2019 State Health Policy Progress

To: *Interested Parties*
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Re: *2019 State Health Policy Progress*

Key Highlights

★ Examples from at least 14 states demonstrate that progress on health care is possible, with leaders coming together to advance meaningful changes.

★ A wide range of states have made progress this year in critical areas, including creating more affordable coverage choices, addressing high prescription drug costs, improving access to mental health care, and protecting patients from expensive surprise medical bills.

★ Big changes often require multiple legislative sessions, and ideas that emerged this year show where states might make progress next.

As many state legislative sessions draw to a close, it's time to take stock of the significant progress state lawmakers made so far this year. From addressing skyrocketing prescription drug costs to finding ways to make additional affordable coverage choices available, state leaders are responding to Americans' desire to see our health care system work better for everyone.

Even as federal lawmakers explore the potential for common ground on surprise bills and prescription drug costs, states are taking immediate action to address people's concerns. Action looks different from state to state, with leaders pursuing approaches that best meet the unique needs of their states. While partisan political debates are a part of any state legislative session, state leaders continue to show an ability to come together to solve problems for their constituents.

United States of Care has spoken with health care leaders, advocates, and others in over in over 31 states since our launch nearly one year ago. Additionally, we have formally engaged on the ground in New Mexico, Minnesota, and Connecticut. Our time spent on the ground in states with policymakers, patients and their families, advocates, and other health care stakeholders makes it clear to us that states are leading the way with innovative policy solutions, and very often, are putting partisan politics aside in order to make progress.

STATE POLICY ACTIVITY

Making coverage more affordable and creating additional choice. Even as premiums in the individual market stabilized in 2019, states continue to enact policies to reduce the cost of health insurance coverage, and to create new affordable options for consumers.

★ Three states took significant steps towards creating new insurance coverage choices.

    ★ Colorado enacted bipartisan legislation that directs two state agencies to develop a plan for creating a competitive state insurance plan by November 15th, 2019. This new law gives state officials the authority they need to pursue federal waivers necessary to implement the plan.

    ★ Continuing the momentum started by the bipartisan passage of a legislative memorial in 2018, New Mexico enacted legislation to fund further study and begin "administrative development" for a Medicaid buy-in option, building on previous efforts taken by the legislature. USofCare research has shown that Medicaid buy-in is popular in the state, with 74% of New Mexicans indicating that they view a buy-in favorably or somewhat favorably.

★ Washington enacted Cascade Care, which creates standardized plans on the state's insurance exchange, and requires the state to contract with at least one carrier to offer this plan starting in 2021. Standardized plans have uniform cost sharing for covered services across plans, making it simpler for consumers to shop for a plan that is best suited for their needs. These new options will be offered in addition to the plans currently available, giving residents more choices for coverage.

★ Colorado and North Dakota approved legislation to create state reinsurance programs, a proven way to prevent premium increases in insurance markets. At least two other states (Delaware and Rhode Island) are still exploring this policy option as their legislative sessions wrap up. Leaders in Minnesota, one of the seven states with reinsurance currently in place, came together in a bipartisan way to extend funding for the state's reinsurance program for two additional years.

★ Maryland's Governor signed innovative bipartisan legislation creating the "Maryland Easy Enrollment Health Insurance Program" that enables the state to use information gathered from income taxes to more easily enroll uninsured individuals in Medicaid, CHIP, or subsidized exchange coverage. Beginning in 2020, uninsured tax filers can simply check a box to be screened for eligibility for these coverage options and begin the enrollment process, creating a more streamlined path to affordable coverage.

Tackling the cost of prescription drugs. Prescription drug costs remain a serious pocketbook pain point for many Americans. Seventy-nine percent of Americans say the costs are unreasonable, and 24% of adults taking prescription drugs say that it is difficult to afford their prescriptions. Consumers want solutions to unaffordable prescription drugs, and states are responding by taking necessary steps to address these needs.

Innovative state-based solutions include:

★ California's Governor signed an executive order to provide the ability for all Californians, including private purchasers, the state's Medicaid program, and other governmental agencies, to participate in and benefit from bulk purchasing of prescription drugs.

★ Colorado and Florida passed legislation to allow the wholesale importation of some prescription drugs from Canada, joining Vermont, which enacted similar legislation last year.

★ Maryland enacted the first legislation creating a Prescription Drug Affordability Board that can cap how much the state and its payors - including issuers, pharmacies, and hospitals - pay for prescription drugs. These caps will be based, in part, on the board's evaluation of whether the prescription causes or will cause an "affordability challenge."

★ Colorado became the first state to adopt a cap on insulin costs. In the past two decades the most commonly prescribed insulins have increased by 700%. The new law will cap insulin copays at $100 per month for insured consumers.

Improving Access to Mental Health and Substance Use Disorder Treatment. In 2017, more than 150,000 Americans lost their lives to drugs, alcohol, or suicide. States leaders are attempting to respond to this crisis and are exploring a variety of approaches to improve access to mental health care and treatment for substance use disorders. These approaches range from efforts to better integrate mental health, to improving mental health coverage through legislation around parity, which requires mental health benefits to mirror medical/surgical benefits.

★ In Minnesota, legislators came together across party lines to enact a comprehensive state response to the opioid crisis, including grants for prevention, education, treatment and rehabilitation efforts funded by new drug manufacturer registration and renewal fees.

