

# ***WELCOME***

## **Healthcare Reform 2009: Truth, Justice, and the American Way**

**Community Christian Church  
4601 Main Street  
Kansas City, MO (Plaza)**

**(Supplemental) Tuesday, October 6, 2009**

# ***Session 1: Good Ethics Start with Good Facts***

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## ***Overview of the Proposals***

***John G. Carney, VP Center for Practical Bioethics***

***Teresa Brooks, Polsinelli Shugart, PC***

## ***Legislative/Political Process***

***Max Skidmore, PhD, UMKC, Dept of Political Science***

## ***Social Justice Perspective***

***Dr. Robert Hill, CCC Senior Minister***

# Incremental v. systemic change

- Is system broken?
- Does it just need tweaking?
- Health care as Right v. Privilege
- Social and distributive justice issues
- Moral imperative and societal obligation?
- Doing nothing is not an option
  - Unsustainable path

# Individual Responsibility

- Health v. Health care (wellness v illness models)
- Arguments to be ***voluntarily uninsured?***
  - Personal Freedom
  - Prohibitive costs
  - Catastrophic v Comprehensive coverage
  - Offerings not to my liking
    - Homeo- or naturopathic preferences
    - Non-traditional/alternative: Chiropractic, Herbal
- Who pays?

# Where do we agree?

- Health insurance market reform
  - Guaranteed Coverage: modify underwriting
  - End pre-existing condition exclusions
  - Eliminate caps and maximum payout
- Cover more people
  - Require individual or employer mandates
  - “More in the mix” spreads risks and costs more evenly
- Subsidy to those who can’t afford to pay
  - Tax the benefit or the rich?

# Where do we agree?

- System Reform Issues
  - Controlling Costs: Curb Medicare Expenditures
  - Assist States with Managing Medicaid
  - Innovation (e.g. improving care coordination)
  - Health Information Technology and CER
  - Reduce Fraud and Abuse
  - Emphasize Prevention and Wellness
  - Enhance primary care (fix payments)
  - Tort Reform (Senate Finance and President)
- Mechanisms to purchase plans

# Where do we disagree?

- Just about everywhere else
  - How to pay for it.
  - How to curb the cost curve.
  - Where to find savings.
  - How to achieve innovation.
  - How to treat employers (esp. small business)
  - Deciding on the culprits: Rx, Insurance, Hospitals, Docs, Consumers

# Primary subject areas

- Health insurance access and coverage
  - Employer and/or Individual mandates
- Market Reforms
- Innovations (accountable organizations, payment bundling)
- System corrections and studies

# What are the plans?

- [HR 3200 – America’s Affordable Health Choices Act of 2009](#) Introduced 7/14/09
  - Passed 3 House Committees prior to recess
    - Education and Labor (No Amendments)
    - Ways and Means (w/ Amendments)
    - Energy and Commerce (w/ Amendments)
- Senate
  - Finance Committee - Released 9/16/2009
  - HELP released June 2009
    - Affordable Health Choices Act

# Sen. Finance Committee 2009 America's Healthy Future Act

- Citizens and legal residents must get insurance
- Creates state-based insurance exchanges with premium/cost-sharing credits for poor
- Creates separate exchanges for small business
- Assesses fee on employers that do not offer coverage for employees who receive tax credits through exchange (exceptions for small employers)

# Sen. Finance Committee 2009 America's Healthy Future Act

- Imposes new regulations on health plans in exchange and in individual and small group markets.
- Expands Medicaid to individuals up to 133% of FPL
- Expands CHIP eligibility to children up to 250% of FPL
- Still unknown - Co-ops, state sponsored public options, trigger provisions

# Senate HELP Committee Affordable Health Choices Act

- Require individuals to have health insurance.
- Create state-based “gateways” (public option) for individuals and small businesses to purchase coverage; subsidies available to individuals/families <400% of FPL
- Requires employers to provide coverage to employees or pay annual fee (exceptions for small employers)

