Human Services
Health Division
Legislative Update
April 2010

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CHEAC Analysis, March 30th, 2010
Health Care Reform
A First Look
Effective 2010

- Increase in Medicare prescription drug benefits for seniors
- A high-risk insurance pool for people with pre-existing conditions
- Insurers prohibited from imposing lifetime limits on benefits.
- Insurers prohibited from rescinding coverage when a person becomes sick or disabled.
- Insurers required to cover dependent children on a family policy until the age of 26.
• Subsidies for small business. Tax credits covering up to 35 percent of premiums for qualifying employers.
• 10% tax on the purchase of indoor tanning services.
• States prohibited from reducing eligibility for adults in Medicaid (Medi-Cal) until the Exchanges become operational on January 1, 2014.
Effective 2011

• Insurers required to spend at least 80 percent of their revenue on medical claims.
Effective 2013

- Higher payments for doctors who treat the poor.
- A higher Medicare payroll tax rate.
- New cap of $2,500 on the amount of money people can set aside tax-free to pay for medical expenses.
Effective 2014

• Insurers prohibited from charging older people more than three times what they charge younger people.
• Insurers required to offer minimum benefits.
• Subsidies for individuals
• Employer penalties
• Higher reimbursement rates for the California Healthy Families program
• States required to create health benefit exchanges that allow individuals to purchase insurance.
• Most US citizens and legal residents required to have baseline health insurance.
• Penalty for not having coverage, phased in over three years, at 2.5% of taxable income
• Citizens legal immigrants and small businesses, with up to 100 employees, may purchase coverage through an exchange.
• Expansion of Medi-Cal eligibility to childless adults.

  – Up to 133% of FPL, effective January 1, 2014. States will receive 100% federal funding for 2014 through 2016
  – Federal matching rates of 95% in 2017, 94% in 2018, 93% in 2019 and 90%
  – Undocumented individuals will continue to be ineligible for non-emergency Medicaid
Effective 2018

- A new tax on so-called “Cadillac” or expensive health insurance plans.
- Cadillac plan defined as $10,200 for individuals and $27,500 for family coverage.
Potential Funding Opportunities for Local Health Departments
Maternal, Infant, & Early Childhood Home Visiting Programs

• PURPOSE: Strengthen and improve maternal, infant and early childhood home visiting programs.
• ELIGIBLE ENTITIES: States, and if a state declines to participate, Indian tribes or Nonprofit organizations
• TIMELINE: States must conduct a statewide needs assessment within 6 months of enactment (September 2010) in order to apply for grants in FY 2011.
• FUNDING: Competitive grants funded (appropriated) at $100 million in 2010, $250 million in 2011, $350 million in 2012, $400 million in 2013 & 2014
Prevention & Public Health Fund

• PURPOSE: Provide for expanded and sustained national investment in prevention and public health programs.

• ELIGIBLE ENTITIES: Varies

• TIMELINE: Ongoing beginning in FY 2010.

• FUNDING: $500 million in 2010, increasing by steps to $2 billion in 2015 and beyond.
Education and Outreach Campaign
Preventive Benefits

• PURPOSE: The creation of a national public-private prevention and health promotion outreach and education campaign.
• ELIGIBLE ENTITIES: Contractors
• TIMELINE: Must begin no later than one year after enactment (March 2011).
• FUNDING: Funding is authorized, from the Prevention and Public Health Fund
Community Transformation Grants

• PURPOSE: Community preventive health activities to reduce chronic disease rates
• ELIGIBLE ENTITIES: State and local health departments and Indian tribes
• TIMELINE: Begins in FY 2010 and runs through 2014
• FUNDING: Prevention and Public Health Fund
Healthy Aging, Living Well

• PURPOSE: To provide public health community interventions, for individuals who are between 55 and 64 years of age.”

• ELIGIBLE ENTITIES: State and local health departments or Indian tribes

• TIMELINE: Begins in FY 2010 and runs through 2014.

• FUNDING: Funding is authorized, but not specified, for this purpose.
**Epidemiology-Laboratory Capacity Grants**

- **PURPOSE:** CDC run grant program to improve surveillance and response to infectious diseases and other "conditions of public health importance".
- **ELIGIBLE ENTITIES:** State, local and tribal health departments
- **TIMELINE:** Begins in 2010 and runs through 2013.
- **FUNDING:** $190 million each year (authorized but not appropriated).
Grants Promoting Positive Health Behaviors & Outcomes

• PURPOSE: to promote positive health behaviors and outcomes for populations in medically underserved communities.

• ELIGIBLE ENTITIES: States, local public health departments, public or nonprofit private entities, free clinics, hospitals and FQHCs

• TIMELINE: Begins FY 2010 and runs through 2014.

• FUNDING: Funding is authorized, but not specified,
**Immunizations**

- Public Health Service Act amended to create a Program to Improve Immunization Coverage.
- CDC grants to improve immunization rates for children, adolescents and adults
- Provide immunization reminders or recalls, reduce out-of-pocket costs for families (for both vaccines and administration),
- Carry out immunization-promoting strategies
- Provide for home visits that promote immunizations
- Develop (or enhance) immunization information systems to create electronic immunization records.
Other Public Health Provisions

- Nutrition Labeling of Standard Menu Items at Chain Restaurants
- Research on Optimizing the Delivery of Public Health Services
- Public Health Workforce Education & Training
- Public Health Workforce Loan Repayment Program
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