

# policy impact

CSL Behring Public Policy Newsletter Q4 2010

## Medicaid Expansion—Key Considerations for Users of Plasma Therapies

*The expansion of the Medicaid program contained in the Affordable Care Act (ACA), signed by President Obama in March 2010, is one of the most substantial changes in the health care reform law.*



*President Obama signing the Affordable Care Act into law in March 2010*

It will have economic, political, social and systemic impacts upon access and delivery of care to the targeted population.

Under the ACA, Medicaid is set to expand its eligibility for coverage to include persons with income levels at or below 133 percent of the federal poverty level. In 2014, a standard five percent income disregard will apply to most individuals, effectively increasing the eligibility level to 138 percent of the poverty level. Best estimates place the increase in additional enrollees at between 16 million and 18 million people.

The primary purpose behind the expansion of Medicaid under the ACA is to substantially reduce the number of uninsured in the US, an estimated

*Continued on page 2*

### Inside:

03 Governor Vetoes Bleeding Disorder Standards of Service

Did You Know?

04 Republicans Win Control of House—Senate Gap Narrows

Patients, Physicians and CSL Behring Unite

### CSL Behring Public Affairs

*CSL Behring is committed to educating decision-makers and impacting public policies that affect patient access to care. The company has an active public affairs group in the United States including Dennis Jackman, Sr. Vice President for Public Affairs; Patrick Collins, Director, Public Affairs; Kim Isenberg, Sr. Manager, State Government Affairs; and Ryan Faden, Manager, State Government Affairs. All four have extensive public policy backgrounds and work closely with affected stakeholders and political thought leaders to affect change. Please contact them with any questions you may have regarding public policy issues.*

## Medicaid Expansion—Key Considerations for Users of Plasma Therapies

*Continued from page 1*

46 million people. Based upon analyses provided during the debate leading up to passage of ACA, 32 million of the 46 million will gain access to some form of insurance under the new law, half of whom will do so through Medicaid. In 2014, Medicaid will ultimately cover nearly 70 million people.

### Impact on the Plasma User Community

The Centers for Medicare & Medicaid Services has stated that it views the Medicaid expansion as part of a “culture of coverage.” In practice this means that unlike the current system in which many that are eligible for Medicaid are not enrolled, under the expanded system eligibility will equal enrollment.

For the plasma users community, this means previous patients within state assistance programs or state high risk pools may now be eligible for Medicaid. It also suggests that some persons previously eligible but not enrolled in Medicaid will now be automatically enrolled unless they have another form of health insurance. Our expectation is that the Medicaid expansion will also impact the overall patient mix in Medicaid primarily because of the “normalizing effect” of new income based eligibility criteria.

Based on estimates from the Congressional Budget Office, the cost of expansion between 2010 and 2019 to the federal government is \$434 billion with an additional \$20 billion allocable as states’ costs. In order to provide this coverage, many expect a substantial increase in Medicaid Managed Care enrollment in the states. Note that this follows a recent trend of increases in such enrollment since late 2008.



One consequence of this may be a stricter control of pharmaceutical use through enhanced formulary management. It is imperative that the patient advocacy organizations, and the plasma therapies industry, work to help ensure that access to life-saving plasma therapies are preserved in these evolving Medicaid managed care plans.

One critical issue regarding access to care is the impending release of proposed regulations jointly by the Centers for Medicare and Medicaid and the Office of Consumer Information and Insurance Oversight, regarding the “essential benefits package.” Both are agencies under the umbrella of the Department of Health and Human Services. This will impact not only the Medicaid expansion populations but those with private insurance coverage as well. The new law provides all newly-eligible adults with a benchmark benefit package or benchmark equivalent that at least meets the minimum essential health benefits available in the state health insurance exchanges for coverage.

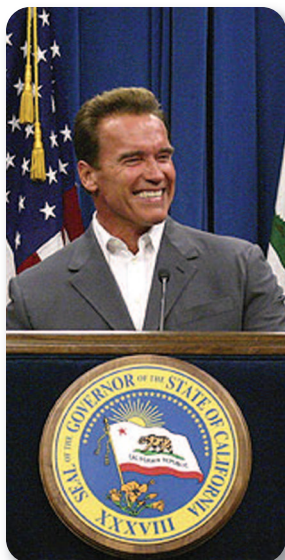
It appears that states also have the option to define a benchmark plan that would cover a more comprehensive benefits package, similar to what is currently offered through Medicaid. Thus, what happens with the definitions of the essential benefit package through federal regulations will lay the foundation for what we see in the states as they modify their Medicaid programs and create their health insurance exchanges.

The federal regulatory process, which is expected to unfold within the coming months, provides an opportunity for the plasma user community to make their case for inclusion of specific essential aspects of their care in this package. Ultimately, even if all of the concerns are not adopted in the final regulations, being part of the formal regulatory record will allow a basis for raising issues during the implementation phase.

