

SUNY School of Public Health
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Moderator: Hello. And welcome to Public Health Live the breakfast broadcast. I am Rachel. Continuing education credits are available after you finish the post test. Your feedback is helpful in planning future programs. We encourage you to let us know what topics are of interest to you and how we can meet your needs.

Today's program is Affordable Care Act and the expansion of medical benefits. Our guest is the Commissioner of the New York State Department of Health and Donna Frescatore, Assistant Secretary for Health under Governor Cuomo and Executive Director of the NYS Health Benefit Exchange. We are very excited to welcome both of the speakers today to explain the implementation of Health Reform and the Health Benefit Exchange and the ways it will function to meet the needs of New Yorkers. We will start with Kathleen Sebelius to talk about the changes in the first year since The Affordable Care Act was signed.

Kathleen Sebelius: Hi I am Secretary of Health and Human Services. It's hard to believe it's been a year since President Obama signed The Affordable Care Act. Over the last year we have been working hard with nurses and doctors and community organizations across the country. Americans are already enjoying new protections greater freedoms and lower costs. Thanks to the patient's Bill of Rights, insurers are prohibited from turning away children with pre-existing care. Beneficiaries with Medicare now have the freedom to get care and screenings like mammograms and colonoscopies for free and many seniors have received rebates to pay for their Medicare. This year seniors who have high prescription prices are getting a discount. At the same time, millions of businesses are eligible for new tax credits to help their employees. After years of decline, the number of small businesses offering coverage to their employees is rising. More than 5,000 business owners and state and local governments in all 50 states are using funds for their retired workers. Over the last year, our department has given funding to states so they can take action against unfair hikes. We have new rules to inspire health insurance companies to spend their money on improvements instead of executive bonuses. You can learn about the new laws at healthcare.gov. There is a tool available here that allows you to do comparison shopping for the best insurance options available in your area. As this law is put into place, we can look forward to a healthier future for you. Please join me in celebrating one year of The Affordable Care Act.

Moderator: Thank you. It's obvious that even in the first year, the Affordable Care Act has made quite a few changes for many people. Our first speaker, Dr. Shaw, is going to talk about what New York is doing and what we can expect going forward as New York State implements The Affordable Care Act.

Dr. Shaw: Thank you and hello to the audience. It's great to have this opportunity to discuss how New York is implementing The Affordable Care Act. Right now we have a once in a generation opportunity to truly transform our health system and advance through public health as never before. We're integrating public health into health care in new ways and bringing in more diverse partners and stakeholders to the table to help us implement reform. Our Medicaid redesign initiative is a great example of how we're building on reforms and opportunities in the ACA to transform our system here in New York. When the Governor took office in 2011, our state was headed towards a fiscal cliff. A big reason was Medicaid costs. New York had the most expensive program in the country, more than \$50 billion a year. We were getting average to poor outcomes. New Yorkers deserve better! We had a health care delivery system designed to pay more for sick care rather than prevention, for volume rather than value. So the Governor convened a Medicaid redesign team that included representatives from all sectors including public health. The Governor charged the team with creating a system that demands results for dollars

spent, puts the patient first, and creates a sustainable model of growth focused on quality of care. In just the last year the redesign program expanded coverage to 140,000 additional low income New Yorkers, developed a sustainable model of growth that saved the state \$4 billion in 2012 alone, and created a system that supports better health care outcomes for the most vulnerable New Yorkers. Here's how we did that. We eliminated fee for service and implemented care management for all. We extended universal access to primary care. We expanded the use of 4 electronic health records, implemented the home care model of coordinated care and improved behavioral services that reflect priorities in The Affordable Care Act. Now we're taking another leap forward to implement the reforms and application to the federal government for the waiver amendment. The waiver would provide \$10 billion over five years to fully execute our Medicaid design initiatives and prepare the state to fully implement The Affordable Care Act. I will talk more today how this will weave programs into the health care system. The goal is to improve costs and outcomes for all workers and increase funding for supportive housing and redesign the Medicaid package to design cost effective, evidence-based quality care. The full waiver application document is posted on the State Health Department's website. I encourage you to read it. You will see that the application also can be read as the future of health care in New York and the nation. Public health workers like you know what it means and so does the public. They might think it's preventive services which we have done a reasonably good job at, but what I am talking about is something bigger than prevention and that's the idea of health promotion. Let's talk about the social determinants of housing and housing poverty food and security. Let's get to the basics. Let's invest in health promotion. We need to adopt programs that targets social determinates and lifestyle choices. Today many investments go towards treating disease. We need to flip that ratio and prevent disease in the first place. We know this is the most effective way to do that. We can help spare millions of New Yorkers from getting preventable illnesses that take a toll on patients, families and the economy. I encourage the audience to find out what New York is doing on all fronts to implement reform. Think about how this impacts your work? What can you do to make this a reality? I am happy to answer any of the questions.

