

Health Care Reform:

Where do we go from here?



Evolution of U.S. Health Care Policy

Our system is the result of several major policy decisions rather than one, unified health care policy.

- Employer-based coverage**
- Government-sponsored coverage**
- EMTALA**



1 The Emergence of Employer-Sponsored Coverage

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During World War II, wage controls administered by the federal government's Office of Price Administration led employers to offer health insurance as a benefit in lieu of wage increases.



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Enactment of Medicare & Medicaid

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To provide coverage for the elderly as well as poor women and children, Congress enacted Medicare & Medicaid in the mid-1960s.

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“In my State of the Union message, I pledged to present a program to assure that no American family will be prevented from obtaining basic medical care by inability to pay. I am announcing that program today.”

“What I am proposing will require employers to provide basic health insurance for their employees. In the past, we have taken similar action to assure workers a minimum wage, to provide disability and retirement benefits. We should go one step further and guarantee that all workers will receive adequate health insurance protection.”

**President Richard Nixon
February 18, 1971**



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The Emergency Medical Treatment and Active Labor Act (EMTALA) of 1986 is arguably the largest unfunded mandate ever imposed on private business. The law requires hospitals to screen and stabilize (treat) each and every patient who comes to the hospital ED seeking care, regardless of the patient's ability to pay *and regardless of what it costs the hospital to provide the care.*



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In the early 1990s, the Clintons pressed for government-led health care reform...

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...but Republicans, led by Senator Bob Dole, strenuously opposed the Clinton plan.

Dole and his fellow Republicans argued for a market-based system designed around an individual mandate and the creation of state insurance exchanges.

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Medicare Part D

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In 2006, President George W. Bush signed Medicare Part D, which gave drug benefits to seniors at a cost of \$727 Billion over 10 years.

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Patient Protection and Affordable Care Act

On March 23rd, the Patient Protection and Affordable Care Act was signed into law. Projected 10 year cost was \$940 Billion.

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I'M FREEZING
FEDERAL PAY TO
CUT THE DEFICIT.

BURN



THAT WAS A
REPUBLICAN IDEA!
HOW ABOUT SOME
CREDIT WHERE
IT'S DUE ??



MY HEALTH CARE PLAN
WAS ORIGINALLY A
REPUBLICAN IDEA,
SO SOME CREDIT
WHERE IT'S DUE.

BURN

JUST TRYING
TO GET ALONG.

TOLSON

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Strategic directions

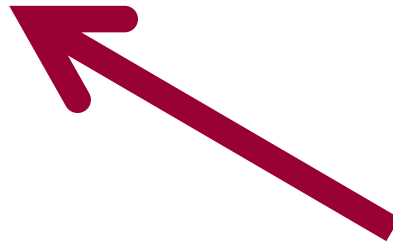
- **Coverage**

- **Delivery system reforms**
- **Payment reforms**
- **Transparency**
- **IT**



- Movement away from fee-for-service...toward 'integration'
- Emphasis on value vs. volume
- Emphasis on quality vs. quantity

