Health: Second bill ensures territories are included

▲ Continued from Page 1

more Americans and more Guamanians who today don't have access to health insurance," said Frank Campillo, health plan administrator for Calvo's SelectCare Health Plans.

"The way this is done is by expanding Medicaid programs and the ability for people to get into those programs. The U.S. government is going to provide some subsidies to people below the poverty line," he said.

Bordallo

For the first time, most Americans would be required to purchase insurance and face penalties if they refuse. Much of the money in the bill would be devoted to subsidies to help families at incomes of up to $88,000 a year pay their premiums, according to the AP.

The measure also would significantly expand coverage of Medicaid, the federal-state health-care program for the poor. Coverage would be required for incomes up to 133 percent of the federal poverty level, or $29,327 a year for a family of four. Childless adults would be covered for the first time, starting in 2014.

"That is good for Guam, and that is good for the nation," Campillo said.

Yet, Campillo said, President Obama's attempt at curbing health-care costs isn't realized through this legislation, as one portion of the measure says insurance companies can't put exclusions or any limitation on individuals at all. Currently, insurance companies can set limits on coverage.

"Those protections are gone, and consequently those insurance companies will see an increase in the medical loss ratios," which could ultimately lead to an increase in medical rates, especially for smaller employers, he said.

Plus, the bill doesn't provide incentive to reduce utilization of drugs, and "drug (cost) are a component of the health-care market that continue to escalate," Campillo said.

Guam

Earlier this year, Gov Felix Camacho, Sen. Frank Aguon, Guam Delegate Madeleine Bordallo and other Guam officials urged Obama and other leaders in Washington, D.C., to include provisions into the final version of the bill that would put Guam on par with the states in terms of Medicaid funding and inclusion into the health-care exchange programs.

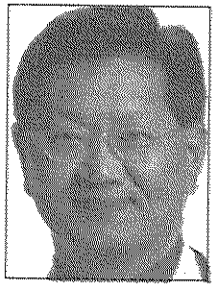
Yesterday, Bordallo said the House's 220-211 passage of the Health Care and Education Affordability Reconciliation, also known as the "Senate fix bill," immediately after the passage of the health reform bill, contained a number of modifications and amendments to ensure that Americans in Guam and the other territories are covered by the new protections and reforms.

For example, starting in fiscal year 2011, Guam's Medicaid cap will increase to approximately $24 million, and for fiscal year 2012, the Medicaid cap will receive another increase to $42 million, Bordallo's office reported.

Increases would continue until fiscal year 2019, when Guam's Medicaid funding will be roughly $58 million, Bordallo's office stated.

The territories will continue to have flexibility in implementing Medicaid to meet local needs, and the new funding puts the territories on "a path to full parity," Bordallo said.

According to Camacho, who yesterday released a statement that the needs of the island were "ignored" in the comprehensive reform measure, the overhaul doesn't place Guam on par with the rest of the nation, as the Medicaid caps would still be in place.



Shieh

Reimbursement

Moreover, the increase to caps isn't effective unless reimbursement is on par with the nation, too, said Dr. Thomas Shieh, president-elect of the Guam Medical Association.

"On Guam, the problem here is they must adjust and bring public health's Medicaid reimbursement up to par, at least equal to MIP/Medicare," Shieh said. "If Guam does not, even though people have Medicaid, they still won't have access."

Under the "fix it" bill, which still needs to be passed in the Senate, the federal government also will invest more in community health centers, which Campillo said is particularly useful for Guam's Department of Mental Health, which currently doesn't have the financial resources to provide services which are mandated.

On the other hand, the community health center funding would have little impact unless Medicaid reimbursement is increased, Shieh emphasized.

"I think that's great. However, community health center doctors usually stop seeing patients when their centers are closed, so what happens to patients after hours? They get dumped at GMH," Shieh said. "What Public Health needs to do is to increase their contractual agreement with providers, first to increase Medicaid reimbursement. They need the private doctors to make sure that there is continuity of care. For now, their care is not continuous."

'Opt in'

Bordallo added the reform provides each territory a one-time opportunity to "opt in" to state-based (or territory-based) insurance exchanges in 2014. If Guam opts out of the insurance exchange, its share of funds will be allotted to Guam's Medicaid funding instead, a release from her office stated.

Also under the bill, the territories will have the option to create a local health insurance exchange in which those who are eligible and uninsured can purchase affordable health insurance, Bordallo's office stated. A total of $1 billion is specifically appropriated for the territories between 2014 and 2019 for this purpose.

To pay for these changes, the legislation includes more than $400 billion in higher taxes over a decade, roughly half of it from a new Medicare payroll tax on individuals with incomes over $200,000 and couples with incomes over $250,000, the AP reported. A new excise tax on high-cost insurance policies was significantly scaled back in deference to complaints from organized labor, according to The Associated Press.

AT A GLANCE

Provisions in the reform legislation:

▲ Insurance companies will be prohibited from dropping coverage for pre-existing conditions, gender rating will be banned, and insurance companies will be prohibited from dropping coverage after an individual becomes sick. The ban takes effect for children six months after enactment, and for all others starting in 2014; within six months after enactment, it will prohibit health insurance companies from dropping people from coverage when they get sick;

▲ Health insurance companies are banned, within six months after enactment, from placing lifetime caps on coverage;

▲ The Medicare Part D coverage gap would begin to close for beneficiaries who have surpassed their prescription drug coverage limits;

▲ Individuals are required to carry insurance or pay a penalty that would be the greater of $750 or 2 percent of income by 2016;

▲ Companies with 50 or more employees will be required to help offset the cost of insurance for their employees if taxpayers are footing the bill for those workers' insurance

▲ Establishment of 50 state-administered insurance marketplaces to allow small businesses and people without employer sponsored coverage to buy insurance that meets new federal standards; and

▲ Expansion of Medicaid to cover everyone earning less than 133 percent of the federal poverty level, or $29,327 for a family of four.

▲ Extended health insurance market reforms, such as dependent coverage up to age 26, prohibition of lifetime limits to grandfathered plans six months after enactment.

Sources: The Associated Press and Dr. Thomas Shieh