

# HEALTHCARE REFORM ISSUES: AT A GLANCE

VOL. 1, ISSUE 9

MAY 15, 2013

A bi-weekly newsletter brought to you by the California Institute for Mental Health

## TOP STORIES



Mobile Apps from the  
US Government



Cost Sharing May Not  
Cut Health Costs



StateRefor(u)m  
Health Care Webinars



CSAC: Health Care  
Safety Net



Costs of Healthcare:  
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### Mobile Apps from the US Government



At A Glance supports the use of a variety of media outlets when remaining informed and connected to health reform implementation news and updates, and the US Government is in agreement. In this issue, we discuss mobile phone or computer-based applications (mobile apps) that have been sponsored for development by the US Government. [READ MORE](#)

### Cost Sharing May Not Cut Health Costs



**Healthcare Finance News** is a robust website full of information including blogs, newsletters, webinars, and editorials. **At A Glance** went there seeking editorials that provide both pro and con views of the financial considerations of healthcare reform. [READ MORE](#)

### StateRefor(u)m Health Care Webinars



According to the homepage for this site, State Refor(u)m is “a user-generated online resource to assist states as they tackle the implementation challenges and opportunities created by the Affordable Care Act (ACA).” **At A Glance** has showcased the State Refor(u)m website frequently in past issues. In this issue, we focus on the **State Refor(u)m Webinar Page**. [READ MORE](#)

### California State Association of Counties: Help Protect the Health Care Safety Net



California State Association of Counties (CSAC) is simply an invaluable resource for information on policy and program issues being faced, overcome, and advanced by California's counties. At A Glance will be showcasing more about CSAC and the information on their easy to navigate website in subsequent issues, but in this issue we want to draw your attention to CSAC's advocacy on preserving and protecting California's safety net. [READ MORE](#)

### Costs of Healthcare: Editorial Warns Of Increases



As the time for enrollment in healthcare begins to narrow, financing becomes increasingly important. In an online editorial posted on Wall Street Cheat Sheet in May, Meghan Foley wrote the notion of decreasing costs associated the delivery of health services may be more difficult than simply setting a standard price or increasing a share of cost. [READ MORE](#)

### Announcement – May Revise [READ MORE](#)

## Mobile Apps from the US Government



In March of last year, six federal agencies joined forces to announce a \$200 million investment in analytic resources, such as mobile applications. Groups include the National Institutes of Health (NIH), Department of Energy, National Science Foundation, Department of Defense, Defense Advanced Research Projects Agency, and the US Geological Survey.

**At A Glance** has selected five mobile apps that were produced relating to public health, healthcare, and environmental efficiency. The US Government sponsored the development of mobile apps for the purpose of empowering citizens, educating communities, and fueling scientific research. At A Glance also believes that mobile apps, or analytic resources, will play an increasing role in the facilitation of healthcare by providers, through patient education, diagnosis, and post procedural care.

We hope the mobile apps selected are useful to you and to those members of your community that are connected to online social and informational networks. More importantly, we hope these mobile apps stimulate your thinking about the use of technology to advance outreach to communities as well as the kinds of analytic resources mental health and substance use can use to educate, communicate, and learn from the public.

### Healthcare

Understanding that public education and outreach is a core component of virtually all public health programs, the Centers for Disease Control and Prevention (CDC) launched an influenza app to connect clinicians and health professionals with up-to-date recommendations on disease activity, vaccines, and subject matter experts. Consequently, medical teams can leverage this platform to improve communication with their patients in near real time via iPhones, iPads, and iPod Touches. This medium of communication has yet to be fully implemented in how California engages communities.

### Food Safety

Have questions about your cooking? Should you use a wooden cutting board or a plastic one? What foods aren't safe to leave outside of the refrigerator overnight? Can you re-freeze defrosted food? The answers to these questions are invaluable to communities, families and individuals. Understanding how to prepare food to maximize the nutritional value is so important. That's why the US Department of Agriculture (USDA) launched Ask Karen, an app to connect consumers with answers to their basic food safety questions. With your iPhone, iPad, or Android device, you can connect with food safety experts in real-time. "Making food safety information easily accessible to consumers when they most need it is an important tool in preventing foodborne illness," said USDA Undersecretary Dr. Elisabeth Hagan in a release. Imagine the benefit of this app to enhancing learning and training in congregate settings or with individuals and families seeking care.

