

WISCONSIN AIDS/HIV PROGRAM NOTES

January 2011

Health Reform: Implications for Persons Living with HIV

President Obama signed the Patient Protection and Affordable Care Act (ACA) into law on March 23, 2010. The ACA (frequently referred to as “health reform”) is one of the most comprehensive pieces of health care legislation ever enacted in the United States. The law includes numerous health-related provisions, the majority of which will take effect over a four year period. Collectively, the ACA is intended to achieve comprehensive health insurance reform by:

- increasing accountability across the insurance industry,
- lowering health care costs,
- guaranteeing more health care choices, and
- enhancing the quality of care.

This issue of Wisconsin AIDS/HIV Program Notes highlights how the federal government¹ and the Wisconsin AIDS/HIV Program anticipate the ACA will assist persons living with HIV infection in obtaining health care coverage and equality in care. For more detailed and user-friendly information on how and when particular provisions of ACA will be implemented, visit the federal government’s website at www.healthcare.gov.

Improving access to coverage

The majority of persons living with HIV infection have limited or no private health insurance coverage. The federally funded Medicaid, Medicare, and Ryan White CARE HIV/AIDS Treatment Extension Act of 2009 are major sources of coverage of health and social services for persons living with HIV who are low-income and/or who are living with disabilities. In Wisconsin, the state supported AIDS/HIV Health Insurance Premium Subsidy Program covers all or part of the cost of health insurance premiums for persons living with HIV infection who reduce work hours, take unpaid medical leave or terminate employment due to an HIV-related medical condition.

The ACA improves access to insurance coverage for persons living with HIV in the following ways:

- Insurers are no longer able to deny coverage to children living with HIV or AIDS, and insurers are prohibited from cancelling or rescinding coverage to adults or children unless there is evidence of fraud in an application.
- Insurers can no longer place lifetime caps on insurance benefits.

¹ U.S. Department of Health and Human Services. Fact sheet: How does the Affordable Care Act impact people living with HIV/AIDS? Washington, DC: 2010. Available from: http://www.healthcare.gov/news/factsheets/affordable_care_act_people_hiv_aids.html.

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- Beginning in 2014:
 - insurers will no longer be allowed to deny coverage to anyone or impose annual limits on coverage.
 - persons with low and middle incomes will be eligible for tax subsidies that will help in buying coverage from new state health insurance exchanges.
- Eligibility for Medicaid will include persons with income below 133% of the federal poverty line (\$14,400 for an individuals and \$29,300 for a family of 4), including single adults who have traditionally not been eligible. Persons living with HIV who meet the income threshold no long have to wait for an AIDS diagnosis to be eligible for Medicaid.
- The ACA phases out the gap in Medicare Part D prescription drug coverage, known as the “donut hole,” by issuing a one-time rebate of \$250 for Part D beneficiaries reaching this threshold in 2010. In 2011, beneficiaries will receive a 50% discount on brand-name drugs while in the “donut hole.” AIDS Drug Assistance Program (ADAP) benefits will be considered as contributions toward the Medicare Part D’s true out-of-pocket spending limit (“donut hole”).
- The ACA created the Pre-Existing Condition Insurance Plan (PCIP) to make health insurance available to persons who have been denied coverage by private insurance companies because of a pre-existing condition. Wisconsin administers its own PCIP known as the HIRSP Federal Program. In 2014, everyone will have access to affordable health insurance choices through a new competitive marketplace called an “exchange” – at that time, no one can be discriminated against based on a pre-existing condition.

Ensuring quality coverage

The ACA focuses on ensuring quality for persons with public or private health care coverage through the following:

- *Better information* – health insurance plans will be required to provide information regarding coverage inclusions and exclusions in a user-friendly manner.
- *Quality, comprehensive care* – persons who purchase individual or small group insurance plans will have comprehensive service benefits similar to typical employer plans, including prescription drugs, preventive care, chronic disease management, and substance abuse and mental health treatment.
- *Preventive care* – beginning September 23, 2010, some private insurance plans covered recommended preventive services like regular check-ups and certain cancer screenings at no additional cost to eligible persons. Comparable provisions will apply to Medicare beneficiaries starting in January 2011.
- *Coordinated care* – ACA calls for new investments community health teams to manage chronic disease and recognizes the value of patient-centered medical homes as a way to strengthen quality care, especially for persons with complex chronic conditions.

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Increasing opportunities for health and well-being

The ACA will help in addressing health disparities experienced by persons and communities disproportionately affected by conditions like HIV infection in the following ways:

- *Prevention and wellness* – ACA includes investments in prevention, wellness, and public health that will improve public health surveillance, community-based programs, and outreach efforts. New insurance plans will be required to offer coverage without cost-sharing for HIV screening tests for persons at risk for HIV infection.
- *Diversity and cultural competency* – ACA expands initiatives to strengthen cultural competency training for all healthcare providers to ensure that all are treated equitably.
- *Healthcare providers for underserved communities* – ACA expands the healthcare workforce and increases funding for community health centers which are important safety-nets for low-income individuals and families and which are critical resources for HIV prevention and care services.

