

Understanding the Patient Protection and Affordable Care Act of 2010

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- Founded in 1989
- An alliance of large purchasers working for high quality, affordable health care.
- Engages in policy, advocacy, leadership, research and analysis, and strategic partnerships to empower consumers and make the health care system effective and accountable.

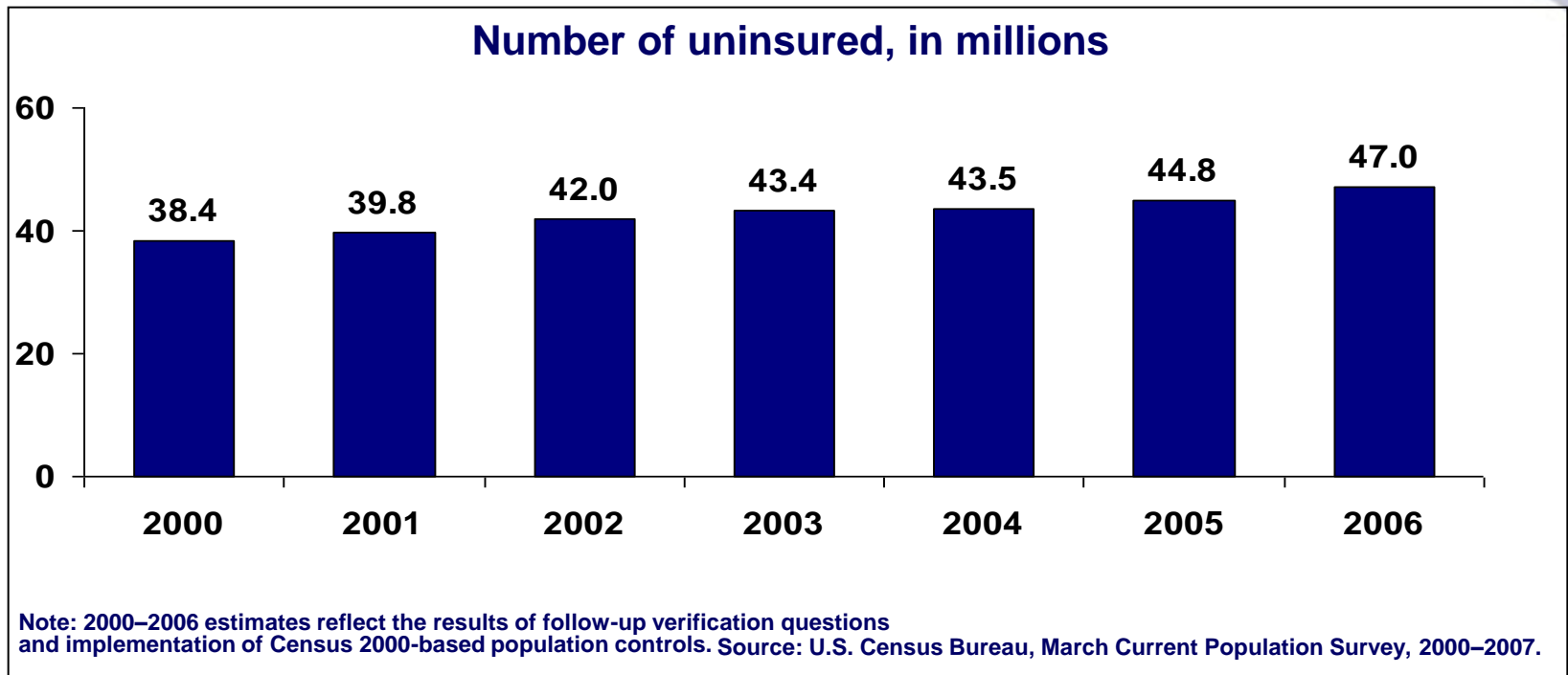
Today's agenda

- The problem (s) reform meant to address
- Major elements of health reform
- Mechanisms for implementation
- Reactions from stakeholders
- Prospects for real impact

The problem (s)

1. Un- and underinsured population
2. Cost, cost, cost – and its impact on working people
3. Poor and highly variable quality and safety
4. Inconsistent practice of evidence-based medicine
5. Fragmentation, lack of accountability
6. Inefficient deployment of workforce
7. Lack of innovation
8. Poor service

