



Federal Policy Report NCMHA Meeting

February 6, 2020

Joel E. Miller

Executive Director and CEO

American Mental Health Counselors Association

The only organization working exclusively for the clinical mental health counseling profession.

Health Care & the Presidential Campaign

- Health has been a top issue in the presidential campaign during the past year: Not only do the Democratic candidates disagree with President Trump, but they also disagree among themselves.
- Voters have frequently complained that the debate has been confusing and hard to follow.
- Most of the attention so far has been focused on whether the U.S. should transition to a “Medicare for All” program that would guarantee coverage to all U.S. residents — and result in higher taxes for most people.
- But there is far more to the health debate.



The Campaign is Nearing Some Key Moments:

- Caucuses held in Iowa this Week.
- New Hampshire primary on Feb. 11.
- Voting in Nevada and South Carolina later in the month.
- By March 3, Super Tuesday, Democrats will have chosen a third of all delegates (California and Texas included).
- **Here are six things to know as you tune in to the increasingly frenzied primary race.**

1. Universal Coverage, Medicare for All & Single-Payer Are Not All the Same Thing

- Universal coverage is any method of ensuring that all of a country's residents have health insurance. Other countries do it [in various ways](#): through public programs, private programs or a combination.
- **Single-payer** is a system in which one entity, usually but not always a government, pays for needed health care services. Single-payer is NOT the same as socialized medicine.
- The latter generally refers to a system in which the government pays all the bills, owns the health facilities and employs the health professionals who work there.
- In a single-payer system, such as Medicare in the U.S., the bills are paid by the government but the delivery system remains mostly private.

Medicare for All

- Medicare for All is a proposal that was originally developed in the 80s.
- Building on the popularity of the Medicare program for senior citizens, the idea was originally to extend that program to the entire population.
- However, since [Medicare's benefits](#) have fallen behind those of many private insurance plans, the [later iterations of Medicare for All](#) would create an entirely new, and very generous, program for all Americans.

2. Voters are More Concerned about Health Care Costs than Health Care Coverage

- While Democrats fight over how best to cover more people with insurance, the majority of Americans already have coverage and are much more worried about the cost.
- A [recent survey of voters](#) in three states with early contests — Iowa, South Carolina and New Hampshire — found voters in all three ranked concerns about high out-of-pocket costs far ahead of concerns about insurance coverage itself.

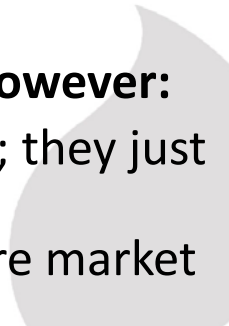
3. It's the Prices, Stupid

- There's a good reason voters are so concerned about what they are being asked to pay for medical services.
- U.S. health spending is dramatically higher than that of other industrialized nations. In 2016 the U.S. [spent 25% more per person](#) than the next highest-spending country, Switzerland.
- Overall U.S. health spending is more than [twice the average](#) of other Western nations.
- But that's not because Americans use more health services than citizens of other developed nations do. We just pay more for the services we use.
- In other words, as the late health economist Uwe Reinhardt once famously quipped in the title of an academic article, "[It's the Prices, Stupid.](#)" A later paper published last year confirmed [that is still the case.](#)

4. Drug Companies & insurers Aren't the Only Ones Responsible for High Prices

- To listen to many of the candidates' messages, it may seem drug companies & insurers are together responsible for most — if not all — of the high health spending in the U.S.
- Most insurance spending, though, actually goes for care delivered by [doctors and hospitals](#). And some of their practices are far more gouging to patients than high prices charged by drug-makers or admin costs added by insurance companies.
- Wall Street firms that have bought physician groups are [helping block](#) a legislative solution to “surprise bills” — the often huge charges faced by patients who inadvertently get care outside their network. And hospitals [around the country](#) are being called out by the news media for suing their patients over bills.

