



New Jersey's Responsibilities Under the Patient Protection and Affordable Care Act

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Joel C. Cantor, ScD
Professor and Director
Center for State Health Policy
Rutgers University

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Outline

- Overview of the PPACA
- Key state responsibilities
- Early actions in New Jersey
- Preparing for 2014

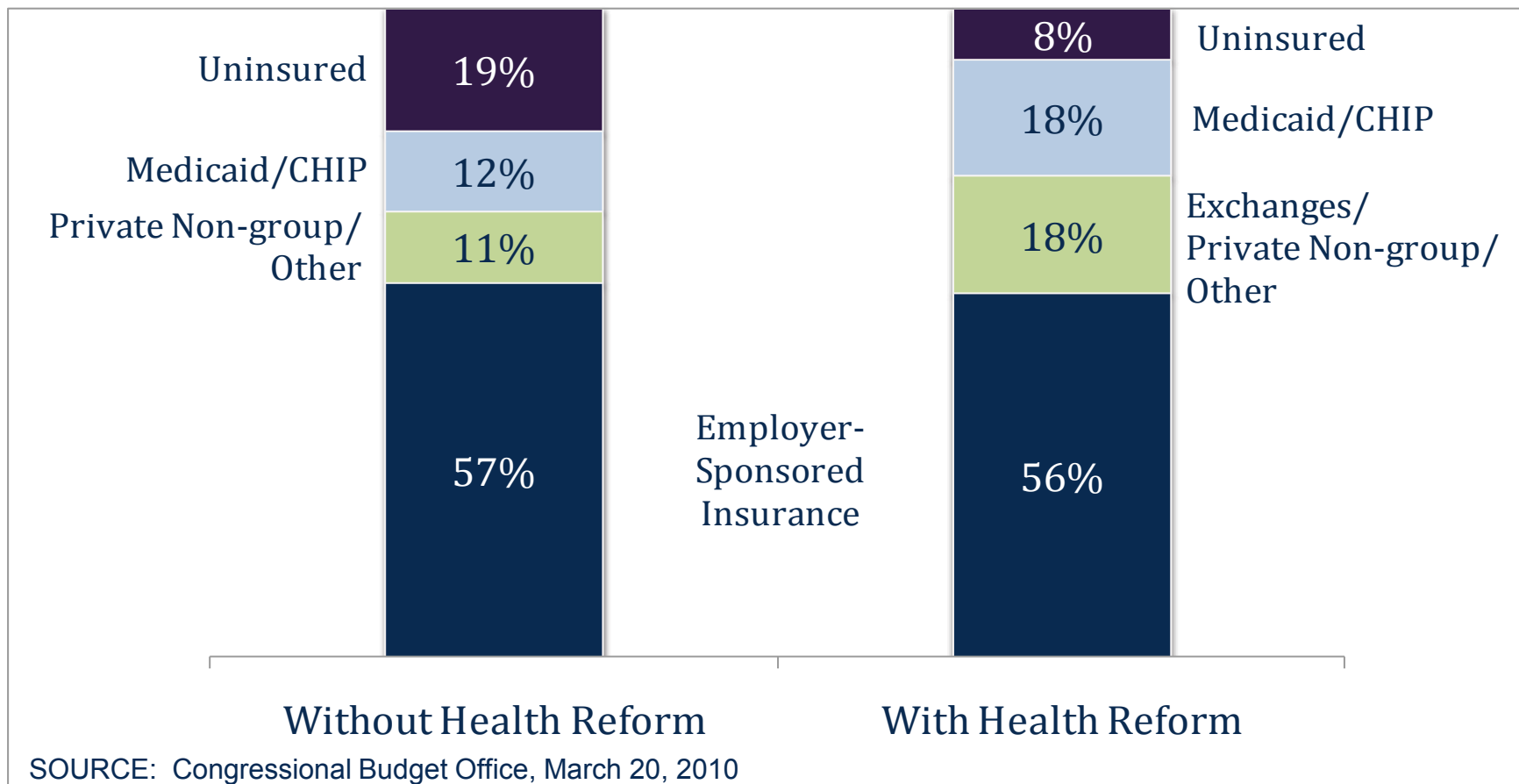
Overview of the PPACA

1. Cover about 32 million uninsured

- Individual mandate, employer incentives/penalties
- Expand Medicaid eligibility to 133% FPL
- Premium tax credits and cost-sharing subsidies to 400% FPL
- Health Insurance Exchanges

Estimated Coverage in 2019 with and without the PPACA

Total Nonelderly Population = 282 Million



Overview of the PPACA (continued)

2. Private insurance changes

- Standard plans, transparency, consumer protections
- No discrimination by health status
- Dependent coverage up to age 26
- No cost sharing for evidence-based preventive services
- Premium rate review and minimum loss ratios

Overview of the PPACA (continued)

3. Quality improvement & system performance

- Comparative effectiveness research
- Medicare & Medicaid delivery system and payment demonstrations
- Penalties for readmissions and hospital-acquired conditions
- Medical malpractice demonstrations
- National quality strategy
- Medicare and Medicaid Innovations Center

Overview of the PPACA (continued)

4. Cost containment

- Restructure/reduce Medicare Advantage (MA) payments
- Medicare payment update reductions (hospitals, other providers)
- Medicare shared savings program
- Administrative simplification
- Fraud and abuse enforcement and prevention
- Reduce Medicare and Medicaid DSH payments
- Independent Payment Advisory Board

Overview of the PPACA (continued)

5. Seniors, Prevention, Workforce

- Close Medicare prescription drug coverage gap (doughnut hole)
- CLASS Act – voluntary long-term care benefit
- National prevention strategy
- Health care workforce strategies

6. Other

- Fast food menu labeling
- Require workplace privacy for breastfeeding mothers
- Prohibit gun ownership disincentives in employer benefit plans
- And more...

State Responsibilities Under the PPACA

- Temporary pre-existing condition insurance plan
- Adjust state regulations to comply with PPACA
- Improve insurance oversight and provide consumer assistance
- Expand Medicaid
- Health Insurance Exchange(s)
- Basic Health Plan

Early Actions by New Jersey

- ✓ NJ Protect - Pre-Existing Condition Insurance Plan*
- ✓ Guidance to insurers to comply with PPACA**
 - Young adult dependent coverage
 - Lifetime dollar limits
 - Rescissions
 - Pre-x for children
 - Preventive services
- ✓ Premium Rate Review Grant
- ✓ Consumer Assistance Program Grant
- ✓ State Exchange Planning Grant

*See http://www.state.nj.us/dobi/division_insurance/njprotect/index.htm

**Described in DOBI Bulletin #10-21, 8/27/2010, Available at: http://www.state.nj.us/dobi/bulletins/blt10_21.pdf

Preparing for 2014

Design and Implement the Exchange(s)

- Structure & governance
- Plan offerings outside versus inside the Exchange
- Risk pooling & potential for adverse selection
- Benefit packages, including state mandated benefits
- Role in cost containment, delivery system reforms
- IT infrastructure, enrollment, & eligibility functions
- Funding mechanism
- And more...

Preparing for 2014 (continued)

Expand Medicaid

- Coordination with Exchange
 - Outreach and enrollment functions
 - Transitions when incomes change
 - Basic Health Plan option
- Network adequacy
- Care management for high-cost, high-need populations
- And more...