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Frequently Asked Questions on Health Care Reform

What is the Status of Health Care Reform Legislation?

On November 7th, by a vote of 220-215, the U.S. House of Representatives approved H.R. 3962, the Affordable Health Care for America Act. In the Senate, after very contentious and lengthy discussions on health care reform legislation, H.R. 3590 was approved by the Senate by a vote of 60-39 during a rare Christmas Eve session.

Following the holiday recess, the House and Senate will convene a conference committee to reconcile the differences between the respective pieces of legislation with the goal of delivering a bill to President Barack Obama prior to the State of the Union address on January 26, 2010.

What Are Some of the Main Objectives of Health Care Reform Legislation?

Both H.R. 3962 and H.R. 3590 are over 2,000 pages long and generally seek to:

- Reduce the number of Americans without health insurance
  - H.R. 3962 authors project that 96% of the U.S. population will have health coverage under the legislation, which includes an optional public insurance program
  - H.R. 3590 authors project that 94% of the U.S. population will have health coverage and does not include a public insurance option
- Reform the health care insurance system by eliminating pre-existing conditions, mandating coverage of certain conditions, capping out-of-pocket expenditures, creating health insurance exchanges, etc.
- Revising various Medicare Programs
- Expanding Medicaid Programs
- Ensure an adequate workforce to meet current and future population needs
- Expand health care services in medically underserved areas, including schools
- Cost reductions/Health care delivery advancements
  - information technology (IT) advancements
  - improving the quality of care using evidenced-based protocols
  - pricing transparency
  - supporting prevention and chronic care management
  - boosting public health infrastructure
  - emphasizing personal responsibility

How Does Health Care Reform Legislation Directly Affect the Cherokee Nation Health System (CNHS)?

During the discussions of national health care reform, many concerns have been raised about the future of Cherokee Nation Health Services (CNHS) and the Indian Health Service (IHS). The Cherokee Nation and other Tribal Nations have worked closely with President Barack Obama's Administration and Members of Congress to ensure that any health care reform proposals will benefit and not harm the Indian health system. The enactment of any national health care reform legislation being considered will support the current structure of the CNHS and IHS systems.

As a health care provider to a service population exceeding 118,000 patients, CNHS would greatly benefit from the increased number of patients with third party payment resources such as private insurance, Medicare, Medicaid, and a public insurance option (if created). Both pieces of legislation provide CNHS the opportunity to participate in numerous initiatives such as IT advancements, workforce development, public health improvements, etc.

Additionally, the majority of H.R. 3962 provisions affecting the Indian health system are found in Division D, which essentially contains Indian Health Care Improvement Act (IHCIA) amendments. H.R. 3590 also contains IHCIA amendments (H.R. 3590 incorporates S. 1790 language, which amended IHCIA and was approved by the Senate Committee on Indian Affairs on December 16th). The Cherokee Nation advocated for the incorporation and permanent authorization of the IHCIA into both H.R. 3962 and H.R. 3590.

IHCIA amendments provide a host of improvements to the Indian health system and the Cherokee Nation has been supportive of the majority of advancements and improvements proposed. In addition to improvements in the manner in which various programs and services are carried out, the IHCIA amendments also greatly improve the ability of Tribes to increase health coverage opportunities, serve additional populations, and flexibility to tailor programs to fit specific needs.

How has the Cherokee Nation Been Involved in the Development of Health Care Reform Legislation?

Over the past several years, the Cherokee Nation has been actively engaged in health care reform discussions at both the state and federal level. At the state level, the Cherokee Nation has participated on the Oklahoma State Coverage Initiative (SCI) and the Oklahoma House Speaker's Task Force on Healthcare Reform. At the federal level, since October 2008 the Cherokee Nation has participated in numerous meetings and discussions with the Administration, Congress, federal agencies, and other Tribes on the objectives and outcomes of health care reform. The Cherokee Nation continues to monitor health care reform legislation and provides comments and feedback on a regular basis through the Cherokee Nation Washington Office and at the state level.

Under the current proposed legislation, are individuals required to have health insurance?

Both H.R. 3962 and H.R. 3590 include language that requires individuals to maintain acceptable health coverage. Failure to comply will result in either a tax penalty and/or fines. However, both pieces of contain language exempting citizens of federally recognized Tribal Nations from any penalties for failure to maintain health coverage.

The Cherokee Nation has previously expressed concern regarding this issue because eligibility to access the Indian health system does not by itself represent acceptable health coverage. While the Indian health system should meet all of the health needs of American Indians, due to the lack of adequate federal funding, sparsely located facilities, and limited services it does not. The Cherokee Nation continues to work with Congress to increase health coverage for the American Indian population that honors the federal government's trust responsibility.

What are Some Specific Provisions in H.R. 3962 that will Benefit the Cherokee Nation?

Certain Exclusions from Gross Income for Medical Care Provided – Both H.R. 3962 and H.R. 3590 contain language that excludes the value of health services, either provided or purchased by the Indian Health Service and/or Tribes, from gross income. In recent years, questions have been raised as to whether the value of such health services should be regarded as gross income for American Indians. Legislation clarifies that such services are part of the federal government's trust responsibility to American Indians and therefore should not be subject to taxation.

Improving Interstate Coordination of Medicaid and SCHIP – The legislation also includes a directive to develop recommendations to improve coordination among states regarding care and reimbursement for American Indian children. The Cherokee Nation has long expressed the need to address interstate coordination due to the large number of out-of-state children attending Sequoyah High School, seeking treatment through the Jack Brown Center, as well as those residing in bordering states.

Core Public Health Infrastructure – An emerging concept for public health activities is the accreditation of public health entities. Health Care reform legislation creates grants for the development of core public health infrastructure programs. The Cherokee Nation has been actively involved in the development of national public health accreditation standards and was selected to participate in a beta test of the voluntary national accreditation program. The Cherokee Nation is uniquely situated to access future grants for such activities.

Grant Opportunities – Both pieces of legislation contain several grant programs that include Tribal eligibility ranging in topics from maternal/child health, patient centered medical homes, quality improvement, regional emergency care systems, trauma care centers, dental, primary care residency, etc.

Additional Provisions –

- Both No Cost-sharing for Indians With Income at or Below 300 Percent of Poverty Enrolled in Coverage Through a State Exchange
- Reaffirms "Payer of Last Resort" status for the Indian health system.
- Facilitating Enrollment of American Indians in Medicaid and insurance exchange programs
- Including costs incurred by the Indian health system (including Tribal Nations) to provide prescription drugs toward an individual's out-of-pocket threshold under Medicare Part D
- Creation of an integrated data repository, including contract health services information, with the Centers for Medicare & Medicaid Services.

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