### First Aid

Accidents happen, and when they do, you're likely caught off guard. Instead of scrambling for help, just turn to the American Red Cross's **First Aid App**. This resource comes with videos, interactive quizzes, and step-by-step advice for common emergencies. Content comes pre-loaded so even if you don't have Internet connectivity, you will still have the information you need. You can even call Emergency Medical Services at any time using the application's integration to 911 services. Although the American Red Cross is a charitable organization — not a government agency — the app is available in the US Government's mobile downloads gallery.

## Smoker Support

Smoking is a dangerous habit that's tough to kick. Quitting is crucial, however, for consumer health. "Cigarette smoking is the leading preventable cause of disease, disability, and death in the United States," according to the CDC. The National Cancer Institute (NCI) is leveraging mobile technology to support smokers to change their behaviors. **QuitPal** provides smokers with tangible tools to track their progress — establishing quit dates, monitoring financial goals, and setting reminders. The app helps smokers visualize how much money they are saving by not smoking. You can even create a video diary, connect with social networks to share key milestones, and research tips on a regular basis. Smokers who need an added level of counseling, motivation, and social connection have access to NCI's Cancer Information Service via a toll-free call or live chat.

## Family Care

As America's baby boomers approach retirement age, eldercare is growing into a top priority for families. Good resources are not always easy to find or accessible. To meet that need, the Department of Health and Human Services (HHS) has launched an **Eldercare Locator App** to connect users with services for local adults and their families. The app facilitates searches by zip code, city, or topic including Alzheimer's disease, financial assistance, elder abuse prevention, in-home services, housing, home repair, and transportation.

What these five apps share in common is the ability to position technology as an empowering consumer resource. Quit smoking, navigate an emergency, call someone for support, get your questions answered, and make sure that you're eating as healthfully as possible — the government is offering resources you need to live better – human to human.

For a listing of all US Government Mobile Apps, please visit: <http://apps.usa.gov/>

## Cost Sharing May Not Cut Health Costs



We are interested in articles that are built around the promotion and expectations driving Healthcare Reform as a mechanism or catalyst for fiscal reform in the health care and insurance industries. We came upon an article on cost sharing by Mary Mosquera, Washington, DC - based Senior Editor for Healthcare Finance News. She writes cost sharing, simply put, is, "when you and your insurer each pay for part of your medical costs, like through a deductible or copayment, which lowers premiums and costs."

Please use this link for a 1-minute video explanation by the Robert Wood Johnson Foundation on one "pro" view of the benefit of cost sharing: <http://www.rwjf.org/en/about-rwjf/newsroom/newsroom-content/2011/10/video-vocab-understanding-the-affordable-care-act/cost-sharing-and-the-aca.html>

There are many who remain hopeful and thoughtful about the benefit of cost sharing in reducing the overutilization of services and service delivery costs overtime. Mosquera challenges both the hopeful and thoughtful nature of cost sharing and provides the following narrative on cost sharing, suggesting cost sharing reduces services that otherwise would be beneficial and places the burden and responsibility of cost effectiveness not in the hands of the health industry, that both sets the price for services and lobbies for the payment and consequently costs of services, but in the hands of consumers and those who are currently in need of care.

The editorial has been reprinted for your review:

Increasing healthcare cost sharing does little to reduce overall healthcare costs or make it more efficient, according to a report released Wednesday by the Economic Policy Institute. But shifting the burden to patients puts an excessive load on those who may need care the most and can least afford it.

Cost sharing, such as higher out-of-pocket expenses, seeks to bring down overall health expenditures by making individuals more careful consumers of healthcare. However, healthcare consumers who are sick or in need of emergency services are rarely in a position to shop around or second-guess the advice of their doctors, said Elise Gould, EPI's director of health policy and author of the report, "Increased Health Care Cost Sharing Works as Intended: It burdens patients who need care the most," in a news release.