5. Democrats and Republicans Have Very Different Views on How to Fix Health Care

- **To the extent health has been covered in the presidential race, the story has been about disagreements between Democrats:**
 - Some want Medicare for All, while others are pushing for less sweeping change, often described as a “public option” that would allow but not require people to purchase a government health plan.
 - **There are much bigger divides between Democrats and Republicans, however:**
 - Democrats nearly all support a larger role for government in health care; they just disagree on how much larger it should be.
 - Meanwhile, Republicans generally want to see less government and more market forces brought to bear.
- 

5. Dems and GOP Have Different Views on How to Fix Health Care, cont.

- The administration has already either implemented or proposed a [variety](#) of [ways](#) to decrease regulation of private insurance and is weighing whether to allow states to effectively cap their Medicaid program spending.
- And in the biggest difference of all for the coming campaign, the Trump administration and a group of GOP-led states are, again, [challenging the entire Affordable Care Act in court](#), arguing that it is unconstitutional based on the 2017 tax law's zeroing out of the tax penalty for failing to maintain insurance coverage.
- The Supreme Court has opted not to decide the case in time for the 2020 election, but it is likely to continue to be a major issue in the campaign.

6. There are Important Health Issues Beyond Health Insurance Coverage and Costs

- While Medicare-for-All & Rx prices have dominated the political debate during the past year, other critical health issues have received far less attention.
- Some candidates have talked about [long-term care](#), which will become a growing need as baby boomers swell the ranks of the “oldest old.”
- Several have addressed [mental health and addiction issues](#), as a “continuing public health crisis.”
- And a few have laid out plans for the special needs of Americans in [rural areas](#) and those with [disabilities](#).



The Big Health Care Policy & Political Debate to Come

- **State Discretion (Federalism; not the Graham/Cassidy kind)**
- **Improve Upon ACA**
- **Incremental Fixes (e.g., Expand CHIP, Medicare)**
- **Single Payer (Universal Coverage)**

Health Care Cost Containment is the Elephant in the Room



Meet the Candidates on Health Care Policy



Joe Biden

- Biden's health care policy stance is built on the legacy of the ACA.
- He has been an outspoken proponent of a public option to allow anyone to buy into Medicare.
- Biden has not endorsed Medicare-for all.
- He has said that he thinks undocumented immigrants should be covered under a government-run health plan.



Mike Bloomberg

- He has said the first step in changing the health care system is creating a public option, government-provided health insurance that gives priority to lower-income people who are uninsured.
- His campaign touts expanding Medicare and the ACA but does not specify whether the eligibility age for Medicare should be dropped.
- He wants HHS to have the authority to negotiate drug prices with pharmaceutical companies.

Pete Buttigieg

- His “Medicare-for-all-who want-it” option diverges from the single-payer health insurance touted by the more progressive candidates.
- His plan would offer a government-sponsored “public option” to everyone, including those with employer-based health insurance and undocumented immigrants.
- The plan also allows private insurance companies to compete with the government model in the hope that a strong public option would pressure private health plans to match low prices and comprehensive coverage.

Amy Klobuchar

- Sen. Klobuchar has embraced legislation that would create a public health care option on state insurance marketplaces that expands Medicare and Medicaid.
- She also co-sponsored a bill that would lower the Medicare eligibility age to 50.
- She has said that she would work hard to make sure that those with MH/SU conditions can be guaranteed proper treatments.

Bernie Sanders

- He is known for his commitment to Medicare-for-all.
- His plan would cover all U.S. residents, including undocumented immigrants, and would eliminate private health insurance altogether. – within 4 years.
- Critics of the proposal say it would cost too much and lead to increased taxes on the middle class.
- He has introduced a new wealth tax on those earning \$32 million or more annually to help pay for the initiative.

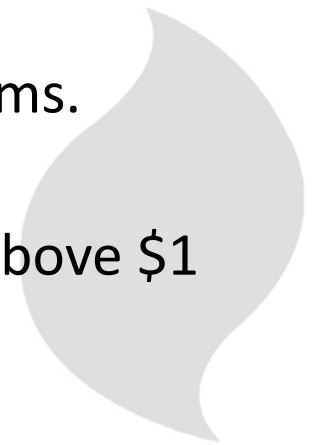
Tom Steyer

- Steyer has endorsed a public option and says he wants to bolster the public-insurance programs so that they eventually would force insurers out of business.
- He has been an outspoken critic of the pharmaceutical industry.



Elizabeth Warren

- After initially adopting Sen. Sanders' Medicare proposal, she came out with a more detailed plan that would start out with a public option before a 2nd phase, 3 years later, that would stimulate a single-payer system.
- Under her public option, anyone younger than 18 would be automatically enrolled and would not be charged any premiums.
- The \$20.5 Trillion plan includes a tax of 6 percent on wealth above \$1 Billion, and does not include a tax on the middle class.