*ryan.faden@cslbehring.com*

## Governor Schwarzenegger Vetoes Bleeding Disorder Standards of Service

*Bill Passed Both Chambers of the Legislature Unanimously—Vetoed After Legislature Adjourned for the Year*



*Outgoing California Governor Arnold Schwarzenegger*

In the Q3 2010 edition of *Policy Impact*, it was reported that the Bleeding Disorders Standards of Service legislation was on its way to the governor after unanimous support from the California Assembly and Senate. This legislation was vetoed by Governor Schwarzenegger after the legislature adjourned for the year.

The Bleeding Disorders Standards of Service legislation would have established requirements for entities that provide blood clotting products for home use in the treatment of hemophilia, von Willebrand disease and other bleeding disorders.

While stakeholders were working to advance the legislation through the Assembly and Senate, they were also reaching out to the Office of the Governor. The effort to gain Governor Schwarzenegger's support included critical meetings to educate the governor's staff and state agencies about the need for the legislation. Advocates including those from the Hemophilia Council of California (HCC), the Plasma Protein Therapeutics Association (PPTA) and CSL Behring met with staff from the Governor's office as well as staff from the state agencies responsible for enforcing the law: Department of Family Health Care Services, Department of Consumer Affairs and Consumer Affairs' parent agency—State and Consumer Services.

### Did You Know?

*The 2010 elections saw a 63-seat swing in favor of the Republicans, giving them a majority of 242 members in the House of Representatives. However, the largest majority since Reconstruction occurred after the elections of 1936 when the Democrats had a 334 – 101 majority in the House of Representatives. William Bankhead of Alabama served as Speaker of the House during that Congress.*



*William Bankhead, Speaker of the House (1936–1940)*

This collaborative team provided information which clearly demonstrated the need for the law. They shared critical examples of problems and mistakes in the proper delivery and servicing of clotting factor that were occurring throughout California. Some of the issues identified were serious enough to adversely impact people with hemophilia, von Willebrand disease and other bleeding disorders and their caregivers.

As the bill awaited action by Governor Schwarzenegger, supporters of SB 971 mounted a strong grassroots campaign and final push to persuade the governor to sign the bill and make Standards of Service a law in California. HCC and the four California bleeding disorders organizations within the state led a coalition of patients, families, doctors, nurses, social workers and manufacturers to write letters and make phone calls to the Office of the Governor. Despite the heroic efforts of so many dedicated stakeholders, Governor Schwarzenegger remained unconvinced of the need and chose to veto the legislation.

The Hemophilia Council of California is beginning the prep work associated with reintroducing the bill in 2011. This includes reaching out to the newly elected Governor of California, Democrat, Jerry Brown. The community is encouraged by the exceptional support in the legislature and plans to persevere.

*kim.isenberg@cslbehring.com*

## Republicans Win Control of House—Senate Gap Narrows



*In January 2007, Republican Leader John Boehner presents the gavel to new House Speaker Nancy Pelosi. This situation will be reversed in January 2011.*

With the economy and health care reform playing center stage, the mid-term congressional elections provided big gains for the Republican party. A 63-member swing in favor of the Republicans allowed them to win control of the House of Representatives. In the upcoming congressional session, the Republicans will have a 242 – 193 majority.

In the Senate, the Republicans gained six seats to narrow the Democratic majority to 51 – 47 with two independents, both of whom caucus with the Democrats. Senate Majority Leader Harry Reid survived a strong challenge and will remain in his role for the new Congress.

Pertaining to health care, the Republicans will be pushing a “repeal and replace” effort regarding health care reform. However, there does not seem to be any willingness on the part of the Senate Democratic leadership to advance such initiatives. Defunding portions of the health care legislation may prove to be another tactic employed by the new Republican majority in the House to modify the effect of the legislation.

There is little doubt that regulations, oversight hearings and funding decisions in Congress will impact implementation of health care reform. It will be important for stakeholders to engage and help shape the outcomes.

These next two years will prove interesting. It will be the first Congress since the mid-1980’s with a split in party leadership among the chambers not including a brief period in 2004 when the Senate changed hands after Senator Jim Jeffords changed his party affiliation.

*patrick.collins@cslbehring.com*



*Michigan Governor Jennifer Granholm (center in black suit) posing with members of the Alpha-1 community and Dr.Reddy (far right)*

## Patients, Physicians and CSL Behring Unite to Secure Alpha-1 Awareness Month in Michigan

Michigan pulmonologist Sridhar P. Reddy, M.D., advocates from the Alpha-1 Association living in Michigan, and CSL Behring collaborated successfully in having Governor Jennifer M. Granholm sign a proclamation declaring November Alpha-1 Antitrypsin Deficiency Month in Michigan. The goal of Alpha-1 Antitrypsin Deficiency Month is to increase public awareness of the condition through screenings and through conferences and events to encourage early detection and also organ donation.

This proclamation is the culmination of an effort to build awareness of this often misdiagnosed or undiagnosed condition. The advocates intend to utilize the proclamation and their meeting with the governor to continue their campaign to increase awareness. They plan to reach out into the broader communities where they live and use their expertise and experience to educate their local press, their neighbors, their colleagues and community leaders about Alpha-1, a condition that if undiagnosed can become a serious and life threatening disease.

*kim.isenberg@cslbehring.com*