

2019 State Outlook: 5 Opportunities for Bipartisan Collaboration



To: Interested Parties
From: Emily Barson, Executive Director
Date: January 10, 2019

Key Highlights

Incoming lawmakers can collaborate in five important areas:

- ★ Making insurance more affordable
- ★ Addressing skyrocketing prescription drug prices
- ★ Protecting consumers from surprise out-of-pocket costs
- ★ Addressing non-medical drivers of health
- ★ Enforcing mental health parity

As the heated political rhetoric of election season recedes, it's time to look ahead at how newly elected leaders who are entering office can deliver on their promises and respond to the voters' desire for meaningful action on health care.

In last year's midterm election, people voted for action on health care across the country and up and down the ballot. Forty-one percent of national voters in [exit polls](#)¹ identified health care as the single most important issue facing the nation, outpacing both immigration and the economy. The same poll found that 69% of voters believe that the American health care system needs major changes.

The changes that people are seeking do not have to be the source of political rancor. The election results demonstrate what we at United States of Care (USofC) strongly believe: pursuing access to affordable health care does not need to divide people based on their political beliefs. Traditional partisan lines are starting to blur, with strong majorities in 3 traditionally red states voting to expand Medicaid, and voters in a diverse set of states (Ohio, Maine, Kansas, and Wisconsin) electing governors who also support Medicaid expansion.

Since our founding last year, USofC has been talking with policymakers, advocates, and health care leaders across the country to learn more about state-level health reform efforts. We strategically spoke with leaders from more than 20 politically blue, red and purple states, in all regions of the country. The good news is that there are many areas ripe for progress and bipartisan cooperation -- regardless of where you live, or whether Republicans or Democrats hold elected office in your state.

FIVE OPPORTUNITIES FOR BIPARTISAN COLLABORATION

Based on our listening and outreach, USofC has identified five areas in which incoming lawmakers should seize the opportunity to work together and make meaningful progress while Washington DC prepares for the gridlock that often accompanies divided government.

MAKING INSURANCE MORE AFFORDABLE

Whether Republican or Democrat, people agree that health care costs too much.² Policymakers have already come together --often across party lines-- in [seven states](#)³ to create reinsurance programs that are helping to reduce premium costs and other states can consider taking similar action.

With individual market premiums holding relatively stable for 2019⁴, states are looking to move beyond near-term crises to explore innovative new options to make health coverage more affordable. [Fourteen states](#) are in various stages of exploring Medicaid buy-in proposals, which, in general, would allow some individuals to purchase Medicaid or Medicaid-like coverage.⁵ Medicaid is a familiar source of affordable health care

for many families and communities, providing health care coverage to 19% of the U.S. population.⁶ A [recent poll](#) found that 51% of respondents are in favor of a Medicaid Buy-in plan, with only 9.6% opposed. Because Medicaid is primarily state-run, it provides an option for states to explore to make health care coverage more affordable, and states can design a Buy-in that meets their unique needs.

ADDRESSING SKYROCKETING PRESCRIPTION DRUG PRICES

States are not waiting for Congress or federal officials to take action to address concerns about prescription drug costs. Our poll makes it clear that Americans have demanded it--91% of those surveyed said it was a top or significant priority for their state legislature to take up. During last year's state legislative sessions, 42 states (84 percent) introduced 163 separate bills to address drug prices in some way.⁷ While many of the most impactful policy interventions related to drug prices would require federal action, there are several [actions states can take](#) to achieve important goals, such as addressing underlying prices, controlling state spending on drugs, and providing relief to consumers.⁸

PROTECTING CONSUMERS FROM SURPRISE OUT-OF-POCKET HEALTH CARE COSTS

So-called [surprise medical bills](#) are a growing source of frustration and anxiety for Americans. The term "surprise bills" is used in different ways, but most commonly refers to unexpected "balance billing," when the provider sends a bill directly to the patient for the balance of the amount above and beyond what insurance covers and what was expected by the patient. A [Kaiser Family Foundation survey](#) found that 38 percent

of people are very worried about being able to afford unexpected medical bills for themselves and their families, with an additional 29 percent being somewhat worried.⁹ Many recent media reports have highlighted [particularly](#)¹⁰ [egregious](#)¹¹ [examples](#)¹² of the practice. While many [states](#)¹³ have some protections against surprise bills in place, only a handful of states provide comprehensive protections for patients. Legislative solutions have been gaining traction at both the state and federal level:

