



## **Senate Update: Health Care Reform**

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On November 18, 2009, Senate Majority Leader Harry Reid (NV) released H.R. 3590, the Patient Protection and Affordable Care Act. H.R. 3590 will serve as the base bill for Senators to consider as the legislative process moves forward. The introduction of this bill comes on the heels of the health reform measure passed by the House of Representatives earlier this month.

HR. 3590 is the end product of many months of negotiations in the Senate on health reform and results in an additional 31 million uninsured people being able to obtain much needed health care coverage. The release of the Senate bill brings Congress one step closer to making much needed improvements to our nation's health care system.

Although there are still many weeks before a final vote on the Senate bill, we wanted to highlight provisions within H.R. 3590 that will positively impact children and their families. In addition, we draw attention to areas that we would like to see improved and will continue to work with members of the Senate to win their support.

### **Immediate changes to Individual and Group Health Insurance Policies: Effective six months following enactment of bill**

- Elimination of lifetime limits
- Requires coverage for and prohibits cost-sharing requirements for preventive services
  - As recommended by the USPSTF with a rating of A or B
  - Immunizations as recommended by Advisory Committee on Immunization practices
  - For Infants, Children and Adolescents as supported by HRSA
- If plans offer dependent coverage, then coverage for unmarried dependents must be offered up to the age of 26.
- Awards \$30 million in grants to states to establish, expand or provide support for offices of health insurance consumer assistance or health insurance ombudsman programs.

### **Changes to Individual and Group Health Insurance Policies : Effective Jan. 1, 2014**

- Prohibits pre-existing condition exclusions.
- Requires guaranteed availability and guaranteed renewal.
- No “unreasonable” annual limits.
- Must offer a health benefits package, defined by Secretary of Health and Human Services to include “essential health benefits,” which includes:
  - Ambulatory patient services
  - Emergency services
  - Hospitalization
  - Maternity and newborn care
  - Mental health and substance use disorder services, including behavioral health treatment
  - Prescription drugs
  - Rehabilitative and habilitative services and devices
  - Laboratory services
  - Preventive and wellness services and chronic disease management
  - Pediatric services, including oral and vision care
- Prohibits waiting period which exceed 90 days.
- Permits individuals enrolled in any form of health insurance to maintain their coverage.
- Permits health insurers to sell child-only plans for those under the age of 21.

### **Changes to Medicaid and CHIP**

- As of Jan. 1, 2011, creates new state option to provide Medicaid coverage to all non-elderly, non-pregnant individuals up to 133 percent of the Federal Poverty level (\$24,350 for a family of 3; \$29,326 for a family of 4).
- As of Jan. 1, 2014, sets mandatory Medicaid income eligibility level to 133 percent of FPL.
- Allows Medicaid coverage to be extended to all foster youth below the age of 25 who were formerly in foster care for a period of six months.
- Extends CHIP through Dec. 31, 2019.
- Allows for streamlining of enrollment under Medicaid, CHIP and Exchange. If a child applies for coverage under the exchange and is found to be Medicaid and CHIP eligible, the child will receive coverage under Medicaid or CHIP.
- Allows children in hospice care to continue receiving coverage under Medicaid and CHIP for services related to the treatment of the child’s condition if under hospice care.
- Allows states to receive increased FMAP of one percentage point if state elects to cover clinical services recommended by U.S. Preventive Services Task Force and recommended immunizations for adults with no cost-sharing.
- Requires states to provide coverage of comprehensive tobacco cessation services for pregnant women in Medicaid.

### **Other Provisions in HR 3590 supported by Voices**

- Inclusion of a public option.
- Exempts individuals under 100 percent of FPL from coverage mandate and penalties.

- Allows children aging out of the foster care system to designate a medical power of attorney as part of the transition process for children leaving the foster care system.
- Provides funding to states to develop and implement evidence-based Maternal, Infant and Early Childhood Visitation models.
- Provides \$75 million per year through FY 2014 to states for programs to educate adolescents on abstinence and contraception for prevention of teenage pregnancy and sexually transmitted infections.
- Creates program and provides funding for the development of community health teams to support the development of medical homes.
- Establishes a federal, interagency National Prevention, Health Promotion and Public Health Council to establish national prevention and health promotion strategy.
- Establishes a Prevention and Public Health Investment Fund to fund and sustain prevention and public health programs.
- Expands the efforts of and improves coordination between the U.S. Preventive Services Task Force and the Community Prevention Services Task Force to support and coordinate clinical and community preventive services.
- Supports a national public/private national prevention and health promotion outreach campaign.
- Establishes Community Transformation Grants to award eligible entities for programs that promote individual and community health.
- Establishes grant program to support school-based health centers. Appropriates \$50 million per year for FY 2010 through 2013.
- Establishes oral health prevention campaign at the CDC.
- Requires restaurants with 20 or more locations to disclose calories on menu board, and provide additional information on amounts of fat, saturated fat, cholesterol, sodium, total carbohydrates, complex carbohydrates, sugars, dietary fiber and protein.
- Amends the Fair Labor Standards to require employers, with more than 50 employees, provide break time and a place for breastfeeding mothers to express milk.
- Requires the collection and reporting of data by race, ethnicity, primary language and other disparity for any ongoing or new federal health program.
- Appropriates \$25 million for the childhood obesity demonstration project from FY 2010 through 2014.

Voices for America's Children calls on the Senate to address the following issues as the legislative process moves forward:

- Provide full funding of CHIP past Dec. 31, 2013, so that children can continue to receive coverage under a proven, successful program (CHIP) that has resulted in a reduction of uninsured children versus an unproven system of coverage (exchange).
- Ensure that the benefit structure and affordability levels under the exchange will support children's healthy development. At a minimum, children should not be moved into the exchange

until it has been assessed to offer comparable, if not better, benefits and cost-sharing protections as is available under CHIP.

- Ensure that all children have access to a health plan that supports their developmental needs. The Senate bill moves in the right direction by requiring insurance plans to provide coverage according to guidelines on prevention recommended by the Health Resources and Services Administration. The Senate should move this effort even further by ensuring that all children have access to a comprehensive benefit package, modeled after Medicaid's EPSDT that supports their healthy development.
- Ensure that low-income children have access to health care providers through increasing the Medicaid provider reimbursement rate. We applaud the Senate's efforts to increase Medicaid eligibility to 133 percent of the Federal Poverty Level, but children and their families also need the Senate to ensure that they can actually find medical care once enrolled.
- Before imposing a penalty for lack of coverage, making sure that coverage under a new system of care is affordable for children and their families, particularly low-income children and their families. As written, the Senate bill does not provide an affordability structure that is sufficient for families at the lower-income levels.
- As states continue to face budgetary pressures, the Senate should extend the American Recovery and Reinvestment Act (ARRA) funding for Medicaid for another six months. The Senate should mirror the efforts in the House to extend the ARRA funding so that states will not be forced to make cuts in vital programs serving children and families.

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