The price of a procedure is rarely an effective means by which to judge its value, so increasing cost sharing does little to make people more discerning healthcare consumers, she noted.

"Unless we increase cost sharing for truly catastrophic medical needs – which no one is suggesting – these policies will miss the primary cost drivers in our healthcare system," Gould said in the news release. "Roughly 80 percent of health care costs are driven by just 19 percent of the population; encouraging healthy people to cut back on health care simply misses the majority of costs."

Because healthcare cost growth is so concentrated, with 5 percent of the population accounting for half of healthcare dollars, it is critical to focus instead on these very sick and chronically ill patients. Increasing cost sharing ignores this point by forcing individuals into less-comprehensive insurance, she said in the release.

Ultimately, any cost containment achieved by making healthcare more expensive to consumers is driven by reduced medical care, not reduced prices. "They may even cut back on medical spending that is cost effective in the long run," Gould said in the report.

The report explores two cost-sharing policies: the Affordable Care Act's excise tax on high-priced employer-sponsored health insurance and the proposal to restructure Medicare into a voucher program. For those who need extensive medical care, both of these policies may result in financial distress or sacrificing medical treatment.

"These policies may ease the federal budget, but research shows that they will do little to contain overall health spending," the report said. "Furthermore, they put all the burden of cost containment on consumers without giving them the tools to make more fully informed medical decisions."

For other thoughtful considerations on the financing of health reform, please visit:

[www.healthcarefinancenews.com](http://www.healthcarefinancenews.com).

For the web article reprinted in **At A Glance** please visit:

<http://www.healthcarefinancenews.com/news/cost-sharing-may-not-cut-health-costs>

## StateRefor(u)m Health Care Webinars



The following is a listing and annotated description of Webinars available to anyone for download:

### **Stocking the Shelves: Exchanges Work to Certify Health Plans, April 4, 2013**

Open enrollment is only months away, and health insurance exchanges are working to "stock their shelves" with health plans so that individuals and small businesses seeking coverage have options to choose from. This State Refor(u)m webinar will explore the key elements—benefit design, consumer protections, actuarial value, network adequacy, marketing requirements, accreditation, rates, and more—of certifying health plans for the exchange.

### **Beyond the Expansion Decision: Tackling the Other Medicaid Changes in the ACA, March 14, 2013**

In this webinar, we heard from three state leaders: Nathan Johnson of Washington, Linda Skinner of Arizona

and John Supra from South Carolina featuring Matt Salo of the National Association of Medicaid Directors (NAMDM) as the moderator. State speakers described how their states are handling the challenges of implementing the ACA's Medicaid reforms.

### **Engineering an Exchange: A Look at State Blueprints and Decisions**, December 13, 2012

In this webinar, we heard from three state leaders. Peter Lee of California and Colleen Burns of Illinois provided inside looks at their blueprints and at the policy decisions and visions behind them. Panelist Norm Thurston of Utah, a state that has not yet declared its intent, described factors the state is considering in coming to its decision, and what choices state leaders have made so far.

### **Busy with Health Reform? Getting the Most out of State Refor(u)m**, November 5, 2012

Are you busy implementing health reform? Do you want to learn more about how State Refor(u)m can make your job easier?

### **States Sprint Toward A Benchmark Plan Decision**, September 24, 2012

This webinar provided an opportunity to hear from a panel of states on the steps they have taken to establish and define essential health benefits. In addition, the panel discussed how these experiences inform their ongoing efforts to define a Medicaid benchmark plan.

### **The Curtain Rises on the Next Act: State Implications of the Supreme Court's ACA Decision**, July 9, 2012

Now that the Supreme Court has ruled on the Affordable Care Act, the curtain is rising on the next act of health reform implementation. On this webinar, they discussed the ACA decision and began to make sense of what it means for states.

