

National Indian
Health Board



Overview of Health Care Reform for Indian Country

Prepared for:

**2009 American Indian/Alaska Native
Health Policy Conference in Albuquerque, NM
October 22-23, 2009**

Updated for website: November 23, 2009

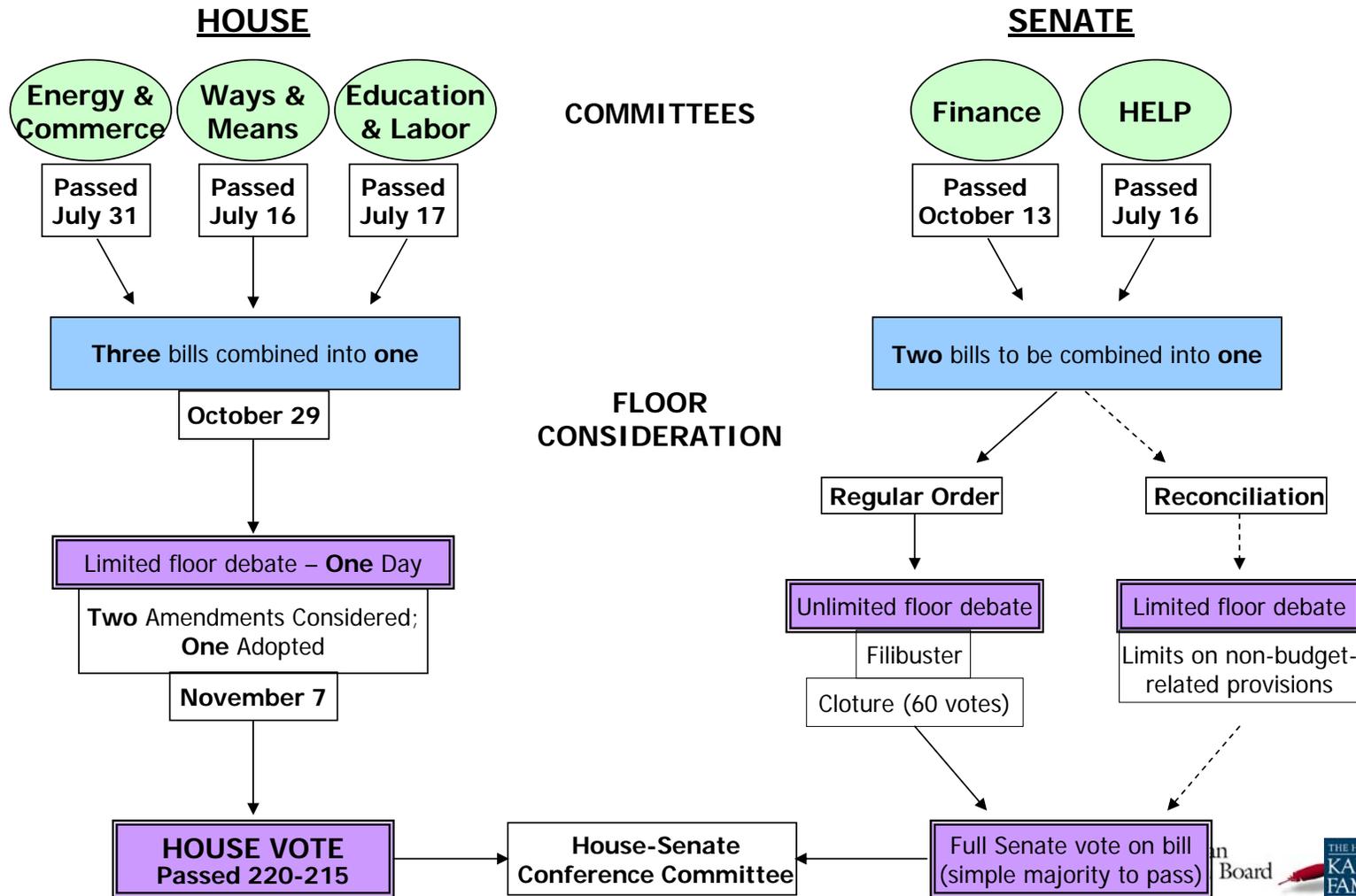
Overview

- Overview of the Primary Objectives and Update
- Health Care Reform - Major Components of Health Care Reform and Desired Outcomes for Indian Country
- Recent Legislative Developments

