

From: Bryan Kost <kostbr@scdhhs.gov>
To: Anthony KeckKECK@scdhhs.gov
Deirdra SingletonSingled@scdhhs.gov
Office of Communicationscommunications@scdhhs.gov
Michael CollisiCOLLISI@scdhhs.gov
Ella Dickersondickerson@scdhhs.gov
cathy cauthenccauthen@doi.sc.gov
Jennifer LynchLYNCHJEN@scdhhs.gov
Beth Huttohuttob@scdhhs.gov
Ruth Johnsonjohnruth@scdhhs.gov
John SupraSUPRA@scdhhs.gov
Roy HessHESSROY@scdhhs.gov
Peter Liggettliggett@scdhhs.gov
Byron RobertsRoberts@scdhhs.gov
CC: Pitts, TedTedPitts@gov.sc.gov
Soura, ChristianChristianSoura@gov.sc.gov
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Subject: my notes - Senate Medical Affairs ACA subcommittee hearing

Sens. Martin and Hutto were present. Verdin absent. Nicholson came half way through. Alexander came near the end. Non-member Sen. Cleary attended much of it.

Heritage Foundation went first. Name was Ed with a long German last name beginning with H and full of vowels, unlike - Kost a shorter, leaner (kinder, gentler?) German last name.

Ed discussed the numbers a bit - saying about 232K would be left if the state does not expand. 93 percent of them would be able-bodied childless adults.

He said this is a poverty issue, a poverty bill. He contends that since SC covers the lowest income children and parents, 88 percent of the new enrollees under expansion would be parentless able-bodied adults.

So that's your population in question. And the question to ask is should SC offer a welfare benefit with no work requirement to thi population? Historically, this population, mostly a younger population, has not been the focus of welfare programs. Should they be the focus? Are they the most needy population? Again this I a welfare issue, he said.

Regarding exchange subsidies. Folks are shielded (2 percent of income cost sharing cap for premiums). And further cost sharing protections shield them.

He said the state could just take Medicaid up to 133 percent and let others go onto the exchanges. He said move to a premium-supported system.

Sen Cleary said health care is a right. The law, through EMTALA, essentially codifies that. Cleary

spent some time defending the hospitals and questioning those who are not willing to work within ACA. Cleary said he is worried about hospitals losing DSH.

Ed reiterated his point about exposing the uninsured to exchange coverage would be better than putting them in Medicaid.

Then he described how so many Medicaid expansion states pay rates so low (and have so low physician Medicaid acceptance rates) that access is the issue, no matter how many they put on Medicaid.

He went on to say that despite the press they received, no governor has signed on with HHS to expand - no one has formally consummated that intent. Also, he said that despite a governor's intent, it is the legislature that will decide. He also said that if a state commits to expansion, they are locked into the inflexible Medicaid program. May be wise to stay out and retain flexibility.

Frank Knapp went next. He said Ed and Tony Keck are wrong - this is not a welfare (Ed) or health (Tony) issue only, as being framed. This is about affordable health insurance and health care. He described efforts over the years in SC and at the federal level to try to address this issue. (Y'all may not know the cig tax at one point was being designed to pay for expanded coverage in SC).

He went on to describe how good ACA is for small businesses. 97 percent of small businesses are so small they won't face the mandate to provide coverage. He said expanded Medicaid to cover small biz employees will improve health, and productivity. Uncompensated Care's "hidden tax" will go away, so premiums will go down. It is not clear yet, so he is asking the IRS to exempt businesses above 50 employees from any penalty, in states that expand Medicaid.

Lynn Bailey went next. She said she can't afford private coverage herself due to pre-existing condition. She is the face of the uninsured.

She said health care is a \$35B annual endeavor in SC - 20 percent of economic activity.

She touted ACA's provisions that make coverage more affordable. She said that even John McCain agrees in the value of universal coverage - at least in the private market.

She said the health care system encourages higher costs. Payment incentives and a bad business model have encouraged the provider behavior that leads to increased costs. So if true reform, we must identify our priorities - then design a system that works for SC.

SC is poor and needs capital. Medicaid expansion could provide that capital - base funding to allow the room for true reforms. But the General Assembly needs to put requirements for Medicaid reform simultaneously. And reform the state employee plan too.

She recommended that they all read that book Tony and John read (the guy who said health care killed his father).

She said all health care is going up. Driven by covering more people too. Which is often the right thing to do, she added - Tony is correctly adding the ELEM kids, she said.

Sen. Martin then read a letter from NFIB that said they support Gov Haley's decision not to expand - without reform. Hold off until flexibilities for reform are granted.

The last speaker was a lady named Ms. Shuler. She is a childhood cancer survivor. And now she lives with many chronic illnesses. She has two masters and almost done with her PhD. But can't get insurance. SC's high-risk pool would cost her \$1,800 per month. Can't get Medicaid. She talked about the fear of living without insurance. And the high and variant costs within healthcare - and how the uninsured bear the highest costs. She referenced the new Time article and hospitals' Chargemaster pricing. Transparency would be a good start, she said. She also spoke about the waste and over-utilization in the system. She offered many stats about the uninsured. She encourages them to expand Medicaid.

Like the other hearings, today's event will be online.

Bryan Kost, SCDHHS.
Phone: 803-898-2865.
Mobile: 803-260-1285.
Email: kostbr@scdhhs.gov

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