Impact of the Affordable Care Act on Immunization

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Impact of the Patient Protection and Affordable Care Act (PPACA)

- PPACA sets out an intent through legislation.
  - Assure near-universal, stable, and affordable coverage by leveraging and improving existing public and private health insurance
  - Increase role of prevention and its integration into health care and community
  - Promote cross payer efficiency
- Note that intent was to improve access, not necessarily to improve payment to providers
  - While improving payment can improve access, that is not the primary motivation in PPACA
- HHS enforces that intent through regulation

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Individual Coverage Required

- Effective January 2014, most Americans required to have coverage or pay a fee
  - Fee is greater of $695 per person ($2085/family) or 2.5% of household income
  - Some exceptions, eg for financial hardships, religious objections, persons for whom the lowest cost health plan exceeds 8% of income
- Advance refundable tax credits and cost sharing assistance available up to 400% of federal poverty level (FPL).
- Employers not mandated to provide coverage but there are penalties for not doing so

Private Insurance and Group Health Plans

- Pre-2014 ACA reform mandates provision of ACIP-recommended vaccines at no cost-sharing
  - >190 million privately-insured people will have access to ACIP-recommended vaccinations
  - Must cover adult children up to age 26 years who have no health insurance (from 2014, it is regardless of coverage)
  - No pre-existing conditions for children <18 years
- Insurers must implement new ACIP-recommendations within a year of CDC adoption
- No plan is required to cover vaccinations delivered by an out-of-network provider.
  - Plans that do cover out-of-network provider can do so at out-of-network cost-sharing standards




Self-Insured Group Health Benefit Plans (ERISA plans)

- The ACA also extends many of its standards to the self-insured ERISA group health plans
  - In particular, all ERISA plans are subject to the ACA's standards on preventive services coverage
  - Thus, must cover all ACIP-recommended vaccines at no cost-sharing
- Some plans are grandfathered in the ACA…




What are Grandfathered Plans?

- State-regulated private health insurance sold in individual and group health markets are grandfathered into the ACA
- Routine changes can be implemented:
  - Cost adjustments consistent with medical inflation
  - Addition of new benefits
  - Modest adjustments to existing benefits
  - Voluntarily adopting new patient protections established under ACA
  - Changes to comply with state or federal requirements




What are Grandfathered Plans?

- Grandfathered status is lost if:
  - Plans reduce or eliminate existing coverage
  - Plans increase deductibles or co-payments by more than rate of medical inflation plus 15%
  - Plans require patients to switch to another grandfathered plan with fewer benefits or higher cost-sharing to avoid new patient protections implemented by ACA
  - Plans are acquired by or merge with another plan to avoid complying with ACA
- In 2011, 50% of plans had grandfathered status
  - Half more expected to lose that status by 2012
  - Small plans likely to lose status quicker than large plans




Still, grandfathered plans must immediately…

- Have no lifetime limits
- Have no rescissions
- Include coverage for adult children up to 26
- Not deny coverage for children with pre-existing conditions effective 2010; all others, effective 2014
- Implement a 90 day limit on waiting periods
- Provide uniform explanation of coverage
- Implement medical loss ratio and rebates
  - Spend 80 to 85 percent of premium dollars on medical care and health care quality improvement, not administrative costs, starting in 2011. Otherwise, provide a rebate to their patients, starting in 2012.




State regulated health insurance

- ACA established market standards for state-regulated health insurance (eg, coops, FEHBP) regardless whether through an exchange or in open market
- Essential health benefits, including preventive services, must be covered
- State health insurance exchanges must be established by 2014 for small businesses
- All state-regulated, non-grandfathered insurance plans must include ACIP-recommended vaccines at no cost sharing




Medicaid and CHIP

- Effective 2014, all non-elderly persons with incomes up to 133% FPL, based on "modified adjusted gross income," are Medicaid eligible
  - States required to benchmark coverage to newly eligible enrollees, including immunization services to children and adults
  - Makes a considerable number of Americans eligible for Medicaid benefits by increasing not only the income but the gender and family position eligibility criteria
  - Increased coverage for immunizations for newly eligible enrollees

Medicaid and CHIP

- Medicaid payment increase for primary physician services to 100% of Medicare payment rates; 100% FMAP for state payment increment for 1st 2 years
  - Increases immunization administration fee to Medicare levels for two years 2013 and 2014
  - Opportunity to show importance of adequate payment on coverage
- States that cover ACIP-recommended vaccines and administration costs with no cost-sharing will receive a 1% increased FMAP, beginning in 2013

Medicare, effective from 2011

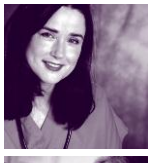
- All Medicare beneficiaries receive a personalized prevention plan that incorporates ACIP-recommended vaccines
- All cost-sharing eliminated for services under said personalized prevention plan
- Any preventive service received in outpatient setting in hospital paid for at 100%
  - Improves access to immunizations provided under Part B of Medicare
- GAO study on impact of Medicare Part D payment on access to immunizations
  - Highlighted access problems with adult vaccine covered under Part D
  - Urges appropriate steps to address administrative challenges, eg. verifying beneficiaries' coverage.




Moving Forward…

- ~24 million will remain uninsured so public health safety nets are still necessary
- Improving access for the newly insured
  - Disproportionately lower income and residents of medically underserved communities
- Potential for lag time in health plan implementation of updated ACIP recommendations?
- How do health plans implement new coverage once added?
  - While payment may not be an issue, adequacy of provider payment for vaccines and administration remains?
- Continuing Medicare B/D challenge
- Medicaid preventive coverage for traditionally eligible persons






Moving Forward

- Changing nature of community efforts in light of near-universal coverage
- Building immunization into pilots and demonstrations
  - None of community transformation grants awarded for IZ
- Health plan quality performance measures
- Community prevention and public health organization, financing, and operations with near-universal coverage will evolve
  - Third party billing – CDC “billables” project
- Integrating adult IZ into prevention efforts
  - Making adult IZ standard of care requires development of preventive care infrastructure to deliver the vaccines
  - An Adult Annual Wellness Visit?

Thank You!

Questions?

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