Problem #1 The Un- and Under-insured

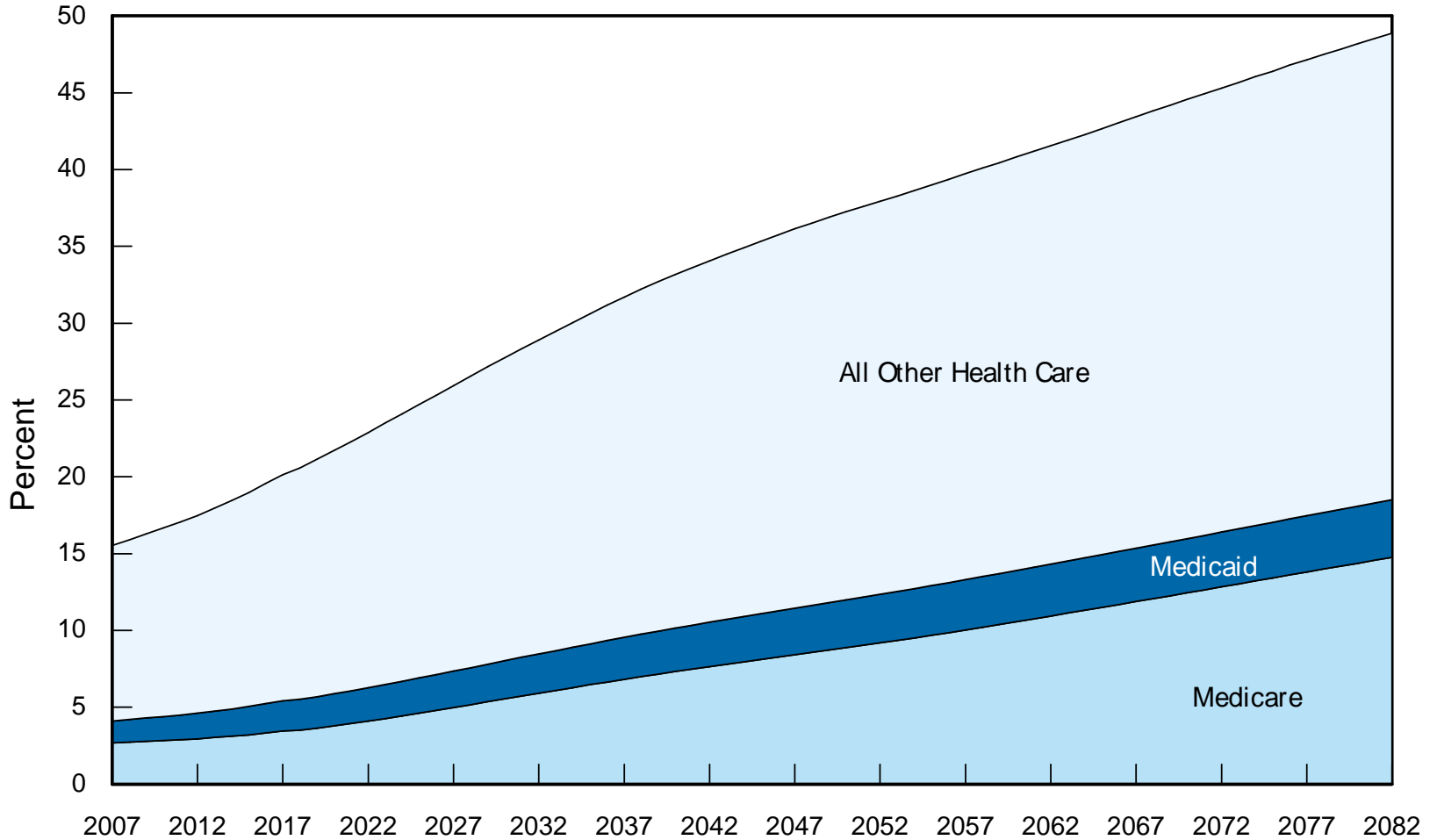


People Without Insurance Get Less Prevention, Cannot Pay for Treatments and Have Illnesses Diagnosed Late

