COMIO

THE COUNCIL ON MENTALLY ILL OFFENDERS

BUILDING BRIDGES TO PREVENT INCARCERATION

EXECUTIVE OFFICER REPORT

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OUTLINE

1. Late Breaking and Key Policy Issues -
   - *What is Going on With Health Care Reform*?
   - *Update on Medi-Cal Impact Brief*
2. Report out from April 5th Workshop
3. Summer Educational Site Visit Discussion
4. Reminders and Announcements

BREAKING POLICY ISSUES

WHAT IS GOING ON WITH HEALTHCARE REFORM?

BREAKING POLICY ISSUES

Timeline: American Health Care Act

- March 6, 2017 – American Health Care Act (AHCA) Introduced in House
- March 13, 2017 – Congressional Budget Office Cost Analysis Released
- March 21, 2017 – ACHA Amended with Republicans still Divided
- March 23, 2017 – 7-Year Anniversary of the Affordable Care Act (ACA) & a vote on ACHA was postponed because votes were not certain. Last minute amendments were made to the ACHA, including the elimination of the 10 essential health benefits
- March 24, 2017 – Amendments further reduced the vote count, so a vote was pulled
- March 25, 2017 to Today – ***WHERE DO WE GO FROM HERE?***

BREAKING POLICY ISSUES

What exactly would the AHCA have done if it had passed?

End Medicaid expansion and cut coverage for children and adults in Medicaid.

- Ends Medicaid expansion beginning in 2020, with some transition for people already enrolled
- Only requires states to cover children in Medicaid who are under the poverty level, reducing the requirement from 133% of the poverty level
- Ends federal funding for adults in Medicaid who are over 133% of poverty

Replace Medicaid's funding of actual health spending by capping at a cost per-person, starting in October 2019 – essentially eliminating the entitlement

- Instead of states getting a fixed percentage of payments from the federal government (which varies by state), the federal government would cap the amount that it pays per person at the medical Consumer Price Index (CPI)
- Capping Medicaid will result in hundreds of billions of dollars in cuts to states
- In a public health crisis – the opioid crisis – the federal government will not increase funding for state Medicaid programs

BREAKING POLICY ISSUES

Continued …

Eliminate the requirement for insurance plans to provide mandated Essential Health Benefits (e.g. behavioral health services) .

Hike health care costs for people with pre-existing conditions.

- Insurance companies must charge anyone who has not been insured for 63 days a 30% surcharge on their premiums
- Sets up a "Patient and state stability fund," which can fund state high-risk pools, for people who need costly medical care. The 35-year history of states attempting high-risk pools resulted in high-premiums, high-deductibles and long waiting lists

Eliminate the ACA's requirement that individuals have insurance coverage and that employers with more than 50 employees pay for coverage.

- Ending the individual mandate, combined with keeping coverage for pre-existing conditions and lowering tax credits. People who are the sickest will scrape to find a way to buy coverage while others drop out, leading to higher premiums and more people dropping out

BREAKING POLICY ISSUES

Continued …

End the ACA's tax credits, which were based on income, starting in 2020 and replaces them with tax credits that only go up with age.

- Tax credits are reduced to $2,000 for people under 30, to $4,000 for people over 60
- Phases out the tax credits for incomes above $75,000
- Tax credits are not adjusted by local cost of living
- At the same time, allows insurance companies to charge seniors up to 5 times as much as young people – current law is 3 times

Push people into high-deductible health plans, through several provisions.

- Allows insurance companies to sell catastrophic plans, ending the requirement that plans cover a set percentage of medical costs – the ACA's platinum, gold, silver and bronze plans
- Ends the ACA's plan that limits out of pocket costs for people with moderate incomes
- Increases tax benefits of health savings accounts, which are usually high deductible plans

BREAKING POLICY ISSUES

Continued …

Provide tax breaks – $525 billion over 10 years – for the wealthy and for drug, insurance and medical device corporations.

- End ACA's taxes on unearned income for people with high incomes
- End ACA's taxes on insurance, drug and medical device corporations
- End ACA provision that limited insurance companies from writing off high executive salaries

Defund Planned Parenthood.

BREAKING POLICY ISSUES

What exactly would the AHCA cost if it had passed?

- 14 million would lose coverage in the next year (due to repealing the mandate)
- Up to 24 million would lose coverage over 10 years *(due to reductions in Medicaid eligibility/loss of Medicaid expansion & changes to subsidies to purchase insurance)* 2 million would be deterred from buying insurance annually after 2018
- $880 billion would be cut from Medicaid over 10 years
- $673 billion saved from eliminating ACA subsidies, but $362 bill needed for new tax credits
- A reduction of $210 billion from eliminating penalties paid by employers and uninsured people

Source: Congressional Budget Office Cost Estimate, American Health Care Act

BREAKING POLICY ISSUES

How would the AHCA Impact Californians Receiving Medicaid (Medi-Cal) Benefits?

