

## Health Policy Issues in the States

### ACCI Health Policy Study Group

Jane Kolodinsky<sup>1</sup>, University of Vermont

John Kushman<sup>2</sup>, University of Delaware

Carole J. Makela<sup>3</sup>, Colorado State University

Mary Ellen Rider<sup>4</sup>, University of Nebraska

Health care policy has evolved in the states in response to concerns that went unaddressed when federal health care was defeated and as managed care became common. Actions continue as states gain experience and assess policies of those states in the forefront. Concerns as accessibility to coverage and care, cost containment, quality of care, consumer response, and meeting federal guidelines also enter into policy developments.

The passage of the Balanced Budget Act of 1997 required state and federal partnerships to address the health needs of uninsured children. Based on the child's age and family income a state's Children's Health Insurance Program (CHIP) must be approved by the Health Care Financing Administration (HCFA). States have taken one of three approaches to CHIP—developed a separate child health care plan, expanded Medicaid, or a combination of these. Examples of a separate plan include NV, CO, KS, PA, NY; Medicaid expansion—NM, OK, NE, IN, OH; and combination—CA, MI, ME, MS, FL. A benchmark plan provides coverage for in- and out-patient care, medical and surgeon physician care, lab and x-rays, preventive care (well baby and child), mental health, vision and hearing, and prescriptions. A primary goal as these plans are implemented is to ensure that uninsured eligible children become enrolled.

Another health care arena where changes are occurring is mental health. Motivated by the Mental Health Parity Act of 1996 (effective 1/1/1998), health care plans must provide equity in annual and lifetime benefits for mental health as for other health benefits. It does not include limits on outpatient visits, deductibles, or substance abuse. Like most federal mandates, states can choose to go beyond the federal minimums. Despite claims to the contrary increases in health care premiums have risen less than four percent. This policy does not require mental health coverage if not previously provided, small employers ( $\leq 50$  employees) are exempt, as are those who can prove costs will increase more than one percent. Twelve states have enacted laws that provide benefits beyond the minimums—AR, CO, CT, IN, ME, MD, MN, NH, NC, RI, TX, and VT. Their coverages may be expanded by definition of mental illness, including substance abuse, increasing minimum benefits and approved providers, and exempting fewer employer plans.

Growth of managed care has motivated a variety of policies related to patients' rights/protections and quality of care. These usually address one or more of these care issues—access to emergency care, choice of primary care physician and referrals, mandated coverage, prescription choices, consumer grievances, quality disclosure, and confidentiality. Policies directed at the managed care organizations relate to its structure and the medical credentials of its directors and whether the organizations can be held liable. Vermont has the most consumer protections and South Dakota has the least according to a study of Families USA Foundation.

Numerous opportunities exist for consumer education and information programs and research related to health policy. With both rapid growth and frequent changes, consumers need unbiased information to make sound choices among health care plans, providers, and treatment options. Research questions that address these issues include

- How understandable is available information for consumer decision making?
- How well are the policies serving intended purposes? Are they in the consumer interest?
- Are certain states' policies more successful than others? Why?
- Are policies ensuring equitable access to quality health care?
- Are state policies supplanting the need for federal policy?

## Health Care Information and Quality—Acronyms and Websites

Agency for Health Care Policy and Research (AHCPR) supports research designed to improve the quality of health care, reduce its cost, and broaden access to essential services. <http://www.ahcpr.gov/>

American Accreditation HealthCare Commission/URAC (AAHC/URAC) a not-for-profit entity founded in 1990 to establish accreditation standards for managed health care. <http://www.urac.org/>

The Consumer Assessment of Health Plans (CAHPS), a joint initiative of AHCPR and HCFA, gives Medicare beneficiaries enrolled in managed care organizations information on selecting high quality health plans and services. A 5-year project that helps consumers identify the best health care plans and services for their needs. CAHPS' goals are to (1) develop and test questionnaires that assess health plans and services, (2) produce easily understandable reports for communicating survey information to consumers, and (3) evaluate the usefulness of these reports for consumers in selecting health care plans and services. <http://www.ahcpr.gov/qual/cahps/dept1.htm>

Families USA Foundation is one of the best sites for health insurance/care coverage, Medicaid, CHIP, Medicare, and related policy issues. <http://www.familiesusa.org>.

The Federal Employees Health Benefits (FEHB) Program offers federal employees the widest selection of health plans in the country. The Office of Personnel Management (OPM) administers FEHB. <http://www.opm.gov/insure/>

The Foundation for Accountability (FACCT), a not-for-profit organization dedicated to helping Americans make better health care decisions, is a leader in developing quality measures. <http://www.facct.org/>

Health Care Financing Administration (HCFA) administers the Medicare, Medicaid and Child Health Insurance Programs. <http://www.hcfa.gov/>. Other sites with extensive coverage of CHIPs include the American Academy of Pediatrics <http://www.aap.org/>; the Children's Defense Fund <http://www.aap.org/>; and The Urban Institute's Assessing the New Federalism, <http://newfederalism.urban.org/>

Joint Commission on Accreditation of Healthcare Organizations (JCAHO) is a quality oversight body for health care organizations and managed care in the United States. <http://www.jcaho.org/>

National Committee for Quality Assurance (NCQA) is an independent, non-profit organization that assesses and reports on the quality of care delivered by managed care organizations. <http://www.ncqa.org/>

National Conference of State Legislatures <http://www.ncsl.org/programs/health/>. Also see March 1999 *State Legislatures* "Managed Care: Boon or Bane?" <http://www.ncsl.org/programs/pubs/prmag.htm>

National Mental Health Services Knowledge Exchange Network covers mental health related issues including studies exploring the costs and effects of parity. <http://www.mentalhealth.org>.

National Network for Health sponsored by the Consumer & Community Health Policy Work Group offers links on policy information, educational materials, community health decision-making tools, and health policy sites. <http://www.nnh.org>

Quality Measurement Advisory Service (QMAS) assists state and local health care coalitions, purchasing groups and health information organizations in their efforts to measure health care quality for value-based purchasing and other purposes. QMAS is a not-for-profit collaborative effort of the Foundation for Health Care Quality, the Institute for Health Policy Solutions, and the National Business Coalition on Health. <http://www.qmas.org/>

### Endnotes

- <sup>1</sup> Professor, Department of Community Development and Applied Economics
- <sup>2</sup> Professor, Department of Consumer Studies
- <sup>3</sup> Professor, Department of Design, Merchandising, and Consumer Sciences
- <sup>4</sup> Assistant Professor & Extension Specialist, Department of Family and Consumer Sciences