18,000 Deaths Annually Attributed to Lack of Insurance

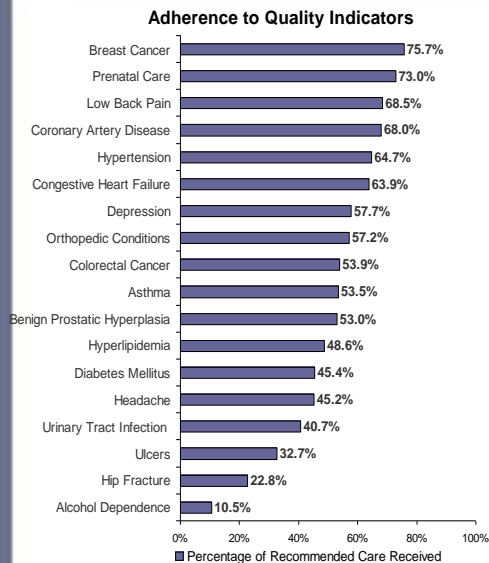
Problem #2: Rising Costs

Projected Spending on Health Care as a Percentage of Gross Domestic Product



Source: Congressional Budget Office, 2008

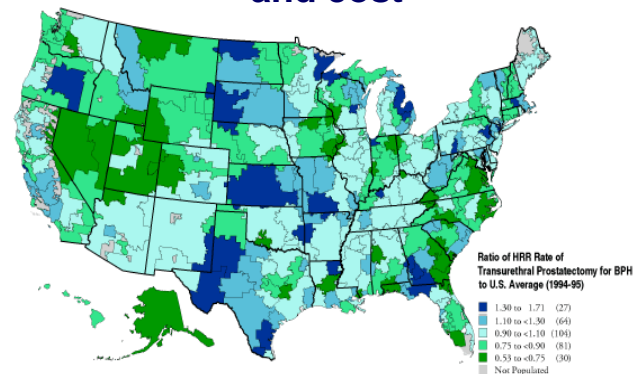
Problem #3: The Quality Chasm



Adults receive about half of recommended care

54.9% = Overall care
54.9% = Preventive care
53.5% = Acute care
56.1% = Chronic care

\$700 Billion Overspending:
Regional variations in quality and cost



US: 10th in life expectancy; 27th in infant mortality



Avoidable harm: 99,000 deaths in hospitals from health care acquired infection
Overuse: 13 million unneeded antibiotic RX



Problem #4: Lack of Evidence

ACCF/SCAI/STS/AATS/AHA/ASNC 2009 Appropriateness Criteria for Coronary Revascularization

A Report of the American College of Cardiology Foundation Appropriateness Criteria Task Force, Society for Cardiovascular Angiography and Interventions, Society of Thoracic Surgeons, American Association for Thoracic Surgery, American Heart Association, and the American Society of Nuclear Cardiology

