

Health Policy

After Health Reform 2010: Opportunities & Challenges

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Presentation Goals

- Historic context of the health reform debate
- Discussion of modern health care construct: key issues, key players
- 2010 Affordable Care Act
- Where next? Opportunities & Challenges

Disclaimer: My Biases & Experiences

- I've worked in health policy for about a decade, including working for a Governor (a Democrat) during the debate leading up to the development of the Patient Protection and Affordable Care Act.
- Most of my work has focused on policy / advocacy impacting vulnerable populations, including kids, at the state level.
- I have health insurance and have always had health insurance.
- Of my four siblings, two have fairly debilitating chronic conditions
- But I am healthy. My most extensive personal interaction with the health care system was the delivery of my daughter in 2009 & her subsequent health needs.

A Little Historic Context

100 Years of Health Policy: The Greatest Hits

- 1912: Teddy Roosevelt campaigns for President promising national health insurance – and loses
- 1931: Wilbur Commission study on cost and accessibility of health care
- 1934: New Deal omits national health plan
- 1945: President Truman tries health reform, calls for “compulsory coverage,” construction of more hospitals & doubling the number of health professionals – effort fails

100 Years of Health Policy :

The Greatest Hits

- 1949: Supreme Court upholds health benefits as part of collective bargaining
- 1954: IRS exempts benefits from taxes
- 1965: Pres. Johnson creates Medicare & Medicaid
- 1971 – Nixon & T. Kennedy offer differing health plans as part of Presidential campaign
- 1994 – Clinton health plan fails
- 1998 – SCHIP created
- 2010 – Patient Protection & Affordable Care Act

Guess The President

“Millions of our citizens do not now have a full measure of opportunity to achieve and enjoy good health. Millions do not now have protection or security against the economic effects of sickness. The time has arrived for action to help them attain that opportunity and that protection.”

Harry Truman, November 1945

“Without adequate health care, no one can make full use of his or her talents and opportunities. It is thus just as important that economic, racial and social barriers not stand in the way of good health care as it is to eliminate those barriers to a good education and a good job.”

Richard Nixon, February 1974

A Little Modern Context

Modern American Health Care: The Numbers

- Spending: \$2.3T or \$7,681 / person = 16.2% of GDP (2008)
- Government Spending on Safety Net Programs:
 - Federal Budget - Medicare, Medicaid and SCHIP: about 21% or \$753B
 - CO State Budget – Medicaid and CHP+: about 20% or \$4.5B
- Uninsured: 50.7M Americans (2010)
 - About 770,000 uninsured Coloradans
- Number on Government Insurance: 93M (2010)
 - Just over 500,000 Coloradans on Medicaid and CHP+
- Average annual family insurance premium: \$13,375 (2009)

Modern American Health Care: The Major Players

- **Consumers**

- Healthy individuals
- Sick individuals
- Businesses
- Government

- **Providers**

- Doctors
- Nurses
- Allied health pros
- Hospitals & clinics
- Nursing homes

- **Payers**

- Government
- Businesses
- Insurance companies
- Individuals & families

- **Industry**

- Hospitals & nursing homes
- Insurance companies
- Rx and device companies

- **Government as Regulator**

Modern American Health Care: The Issues



DISCLAIMER:

I have NOT read the federal legislation. I do NOT know all provisions of the law. I am NOT prepared to engage in specific discussion about details of specific provisions.

Road to Reform: 2010

- 2008 – Presidential campaigns
- June 2009 – first bills introduced
- Aug 2009 – Summer recess: town hall meetings



Road to Reform: 2010

- Sept 2009 – Obama addresses Congress; Senate rejects “public option”
- Nov 2009 – House passes bill; Republican alternative plan
- Dec 24, 2009 – Senate passes bill
- Jan 2010 – Scott Brown wins MA Senate vacancy race
- Feb 2010 – White House releases first detailed proposal & holds “summit”
- March 23, 2010 – Obama signs PPACA



Health Reform 2010: Major Provisions

- Individual mandate
- Employer requirement to offer insurance
- Insurance Exchanges & Subsidies
- Small business tax credits & other tax code
- Medicaid expansion & Medicare changes

Health Reform 2010: Major Provisions

- Private insurance rules & protections
- Improving quality / system redesign
- Prevention & wellness
- Workforce

Health Reform 2010: By the Numbers

- Cost: \$940B over 10 years
- Deficit: Will reduce the deficit by \$143B over first 10 yrs and \$1.2T over next 10 yrs (CBO)
- Coverage: Expand coverage to 32M Americans who are currently uninsured
- Medicaid: Sets national Medicaid floor at 133% FPL (\$29,326 family of 4)
- Subsidies: Provided for people up to 400% FPL (\$88,200 family of 4)

So, Where Are We Now?

Opportunities, Challenges, Next Steps

Health Reform 2010: Where Are We Now?

Implemented:

- National high-risk pool
- Small business tax credits
- Require insurance coverage without cost-sharing for certain preventive care
- Guarantee issue for kids & dependent coverage up to 26
- Establish Workforce Advisory Committee

Still to Come:

- Consumer Operated and Oriented Plan (CO-OP)
- Increase Medicaid reimbursement for primary care
- Establish national Medicaid floor of 133% FPL
- States must have exchanges up & running

Opportunity:

Coverage & Access Expansions

- 32 million currently uninsured Americans will gain coverage
- New regulatory protections will ensure more equitable access to insurance
- Workforce development strategies should help to reduce provider shortages & address better distribution of providers
- Investments in safety net clinics & national health service corp

Opportunity: Quality Improvement

- Invest in comparative effectiveness research
- Accountable Care Organizations and other delivery re-engineering
- Dual-eligible care coordination
- Bundled payments and other payment reform

Opportunity or Challenge?

State Implementation

Opportunities

- Can be more responsive to local needs – find solutions right for your state / community
- State level policy easier to impact
- One step removed from Washington politics

Challenges

- Variation in state policy means states at different starting points
- Defined construct to work within
- Local politics could be worse than Washington

Challenges:

Legal & Political Uncertainty

Legal Challenges

- In April 2010, 13 state Attorneys General filed a lawsuit in Florida seeking to repeal; In addition to FL, VA also filed state action
- At least 4 other private party law suits related to federal law

Political Challenges

- 45 state legislatures have proposed legislation to alter, limit or oppose (opt-out of) implementation of federal reform
- 2012 elections: state & national

Challenges:

Federal & State Budgets

- Counter-cyclical demand for safety net services stretching state and federal budgets
- Most states have balanced budget requirements forcing tough choices
- While the recession is technically over, little economic growth
- Serious philosophical decisions facing states and federal governments

What You Can Do?

- Health reform isn't over
 - Stay informed
 - Stay engaged
- Bear witness to the change
 - Share your perspective & expertise
 - Good or bad: help inform next steps
- Vote!

Recommended Resources

- Kaiser Family Foundation: healthreform.kff.org
- Health Affairs: healthaffairs.org
- Vote Smart: votesmart.org

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