Moderator: Thank you Dr. Shaw. This is an exciting time to be involved in public health. When we look at the Affordable Care Act what are some of the major changes we can expect to see?

Dr. Shaw: It will expand services for clinical services and home care and expand outcomes for people and increase funding for these initiatives. There is a heavy emphasis for prevention in the law. It will include programs to incentivize employee wellness, educate, include nutrition programs for children and adults, diagnose prevention and include policies that have prevention and mental health services included.

Moderator: Excellent! Now I understand that New York State and other organizations around the state have received \$62 million in prevention funds. What is this used for?

Dr. Shaw: It's in four areas. The first area is community prevention and use preventions to reduce heart attacks and strokes and obesity. Clinical prevention funding supports program to improve access to important preventive services and includes the full range of care necessary to meet the diverse needs and include access to preventive wellness and behavioral health screenings and HIV/Aids prevention and third funding for infrastructure and training helps us build capacity for the new century system. This is for resources to respond and prevent and respond to health outbreaks and strengthening the systems for gathering and communicating health data finally we're receiving funding for the scientific study of prevention and translate research into practice. This includes prevention research and health care data analysis and planning.

Moderator: That seems like a great way to use the funding. Now in the introduction you talked about the Medicaid 1115 waiver. Can you explain to us the importance of this waiver and what it means to New York State?

Dr. Shaw: The waiver is a request for \$10 billion from the feds. We're on track to save the federal government \$34 billion over the next five years because of the changes with the Medicaid redesign. The \$10 billion that we requested would get to improvements across the health care system to really create a health care system for the first time. We are looking to invest in the social determinates of health. For example we know for every 1 dollar spent on water fluoridation the Medicaid program saves \$14 in children's bills and that is appropriate to invest in. Other examples include the nurse family partnership. We know that when 7 first time moms are met by a nurse in her home for every month through pregnancy and for two years after good things happen. The mom does better. The child does better. Educational outcomes improve. Spacing between pregnancy increases. Moms go back to work sooner and juvenile justice costs go down and on and on and for every dollar invested in the program the state saves \$5 70 and we can do it across scale and use Medicaid dollars to do it.

Moderator: That makes sense to me. You mentioned affordable housing in the request. Why is that important?

Dr. Shaw: For some people housing is health care and we know from many folks who are homeless, folks in a nursing home but don't have another place to go and it's the nursing home or the home. Supportive housing is the answer. We know for every day spent in support of supportive housing, it costs the state \$48 a day and if you put that person in the homeless shelter it's \$68 a day and in jail it's \$129 a day and in the nursing home \$250 a day and in a psychiatrist institution it's more and in patient it's \$750 a day so certainly the economics make sense and again it's the right thing to do if you can create the wrap around services for folks and all of these in the same environment in which they live. You can make serious improvements in health at relatively low costs. We are suggesting that the federal government allow us to invest three quarters of a billion dollars in supportive housing over the next five years as part of the Medicaid waiver.

Moderator: Those numbers help to illustrate the point of spending it now. \$48 a day might seem like a big number, but when you compare it to the alternatives are it's a smart way to invest and provide healthy services for people in New York State. What are some of the other initiatives in this waiver?

Dr. Shaw: Part of the message I am trying to get across is language matters. How we brand things matters. When I talk numbers and give hard statistics, legislators get it, and CMS gets it and from the prevention approach, but we're talking about it in a different way. To the extent we have hard numbers to back up the home visits and diabetes prevention. Those are other areas important to invest in and we included them in the waiver.