JACC Vol. 53, No. 6, 2009
Month 2009:000-000

Patel et al. 9
Appropriateness Criteria for Coronary Revascularization

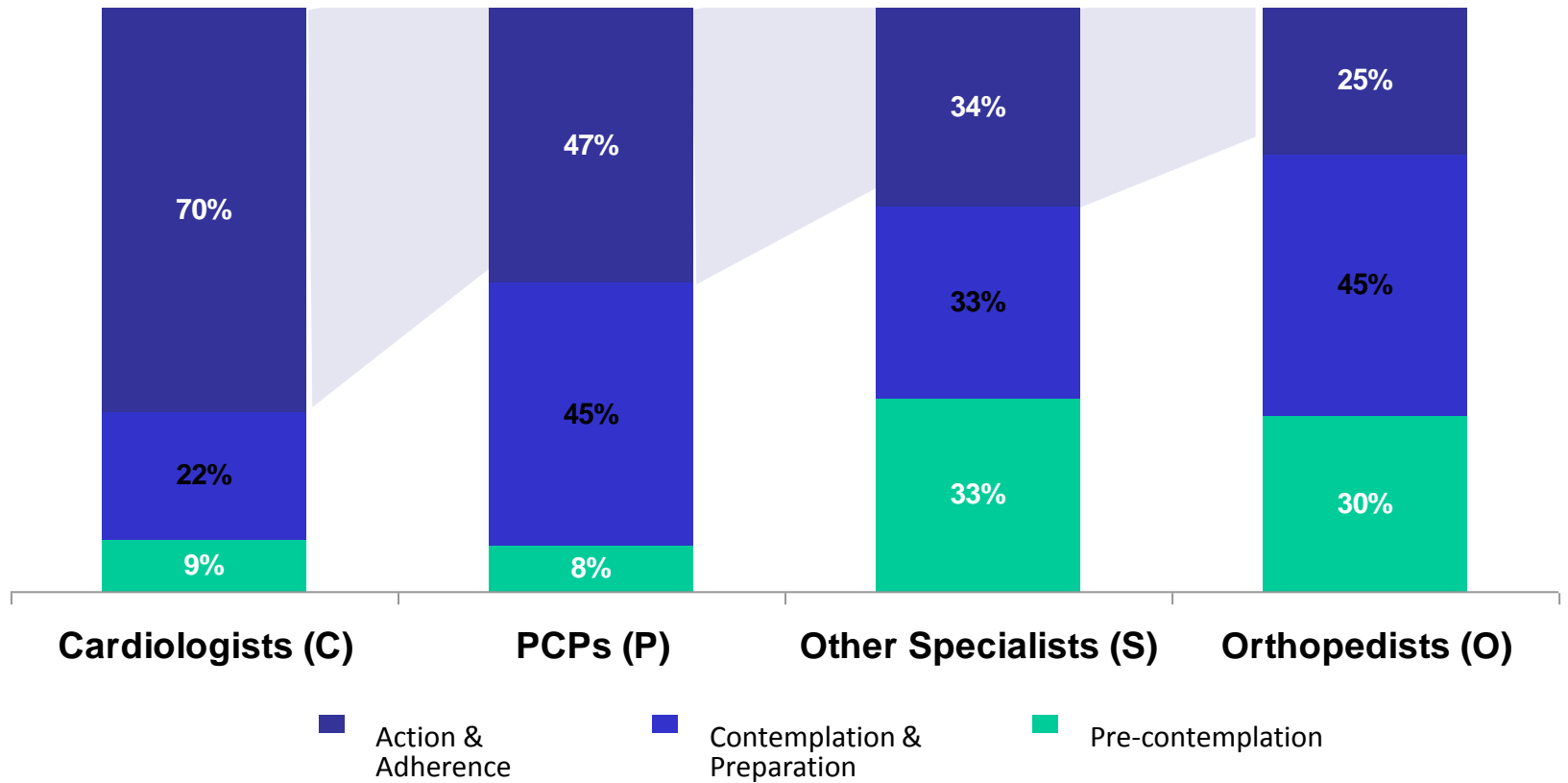
Table 2. Patients Without Prior Bypass Surgery

Indication		Appropriateness Score (1-9)		
		CCS Angina Class		
		Asymptomatic	I or II	III or IV
12.	<ul style="list-style-type: none"> One- or 2-vessel CAD without involvement of proximal LAD Low-risk findings on noninvasive test Receiving no or minimal anti-ischemic therapy 	I ₍₁₎ [*]	I ₍₂₎	U ₍₅₎
13.	<ul style="list-style-type: none"> One- or 2-vessel CAD without involvement of proximal LAD Low-risk findings on noninvasive test Receiving a course of maximal medical therapy 	I ₍₂₎	U ₍₅₎	A ₍₇₎
14.	<ul style="list-style-type: none"> One- or 2-vessel CAD without involvement of proximal LAD Intermediate-risk findings on noninvasive test Receiving no or minimal anti-ischemic therapy 	I ₍₂₎	U ₍₅₎	U ₍₅₎
15.	<ul style="list-style-type: none"> One- or 2-vessel CAD without involvement of proximal LAD Intermediate-risk findings on noninvasive test Receiving a course of maximal medical therapy 	I ₍₄₎	A ₍₇₎	A ₍₈₎
16.	<ul style="list-style-type: none"> One- or 2-vessel CAD without involvement of proximal LAD High-risk findings on noninvasive test Receiving no or minimal anti-ischemic therapy 	I ₍₆₎	A ₍₇₎	A ₍₈₎

Facilities and payers may choose to use these criteria either prospectively in the design of protocols or pre-authorization procedures, or retrospectively for quality reports. It is hoped that payers would use these criteria as the basis for the development of rational payment management strategies to ensure that their members receive necessary, beneficial, and cost-effective cardiovascular care, rather than for other purposes.

It is expected that services performed for appropriate indications will receive reimbursement. In contrast, services performed for inappropriate indications will likely require additional documentation to justify payment because of the unique circumstances or the clinical profile that must exist in such a patient. It is critical to emphasize that the writing group, technical panel, Appropriateness Task Force, and clinical community do not believe an uncertain rating is grounds to deny reimbursement for revascularization.