★ New Jersey and Minnesota, two of 32 states that entered 2019 with failing grades on mental health parity enforcement, as well as Colorado, which entered 2019 as one of six states with a "C" grade on parity enforcement, passed bipartisan legislation that increases enforcement and oversight of mental health parity laws to make coverage for mental health services and substance use disorder treatment services equal to coverage of physical health care services.

★ Texas passed legislation to create the Texas Child Mental Health Care Consortium, which will allow health-related Texas universities to work together to expand access and improve research around child and adolescent mental health care services.

Protecting Consumers from Surprise Bills. While federal lawmakers continue to explore options to protect consumers from surprise medical bills, states are creating new protections and improving on the laws they already have in place.

★ Colorado, New Mexico, and Washington enacted legislation to create new protections to reduce the cost burden for patients receiving out-of-network services, including emergency services. These states will develop processes for establishing reimbursement rates for some out-of-network service providers and facilities, which will benefit consumers by taking them out of the process. These pieces of legislation also protect consumers by requiring facilities and providers to provide patients with information about their network status.

State lawmakers in Texas came together across party lines to improve on their state's existing approach to surprise bills. The new law will take consumers out of the middle of disputes between insurance companies and providers that can arise over surprise bills. Previously, the burden was on consumers to file a complaint with the state's Department of Insurance when they received a surprise bill.

Minnesota: A case study in bipartisan compromise. As the only state with legislative chambers controlled by different parties, Minnesota's leaders demonstrated that it is possible to work together to make meaningful progress. In addition to other political priorities, policymakers were faced with the expiration of the state's provider tax, which helps pay for Minnesota's basic health program for working adults, MinnesotaCare, Medicaid and other vital services that provide care for over 1.2 million Minnesotans. In addition, the state's reinsurance program. Notably, legislative leaders and the state's new governor found a way to maintain this important funding source and extend the reinsurance program for two years which has lowered premium costs by 20%. Consensus was also reached on mental health, prescription drug costs, telehealth, opioids and elder care protections. In addition to these legislative successes, United States of Care regularly convened a bipartisan, bicameral caucus of health care legislative leaders in

Minnesota to identify opportunities for common ground.

It is important to celebrate these bipartisan wins: policymakers sometimes disagree on the approach, but they remain united in their goals to improve access to and affordability of health care. Minnesota lawmakers should be encouraged by this session's accomplishments, and use them as a foundation to continue building upon next year.

What we're watching next. Even as most state legislatures conclude their legislative business for this session, state activity will continue to be worth watching. Big ideas are rarely proposed and enacted all in one year, and state priorities that did not quite make it over the finish line this year hint where action may next emerge. Newly established Task Forces, like the Health Care Modernization Task Force in Tennessee, can set the stage for future reform activity.

★ **Promoting health equity.** In the United States there are inequitable health outcomes and access to health care for marginalized groups. Hispanic, Black, American Indian and Alaskan Natives, and Native Hawaiian and other Pacific Islanders are all significantly more likely to not receive health care or delay care than White Americans. In addition to North Carolina's groundbreaking Healthy Opportunities pilot, other states are exploring approaches to better address social determinants of health.

  ★ Georgia passed near-unanimous bipartisan legislation that, in

part, creates an Office of Health Strategy and Coordination to better integrate services provided by the state's various health and human service agencies as well as private entities.

★ Wisconsin's Governor issued an executive order creating the Governor's Health Equity Council, charged with a plan to reduce and eliminate health disparities throughout the state of Wisconsin by 2030.

★ **Development of policies to address maternal and child health:** Illinois, New Jersey, and Texas all considered groundbreaking legislation to extend Medicaid coverage for women from 60 days to 12 months post-pregnancy. This coverage expansion would provide coverage and care to more low-income women who have unique health care needs post-pregnancy, though often lose their Medicaid eligibility after they give birth. Medicaid covers more people of color than whites and, with maternal mortality rates rising, particularly in communities of color, this is a promising policy aimed at helping to ensure new mothers don't go without needed care due to not having a source of coverage. Despite not yet passing, these state legislatures drove action and, if passed in future sessions, would be the first states to pass policies extending coverage in this way.

★ **The "Connecticut Option".** Connecticut Governor Ned Lamont, Comptroller Kevin Lembo and the state's legislative leaders came together to negotiate a compromise to create high value "Connecticut Option" plans with premium savings of 20%. Under the plan, carriers could build these high value options, or if they preferred, use a network built by the state. The compromised legislation also included provisions to allow prescription drugs to be imported from Canada (similar to Colorado and Florida mentioned above), established reinsurance, and expanded Medicaid to cover an additional 4,000 low-income parents and caregivers. While Connecticut's leaders ran out of time to enact all of these components, they did move forward with the provision to expand Medicaid. The innovative compromise they forged can guide other states looking for creative ways to utilize the best of both the public and private sector to save money for consumers.

STATE TRENDS ARE WORTH WATCHING

Health care debates can be acrimonious, and very often, the most contentious debates are the ones that get the most attention. Just as important, however, are the successes in which state policymakers put politics aside and come together to pass legislation that will make real improvements in people's lives. Improving mental health parity enforcement or protecting people from surprise bills may not always lead the news, but these changes -- being driven by state level leaders -- mean that more people will have more affordable access to the health care they need.

Trends in states very often precede important federal action, with Congress now seriously considering federal approaches to making prescription drugs more affordable and protecting people from surprise medical bills, it is clear that this is building on years of state progress on these issues. United States of Care believes that when it comes to innovative ways to improve access to affordable health care, states are where the action is.