Moderator: New York is also implementing the home health model of care and Affordable Care Act also promotes and how does that work?

Dr. Shaw: Up to now, the system has been focused on acute care and how to get folks well from infectious disease and we know that chronic diseases are the big drivers of cost and illness and to the extent that we need to reshape the health care delivery system and support patients with chronic disease this is a model to get there. This model takes people with two or more chronic conditions and these folks are often seen in many different settings, in a hospital, in nursing home, in primary care, with home health

services but none of the individual modes are et cetera canned. This model will allow us to do this and build the bridges between the hospitals and the nursing homes so readmissions go down and within the hospitals and home all this happens and it's about the wrap-around services that the federal government will pay 90 cents out of every dollar in the next two years to build that coordination.

Moderator: That is excellent. What are the goals in the next five years?

Dr. Shaw: In 2008 we had the first five-year prevention agenda and had ten priorities that we focused on. We have built off of that five-year agenda and during the next five years the goals and priorities are to improve health of all New Yorkers. Second, advance in all approaches in New York. Third, to strengthen governmental and non-governmental public health infrastructure. Fourth, to create and strengthen sustainable public private and multi-sector partnerships, and fifth to further strengthen and promote the case for prevention in public health. We have identified five priorities for the state. They are pretty obvious if you're in public health but it's important to spell them out. First is to prevent chronic disease, second promote a healthy and safe environment and prevent HIV/Aids and diseases. Fourth is promote mental health and fifth infants and children and these goals and priorities are all about prevention and wellness, stopping problems before they start. We are addressing areas that affect racial and ethnic minorities and encourage regional and community planning with hospitals and community-based organizations.

Moderator: Excellent!

Dr. Shaw: That reminds me of the expression where they say "an ounce of prevention is worth a pound of cure" and that seems like the approach we're taking. Is there a way to get more information? Certainly our website has more information on the working groups. If you go to the Department of Health's website, there is an easy link or Google it.

Moderator: Thank you. I understand the next health prevention agenda will have health and all policies approach. What does that mean?

Dr. Shaw: That means thinking more broadly about health. When you build a road do you put bike paths? Sidewalks? With a gym in the school do you plan on keeping it open on evenings and weekends you can advance health from a single perspective. I will give you a real example. In the 1960's the clean-air act was passed and certainly pollution went down, but if you look at the total health effects of what the one law did, there were 22.6 million workdays that were not missed because of the clean-air act. 184,000 people per year did not die because of the clean-air act. The total cost to industry was approximately half a trillion dollars to implement the smoke stacks and the prevention agenda for clean air act. The savings from a health perspective was \$22.2 trillion. You rarely hear the word trillion in a positive context but the clean air act is a shining example of something that we can do and build upon looking at all different sectors and their implications on health.

Moderator: That is a fantastic example and all of the information you shared with us today has been enlightening for me and the viewers as well in understanding what does all of this mean? We heard about The Affordable Care Act and Medicaid redesign and all of these terms and it's helpful to have you explain to us exactly what it means for New Yorkers and the picture you painted shows me it's going to be a great picture that is encouraging health in all New Yorkers across the straight from a variety of perspectives so thank you very much for being with us today. This has been incredibly informative and helpful.

Dr. Shaw: Thank you.

Moderator: We want to thank Dr. Shaw for meeting with us today and ensure we have the current information and have a clear idea of what the big picture looks like and how it's important in the different aspects of our life regardless of health or insurance status. To help illustrate some of the different ways the health care reform has already started to help improve the lives of everyday people around the country, let's hear from a few people about their various experiences.

[Video]: That's why it's called The Affordable Care Act and if the patients can't afford it, they're not going to take it. This pharmacy has been part of the community since 1945. I have been owner and operator for 38 years. Talking about central Pennsylvania between Harrisburg and Hershey and the surrounding area, we are part of the 12 community and anchors for the area. Hi pharmacist speaking. Donut hole what happened and a lot of people didn't understand that and how they got that far.

When I came to pay the bill it was much higher and he said you're into the donut hole. >> When they're not in the hole, the copay is ten or \$15 then hit the hole and it was \$50 that was quite a shock to them. We witnessed people with 30 day prescription was getting them in 35 days and splitting doses and misses doses and that has a great effect on their health care. When The Affordable Care Act started to close the donut hole we paid 50% of brands.