Adoption of Clinical Guidelines Classification



Source: Harris Interactive-NEHI, Strategic Health Perspectives 2007.

Problems continued....

5. Fragmentation,
lack of accountability
6. Inefficient deployment
of workforce
7. Lack of innovation
8. Poor service



Health care spending

- Role of federal spending
- Role of private spending



Major elements of health reform

- Coverage expansion
- Subsidies
- Mandates
- Insurance market reforms
- Role of Exchanges

111TH CONGRESS
1ST SESSION **H. R. 3200**

To provide affordable, quality health care for all Americans and reduce the growth in health care spending, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 14, 2009

Mr. DINGELL (for himself, Mr. RANGEL, Mr. WAXMAN, Mr. GEORGE MILLER of California, Mr. STARK, Mr. PALLONE, and Mr. ANDREWS) introduced the following bill; which was referred to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Education and Labor, Oversight and Government Reform, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

- Tools to motivate delivery system efficiency:
 - Value based purchasing
 - Health IT incentive program
 - Accountable care organizations
 - Medical Homes
 - Measurement and public reporting
 - Independent Medicare Advisory Board (IMAB)
 - Center for Medicare Innovations

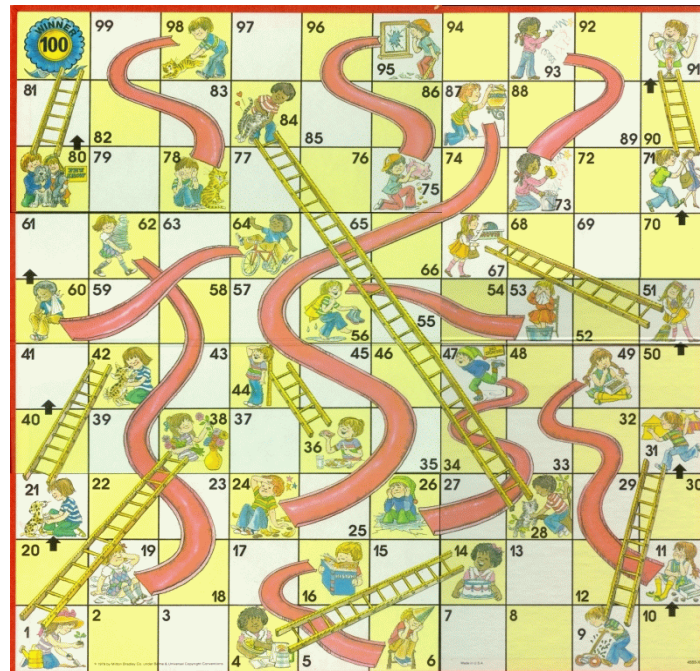
Major elements of health reform

- Tools to implement delivery system improvement:
 - Health IT infrastructure
 - Workforce
 - Comparative effectiveness research
 - Quality measures
 - Shared decision-making



Mechanisms for implementation

- Federal regulations, driven by committees
- State implementation of HIT & exchanges
- Role of private payers and purchasers
- Role of patients and consumers



Reactions to date

- Large purchasers
- Small business and individuals
- Health insurers
- Large delivery systems
- Small group/solo practitioners

Public reaction

- 36% of voters say the health care plan will be good for the country.
- 51% say the plan will be bad for the nation.
- 59% of voters expect health care costs to go up under the new law.



RASMUSSEN
REPORTS

Prospects for real impact

- Best case scenario
- Likely scenarios

Some implications for UCSF

- Health services research funding
- Workforce realignment
- Public reporting
- ACO formation
- Coverage and Medi-Cal expansion



FY09: UCSF Medical Center provided \$137.5 million in care for which it received no payments (charity care and bad debt) or payments that were less than the cost of the care provided (Medi-Cal reimbursement shortfall).

Selected resources

Patient Protection and Affordable Care Act of 2010 Legislative Text

- http://www.healthcaredisclosure.org/docs/files/PPACA_Text.pdf

Summary of the Delivery and Payment Reform Elements of the Patient Protection and Affordable Care Act of 2010

- http://www.healthcaredisclosure.org/docs/files/Disclosure_PPACA_SummaryDeliveryPaymentReform.pdf