in 2014. The only three factors that will allow companies to charge more for insurance under the Affordable Care Act beginning in 2014 are age, smoking status, and geographic location. (2) Mr. Finder reminded everyone that in 2014, a person's health status will not factor into their ability to receive insurance. If they are already in a health insurance plan when they are diagnosed with an illness, they will be able to stay in the plan. If they do not have insurance at the time they are diagnosed, they can still receive insurance and will not be turned away because of the illness.

Jo Ann Smoak, Student National Medical Association (SNMA): (1) Under the new health care laws in 2014, will the proportion of billing rise for doctors? (2) The SNMA concerns itself with promoting minority doctors and introducing women to working in the health care field. Some medical students believe it will be too costly to become primary care physicians and believe they will instead have to serve as specialists. Will the new law make it a disincentive for people to practice primary health care?

Responses: (1) Ms. Carroll explained that the District is working to make billing much easier for doctors by providing certain online tools that make the process simpler. The District is presently considering whether insurers participating in the Exchange should also be Medicare and Medicaid providers. This would spread some of the access to other medical providers, and clients will have a greater number of choices. (2) Ms. Carroll replied that the bill will provide funds to train doctors. Her estimation is there will be enough business to go around for medical students to become either a primary care physicians or specialist – whatever is their choice.

Nura Green: (1) Is there a tool that will help individuals determine whether insurance carriers are viable and vetted? (2) During the presentation by Ms. Carroll, it was relayed that income concerning Medicaid eligibility will be determined by what individuals file on their tax return. How will those who do not file tax returns have their Medicaid eligibility assessed? (3) What will prescription drug costs be for Medicaid and Medicare recipients under the Affordable Care Act, and will prescriptions be included as part of the Exchange? (4) Will the HIX call center be U.S.-based or an overseas operation? (5) Will businesses and individuals be part of the same Exchange?

Responses: (1) Mr. Rose explained there is already a partial certification system in place, and the system will improve as time goes on. When the HIX is launched, there will be a very clear certification system in place to define what is covered by the health insurance plan. The essential benefits package will be the baseline for all health insurance coverage in the United States. Further details are expected by the end of the summer. (2) Ms. Carroll explained this matter is presently being considered by the federal government, as there is currently no process in place to govern how to handle Medicaid eligibility for those who do not file taxes. However, by the time the Exchange is launched, there will be some way for those individuals to apply for health insurance benefits. (3) Under the Medicaid rule, there is a minimal co-pay for prescriptions. (4) Ms. Carroll ensured attendees that the call center will be locally based and available on a 24-hour basis. (5) Mr. Rose explained that insurance for businesses and individuals will be purchased through the same portal, but a decision is still being made whether two separate Exchanges will be formed to insure businesses and individuals, or whether one Exchange will be created for both.

Ms. Abbott encouraged those attendees with further questions concerning the health care reform should submit them in writing. Answers will be given to those individuals via e-mail or on the www.HealthReform.DC.gov web site.

IV. Public Input on the District's Health Insurance Exchange

Ms. Abbott facilitated the public input portion of the meeting concerning the District's Health Insurance Exchange. She asked that everyone consider the following questions when formulating their input:

1. Are you comfortable using the Internet to get healthcare information?
2. What kinds of assistance would you like to see available for helping people get healthcare coverage/insurance?
3. What types of health coverage would you like to see available for purchase in the Exchange?

Nura Green: Ms. Green recommended use of churches and schools to disseminate information about the Exchange. She suggested it is imperative that the online system be robust; and that the creators of the system are attentive about implementing security measures and maintaining the confidentiality of users, as everyone will be submitting highly personal information.

Tom Hampton – S&R Denton: Some states have created a toll free number for their Exchange, as some individuals are averse to using the Internet or live in rural areas and don't have access to the World Wide Web. Mr. Hampton believes libraries, recreation centers, and other frequently visited locations should be asked to post information about the Exchange for review by District residents.

Ms. Abbott then posed an additional question for attendees to consider: If dental benefits are not covered by the premium, would anyone be willing to pay more? If so, how much more?

Tom Hampton – S&R Denton: Medicaid already covers some dental coverage. However, if some individuals must pay out of pocket for dental benefits, the cost should be comparable to Medicaid's current fees.

Nura Green: Ms. Green believes that full health care coverage is important for women, particularly for maternity coverage and those women with high risk pregnancies.

Response: Ms. Carroll clarified that under the new Affordable Care Act, insurers will not be able to charge more if you have a pre-existing condition such as a high risk pregnancy. They can only charge more due to age, smoking status, or geographic location.

Unidentified Speaker from Families U.S.A.: The speaker believes the insurance rate should be the same for all pregnancy types, whether high risk or otherwise. Concerning the body mass index comment made earlier, insurance plans could provide wellness incentives to encourage people to live healthier lifestyles to prevent certain illnesses.

Rosemary Tate: Ms. Tate would like to see health insurance plans cover procedures such as removing excess skin after gastric bypass surgery, which is presently not covered under many insurance plans.

Response: Mr. White replied that is a very specific recommendation. However, the Exchange will offer various plans, and there should be options to cover such procedures within the Exchange.

Ms. Abbott then encouraged everyone present to ask specific questions about the Exchange and health care reform in general.

Nura Green: Will doctors have the ability to deny service in the Exchange based on the kind of insurance an individual has?

Response: Mr. White explained that the Exchange does not regulate doctors. However, some of the same companies who offer insurance now will also offer it under the Exchange. Therefore, unless doctors will stop

accepting the kinds of insurance they are currently accepting, he does not foresee a change. Mr. Finder added there are presently some rules that are used to incentivize doctors who accept Medicaid, and hopefully those incentives will encourage them to continue doing so. There is also federal funding available to assist with reimbursement rates.

James Wright – Washington Informer: Retirement is a way of life, and there is a lot of turnover within the D.C. government. If an individual retires on January 2, 2014, what options will they have to receive health insurance coverage?

Response: Mr. Rose explained that individuals' health insurance options at the time of their retirement will depend on age. If the person retiring is over 65 years of age, they will automatically receive Medicare benefits. If the person retiring is between 55 and 65 years of age, they have the option of receiving temporary insurance through their employer. If the person is self-employed, they will still be eligible to receive insurance through the Exchange.

V. Closing Remarks and Adjournment

Ms. Abbott extended thanks to everyone who attended the July 21st public meeting.

Mr. Rose encouraged everyone who had not yet done so to sign up to receive the latest information about the Exchange and health care reform by adding their name to the sign-up list on the www.HealthReform.DC.gov web site. Mr. Rose alerted everyone that a survey will be released to everyone on the e-mail list within two weeks to reach as many people as possible. The survey will seek to get feedback on the implementation of the Exchange and the Patient Protection and Affordable Care Act (PPACA).

Commissioner White thanked the Pennsylvania Avenue Baptist Church for allowing the session to be held there. The Commissioner then explained that the information gathered from this and all previous and future public sessions, along with the upcoming survey, will help the Health Reform Implementation Committee gather ideas from District residents about their preferences, issues, and concerns for developing the Exchange. Input from District residents will also help establish a framework and the necessary legislation. Commissioner White encouraged everyone to continue attending the public meetings whenever they are held.

The July 21st public meeting on “One City Insured” was officially adjourned at 8:02 p.m. Information about future public meetings can be found at www.HealthReform.DC.gov. Click on the “About Health Reform” tab, and finally click on “Health Reform Implementation Committee”. The web site is a valuable resource for information about the Exchange and progress of the Exchange implementation.

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