

Health care reform, the Affordable Care Act, and breast care: 2013 and beyond

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A brief history of health care and health reform

- 1910 Flexner Report – Medical education
- 1928 Penicillin discovered
- 1944 First patient treated with penicillin
- 1941 WWII Wage controls / Employers' response
- 1957 Hill Burton Act stimulates hospitals
- 1965 Medicare / Medicaid established
- 1973 Federal HMO Act
- 1990s Employer / Medicaid HMO expansions
- 1997 State Children's Health Insurance Program
- 2003 Medicare Modernization Act
- 2009 PPACA
- 2012 USSCT
- 2013 States respond

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Today

- Health care reform: 90 seconds of history
- US/AR health and health care landscape
- Response: Affordable Care Act
 - What it is
 - What it isn't
- Other health system reforms in progress
 - Payment improvement
 - HIT
 - Workforce
- Questions and comments

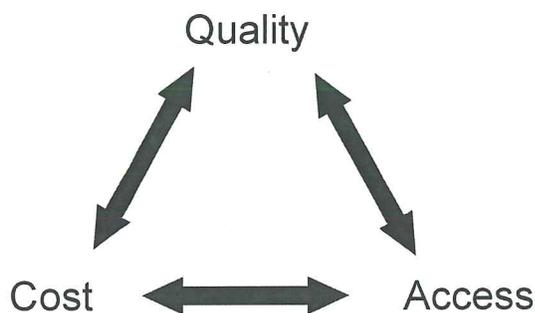
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Ok maybe 100 seconds

- A story

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Health Care's Iron Triangle



ACHI

Health and health care in the US and Arkansas

- US
 - Health care system
 - Health care outcomes
 - Cost
 - Quality
 - Access

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Health care system

- Employer based system
- Group / individual coverage
- Public / private providers and payors
- 50 + million uninsured
- Disproportionate impact
 - Race
 - Age
 - Demographics

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Impact of health care costs cancer patients

- 1 in 2 report difficulty in paying for health care
- 1 in 3 report being able to pay for basic living expenses
- 1 in 5 have excess debt resulting in loss of savings

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Health care outcomes

- Cost
- Quality
- Access

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Age-adjusted Percentage of U.S. Adults Who Were Obese or Who Had Diagnosed Diabetes

Obesity (BMI ≥ 30 kg/m²)



Diabetes

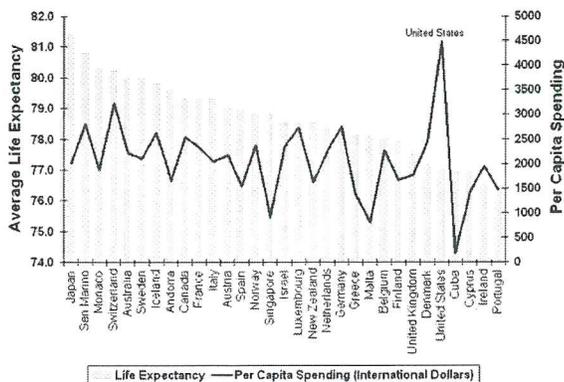


CDC's Division of Diabetes Translation, National Diabetes Surveillance System
available at <http://www.cdc.gov/diabetes/statistics>



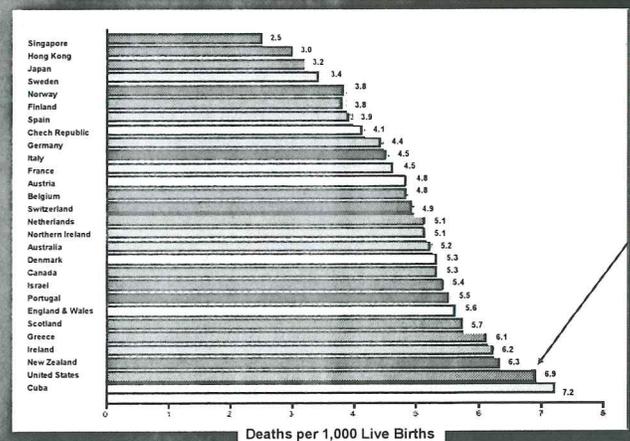
Spending

The Cost of a Long Life



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Comparison of International Infant Mortality Rate: 2000



Life Expectancy For Countries

<u>Country</u>	<u>Life Expectancy (Yrs)</u>	<u>Rank</u>
Andorra	83.5	1
Japan	82.0	4
Sweden	80.6	8
Australia	80.6	9
France	80.5	11
Canada	80.3	14
Spain	79.8	20
United Kingdom	78.7	37
U.S.	78.0	45

