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AMERICAN COCHLEAR IMPLANT ALLIANCE

Expanding Access to Cochlear Implantation Under the Affordable Care Act

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Presenters


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- Advocate for access to appropriate hearing health care and educational support
- VP, Consumer Affairs, Cochlear Americas
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Theresa Morgan

- Legislative Director, Powers Pyles Sutter & Verville
- Specializes in public policy on health care coverage
- Associate Editor, *Inside CMS*
- Public Affairs consultant to ACI Alliance



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Agenda

- Introduction
- Overview of the Affordable Care Act
- Cochlear Implantation as an Essential Health Benefit and Benchmark Plan Process
- Health Care Marketplaces and State Oversight
- State Champion Program / Case Studies
- Medicaid Expansion
- Summary / Q& A

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American Cochlear Implant Alliance

- New non-profit membership organization
- Members: CI clinicians, educators, consumers, parents, advocates for access
- Mission: To advance access to the gift of hearing provided by cochlear implantation through research, advocacy and awareness
- Address factors contributing to underutilization of cochlear implants
 - 6% of Americans who could benefit have CIs
 - Pediatric utilization is higher than adult use but still lower (almost half) of use rates in Western Europe

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Why focus on the Affordable Care Act?

- Law is an opportunity for expanding access
- *Most* public and private insurance plans cover CI
- Still, there are candidates without insurance and a few remaining outlier plans that don't cover
- ACI Alliance hopes to:
 1. Ensure plans offered under the new insurance marketplaces cover cochlear implantation *appropriately*
 2. Advise patients who want to purchase insurance
 3. Impact state coverage policies

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Objectives

- **State Level:**
 - Seek Gold Standard Language in each each state's EHB Plan
 - Make contact with appropriate state officials
 - Serve as point of contact for ACI Alliance and others
 - Monitor ACA roll-out in each state to proactively protect CI
- **National Level:**
 - Report back to allow impact on Federal policies and Federal Exchange



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Overview of the Affordable Care Act

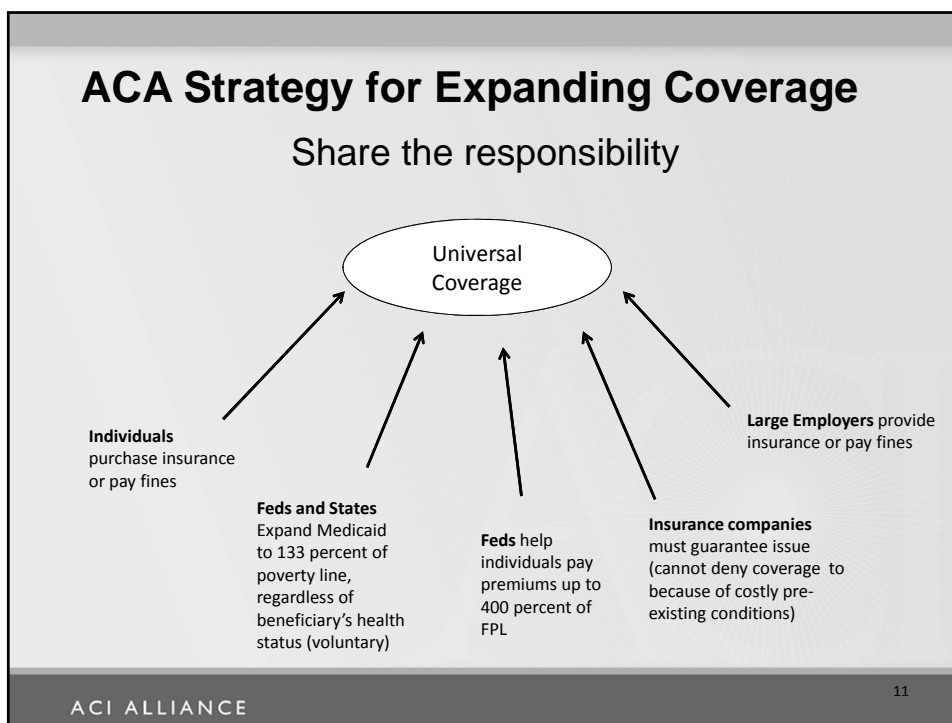
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Health Care Reform Overview

- Massive overhaul of U.S. health insurance market
- Reforms implemented using existing state systems
- Countless stakeholders and moving parts:
 - American citizens, health care providers, hospitals, private insurance companies, Medicare and Medicaid
 - State and federal regulators and legislators, small and large employers