Enhancing implementation of state and federal strategic plans

Implementation of the ACA will support important state and federal strategic health plans which have specific goals and objectives addressing the areas of HIV-related health care access, equity, and health disparities. Key federal and state strategic health plans include the following hyperlinked documents:

[National AIDS/HIV Strategy](#)
[Wisconsin HIV Comprehensive Plan](#)
[Healthiest Wisconsin 2020](#)

Implications for persons living with HIV in Wisconsin

Wisconsin AIDS Drug Assistance Program (ADAP)

- Beginning January 2011 and as noted above, ADAP expenditures for participants who are covered under a Medicare Part D prescription drug plan will count toward the participant's Part D true out-of-pocket (TrOOP) costs (costs incurred during the Part D coverage gap to reach the catastrophic level of coverage). With this change in federal policy, the inclusion of high-cost ADAP medications will assist in moving a person through the coverage gap relatively quickly. This will result in ADAP savings due to Medicare (rather than ADAP) bearing the majority of cost of covered medications when an individual reaches the catastrophic level of coverage.
- In 2014 and based on income alone, states may expand Medicaid to cover individuals with income up to 133% of the federal poverty level. This will potentially save ADAP funds because ADAP participants who are at or below this income limit and without health insurance may move off ADAP and onto Medicaid. Actual ADAP savings will depend on how the Wisconsin Medicaid Program implements this provision and what type of prescription drug coverage the

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Medicaid Program provides. This provision will expand access to health care for uninsured individuals regardless of ADAP savings.

AIDS/HIV Health Insurance Premium Subsidy Program (AIDS/HIV Insurance Program)

- In 2010, federal health plans were implemented to provide coverage to uninsured individuals with pre-existing medical conditions, including persons with HIV infection and AIDS. In Wisconsin the federal plan is operated by the Health Insurance Risk Sharing Pool (HIRSP). The AIDS/HIV Insurance Program will pay premiums for this coverage for eligible individuals with HIV. Detailed information on Wisconsin's HIRSP federal plan is available on the web at <http://www.hirsp.org/plans/federal-eligibility.shtml>.

Enhanced reimbursement for medical home

- The ACA includes a provision regarding the implementation of "health homes" for individuals with chronic conditions. A "health home," also called a "medical home," is an approach to primary care in which primary care providers, families and patients work in partnership to improve health outcomes and quality of life for individuals with chronic health conditions and disabilities. In April 2010, just after the passage of the ACA, Wisconsin enacted legislation that provides entities receiving state Mike Johnson Life Care Services (LCS) funds the opportunity to seek enhanced Medical Assistance reimbursement for the provision of medical home services. The Wisconsin Medicaid Program recently submitted a state plan amendment (SPA) for approval by the federal government. If approved, the SPA will provide reimbursement for care coordination activities limited to individuals with two or more chronic conditions (or one chronic condition with risk for developing a second condition), including HIV and AIDS.

Ryan White

- Even with the implementation of the ACA, federal Ryan White funded services will continue to play a critically important role in coordinating care and addressing gaps in services for persons living with HIV. For example, Ryan White will continue to be the primary payer for undocumented immigrants who are ineligible for health insurance plans, including Medicaid and Medicare. The National HIV/AIDS Strategy (NAS) emphasizes that gaps in essential services for people living with HIV need to be addressed as well as the unique biological, psychological and social effects of living with HIV. Federal and state HIV-focused programs will continue to be necessary to address these priorities. Ryan White funded programs will need to be prepared to work with Medicaid, Medicare, and insurance exchange plans by:
 - providing for coverage gaps left by Medicaid, Medicare, and private plans;
 - assisting clients in moving from Ryan White programs to Medicaid, Medicare, or private plan;

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- assisting clients with cost sharing requirements of Medicaid, Medicare, and private plans; and
- continuing to provide coverage for individuals not eligible for Medicaid, Medicare, or private plans.

Additional information resources

The following hyperlinked websites provide further information regarding the ACA and health reform:

-- Federal Websites --

[HealthCare.gov](#)

[Centers for Medicare and Medicaid Services Health Reform Center](#)

[Office of Consumer Information and Insurance Oversight](#)

[Department of Labor](#)

[Internal Revenue Service](#)

[Congressional Budget Office](#)

-- State Websites --

[Wisconsin Medicaid Program](#)

[Wisconsin Health Insurance Risk Sharing Plan \(HIRSP\)](#)

[Wisconsin Office of the Commissioner of Insurance](#)

[Wisconsin Office of Health Care Reform](#)

-- Other Websites --

[Alliance for Health Reform](#)

[Families USA](#)

[Kaiser Family Foundation](#)

[National Association of Community Health Centers](#)