Arkansas

- Health care system

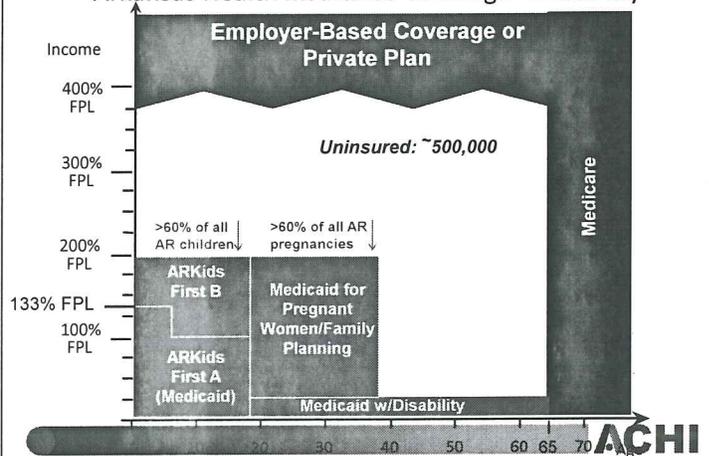
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Pre ACA

- Screenings - ~ 15% of adults > 50 receive colorectal cancer screening

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2011 (Pre-Reform) Arkansas Health Insurance Coverage Availability



Access

- Breast care and chronic disease coverage a patchwork quilt
 - Screenings
 - Scope of coverage
 - Pre existing conditions
 - Caps
- 50+ million uninsured
- 50-64 y/o's fastest growing group of uninsured
- Uninsured / underinsured are more likely to suffer a mal outcome than the covered

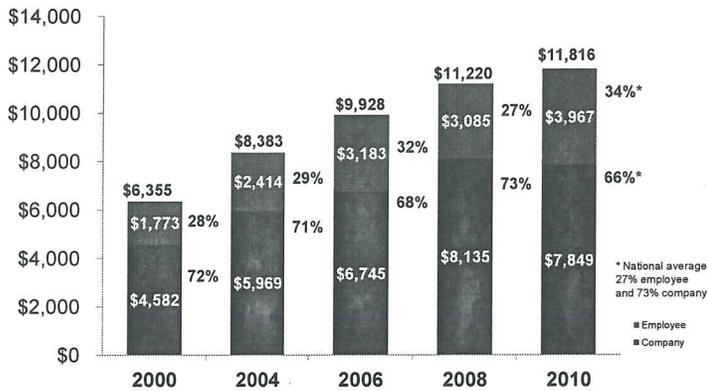
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Arkansas

- Health care
 - Cost
 - Quality
 - Access

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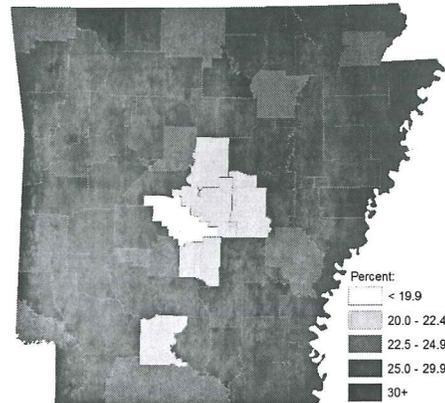
Changing Cost Allocations for Arkansas Families' Annual Insurance Premiums



Source: AHRQ, Medical Expenditure Panel Survey (2000-2010 Tables of private-sector data by firm size and state (Table II.D.1) and II.D.2). Available at <http://www.medicare.gov/nchs/data/medexpend/medexpend.htm>



Arkansas Uninsured By County (19-64 years of age)



Source: County Health Rankings & Roadmaps: A Healthier Nation, County by County. (Accessed April 4, 2012, at <http://www.countyhealthrankings.org/apps/arkansas/2010/measures/factors/3/map>)

AR health care quality

- National health rankings
- 53% of Arkansas adults live with at least one chronic disease (~\$20B annual cost in treatment and lost productivity)

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AR health care access

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Affordable Care Act

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ACA elements

- Increasing coverage
 - Government sponsored
 - Private sector
 - Costs
 - Guaranteed issue
- Improving utilization of preventive services

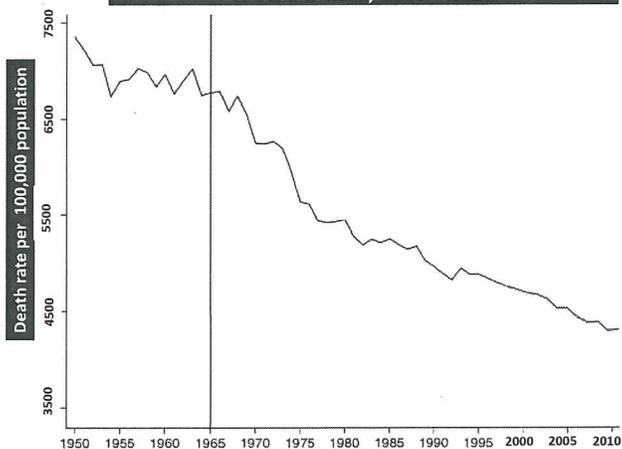
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Implementation – the devil is in the details

- Coverage benefit rules
- Health insurance exchanges
 - Availability
 - Subsidies
 - Individuals
 - Small business

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All-Cause Mortality for Individuals aged 65+ United States, 1950 - 2010



Note: Rates are adjusted to the 1990 population as noted in the Journal of Public Economics 92(2008) 1644-1668
Red line indicates 1965, year before Medicare was implemented.