Andrew Yang

- He has called for universal coverage ultimately using a single-payer approach.
- But he said that he would not eliminate private health insurance, expecting a public option to out-compete insurers.
- He supports granting Medicare the same drug-price bargaining powers that Medicaid has.



Healthy Adult Opportunity (aka Medicaid Block Grants)

- The administration [unveiled a plan](#) that would dramatically revamp Medicaid by allowing states to opt out of part of the current federal funding program and instead seek a fixed payment each year in exchange for gaining unprecedented flexibility over the program.
- Medicaid has been an open-ended entitlement since its beginning. That means the amount of \$ provided by the federal gov't grows with a rise in enrollment & health costs.
- The administration said the [new program](#) would allow states to offer patients more benefits while controlling government spending. But the plan has been assailed by Democrats, consumer advocates & providers as undermining efforts to serve the poor.

1. Millions of people might be affected by block grants.

- Millions of low-income adults without children who obtained coverage under the ACA's Medicaid expansion could be included under a block grant.
- Key Republicans, including officials in the administration, have argued that covering those adults uses resources better geared toward other Medicaid enrollees whose medical needs are greater.
- However, a state could also decide to include certain pregnant women and lower-income parents because their coverage is not mandated by federal law.
- Tens of millions of people currently enrolled in Medicaid would not be included in a potential state block-grant project, including children, people who qualify for the program based on disability, people needing long-term care and individuals who are 65 and over, according to the guidance announced by CMS.

2. States seeking new authority would be able to make new cuts to benefits, including which RX drugs are covered, & impose new out-of-pocket costs on enrollees.

- Medicaid traditionally has covered all federally approved Rx drugs. In June 2018, the administration reinforced that position when it rejected a request from MA. Gov. Baker to limit drugs covered under the Medicaid program.
- Under the new guidance, a state could ask to cover just 1 drug per class for most conditions — similar to what's required for private coverage in the ACA marketplaces.
- While the rule allows exceptions, including for meds to treat BH issues or HIV, the policy change could affect access to drugs for a range of serious illnesses, such as cancer.
- Another change included what kinds of co-pays states can charge, opening the door for their more widespread use and in higher amounts. Those changes will disproportionately affect people with more serious health issues like SMI.

3. Feds will exercise less oversight over private insurers that states hire to run their programs, giving states more power to set rules on provider participation & payments.

- About two-thirds of Medicaid participants are enrolled in a private managed-care firm, and the proposal would reduce federal oversight of how these companies operate.
- States would be able to choose if they want to follow fed rules seeking to make sure that insurers provide reasonable access to sufficient number of in-network docs & hospitals.
- In addition, the feds would not have to approve payment rates to the plans before they take effect.
- A few states have operated under Medicaid spending caps before, including R.I. , but the amounts were set so high a state was never in any danger of hitting the limit.

4. All states could technically apply for a block grant, but most are unlikely.

- Only a few states would be expected at least initially to apply for the block grant and those would almost certainly be some of the 14 states that have not expanded.
- However, many states would be concerned about loss of funding or not having enough federal dollars when demand for services or enrollment rose. States will be asking: Is the added flexibility worth the risk or the downside of a different funding arrangement?
- Still, some states that have not expanded eligibility and could be a call to get them to the finish line.
- Other state proposals to pursue capped Medicaid financing — notably Tennessee's, which is pending with HHS — are much different from what the new Trump approach telegraphs. That said, some GOP -led expansion states are also likely to find it appealing.

5. The impact won't be felt anytime soon.

- The feds generally move at a glacial pace in approving new state projects, particularly for ones that set new precedent or are controversial. Given that, it's unlikely any state would get a waiver before 2021 — when there could be a change in administrations.
- Plus, there is all but certain to be litigation that could thwart the entire effort.
- The document issued by CMS appears to rewrite bedrock provisions of Medicaid, an activity which is beyond the scope of CMS' power. Only Congress is tasked with making these changes.



Health Care Policy in 2020 Will Be Made in the States

- With legislation in Congress likely to be blocked by partisan division and interest group opposition, much of the real action in health care this year will be in the states.
- **The big picture:** States don't have the money or purchasing power the federal government does, but their decisions nevertheless affect millions of people, and they could signal the future of federal reform.

What to Watch:

Colorado and Washington are implementing public insurance options that could be a model for Democrats at the federal level.