Health Care Reform Objectives

- **Provide health insurance to the uninsured**
 - 46-50 million Americans are uninsured
 - *Kaiser Family Foundation*: 1 in 3 AI/AN under age of 65 is either uninsured or depends solely on service provided through IHS
- **Slow the rate of increase in health care costs**
- **Health insurance consumer protections**
 - Eliminate pre-existing condition barriers
- **Expand the health care workforce**
- **Improve quality of health care/increase focus on prevention**

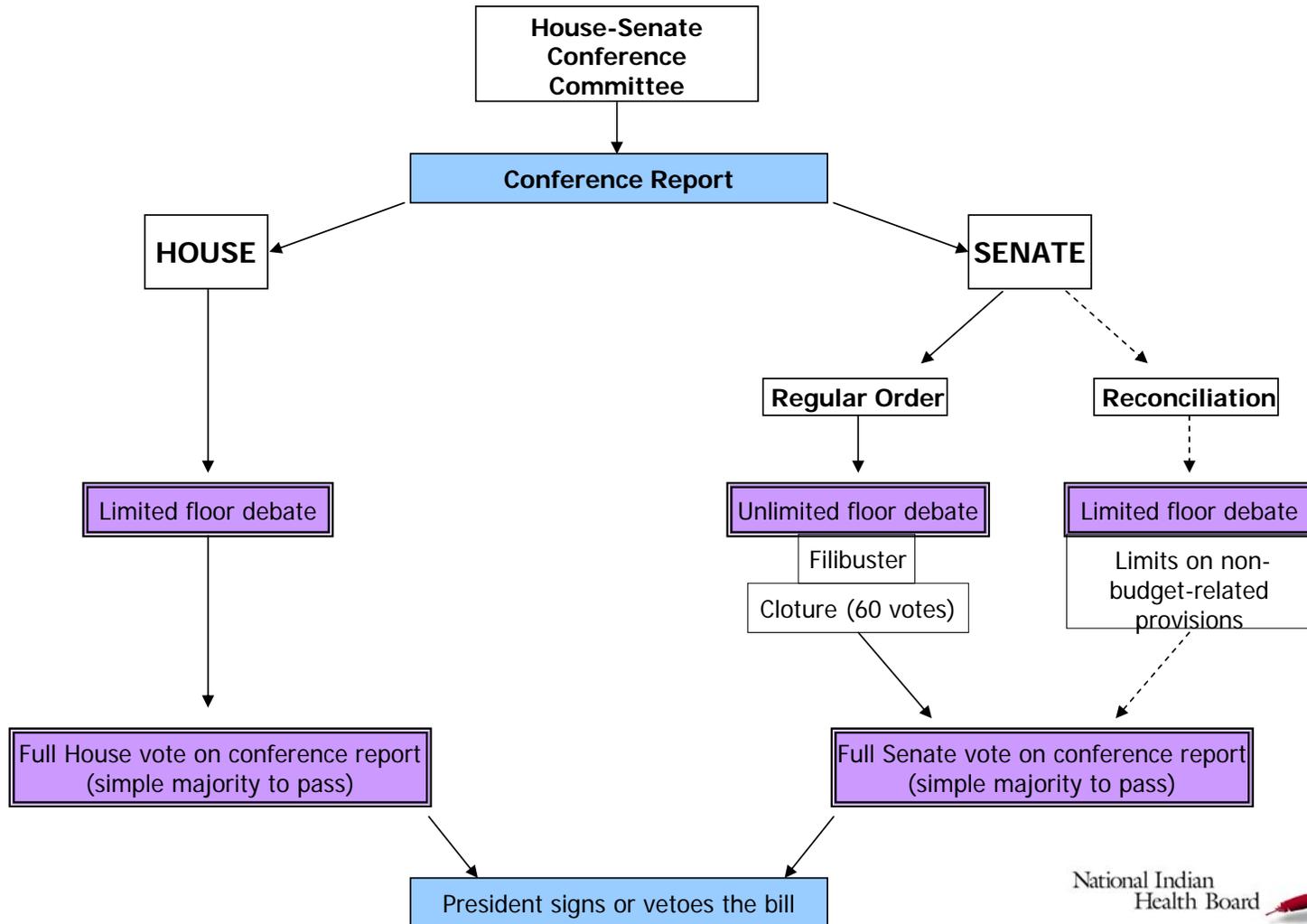
Overview of the Health Reform Legislative Process: Committees and Floor Debate – prepared by Kaiser Family Foundation