I am here to pick up. Closing the donut hole has made a huge difference in my costs and big to me.

[Video]: When we explain that the copay is 50% of what it used to be they really don't understand why and we explain to them that it's a benefit of The Affordable Care Act and part of the reform. The health care law is about people like me – to save care.

[Video-Judy]: The Affordable Care Act has totally meant peace of mind. I don't worry about things anymore. I am not staying up at night worrying about how I'm going to pay for this.

My name is Judy. I am a breast cancer survivor. I had breast cancer for the last 17 years. I have been in active treatment for eight years so I go to the doctor every week to get chemotherapy. Let's get you hooked up.

[Video-Judy]: It's gone to my bones and my liver, so I had radiation to my liver and my bones and to my spine. I have always worried about the cap. My care is very expensive. It's bad enough that you have cancer and then you have to worry about the insurance company cutting you off. I would die. Last year I spent \$250,000, the insurance company did for my care and the year before it was close to \$500,000 and the cap used to be 2 million so that's close. You know it's really close so I think I would hit my cap in probably two to three years. There is no way I could afford my treatment. It's just too much money. She will graduate in two weeks.

[Video-Dr.]: So the next goal is graduating?

[Video-Judy]: Yes. It's wonderful there is no cap anymore. It's such a relief.

[Video-Dr.]: How's the treatment going?

[Video-Judy]: Good. I have cancer and get chemo every week but I have a wonderful life. I can travel and spend time with my kids and drive my car. It's a wonderful life. You can live your life with cancer and not worry because of The Affordable Care Act. Health care law is about people like me. It's Judy care.

[Video]: The increase in cost is directly tied to the tax credit. If it wasn't for The Affordable Care Act, we wouldn't be talking about the tax credit. We have a food shipper and ship over the United States and Canada. We have two locations and on Saturdays we do a farmers market. I'm the general manager and that means I do just about anything, everything I need to. Do I do all the compliance, all the tax work, the books, pay the bills, payroll, sales tax, you name it. I did realize as the CFO we would benefit from the new law. We get \$7,400 for the tax credit and dollar for dollar and it's the first time in 12 years I actually see a reduction in costs.

[Video]: That looks great. It creates a long-term relationship with your employees.

[Video]: It wouldn't be affordable for my family to have health care. My husband has conditions and he's diabetic and difficult to get even if we could afford it so it's a huge part of my job.

I know you shipped with us before. That's being a good business manager and you look into whatever you can to still provide good health care for the employees but at the benefit of cost for the company. The health care law is about people like me.

[Video]: Sammy is a joyful happy child. He really is; but he's a kid that has to go to the doctor a lot. Sammy was diagnosed with this when he was five years it means the tumor suppressor doesn't work properly. Sammy had health issues when he was first born and they could never figure it out. With a follow up special visit I said look at the spots on the skin and he's getting more and you need to have him checked out and I made him repeat the word three times to me. He's just a normal kid, happy, go lucky kid, but gets MRI's every three to six months and that's what it is and you're waiting from one to the next and hoping a tumor didn't grow or turn cancerous and how you live actually. The Affordable Care Act is extremely important to all families with children with pre-existing conditions. The worry is lifted and now the law states you can't throw a child off of the insurance because of pre-existing treatment. You can't cap the treatment. So our job is finding the proper specialists getting him to the MRI's, to doctor appointments and be healthy and be a joyful child. We don't know that the tumors in the body what is going to happen. We know there is no cap, no limit on the treatment he gets. Kids like Sammy matter and they should have insurance coverage, and they should not be denied coverage.

[Video]: The health care law is about people like us. It's Tracy care. Tracy care.

Moderator: Hearing those stories really help to show the different ways that the Affordable Care Act is working. From parents to patients, from elderly to business owners, it's clear that many are seeing different ways that improving access to health care benefits their entire community. Sometimes even in unexpected ways. To help New York residents and business owners explore the different options and access to benefits, New York State has created the Health Benefits Exchange. We are very excited to hear from Donna Frescatore, the Assistant Secretary for Health under Governor Cuomo and the Executive Director of the New York State Health Benefits Exchange to tell us about how this will work.