- ★ Last year, New Jersey became the latest state to create comprehensive protections from surprise bills, enacting one of the strongest laws in the nation.
- ★ A bipartisan group of U.S. Senators, led by Sen. Bill Cassidy (R-LA) released [draft legislation](#) that would create federal protections.¹⁴

ADDRESSING NON-MEDICAL DRIVERS OF HEALTH

A core cause of poor health outcomes and high health care costs are unmet non-medical drivers of health, like access to healthy food, safe housing, and transportation. In fact, estimates suggest that [80 percent](#)¹⁵ of patient health outcomes are determined by social and environmental factors, rather than clinical care.

Finding innovative ways to help people stay healthy is not a partisan issue. For example, state policymakers can look to North Carolina’s newly approved [first-of-its kind Medicaid waiver](#)¹⁶ as a model. The waiver includes funding for the [Healthy Opportunities](#)¹⁷ demonstration program to test evidence-based interventions to directly address non-medical drivers of health. What makes this program so groundbreaking

is that it is the first time the Center for Medicare and Medicaid Services has allowed a state to use Medicaid funds to directly provide services, like deliveries of medically tailored nutritious food or temporary housing, to beneficiaries who need them. North Carolina’s Democratic Governor, Republican state legislature, and Republican Administration worked together on this exciting and innovative approach, demonstrating that with commitment, leaders can put health care over politics, and collaborate on common-sense solutions to improve the health and well-being of the people they serve.

ENFORCING MENTAL HEALTH PARITY REQUIREMENTS

Access to mental health services remains elusive, with a fragmented system that unnecessarily separates mental health care from the rest of the health care system. One of the most basic components of helping assure access is proper coverage. For the past 10 years, mental health parity has been the law of the land but yet most states receive a failing grade for enforcing the federal parity law through state statute.¹⁸ For states to help ensure that they are enforcing mental health parity, the following areas should be pursued:

- ★ Recognizing mental health conditions as broadly as they do “physical” health conditions, by including all disorders in the Diagnostic and Statistical Manual of Mental Disorders (DSM) or International Classification of Diseases (ICD) in their definition of mental health conditions.
- ★ Ensuring that patients are not charged higher co-pays or subjected to different coverage limits when

accessing mental health services.

Strengthening their monitoring, reporting, and enforcement activities to ensure compliance with existing state and federal parity laws.

Better addressing and integrating mental health and substance misuse strategies through policy, financing, and delivery will be an ongoing challenge for states, but one that has potential for bipartisan cooperation.

BUILDING BLOCKS OF A BETTER SYSTEM

Quick action in these five areas will help to alleviate key “pain points” for consumers, like skyrocketing drug costs, unaffordable insurance premiums, and the anxiety that the threat of a surprise medical bill can cause. At the same time, meaningful progress at the state level will lay the foundation for a better, more sustainable health care system in the long-term.

Regardless of how they vote, or the political party they claim as their own, the vast majority of Americans just want to know that they can get the health care they need, without undue hassle or financial hardship. As 2019 legislative sessions begin, state leaders should not squander this opportunity to find common ground, work together and deliver the meaningful change that midterm voters demanded.