- Cost shift of nearly $6 billion to CA in 2020, growing to $24.3 billion by 2017. General Fund share is estimated to be $4.3 billion in 2020, increasing to $18.6 in 2027
- Changes the Medicaid funding methodology for nearly all enrollees and expenditures in Medi-Cal to a per capita spending limit based on 2016 data – this is a **FUNDAMENTAL** change to the programs partnership of cost-sharing between the federal-state entities. If states grow over the 2016 cap, they cover the full cost
  - CA will be responsible for $680 million in 2020, growing to $5.3 billion by 2027

Source: Department of Health Care Services Memo "Summary and Preliminary Fiscal Analysis of the Impact of Medicaid Provisions in the Federal American Health Care Act March 21, 2017

BREAKING POLICY ISSUES

Continued…

- Reduces the amount of federal funds for new enrollees after 2019, including those with a break in coverage over one month, so that the majority of individuals covered would be at the 50% cost-sharing rate rather than the 90% rate promised under the ACA
- Imposes administrative barriers as strategies to reduce coverage and removes incentives for states to sustain coverage (e.g. such as a 6-month redetermination effort), allowing states to impose work requirements, etc.
- Eliminates enhanced federal funding for some specific In-Home-Supportive Services (IHSS), increasing CA's cost to $400 million by 2020 and growing annually

Source: Department of Health Care Services Memo "Summary and Preliminary Fiscal Analysis of the Impact of Medicaid Provisions in the Federal American Health Care Act March 21, 2017

BREAKING POLICY ISSUES

Why would the AHCA be so damaging to the Justice-Involved with Behavioral Health Issues?

Released inmates have high rates of poverty, unemployment, and ultimately homelessness – wreaking havoc on health status.

- A survey of over 1000 returning offenders from prisons found that 4 in 10 men and 6 in 10 women reported a combination of physical health, mental health, and substance abuse condition.
- These individuals reported poorer employment noting that health problems interfered with their ability to work, and reported a need for housing assistance

Worsening health status and lack of primary care may be associated with higher rates of recidivism, while not having a primary care provider may lead to under-treated or untreated mental health and substance abuse disorder, which are indirectly linked to recidivism.

Sources: Health and Prisoner Reentry: How Physical, Mental, and Substance Abuse Conditions Shape the Process of Reintegration. Wang E.A., Hong, C.S., Shavit, S., Sanders R., Kessell E., & Kushel, M.B. Engaging individuals recently released from prison into primary care: a randomized trial. American Journal of Public Health. 2012; 102 (9): 22-9.

BREAKING POLICY ISSUES

"Of the nearly 10 million people released from correctional facilities each year, as many as 70 percent leaving prison and 90 percent leaving jail were estimated to be uninsured prior to the enactment of the Affordable Care Act (ACA) in January 2014 …

Medicaid expansion states, which broaden coverage to all adults who make less than 133 percent of the federal poverty level may identify as many as 80 to 90 percent of people leaving prisons eligible for Medicaid."

Source: Plotkin, M.R., & Blanford, A. (2017). Critical Connections Getting People Leaving Prison and Jail the Mental Health Care and Substance Use Treatment they Need – What Policymakers Need to Know about Health Care Coverage. Available at: https://www.bja.gov/publications/Critical-Connections-Full-Report.pdf

BREAKING POLICY ISSUES

What Now - The AHCA is no longer viable but the debate over healthcare will continue, what did we learn from the failure of the AHCA?

- The ACA, or healthcare coverage in general, is more popular with the American voter than expected. Several polls document support at an all-time high, and a Quinnipiac poll had only 1-5 supporting full repeal. Reducing care for the sick, disabled and/or elderly was incredibly unpopular
- Governors, Republican Senators, and a significant number of House Republicans wanted legislation that would retain access to affordable care, Medicaid expansion, essential health benefits, and protections for pre-existing care. Repealing these items created concerns that costs would increase for states and individuals, coverage would be reduced, and employers would stop offering coverage

BREAKING POLICY ISSUES

Continued…

- Support for mental health and substance use treatment, (referred to as *"addressing the opioid crisis")*, were noted as specific reasons why the bill should be rejected
- Acknowledgment from Democrats that the ACA needs improvements, especially in states that did not expand Medicaid and who have smaller and more rural populations

BREAKING POLICY ISSUES

What Now - The AHCA is no longer viable - what are some available options for alternatives?