Source: Kaiser Family Foundation, 2009

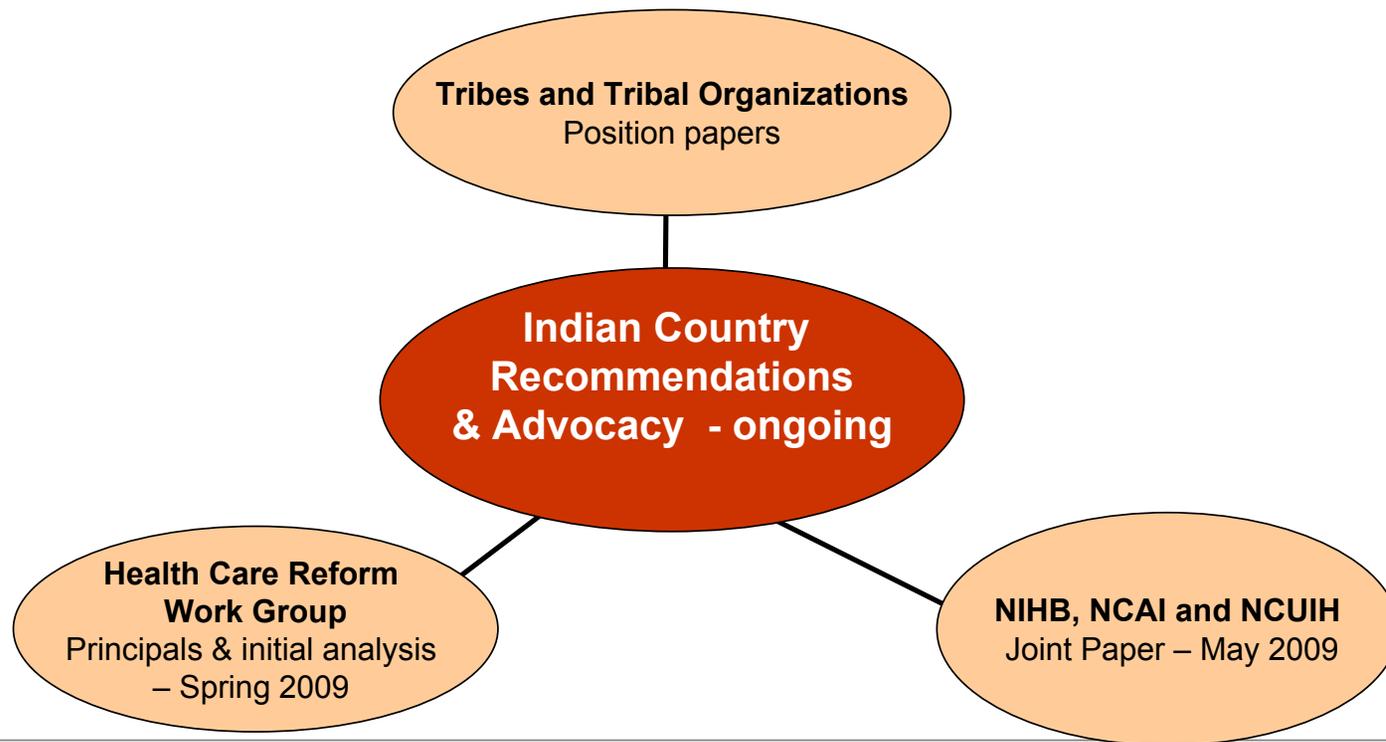


Overview of the Health Reform Legislative Process: Conference



Source: Kaiser Family Foundation, 2009

Health Care Reform & Indian Country Recommendations



Recommendations from Indian Country

- See *Health Care Reform – Indian Country Recommendations*, dated 5/31

- **Individual mandate** – Exempt Indian individuals from a penalty for failing to obtain insurance.
- **Employer mandate** – Indian tribes, as employers, should be exempt from any requirement that an employer provide health insurance to its employees or suffer a financial penalty.
- **Expansion of Medicaid** – Increase the number of AI/ANs who qualify for Medicaid and assist with outreach and enrollment.
- **Health Connector** – AI/ANs purchase insurances through exchange should be permitted to obtain care from his or her Indian health program without any financial or other penalty.
- **Government subsidy** – Individual Indians should be exempted from all cost-sharing.

Health Care Reform Concepts & Major Components

Individual Responsibility: *Every American would be expected to acquire insurance coverage*

- Medicare, Medicaid, CHIP
- Private insurance

→ Tax penalty (\$750) would be assessed for failure to comply with mandate

■ **Individual mandate** – *Exempt Indian individuals from a penalty for failing to obtain insurance.*

- In Senate Finance & HELP
- Administration supports

Health Care Reform Concepts & Major Components

Employer Responsibility: *Large employers would be required to provide health coverage to full-time employees*

- would be enforced through tax law
- exceptions and tax credits for small businesses (<50 EEs)

■ ***Employer mandate*** – *Indian tribes, as employers, should be exempt from any requirement that an employer provide health insurance to its employees or suffer a financial penalty.*

- No exemption for Tribes in any bills

Health Care Reform Concepts & Major Components

Insurance “Exchange”- One stop shop for insurance

- Web-based easy access to information about health insurance products.
 - Federal consumer protections would apply to all insurance products listed on the Exchange
 - Exchanges may be run by the states
- **Health Connector** – *AI/ ANs purchase insurances through exchange should be permitted to obtain care from his or her Indian health program without any financial or other penalty.*
- *Included in Senate*

Health Care Reform Concepts & Major Components

Federal Subsidies