- What is NOT in the law



Strategic directions

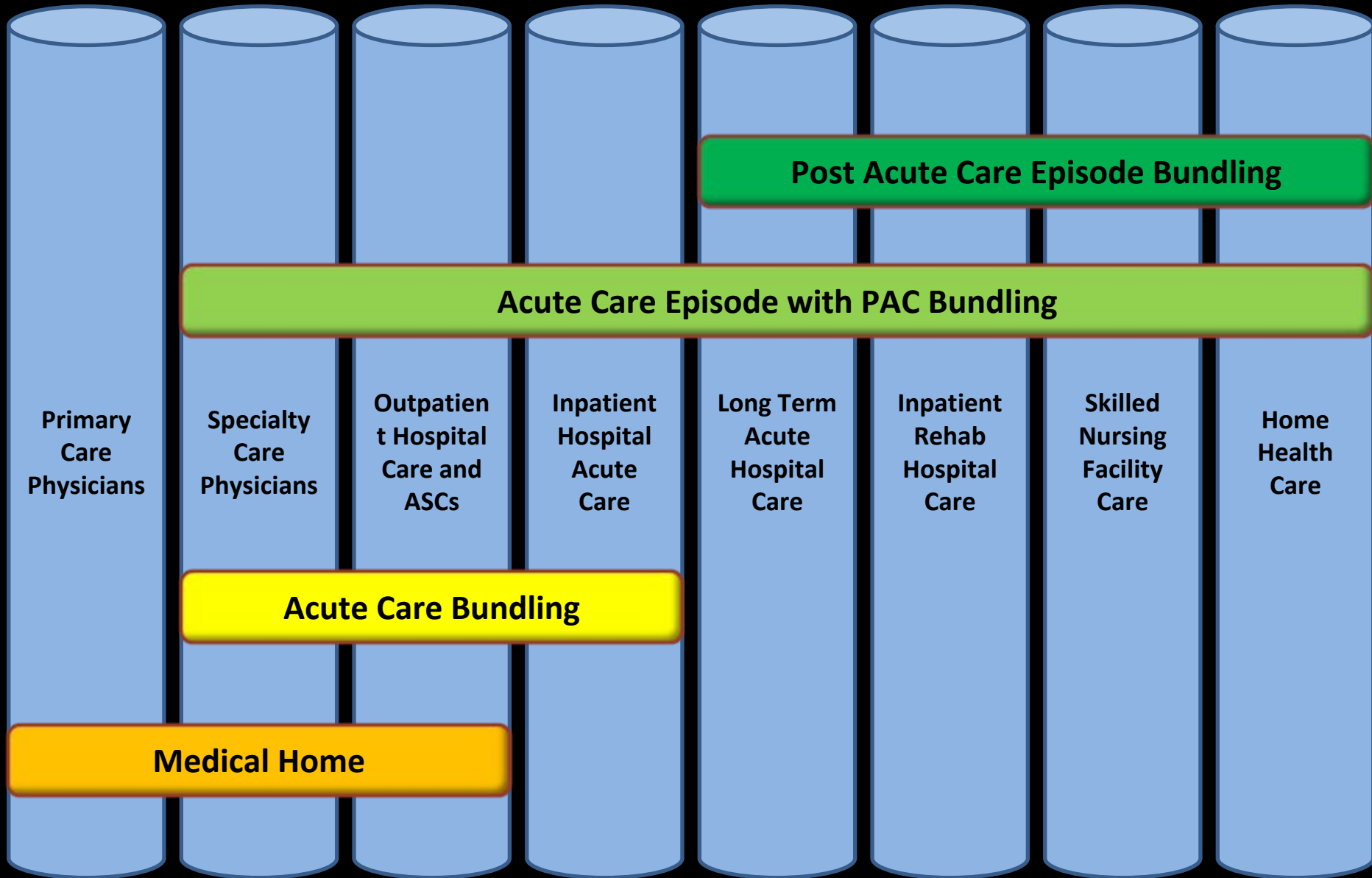
Delivery System Reforms *Demonstration and Pilot Programs*

- **Accountable care organizations**
- **Bundling**
- **Medical homes**
- **Gain-sharing**
- **CMS Center for Innovation**
- **Physician self-referral**
- **Administrative simplification**

HHS
Secretary
can waive
regulatory
barriers
to clinical
integration



Accountable Care Organizations



Strategic directions

Payment Reforms

- **Value based purchasing (2013)**
- **Quality**
 - Readmissions (2013)
 - HAC penalties (2015)
- **Medicaid physician payment**
- **340B program expansions**



For Hospitals

- **Achieve solid hospital-physician (clinical) alignment**
- **Measure, report and deliver superior outcomes**
- **Attain a favorable cost position**
- **Strategic alliances**



For Physicians

Theme

Implication

Quality/Transparency

Apply evidence-based practices to achieve best clinical results

Value, not Volume

How do we deliver the ***right*** care at the ***least*** cost?

Payment reforms

(readmissions, bundling)

Coordinate your patients' care with other providers

ACOs

Learn to manage risk in partnership with hospital and physician colleagues



*To repeal,
or not to
repeal...*

Republican Strategy

- Repeal and replace
- Legal challenges
- Unwinding health care reform
 - Hearing and investigations
 - Defunding and blocking implementation



REPEAL AND REPLACE

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF FLORIDA
PENSACOLA DIVISION

STATE OF FLORIDA, by and)	
through BILL McCOLLUM, <i>et al.</i> ,)	
Plaintiffs,)	
v.)	Case No. 3:10-cv-91-RV/EMT
UNITED STATES DEPARTMENT)	Judge Vinson
OF HEALTH AND HUMAN)	
SERVICES, <i>et al.</i> ,)	
Defendants.)	

**MOTION OF AMERICAN HOSPITAL ASSOCIATION ET AL.
FOR LEAVE TO FILE BRIEF AMICI CURIAE**

Pursuant to this Court's Order of June 14, 2010 ("Amicus Order"), the nation's six leading associations of hospitals and health systems—the American Hospital Association, Federation of American Hospitals, National Association of Public Hospitals and Health Systems, National Association of Children's Hospitals, Catholic Health Association of the United States, and Association of American Medical Colleges (the "Hospital Associations")—respectfully seek leave to file a joint brief *amici curiae* in the above-captioned case.

“There’s a lot of tricks up our sleeves in terms of how we can dent this, kick it, slow it down to make sure it never happens. And trust me, I’m going to make sure this health care bill never ever, ever is implemented.

John Boehner
Washington Post
November 5, 2010



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