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Reforms in Effect Prior to October 1

- Ban on pre-existing condition denials for children
- Young adults can stay on parents' insurance plans until age 26
- No lifetime monetary caps on essential health benefits (EHBs)
- Significant premium increases subject to state and federal review
- Medical loss ratio requirements
- Coverage of preventive services without cost-sharing

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2014 Coverage and Cost Requirements

- Starting in 2014, non-grandfathered plans can no longer deny or rescind coverage for adults based on condition, disability, health status or age
- Insurers prohibited from designing discriminatory benefit packages or setting price based on health status of participants (e.g., pre-existing deafness exclusion no longer allowed)
- Annual coverage caps on EHB prohibited
- Mental health parity applies to qualified health plans (QHPs)

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Individual Plan Cancellations and Enrollment Problems

- Slew of individual plans terminated coverage in 2013—called into question President's coverage continuity promise
- Short term solution: In some states where commissioners allow, issuers can decide, on an individual basis, to continue plans that do not meet new requirements
- Problems exacerbated by enrollment problems on websites
- Administration says 2 million enrolled by first week of January
- Deadline for enrollment by 1st of each month is 15th of prior month

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Cochlear Implantation as an Essential Health Benefit and Benchmark Plan Process

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What Benefits Are Covered?

- Ten categories of EHBs
 - Emergency services
 - Hospitalization
 - Maternity and newborn care
 - Mental health and substance abuse disorders, including behavioral health treatment
 - Prescription drugs
 - **Rehabilitative and habilitative services and devices**
 - Laboratory services
 - Preventive care and wellness services and chronic disease management (Medicare, Medicaid and private will cover preventive care without co-pays)
 - Pediatric services, including oral and vision care

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Defining Essential Health Benefits

- Cochlear implants within the category of rehabilitative and habilitative services and devices
- Federal regulations do not mandate specific services and devices which must be covered under the benefit
- Some states have legislated or regulated definitions and scope of coverage

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Benchmark Plan Coverage

- Plans operating in an exchange must provide benefits substantially equal to those provided in their state's benchmark plan
- Once a plan has been certified to meet the requirements, the plan is a "qualified health plan"
- Although monetary annual and lifetime caps are prohibited, plans can substitute benefits within the category, place visit limits on the benefits, and use other "utilization management techniques"
- Since most benchmark plans cover CI, we expect that most 2014 plans will cover CI (although substitution allowed)

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ACA Marketplace Plans

- Underlying premise of ACA → plans offered must mimic what is typical of commercial insurance plan coverage
- Benchmark plan → “typical” small plan
- At present, cochlear implantation covered by over 90% of commercial plans, Medicaid (primarily for children), Medicare, Tricare
- Would expect Benchmark plans to cover based on the law’s intent for typical coverage

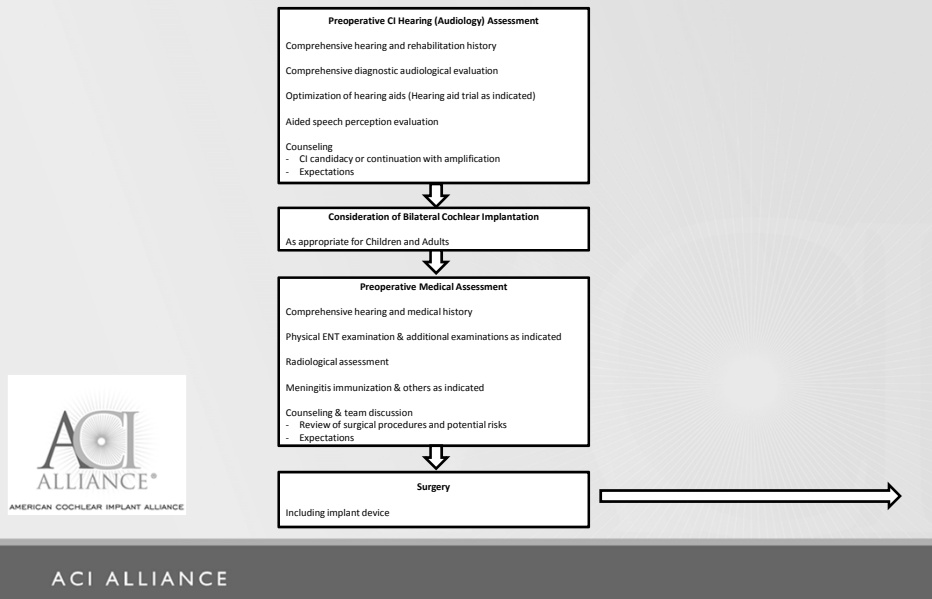
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Cochlear Implant Coverage