- To help low/moderate income individuals buy health insurance
- Sliding scale for subsidy eligibility – perhaps up to 400% of FPL for family size (300% as of mark up)
- Subsidy credit would be paid directly to insurer

- **Government subsidy** – *Individual Indians should be exempted from all cost-sharing.*
 - Senate: No cost-sharing (including premiums, deductibles, co-payments, co-insurance, etc.) for all American Indians and Alaska Natives (AI/ANs) with incomes at or below 300 percent of the Federal Poverty Level for state exchange plans and public programs

Health Care Reform Concepts & Major Components

Expansion of Medicaid Eligibility

- Cover individuals, families with incomes up to 133% of Federal Poverty Level (FPL)
- Create new eligibility category: non-disabled childless adults up to 133% FPL
- House bill would have Federal government cover the full costs of these expansions
- *Expansion of Medicaid* – Increase the number of AI/ ANs who qualify for Medicaid and assist with outreach and enrollment.

Health Care Reform Concepts & Major Components

Public Option Insurance Program

- Health insurance program run by federal gov't
- Very controversial
 - Supporters seek price competition with private insurers
 - Private insurers fear public plan would under-price and drive them out of market
 - Opponents fear it would lead to full government-run health insurance programs
- Other alternatives
 - trigger creation of public option in 5 years if affordability goals are not met
 - provide start up funding for consumer co-operatives

Health Care Reform Concepts & Major Components

Health Workforce Development

- Demand for health care professionals will increase significantly as more people acquire insurance coverage
- Creation, expansion of Federal grant programs for recruitment, training of health professionals

Recent Developments

- **HR 3608: Tribal Health Benefits Clarification Act of 2009**

Exempt from gross income the value of health insurance and services provided to tribal members by Indian tribes or tribal organizations. (introduced 9/21/2009, Sponsored by Rep. Becerra.)

- *Included in both House and Senate health care reform bill*

- **HR 2708: Indian Health Care Improvement Act Amendments of 2009**

(introduced 6/4/09- Sponsored by Rep. Pallone)

- *Included in House health care reform bill.*

- **S.1790: Indian Health Care Improvement Reauthorization and Extension Act of 2009** (introduced 10/15/09 – Sponsored by Senator Dorgan)

Thank You

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