- Both plans would be privately administered, & would pay providers 160% of Medicare rates, or more.
- It's not yet clear whether they'd be open to very many people with employer-based coverage, or how many providers will accept this coverage.

PA and NJ are taking over their ACA marketplaces from the federal government.

California is embarking on an ambitious state-financed coverage expansion.

State interest in Massachusetts-like cost controls may grow, as could interest in using Medicaid to pay for non-medical services for high cost patients, as North Carolina is doing.



The Other Side:

- Idaho and other red states are promoting short-term insurance plans as an alternative to the ACA .
- Georgia is seeking ACA waiver plan to ditch the state's marketplace, with consumers enrolling through insurers and web brokers, and a subsidy scheme allowing healthier consumers to choose skimpier plans that do not meet all ACA standards.
- Tennessee is seeking a form of per capita cap within Medicaid, with broad flexibility and favorable terms for the state.
- Red states' efforts to implement work requirements for Medicaid appear to be faltering in the face of adverse court decisions and opposition. But the administration is still approving them.



Recent HOUSE Activity

Energy & Commerce Committee Hearing on State Responses to the Opioid Crisis Focuses on Increased Flexibility

- House Energy and Commerce members used an oversight hearing on the opioid crisis to flag the rising overdose deaths linked to methamphetamines.
- It has been characterized as the "fourth wave" of the opioid epidemic while drug overdose deaths appear to be down for the first time since 1990, meth-related fatalities grew 21 percent between 2017 and 2018.
- State officials pressed House lawmakers for more flexibility to spend federal dollars on broader drug treatment and to have more sustainable funding streams, opposed to annual grants.

Recent Bills

- **Senate 3210 - Mental Health for Veterans:** Requires the Secretary of VA, in consultation with the Secretary of Defense and the Secretary of HHS, to develop a clinical practice guideline or guidelines for the treatment of serious mental illness.
- **House 5619 - Mental Health Suicide Prevention:** Authorizes a pilot program to expand and intensify surveillance of self-harm in partnership with State and local public health departments, to establish a grant program to provide self-harm and suicide prevention services in hospital emergency departments.

Recent Bills

- **House 5575 - Mental Health Integration:** Amends the Employee Retirement Income Security Act (ERISA) of 1974, title XXVII of the Public Health Service Act, and the Internal Revenue Code of 1986 to require group health plans and health insurance issuers offering group or individual health insurance coverage to provide for 3 primary care visits and 3 behavioral health care visits without application of any cost-sharing requirement.
- **House 5570 - Mental Health Veterans:** Directs the VA to conduct a review of the deaths of certain veterans who died by suicide.



American Foundation for Suicide Prevention Calls for 20% Reduction by 2025

- The American Foundation for Suicide Prevention (AFSP) released a new plan for reducing the annual rate of suicide in the U.S. by 20% by 2025.
- AFSP's [Project 2025](#) is using the “top minds in the mental healthcare field coupled with dynamic data modeling” to target four key focus areas, which they have deemed represent the highest potential to reach the most people at risk for suicide in the shortest amount of time.
- These include: healthcare systems, emergency departments, firearms, and corrections systems
- Currently, the project has just moved into [Phase II](#), which was officially launched in October 2019, building off Phase I development almost 5 years into the project, & includes, in part, an interactive website that helps organizations, individuals & policy creators contextualize the biggest contributing factors to suicide in the US.
- View the plan [here](#)

Starving the Beloved Beast

- Since President Ronald Reagan's tax cut proposals, the phrase "Starving the Beast" has been used to describe a back-door approach to slicing federal spending (using tax cuts as the strategy), especially the Medicare and Medicaid programs.
- The fact is the 2017 tax cut bill has added \$1.5 TRILION to the federal deficit.
- Massive Medicare cuts could occur and will bring this whole matter to light.

Impact on Mental Health

- A lot of seniors and (others who depend on Medicare and Medicaid) with mental health and substance abuse problems -- and millions more with severe disabilities – are going to have to fend for themselves because they will be first group to feel the impact of cuts due to the Tax Plan.
- History tells us those public programs that provide services to help people with mental illness and addictions are the first to be sliced.
- The Tax Plan could have other ramifications such as our efforts to expand Medicare provider recognition to mental health counselors due to the cost added to the budget.

Thank You & Questions

jmiller@amhca.org

703-548-4474

www.amhca.org