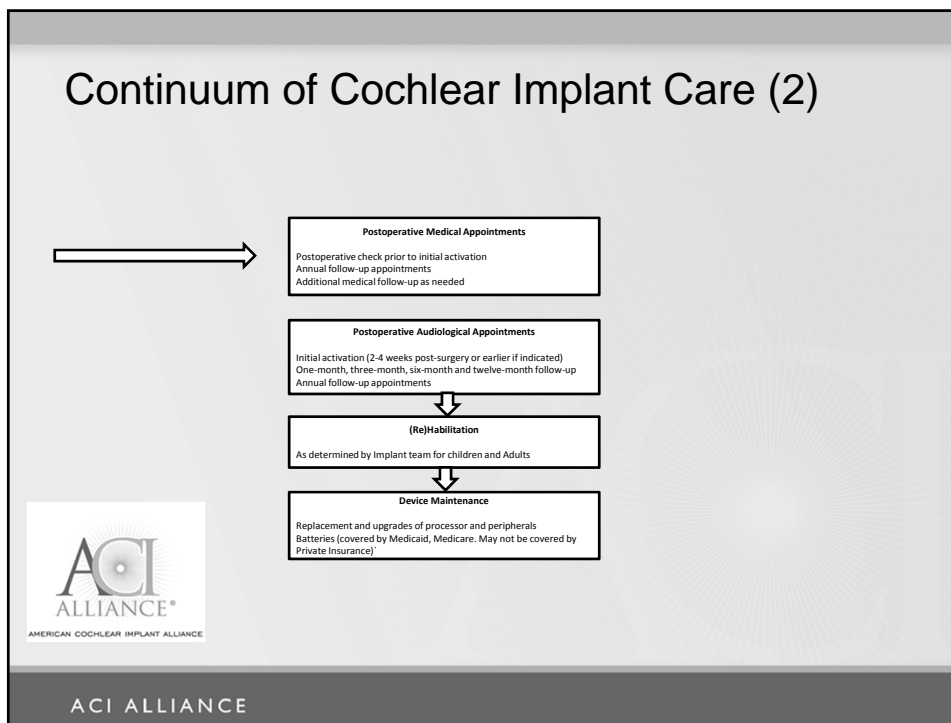
- Have found no stated exclusions
- A few states mention cochlear implants by name in their EHB plans as a covered service—most make no mention
- All Benchmark Plans examined cover cochlear implantation (some confusion remains in one state)
- ACI Alliance Goals vis a vis ACA:
 - Ensure the entire continuum of care is appropriately covered
 - Coverage language is clear
 - As other carriers come on, ensure that they also cover

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Continuum of Cochlear Implant Care (1)



Continuum of Cochlear Implant Care (2)



Some Typical Coverage Challenges

- Replacement parts including processor upgrades
 - Large co-pays
 - Upgrades limited to every 4 or 5 years unless lost, broken or stolen
- Number of covered (re)habilitation sessions
- Adult and pediatric rehab typically covered though # of sessions may be limited (can be appealed)
- Such issues not necessarily “fixed” by ACA

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What we will watch for



- Insurers can offer plans that are not identical to the Benchmark Plan
- Could substitute another actuarially equivalent service for cochlear implantation
- ACI Alliance State Leaders are monitoring their states Marketplace plan offerings

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Health Care Marketplaces and State Oversight

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Health Insurance Marketplaces

Exchanges operate as online markets to purchase and sell regulated insurance products called qualified health plans or QHPs

- 17 states established their own Exchanges through which issuers offer approved plans for purchase by individuals and small groups
- 7 States are partnering with the Feds
- 27 State Exchanges are entirely run by the Federal government



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Health Insurance Marketplace (con't)

The Federal Marketplace is very large, causing massive implementation challenges

- Healthcare.gov struggles to stay live
- Oversight of all plans within 27 states a challenge
- State laws still apply
- Transparency of coverage in federal marketplace a challenge

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State Oversight Role

- State insurance commissioners and department of health play significant enforcement and oversight role of qualified health plans (QHPs)
 - Even in states using federal marketplace, state retains oversight authority
- Many states are still learning the ins and outs of the law, and welcome input from sincere stakeholders
- In each state, the authority can lie in different offices
- Through email and phone outreach, it is possible to identify offices and individuals working on implementation