### **States Prepare for Medicaid's Growth Spurt**, June 20, 2012

The Affordable Care Act sets a new national floor for Medicaid coverage. By 2019, Medicaid is estimated to cover an additional 16 million of the most vulnerable Americans, significantly increasing the shape and size of the program. Getting ready for this growth spurt is largely in the hands of states. On this State Refor(u)m webinar, officials from three states provided a closer look at what states are doing to prepare.

### **Building It from the Ground Up: A Conversation with State Health Insurance Exchange Leaders**, April 12, 2012

States electing to establish exchanges have entered a new phase: they are working to convene their governing bodies and tackle initial policy issues while a few have hired full-time executive directors. These directors come from a variety of backgrounds but have one thing in common: they have all stepped into the fast-paced world of ACA implementation to help build an exchange from the ground up by the 2013 deadline. This State Refor(u)m webinar featured three exchange directors from three very different states.

### **Simplified but Not Simple: Tackling Health Reform's Eligibility and Enrollment Challenge**, February 9, 2012

In the almost two years since the passage of the Affordable Care Act, the vision for a simplified, seamless eligibility and enrollment system across Medicaid, CHIP, exchanges and basic health program has been made clear. Yet, the complexities that come with simplification have also become apparent. Even as states await final proposed rules, many are moving forward in search of solutions. This webinar sized up state progress on updating eligibility systems and profile the strategies of three early adopters. Presenters helped states identify key decision points and discussed how to get started on tackling these challenges.

**Looking into the Crystal Ball: Preparing for the Essential Health Benefits**, December 8, 2011

At the NASHP Annual Conference in October, panelists discussed the potential implications of Essential Health Benefits (EHB) and actions states could take to prepare. Now, with the release of the Institute of Medicine report of recommendations to HHS, states may still have more questions than answers. What are the implications of the proposed EHB package for the Exchange and Medicaid? What are the effects on the commercial insurance market and for existing state benefit mandates? What flexibility will exist for states to depart from a federal definition? This State Refor(u)m webinar tackled these issues.

**Taking it to the People: Engaging the Public in Health Reform Policy Development and Implementation**, September 21, 2011

The sheer number and scale of the tasks to be accomplished under the ACA means the resources of each state's people and institutions must be brought into the work. Successful public engagement will mean leveraging intellectual, social, financial, and infrastructural capital that can be brought to bear to achieve successful implementation that meets the needs of each state's constituents. This State Refor(u)m webinar tackled these issues. Presenters sized up state progress on engaging the public, and panelists from three states described their approaches to creating a meaningful dialogue with the public on Affordable Care Act implementation.

**Keeping All the Plates Spinning: Coordinating State Implementation of the Affordable Care Act**, July 19, 2011

How effectively are states coordinating across departments to implement health reform? What are some strategies for earning grant funding and developing health-reform human resources? How are states tackling the work that comes with modifying state laws and policies in preparation for 2014? This State Refor(u)m webinar held July 19, 2011, discussed these questions, with representatives from three states describing their challenges and solutions navigating the many interlocking provisions of the ACA.

<http://www.statereforum.org/webinars>

**California State Association of Counties: Help Protect the Health Care Safety Net**

CSAC has posted the following message to all Californians:

<http://www.csac.counties.org/post/new-coalition-forms-protect-vital-health-care-safety-net>



We support a state expansion of Medi-Cal and believe California must act quickly so the state does not miss the opportunity to receive 100 percent federal funds to expand health care services for this population by January 1. Implementing federal health reform provides an opportunity to cover as many uninsured as possible, while protecting and improving the local health care safety net.

Unfortunately, a state budget proposal to redirect up to \$1.5 billion in current county health funding to other state obligations, including child care, would significantly erode county health care programs and services.

We are part of a growing coalition of consumer groups, labor, public hospitals, clinics and other health providers and advocates who are opposed to this budget proposal and who are working to implement health care reform in a way that covers as many uninsured as possible and protects the county health care safety net.

