

Missouri Budget Project E-News State and Federal Policy Update July 29, 2011

State Issues

- 1. Health Reform's Rate Review Process Will Improve Consumer Information**
- 2. Upcoming Committee Hearings**
- 3. Happy Birthday, Medicare & Medicaid!**

Federal Issues

- 1. Debt Ceiling, Deficit Reduction Talks Still Ongoing**

State Issues

- 1. Health Reform's Rate Review Process Will Improve Consumer Information**

Beginning September 1, 2011 the Affordable care Act (ACA) requires a review of annual health insurance premium rate increases of 10 percent or more for individual or small group plans to determine if they are "unreasonable." Health insurers must publicly disclose annual rate increases and the justification for the increases. If states have effective review processes that meet the requirements in rules finalized May 19, they will review the rate increases. The Department of Health and Human Services (HHS) will review proposed rate increases in states that do not have effective processes in place.

HHS found that 40 states and the Virgin Islands had effective review processes for both individual and small group health insurance plans. Missouri's premium increases will be reviewed by HHS since it is one of three states that do not even require insurance companies to file rates with the Department of Insurance. HHS will review rates in Missouri, Alabama, Arizona, Idaho, Louisiana, Montana, Wyoming and 4 territories. It will review rate increases in the small group market in Iowa, Pennsylvania and Virginia, and individual commercial plans in Alaska.

Increased transparency regarding why rate increases are proposed will assist consumers in making informed health insurance decisions.

Over the next years Missouri legislators will have the opportunity to put an effective review process in place, and to provide the Department of Insurance with the authority to protect consumers from unjustified rate hikes.

To learn more about the implications of rate review for Missourians, read the Missouri Budget Project brief, [Rate Review Requirements in Health Care Reform: Increased Information May Improve Consumer Decisionmaking](http://www.mobudget.org/articles/show/216-Rate_Review_Requirements_in_Health_Care_Reform_Increased_Information_May_Improve_Consumer_Decisionmaking). [http://www.mobudget.org/articles/show/216-Rate_Review_Requirements_in_Health_Care_Reform_Increased_Information_May_Improve_Consumer_Decisionmaking]

2. Upcoming Committee Hearings

The **Senate Government Accountability Committee** has announced a hearing scheduled for Monday, August 15. The Committee, which will meet at 12 p.m. in Senate Committee Room 1, will: review MoDOT's five year plan for applicability to other agencies, among other items.

On Tuesday, August 16, the **Senate Interim Committee on Fiscal Response** will meet at 10 a.m. in Senate Committee Room #2.

3. Happy 46th birthday to Medicare & Medicaid!

President Lyndon Johnson signed Medicare and Medicaid into law on July 30, 1965, providing access to quality, affordable health care for thousands of Americans. Since then, Medicare and Medicaid have been cornerstones of the health and security of many Americans, particularly seniors.

Today, more than 44 million Americans receive health care benefits through Medicare, and by 2030, 20% of the U.S. population will be eligible. More than 58 million Americans depend on Medicaid for health care benefits and long term care coverage, which is not covered by Medicare.

In Missouri, more than 940,000 Missourians are insured through Medicaid, including more than 540,000 children – enough to fill more than 21,000 classrooms.

But as they approach their 46th birthday, Medicare and Medicaid are at risk. The House-passed budget proposal would end Medicare as we know it, slash Medicaid by about one-third and shift the costs onto states and families. Other proposals such as the balanced budget amendment and spending caps could be even more harmful. To learn more about the House-passed budget proposal, click [here](http://www.mobudget.org/files/Press-Release-House-Budget-Plan-4-5-2011.pdf). (<http://www.mobudget.org/files/Press-Release-House-Budget-Plan-4-5-2011.pdf>) For more information on the latest federal developments and their impacts on Medicare and Medicaid, click [here](http://www.cbpp.org/). (<http://www.cbpp.org/>)

For more than 45 years, Medicaid and Medicare have increased access to health care for seniors, people with disabilities, children, pregnant women, and very low-income parents, and have contributed significantly to economic activity in Missouri.

Happy birthday, Medicare and Medicaid!

Federal Issues

1. Debt Ceiling, Deficit Reduction Talks Still Ongoing

With an August 2nd deadline just around the corner, Congress has yet to raise the debt ceiling.

For more background on the issues involved in resolving the nation's debt and deficit, including global spending caps and balanced budget amendments, visit Missouri Budget Project's [federal policy page](http://www.mobudget.org/federal_policy.html). (http://www.mobudget.org/federal_policy.html)