ENDNOTES

- 1 CNN.com. Exit Polls 2018. Retrieved November 15, 2018 from <https://www.cnn.com/election/2018/exit-polls/national-results>
- 2 Kirzinger, A. Hamel, L. DiJulio, B. Munana, C. Brodie, M. The Henry J. Kaiser Family Foundation (October 2018). KFF Election Tracking Poll: Health Care in the 2018 Midterms. Retrieved November 15, 2018, from <https://www.kff.org/health-reform/poll-finding/kff-election-tracking-poll-health-care-in-the-2018-midterms/>
- 3 Alaska, Maine, Maryland, Minnesota, New Jersey, Oregon, Wisconsin. See <http://www.shadac.org/publications/resource-1332-state-innovation-waivers-state-based-reinsurance>
- 4 Average Monthly Premiums for Second-Lowest Cost Silver Plan and Lowest Cost Plan for States Using the HealthCare.gov Platform, 2016-2019. Retrieved November 15, 2018 from https://www.cms.gov/sites/drupal/files/2018-10/10-11-18%20Average%20Monthly%20Premiums%20for%20SLCSP%20and%20LCP%202016-2019_o.pdf
- 5 See “Medicaid Buy-In: State of Play” United States of Care, November 29, 2018. <https://unitedstatesofcare.org/resources/medicaid-buy-in-state-play/>
- 6 The Henry J. Kaiser Family Foundation (September 2018). Medicaid in the United States. Retrieved October 11th, 2018, from <http://files.kff.org/attachment/fact-sheet-medicaid-state-US>
- 7 National Academy for State health Policy (October 2018). State Legislative Action to Lower Pharmaceutical Costs. Retrieved October 11th, 2018, from <https://nashp.org/state-legislative-action-on-pharmaceutical-prices/>
- 8 Garratt-Reed, M. United States of Care. Prescription Drug Prices: Problems, Solutions, and What States Can Do. Retrieved November 15, 2018 from https://unitedstatesofcare.org/wp-content/uploads/2018/10/USoC_PDSA_Briefing.pdf
- 9 Kirzinger, A. Wu, B. Munana, C. Brodie, M. The Henry J. Kaiser Family Foundation (September 2018). Kaiser Health Tracking Poll - Late Summer 2018: The Election, Pre-Existing Conditions, and Surprises on Medical Bills. Retrieved November 15, 2018, from
- 10 Kliff, S. (2018, May 23). He went to an in-network emergency room. He still ended up with a \$7,924 bill. Vox Media. Retrieved November 15, 2018 from <https://www.vox.com/2018/5/23/17353284/emergency-room-doctor-out-of-network>
- 11 Thompson, C. (2018, January 22). State lawmakers take another stab at surprise out-of-network medical bills. Komonews. Retrieved November 15, 2018 from <https://komonews.com/news/consumer/state-lawmakers-take-another-stab-at-surprise-out-of-network-medical-bills>
- 12 NPR. (2018, August 27) Life-Threatening Heart Attack Leaves Teacher With \$108,951 Bill. Retrieved November 15, 2018 from <https://www.npr.org/sections/health-shots/2018/08/27/640891882/life-threatening-heart-attack-leaves-teacher-with-108-951-bill>
- 13 Bell, C. Mendelsohn, D. (2014, May 12). You do the right thing. So should doctors and insurers. Consumer Reports. Retrieved November 15, 2018 from <https://advocacy.consumerreports.org/research/surprise-medical-bills/>
- 14 Senator Cassidy, B. Protecting Patients from Surprise Medical Bills Act (TAM18B37). Retrieved October 11, 2018 from <https://www.cassidy.senate.gov/imo/media/doc/Discussion%20Draft-%20Protecting%20Patients%20from%20Surprise%20Medical%20Bills%20Act.pdf>
- 15 Magnan, S. (2017, October 9). Social Determinants of Health 101 for Health Care: Five Plus Five. National Academy of Medicine. Retrieved November 15, 2018 from <https://nam.edu/social-determinants-of-health-101-for-health-care-five-plus-five/>
- 16 “North Carolina Medicaid Reform Demonstration” (Project Number 11-W-00313/4), approved October 19, 2018, <https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/nc-medicaid-reform-ca.pdf>
- 17 North Carolina Department of Health and Human Services. Health Opportunities. Available at <https://www.ncdhhs.gov/about/department-initiatives/healthy-opportunities>
- 18 See Paritytrack, <https://www.paritytrack.org/mhpaea-10th-anniversary/>