ACA, breast care, chronic disease

- Prevention
- Treatment
- Research
- Access
 - Pre existing conditions
 - Annual / lifetime caps
 - Coverage

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Specifics

- Dependent coverage – 26 yrs
- Pre existing conditions for children eliminated
- Recissions
- Caps lifted
- First dollar coverage for preventive services
- Funding

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Funding

- \$15B funding for Prevention and Public Health Fund
 - Prevention research
 - Health screenings
 - Community health programs
 - Immunizations
 - Education and outreach

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Research support

- CER and PCORI

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Preventive services coverage

- USPSTF
- Public sector
- Private sector
 - First dollar coverage

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Arkansas: Impact and issues

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ACA elements

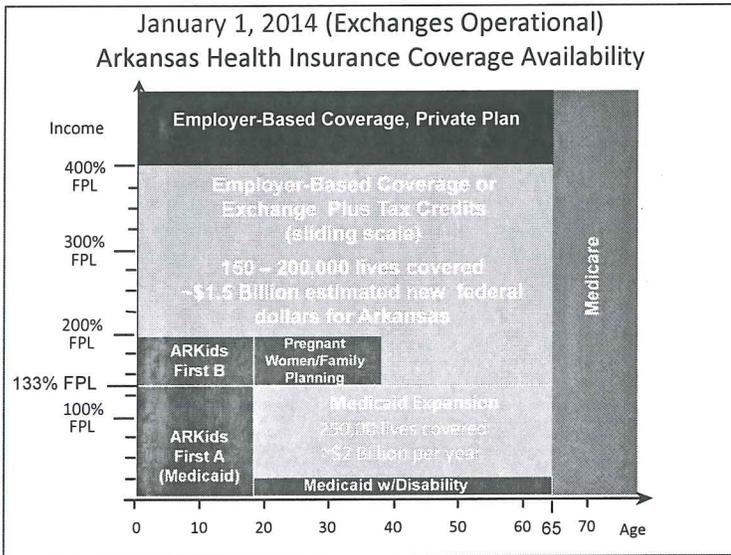
- Increasing coverage
 - Government sponsored
 - Private sector
 - Costs
 - Guaranteed issue
- Improving utilization of preventive services
- What about quality?
- What about cost?

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Recent Projections

- 328,000 more nonelderly Arkansans will be insured (a -60% change post ACA)
- \$615M reduction in uncompensated care among nonelderly (a -68% change post ACA)
- \$478M in federal subsidies for Arkansans to purchase insurance

Source: *State Progress Toward Health Reform Implementation: Slower Moving States Have Much to Gain*, Timely Analysis of Immediate Health Policy Issues, January 2012 Urban Institute analysis, HIPSM 2011



Demand: Health Care Reform

Scenario: 2014+

- Increase in demand (relative to Baseline scenario for 2014)
 - +59 primary care physicians (2.5%)
 - +35 in family practice (3.4%)
 - +24 in general internal medicine (2.9%)
 - +15 nurse practitioners (2.5%)
 - +8 physician assistants (3%)
 - +77 FTE providers (counting NPs and PAs as 0.8 FTE physician)

The Source for Critical Information and Insight



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Impact*:	SFY 2015 (first full year)	SFY 2021 (full year at 10% FMAP)
New Medicaid Expenditures	\$42 M	\$155M
New Medicaid Savings	(\$60M)	(\$ 60M)
Additional state revenue	(\$35M)	(\$ 32M)
Spending on uncompensated care	(\$36M)	(\$ 59M)
Net Cost (Savings) to State	(\$89M)	\$ 4M
Cumulative Impact*:	SFY2014-2021	
New Medicaid Expenditures	\$684M	
New Medicaid Savings	(\$443M)	
New State Revenue	(\$254M)	
Spending on Uncompensated Care	(\$359M)	
Net Cost (Savings) to State thru 2021	(\$372M)	

ACA challenges

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Demand Growth 2010 to 2025

- Primary care providers (Baseline scenario modeling changing demographics)
 - Arkansas
 - PCP demand rises from 2,914 to 3,199 (9.8% growth)
 - Family practice (+9.3%)
 - General internal medicine (+10.3%)
 - General pediatrics (+9.8%)
 - Geriatrics (+13%)
 - High growth counties (% increase in demand for PCP)
 - Baxter (32%)
 - Lonoke (26%)
 - Sevier (25%)
 - Cleburne (22%)
 - Fulton, Grant, Boone, Saline, Benton (21%)

The Source for Critical Information and Insight



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ACA challenges

- Political
- Legal
- Political
- Operational
- Political

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Thank you

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