

Health Law and Policy Update:

May 18, 2012

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Headlines of the Week

Colorado's Special Session

The Special Session ended on Tuesday. A bill regarding the Authorization of Civil Unions was defeated on party lines after its having been sent to the House Committee on State, Veterans, Military and Affairs. Three bills passed out of the eight issues referred by the Governor to the General Assembly, one regarding the registration of Special Mobile Machinery, the second regarding Unemployment Insurance Revenue Bonds, and the third funding \$55 million in water projects.

National Rulemaking Activity

Six states receive Exchange Establishment grants

Secretary of Health and Human Services, Kathleen Sebelius, [announced](#) this week that six additional states have been awarded grants to establish Affordable Insurance Exchanges. Illinois, Nevada, Oregon, South Dakota, Tennessee, and Washington will receive over \$181 million to begin developing their Exchanges. In total, 34 states and the District of Columbia have received Establishment grants worth over \$856 million.

A full [list](#) of Exchange grant awards is available from HHS.

HHS releases guidance on exchange certification and federally facilitated exchanges

On May 16, the Department of Health and Human Services issued [guidance](#) describing how the Federally Facilitated Exchange (FFE) will function. The FFE is available to states that are unable or unwilling to establish a state health insurance exchange on their own. The FFE guidance highlights that there will be an operating exchange in every state by 2014, whether operated by the state or the federal government. The guidance also describes the process for dividing certain responsibilities between the state and the federal government (e.g., certification of Qualified Health Plans and other "plan management functions").

Second, HHS issued a [draft "blueprint"](#) on May 16 that describes the requirements for certifying a state exchange or state-federal partnership exchange with HHS. In addition to meeting all of the requirements under the Patient Protection and Affordable Care Act regarding plan design and consumer protections, states must submit to HHS proof of its legal authority to establish and operate an exchange (e.g., copy of legislation that establishes the state exchange). Public comments will be accepted on the draft blueprint for 30 days.

HHS releases final rule regarding medical loss ratio

On May 11, HHS published its [final rule](#) regarding medical loss ratio (MLR) notice requirements. The

medical loss ratio requires health insurers to spend a minimum percentage (80 percent for individual and small group markets and 85 percent for large group markets) of their premium revenues on actual health care claims and quality improvement expenses. This final rule requires insurers to send notifications to their subscribers when the MLR requirements are met for the plan year. Notice requirements were already in place when MLR requirements were not met.

What's new

May is Mental Health Awareness Month: Do More for 1 in 4

In honor of Mental Health Awareness month, Mental Health America (MHA) [released](#) a toolkit that calls on all U.S. communities to do more to help the 1 in 4 Americans who live with a diagnosable, treatable mental health condition. According to MHA, an estimated 26.2 percent of Americans ages 18 and older - about one in four adults - suffer from a diagnosable mental health disorder in a given year. That is nearly 60 million people. Many people living with a mental health condition - as high as 50 percent according to MHA - never seek or receive help due to stigma, lack of information, or poor access to health coverage.

MHA, along with the Substance Abuse and Mental Health Services Administration (SAMHSA), developed the Do More for 1 in 4 campaign to provide people with the information they need to recognize a mental health disorder and how to find help. The toolkit released as part of this campaign provides key information on the most common mental health disorders, how to find treatment for them, and how family and friends can be supportive throughout the process.

Also in recognition of Mental Health Awareness Month, HHS Secretary Kathleen Sebelius [released](#) a statement describing the far reaching consequences of mental illness. Specifically, Secretary Sebelius remarked that individuals suffering from mental illnesses tend to also experience disparities in income, employment, education, homelessness, full community participation, and life expectancy. Secretary Sebelius went on to highlight some key reform policies that will increase access to treatment, prevention and recovery. Central to these reform efforts is the Patient Protection and Affordable Care Act (PPACA), which will expand health insurance coverage to approximately 30 million Americans by 2016. An estimated 11 million (37 percent) of these newly eligible beneficiaries will have substance abuse and/or mental health service needs. Despite the significant increases to health coverage under PPACA, challenges will remain with respect to recognizing early signs of mental illness and seeking initial treatment.

Study shows that Patient Protection and Affordable Care Act would have reduced out-of-pocket costs between 2001 and 2008

Insurance purchased in the individual market typically offers less generous benefits than insurance provided by an employer. However, after implementation of PPACA, individual insurance plans will offer more comprehensive benefits, resembling those of employer sponsored plans. This month, Health Affairs published [a study](#) comparing out-of-pocket spending for individual and employer plans between 2001 and 2008. Based on this comparison, the study estimated how much adults with individual insurance would have saved over that time period, had PPACA been in place. Adults would have saved an average of \$280 annually on out of pocket medical costs. The near-elderly (ages 55-64) would have saved an average of \$589 and low income adults would have saved average of \$535.

Comments submitted on Dual Eligible Project

The Department of Health Care Policy and Financing (HCPF) will submit a proposal to the federal government by the end of this month for permission to operate a demonstration project designed to coordinate care for those Coloradans who are eligible for Medicare and Medicaid, so called "dual eligibles". The Department proposes to move most of Colorado's 70,000 duals into the Accountable Care Collaborative (ACC) program through the demonstration project. CCLP has [written previously](#) about the ACC program. CCLP submitted [comments](#) on the duals proposal, as did other Colorado advocates and providers.

This project is particularly significant because of the very fragile population it is designed to serve. CCLP has been a strong advocate for a meaningful public process and most significantly, for inclusion of duals representatives and their advocates in decision making. We'll write more about this project in the coming months, and we encourage anyone who works with duals and duals themselves to participate in the design of this program. HCPF announces meetings on its [website](#).

Colorado Health Benefit Exchange (COHBE) Update

COHBE Awards Service and Technology Contract

The Colorado Health Benefit Exchange unanimously approved a motion to move forward with finalizing a contract with CGI Technologies and Solutions, Inc. CGI also received the contract for the Federally Facilitated Exchange.

More information on the decision is available on the [COHBE website](#).

COHBE Board to make key decisions about supplemental/additional benefits

At its next meeting, the Colorado Health Benefit Exchange Board of Directors will decide whether to allow supplemental or additional benefits to be sold in the exchange. [According to COHBE](#), supplemental plans are intended to cover the gaps or provide additional coverage in areas not included in a Qualified Health Plan (e.g., dental, vision, Health Savings Accounts and life insurance), whereas additional benefits "might include coverage for things like chiropractic services, massage, acupuncture, etc." The decision that COHBE will make is limited to whether these types of plans should be available in the exchange or not. The scope, minimum number, and types of supplemental plans and additional benefits to be offered in the exchange would be discussed at a later date.

The COHBE Board will accept public comments on this issue at its upcoming meeting and you are encouraged to participate. Meeting information is available on the [COHBE website](#).

Next COHBE Board Meeting:
May 30, 2012 at 8:30 AM
The Colorado Trust
Sabin Room
1600 Sherman St.
Denver, CO 80203
To join by phone, please call:
1-888-330-9939
PIN 632148#