To learn more about the key points to protecting California's safety net, understanding advocacy by counties to do so, and the consequences if the safety net is eroded, please visit: <http://www.csac.counties.org/affordable-care-act>

To learn on your own about CSAC visit: <http://www.csac.counties.org/>

To learn about job opportunities in counties visit: <http://www.csac.counties.org/county-job-opportunities>

## Costs of Healthcare: Editorial Warns Of Increases



She contends the effort to close the gap to establish uniformity of costs associated with the same procedures will be difficult, as cost range dramatically from hospital to hospital often not following an easily extractable logic.

In her article, Foley uses the example of the lack of uniformity among costs by discussing data that was compiled from 3,300 hospitals nationwide by the Department of Health and Human Services in 2011. The data showed a great disparity in the actual cost of health services compared to the prices listed on hospitals' chargemasters.

The chargemaster is part of a file that lists the prices charged by all hospitals across the United States for the 100 most common inpatient treatment services and what Medicare paid for those same treatments. Chargemasters are released by Centers for Medicare and Medicaid Services. Foley states the released file indicated that Medicare typically paid a fraction of the chargemaster prices; however, there was great variability among cost nonetheless:

The numbers reveal a healthcare system rife with tremendous, seemingly random variation in the costs of services. Take a lower joint replacement, for example; the price of that particular surgery had a \$130,832 price range in 2011. In Washington D.C., a lower joint replacement cost \$69,000 at George Washington University in 2011, while Sibley Memorial Hospital charged an average of \$30,000. For that same surgery, CJW Medical Center in Richmond, Virginia charged \$117,000 compared to Winchester Medical Center's price of \$25,600. Because Maryland has a unique system for hospital rate charges, bills tend to be lower than in any other state; the highest average charge for a lower joint replacement was \$36,000 by the University of Maryland Medical Center in Baltimore. Las Colinas Medical Center in Texas billed \$160,832 for a lower joint replacement, far above the \$42,632 charged by Baylor Medical Center, which is located five miles away on the same street. These variations characterize the prices of complex treatments as well as more simple procedures.

Foley uses a quote from Carol Steinberg, American Hospital Association, to inform the reader the "chargemaster can be confusing because it's highly variable and generally not what a consumer would pay...even an uninsured person isn't always paying the chargemaster rate."

A statement released by the Department of Health and Human Services noted the data release is a significant cornerstone in the Obama Administration's efforts to make the U.S. healthcare system more affordable and accountable. "Currently, consumers don't know what a hospital is charging them or their insurance company for a given procedure, like a knee replacement, or how much of a price difference there is at different hospitals, even within the same city," Health and Human Services Secretary Kathleen Sebelius said. "This data and new data centers will help fill that gap."

Consequently, understanding what is actually priced and paid for services, and who is paying the total costs, is central to discussions on formulas for what will be charged for health care services in the future, how cost formularies will vary in the future, and the criteria used to establish variability. The road to cost effectiveness may be a much longer and windier path than previously expected. For a link to Foley's article please visit: <http://wallstcheatsheet.com/stocks/government-data-shows-mind-boggling-healthcare-costs.html/?ref=YF>

## Announcement – May Revise

The Governor's California Budget submitted to the Legislature in January has been revised and released. The May revision of the January Budget is colloquially referred to as the "May Revise". The May Revise is a product of a year-long process as the Department of Finance prepares, explains and administers California's annual financial plan, the California Budget.

While a number of associations, advocacy groups, and consultants analyze the May Revise and develop summaries, a great site to visit is the California Department of Finance website. The Website includes the California Budget and the May Revise summary developed by DOF.

After the dust settles, so to speak, on the revision, **At A Glance** will feature in our next issue a summary provide by the California State Association of Counties related to Health Care, Mental Health and Substance Use.

Until then we encourage you to visit <http://www.dof.ca.gov/>, in addition to other organizations that produce budget summaries.

## Remaining Connected

### JUNE

#### Mental Health America's 2013 Annual Conference

June 5 – 8, 2013

Location: National Harbor, MD

<http://www.mentalhealthamerica.net/go/annualconference>

#### 2013 NAMI National Convention

June 27 – 30, 2013

San Antonio, TX

<http://www.nami.org/template.cfm?section=convention>