In the first part of the broadcast Dr. Shaw covered quite a bit of information. I am excited to have you here today. I understand you have information as well.

Donna Frescatore: Yes. Thank you for asking Rachel.

Moderator: Great! We are excited for having you here. We heard about health care reform and those without insurance and many don't know the specifics. Can you talk about what are the uninsured populations?

Donna Frescatore: Sure. 60% of New Yorkers don't have insurance. That is 2.7 million people, working people and their dependents, 85% of them have incomes below 400% of the federal poverty level and if you're an ethnic or racial minority you are more likely to have no insurance.

Moderator: Those are outstanding numbers. I understand it varies across the state. Can you talk about that?

Donna Frescatore: That's correct. The highest rate is in queens. 23% of the population is uninsured; the lowest rate is Staten Island and upstate and a number of counties. It's about 15% and the lowest rate is 11% in Rochester New York.

Moderator: Interesting! It's clear some have high rates and others are lower. Can you give us an idea what that looks like for people that are part of that group? What are the costs of being uninsured and what does it mean to people who are part of that group?

Donna Frescatore: We know from research, uninsured people forgo care because of costs and receive half of the care of those insured. They have a high risk of mortality and deaths of 45,000 a year.

Moderator: That is a startling number.

Donna Frescatore: It is.

Moderator: This also places a burden on taxpayers as well.

Donna Frescatore: It does. Taxpayers pay billions for care for the uninsured. For state taxpayers, it's a lot a year and those with insurance pay an additional \$800 a year to pay for the uninsured and the increased premiums.

Moderator: This is shared between those not insured and those that are insured as well. This is a big issue for everyone. Can you talk how this is going to change with health care reform? What's going to look different?

Donna Frescatore: So the implementation of health care reform in New York will be about 1 million workers gaining coverage and a reduction of costs for the uninsured in the state. Our health care reform gives the unique opportunity to help the uninsured and help with the high costs that impact individuals and small businesses that are getting insurance.

Moderator: Excellent! What you explained so far seems logical to me. What we would like to know more about is how exactly is this going to work? With all the different components we certainly want lower rates offered to the uninsured and the tax burden lowered but how are we going to make that happen?

Donna Frescatore: That's a great question! We often describe it as an organized marketplace where individuals and small businesses can apply for coverage. They can compare the options available to them. More importantly they can qualify for federal tax credits. Both individuals can apply for tax premium

credits and cost sharing credits and certain small businesses can get credits also. The exchange will allow the individual to enroll in a plan of their choice and help them pick which health plan will meet their needs. There are two parts to the exchange, the individual exchange where people will go and buy coverage directly. For example people who don't have coverage through employment and a small business health options exchange or shop exchange as we call it for small businesses currently in New York is 50 or fewer employees.

Moderator: Okay. Are there estimates in terms of increasing the number of people that have access to insurance?

Donna Frescatore: We project that 1 million of uninsured will buy through the exchange. 650,000 will purchase directly and the remaining will be employees of small businesses that purchase through the exchange. Also the Medicaid expansion which bases on the Supreme Court ruling is voluntary for states and implemented in New York and increase coverage for adults without children from the current level of 100% of federal poverty level to 138% and that means 75,000 workers will be eligible for Medicaid and we expect because of the provisions of The Affordable Care Act, because of the awareness campaign the experience of having coverage and half a million people eligible for Medicaid but not enrolled will enroll in insurance.

Moderator: Excellent! Some question whether there is a need to have reform. This has been a controversial topic from the get go. Can you talk about the real costs of health care now and how it will work after the exchange is implemented?

Donna Frescatore: Sure. In 2011 if an individual wanted to purchase coverage on their own, they would have paid about \$1,200 for individual coverage and \$3,400 for family coverage. These are monthly figures. This is still the predominant coverage in the state and continues to be after federal health care reform but unfortunately the high cost of insurance caused 800,000 employees in New York to lose the coverage in the last decade. In 2011 small businesses paid \$490 for individual employee and nearly \$1,300 a month for a family plan. We expect the exchange will result in decreases for both groups.

Moderator: That's good to hear and that is expected and the numbers and 800,000 New Yorkers losing coverage and that is significant and the cost is so high and how will the system make it better. Let's talk about that.