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State Champion Program Three Case Studies

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State Champion Program / Case Studies

- Allied Orgs indicated ACA coverage a key priority
- Initiated State Champion program to support individuals in each state to address CI coverage
- Contact state insurance offices
- Monitor Marketplace roll-out / report back
- Serve as point of contact in the state
- As of January 2014, 25 states with active ACIA State Champions



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What State Champions are Doing

- Contact state Insurance offices to confirm coverage and establish point of contact
- Request Gold Standard Language to ensure clarity of coverage for CI Continuum of Care
- Resource for clinicians and professionals in state
- Feedback to ACIA on roll-out
- State Champion contact information:
<http://acialliance.org/sites/default/files/files/LatestStateChampions%20Sheet1.pdf>

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Possible Gold Standard Language for EHB Plans when mentioning cochlear implants:

Outpatient and inpatient (as deemed appropriate) surgery and device inclusive of bilateral cochlear implants; early intervention; needed follow-up clinical services including audiology, (re)habilitation, and DME.



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Florida Case Study

- **Ivette Cejas PhD**, Director, Barton G Kids Hear Now CI Family Resource Center / U of Miami
- Contacted State Officials (now has contacts)
- Confirmed CI coverage in Benchmark Plan
- Asked for “Gold Standard Language” which has now been added to 2014 legislative package for Office of Insurance Advocates
- Advice: Start by making one phone call, ask that person who else to talk to. Repeat. People were open to listening to our cause.

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California Case Study

- **Margaret Winter MS**, Coordinator of Clinical Services, House Research Institute
- First contacted general # for Dept of Managed Care and they eventually called back
- Confirmed coverage by reading Evidence of Coverage policy/confirming with state office
- Published article erroneously reported CI not covered
- Advice: Call private insurance broker for participating insurers—they can help with sign-up and understanding coverage

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Georgia Case Study

- **Sarah Mowry MD**, Assoc Professor, Department of Otolaryngology, GA Regents University
- No info on Internet and nothing from BC/BS unless you are a subscriber
- Worked directly with the Insurance Commissioner to confirm coverage—no explicit language concerning
- Now working with Insurance Legal Counsel on lack of transparency
- Advice: Be persistent. Got apt because called/emailed repeatedly. Found info at:
www.naic.org/index_health_reform_section.htm

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Medicaid Expansion

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Medicaid Expansion

- 26 states have decided to implement expansion to new eligibility group in 2014 (Supreme Court decision makes it a choice and there is no deadline for expansion)
- All existing Medicaid benchmark and benchmark equivalent plans (now called Alternative Benefit Plans or ABPs) must cover EHBs, regardless of whether the state chooses expansion
- Some states are combining traditional state plan with new expansion plan, but applying different limits to different populations

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Medicaid Coverage of CI

- Medicaid state plans cover CI as *optional* service for adults
- Children covered in all 50 states because of Medicaid requirements
- Medicaid alternative benefit plans for expansion population could cover as mandatory service if CI defined as Essential Health Benefit
- Opportunity for significant coverage improvement for adults under Medicaid

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Medicaid Expansion Concerns

- Medicaid reimburses poorly for cochlear implantation in many states
- Several states with especially poor reimbursement and large numbers of Medicaid children have had pediatric CI programs and even entire CI programs closed by hospitals because of large shortfalls
- Adding adult Medicaid coverage could further exacerbate reimbursement issues
- Could cause another type of access difficulty

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Summary

- Insurance available from the new Health Care Marketplaces appears to cover cochlear implants in State Benchmark Plans
- It is critical to monitor as new plans are offered—there is no requirement that all insurance vehicles match Benchmark Plan coverage
- Sign-up process is confusing and patients may need help in negotiating the process
- ACI Alliance State Champions are working with their state officials to monitor coverage and provide guidance to others

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Resources

- www.healthcare.gov
- The Daily Briefing: <http://www.advisory.com/Daily-Briefing/Resources/Primers/MedicaidMap>
- The Center for Consumer Information and Insurance Oversight, CMS: <http://www.cms.gov/ccio/resources/data-resources/ehb.html>
- Cochlear Implant Continuum of Care is in the FAQ section of the ACI Alliance website: <http://acialliance.org/member/faq>
- ACI Alliance will be updating ACA materials periodically on our website and also posting on Twitter:
 - ACI Alliance: www.acialliance.org
 - Twitter @acialliance

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