# Senate HELP Committee Affordable Health Choices Act

- Provides certain small employers credit to offset the costs of providing coverage.
- Imposes new regulations on individual and small group insurance markets.
- Expands Medicaid to individuals with incomes up to 150% FPL

# House Tri-Committee - America's Affordable Health Choices Act (H.R. 3200)

- Requires all individuals to have health insurance.
- Creates Insurance Exchange (with public option) for individuals and smaller employers to purchase coverage, with premium and cost-sharing credits available to individuals/ families with incomes up to 400% FPL

# House Tri-Committee - America's Affordable Health Choices Act

(H.R. 3200)

- Requires employers to provide coverage to employees or pay into Insurance Exchange Trust Fund (exceptions for small employers, and provide certain small employers credit offsets for costs)
- Imposes new regulations on plans participating in Exchange and in small group insurance market.
- Expands Medicaid to 133% of FPL.

# What other plans?

- Various other proposals dealing with:
  - Advance Care Planning (S 1150 [Rockefeller] and S1263 [Warner])
  - Disability and Long Term Care (Community Living Assistance Services and Support – S697)
  - POLST (Blumenauer HR 1898)
  - Health Information Technology
  - Republican proposals have little chance of passage except as amendments

# What does HR 3200 cover?

- Broken into 6 parts by Ways & Means
  - Coverage and Choice
  - Affordability
  - Shared Responsibility
  - Controlling Costs
  - Prevention and Wellness
  - Workforce Investments
- Covers financing provisions and cost savings measures

# Coverage and Choice

- Health Insurance Exchange
- Public Health Insurance Option
- Guaranteed coverage and market reforms
- Essential Benefits – Package based on standards (Basic plan to be met by all employers)

# Controversy: Coverage and Choice

- Health Insurance Exchange – both parties support but disagree on duties
- Public Health Insurance Option
  - Con argument (gov't intervention in private markets)
  - Pro argument (Needed to keep private market competitive)


# Affordability

- Sliding scale on premiums called affordability credits
- Caps consumer annual out-of-pocket
- Expands Medicaid and improve Doc \$\$
- Addresses donut hole for Part D in Medicare and other cost burdens for low income Medicare eligible

# Shared Responsibility

- Individual mandate (penalty for no play)
- Employer mandate (meet standard package set by Surgeon Gen./Advisory Committee), or pay 8% of payroll
- Small employer exemption and phase in
- Provides for expert panel to make payment recommendations

# Controlling Costs

- Cost curve slow down efforts
  - Bundling Payments
  - Medicare Advantage Plan reductions
  - CMS negotiations for Part D Rx discounts
  - Eliminates physician Sustainable Growth Rate
  - Fraud and Abuse measures
  - Prevention and wellness measures
  - Medical Home and primary care payment 

# Prevention and Wellness

- Expands Community Health Centers
- Prohibits cost sharing of prevention ser.
- Community based program creation
- Addresses data collection and disparities
- Strengthens public health

# Workforce Investments

- Increases \$\$ for
  - Nat'l Health Ser. Corp
  - Primary Care docs, nurses, Public Health staff
- Addresses workforce diversity
- Targets professions and shortages
- Shifts GME incentives to primary care

# Innovations

- Promotes *Accountable Care Organizations*
- Payment Bundling – episodes of care
- Post acute readmission preventions
- Payment bonuses to Medicare Advantage plans demonstrating increased quality
- Medical Home; + \$\$ primary care
- Shared Decision making (Advance Care Planning)

# Innovations

- Implement MedPAC Recommendations
  - overpayment corrections in Long term care, Inpatient rehab, Home Health
  - Authorizes studies in hospice/palliative care
- Comparative Effectiveness Research
  - System emphasis (first)
  - Data collection and analyses
  - Chronic disease
  - Quality and outcome studies
- Best Practices