- Continue repeal and replace efforts that align Senate and House Republicans through a budget reconciliation effort repealing mechanisms that fund the ACA such as:
  - Eliminate the Medicaid expansion funding
  - Eliminate premium subsidies
  - Eliminate the individual mandate
  - Eliminate the employer mandate
  - Cut off other revenue sources for the ACA
- *Not likely to work because it would not be able to:*
  - Roll back essential health benefits
  - Replace the Medicaid entitlement with per-capita federal payment
  - Restrict Medicaid eligibility, including enrollment status rechecks
  - Unlikely to reduce premiums, control costs, make coverage cheaper

BREAKING POLICY ISSUES

What Now - Is a Compromise with Democrats Possible?

- There is some pressure, and it may continue, for Democrats to be proactive in suggesting alternatives
- A possible vehicle for that could be the "Patient Freedom Act" introduced by Republican Senators Cassidy of Louisiana and Collins of Maine. It gives states three options:
  - To "re-implement" the ACA and Medicaid Expansion as-is
  - Choose a new state alternative plan while continuing to receive the federal match for the Medicaid expansion and 95 percent of the federal premium subsidy/cost-sharing funds in the form of Health Saving Account contributions or tax credits, payable directly to state residents, or
  - Design a state specific plan without federal assistance

BREAKING POLICY ISSUES

What Now – What can the Health and Human Services (HHS) do to either Undermine or Enhance the Current ACA?

Areas where HHS can exert discretion to reduce coverage:

- Reduce payments to insurers covering people with incomes under 250% of the poverty level to cost-share and create lower deductibles and copayments
- More state flexibility on Medicaid expansion (e.g. allow states to impose work requirements or enhance cost-sharing)
- More flexibility to insurers selling plans in the marketplace – could pass along higher costs to purchasers
- Reduced efforts to encourage enrollment in the marketplace (e.g. reduce the window of time for enrollment, not enforce IRS rules to document health coverage)

BREAKING POLICY ISSUES

What does all this mean for the COMIO Policy Brief on Impact of Medi-Cal services?

- Document that access to health care coverage, and services, can be associated with reduced recidivism, highlight programs and success stories
- Mental health and substance use services are essential and should be addressed in a public health model, which includes consideration of public safety issues
- Document the negative consequences and costs to the state due to a lack of benefits – capture numbers on who we expect to be newly reached with "cheaper and more effective services" prior to hospitalization, homelessness, or incarceration
- Provide recommendations on how the current ACA can be improved, e.g. suspend until release coverage, reimburse services for qualified paraprofessionals, etc.

REPORT OUT APRIL 5TH WORKSHOP

How lived experience can prevent crisis and incarceration and promote recovery and wellness

- What is peer support and why are such services important?
- How can individuals with lived experience - families, peers, mentors, and caregivers participate in the prevention of crisis, incarceration and relapse?
- What evidence exists to document the positive impact (recovery and wellness) of using individuals with lived experience?
- What needs to be done, barriers to remove, or incentives to provide, to better support the use of services led by individuals with lived experience?

SUMMER EDUCATIONAL SITE VISIT
JULY 19TH AND 20TH

Purpose

- Provide an opportunity to engage, interact with, and learn from the administrators, providers, and participants in services and strategies that prevent incarceration and/or reduce recidivism among individuals with behavioral health needs

Outcomes to Study

- Reducing the length of time people with mental illness remain in jail
- Increasing connections to treatment

Suggested Models/Programs

- Co-occurring services (Correctional, Mental Health and Substance Use)
- Partnerships with Primary Care
- Programs that use individuals with lived experience
- Financial and technical tools to support effective practices or outcomes

Location – Bay Area or Other?

REMINDERS AND ANNOUNCEMENTS

Funding Opportunities

Bureau of Justice Assistance (BJA) - U.S. Department of Justice

- Comprehensive Opioid Abuse Program Training and Technical Assistance Program

  Applications Due: 04/25/2017

SAMHSA Gains Center

- Comprehensive Opioid Abuse Site-based Program

  Applications Due: 04/25/2017

REMINDERS AND ANNOUNCEMENTS

Continued …

SAVE THE DATE!

- The California Crisis Intervention Training (CIT) Annual Statewide Training Update and Conference 2017 will be held on August 23 - 24, 2017 at the Hilton Costa Mesa in Costa Mesa, CA. http://cacita.net/events/
- Next MHSOAC Community Forum for the Criminal Justice Project will be Saturday April 29th in San Francisco, more information available soon
- Mental Health Matter Day is May 24th at the State Capitol

Please make sure to review the additional resource materials posted on the COMIO website regarding the topics discussed today .