Donna Frescatore: When health care reform premiums decline for all New Yorkers, many more people including those with lower health care costs will buy insurance at the current market of \$1,300 a month for individual policy. Only those people with high health care needs purchase that coverage. We expect small businesses will be able to purchase coverage at reduced costs when it's fully implemented. In addition, low and moderately increased haves will qualify for federal tax sharing credits through enrollment in the exchange. These credits are in addition to any decline in premiums that individuals and small businesses receive.

Moderator: Excellent! When you talk about this exchange how does it actually work? Does someone have to go somewhere to purchase insurance? What is the process going to look like?

Donna Frescatore: Shopping for insurance will be easier and point of sale entry and enrollment in coverage that meets their need, whether they're eligible for the Medicaid or subsidized coverage under the exchange or full coverage in the exchange or enrolled by website or by phone or in person, and

regardless of how customers are enrolled, they will be guided through the application and enrollment process. The small business exchange will shop and give employers more flexibility than they have today and the amount they want to contribute towards the employee's coverage and a percentage or defined amount and specify how much they can provide each month. The shop will have back room operations for those without human resources offices.

Moderator: In terms of the outcomes what are some of the benefits New York will see and looking beyond the individuals and small businesses who will have control and what about New York as a state?

Donna Frescatore: I mentioned taxpayers pay a lot per year to pay for hospital services for people without insurance and as more people are insured, the need for those dollars to subsidize the coverage will be reduced. It's just smarter to provide assistance for people to buy insurance than to pay for emergency care. Small businesses which we refer to as the economic engines of economic growth make it easier to retain qualified work force to compete in the business market and eliminate some of the administrative burden on small business owners so they can concentrate on operating that business. Taxpayers will save millions a year because of the federal match for the state Medicaid program and we expect the people enrolled in Medicaid to increase because of the implementation of the Affordable Care Act will receive more federal funding for the 800,000 childless adults already enrolled in the program. The state will receive a benefit. The grant dollars will pay for the planning and implementation of the health insurance exchange. That will also assist New York in modernizing its eligibility system.

Moderator: Excellent! New York State has decided to operate its own health benefit exchange. Can you talk about why the state decided to do that?

Donna Frescatore: Sure. Each state will have an exchange. States have the option of operating the exchange themselves or deferring to the federal government. The health insurance exchange builds on a system of insurance that we have in the state. By choosing to do it on their own New York can make decisions about what benefits are offered to individuals and small businesses, the health plans that can participate in the exchange can offer the products and the providers that are the health care providers that must be available to enrollees. Patient and providers protections and the community rating laws in New York will remain in place and New Yorkers can hold the state accountable for the implementation of the exchange and making the coverage more affordable and comprehensible and easily accessible.

Moderator: It's good to know someone is responsible for making this happen so with that said who is actually going to be operating the exchange?

Donna Frescatore: On April 12 of 2012 the Governor issued an Executive Order to the Department of Health. It instructed the Department of Health to work with other agencies and financial services as the regulator of the insurance industry in New York and charges the agencies in taking the steps necessary to implement the exchange consistent with the federal law. We will have working relationships with the state Medicaid program and Director for the need to make it seamless for people eligible for Medicaid and have increase in income and eligible for the exchange and vice versa and will have a close working relationship with financial services as the regulators in the state.

Moderator: Excellent! This was a terrific amount of information and helpful for me and the audience as well. In the event there are still more questions that people have are there websites to get information on this information you shared?

Donna Frescatore: Sure. Our website is [healthcarereform .org](http://healthcarereform.org). We are currently revising our site and will be introducing a new website shortly so thank you. It's been a pleasure to talk to you.

Moderator: Thanks for being here.

Donna Frescatore: Thank you.

Moderator: Again we would like to thank the Commissioner, Dr. Shaw and Donna Frescatore, Assistant Secretary for Health and Executive Director of the NYS Health Benefit Exchange for their time in today's broadcast. Thank you both again for joining us today. To obtain continuing education hours, visit our website and complete the evaluation and visit the website. Join our Facebook to stay up-to-date. You can download the Companion Guide which will cover the topics in today's program. An archived version of this will be available in two weeks. Join us next time on Public Health Live!