# ACP and EOL Provisions

- Cover Advance care planning physician visits
- Consumer Justice website, P... expansion
- Medicare and You updates, S... handbook
- Advance Directive (AD) national registry
- AD Portability
- POLST demo grants (T... PP in KC)
- AD Adherence provisions (penalties for not following)
- Research and 09 MedPAC hospice rec's
- Navigation assistance (Warner)

# Senate Finance

- Individual mandate - Requires all citizens and legal residents to get insured or pay penalty
- Offers sliding scale subsidies
- Expands Medicaid eligibility (standardized for all with incomes 133% of poverty level.
- No employer mandate
- Companies with  $\geq 50$  FTEs pay a fee for employees who buy policies subsidized by federal tax credits
- Creates non-profit cooperatives to create competition in the insurance market (no public option...yet)

# Senate Finance

- Insurers hit with \$6B in new fees
- Another \$4B from the medical device manufacturing sector (amendments???)
- Smaller sums come from drug makers and clinical laboratories (amendments???)
- Creates state based exchanges (or compacts) to sell plans

# Senate Finance

## Insurance Market reforms

- Bars dropping policyholders in event of illness as long as premium paid in full.
- Adds new protections for pre-existing conditions
- Bars annual caps or lifetime limits on coverage.
- Individuals fined up to \$950 annually for failing to obtain coverage (Families up to \$3,800.)
  - Amendments modify fines

# Finance – Special Provisions

- **Malpractice Costs** - States encouraged to reduce costs by developing and testing alternatives to current civil litigation system
- **Abortion (Amendments???)**
  - No pre-emption on state laws
  - No federal tax dollars to pay except for rape, incest or life in danger (current)
  - Cannot be mandated benefit as minimum benefit package except as dictated under federal rules

# Baucus – Special Provisions

## Immigration provisions

- Undocumented immigrants not allowed to buy insurance
- Illegal parents can buy insurance for legal kids but not themselves
- Legal aliens substantiate claim thru DHS
- To prevent illegals from gaining access verification of SS #s required

# Baucus original CBO score

- \$856B price slightly cheaper than other Senate bills (not adding to budget deficit) financed with \$500B in cuts and \$350B in taxes and fees
- CBO pegged bill at \$774B, leading to net reduction of \$49 billion in the deficit over 10 years and cut # of uninsured by 29M.

# Republican Proposals with chance

- Tax credits for individuals
- Small business banding together to buy insurance
- Let Medicaid recipients use vouchers
- Tort Reform on Floor Amendment

# Nonpartisan Analysis

- Kaiser Family Foundation
  - [Reform Proposal Comparisons](#)
  - [Health Insurance Exchanges](#)
  - [Comparative Effectiveness](#)
- Urban Institute
  - [Financial analysis](#)
- Commonwealth Fund (pro-reform)
  - [Comprehensive but understandable \(analysis, publications, etc\)](#)
  - [Washington Health Policy Week in Review](#)  
[October 5, 2009](#)

# *Overview of proposals in play*



**Teresa A. Brooks**

Polsjnnelli  
Shughart<sup>PC</sup>

# *Legislative/Political Process*



**Max Skidmore, PhD**



**UMKC**

**Department of  
Political Science**

# *Importance of Social Justice*



**Dr. Robert Lee Hill**

Community Christian Church

# ***The rest of the series...***

- **Coverage for All**
  - ***Tuesday, October 13***
- **Bending the Cost Curve**
  - ***Tuesday, October 20***
- **Systems Reform and Innovation**
  - ***Tuesday, October 27***

***Join us next week...***

**Tuesday, October 13  
Coverage for All**

**Insurance Mandates. Coverage for All.  
Private Insurance Reform.**

**Steve Roling  
President and CEO  
Kansas City Healthcare Foundation**

Q&A Panel Facilitator – Linda Ward, EVP, COO - CPB

- Rex Archer, MD, MPD - Director, Kansas City, Missouri Health Dept.
- George Flanagan, DMin, MA, Program Associate, CPB
- William Pankey, MD - Chief Medical Officer, Swope Health Services
- Keith Wisdom - CFO, United Health Care Midwest