

Health Care Reform: Federal Proposals & Current Status

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Health Care Reform: Current Status

“There are known knowns. There are things we know that we know. There are known unknowns. That is to say, there are things that we now know we don't know. But there are also unknown unknowns. There are things we do not know we don't know.”

--Donald Rumsfeld

Proposals

- Committee Proposals
 - Senate Finance Committee (Dems)
 - Senate HELP Committee (Dems)
 - House Tri-Committee (Dems)
- Congressional proposals
 - Sens. Coburn/Burr & Reps. Ryan/Nunez
 - Rep. Conyers
 - Rep. Dingell
 - Rep. Stark
- Senate-side proposals
 - Sen. Sanders
 - Sens. Wyden & Bennett

Proposals *cont.*

- Provisions addressed:
 - Coverage expansion
 - Mandates (individual, employer)
 - Penalties/credits/exclusions
 - Public programs (Medicare, Medi-Cal)
 - Affordability (subsidies, etc.)
 - Benefit design
 - Health system/quality (PCMH, care coordination, etc.)
 - Coverage market/regulation (public option)

Proposals *cont.*

- Most significant thus far:
 - Senate Finance Committee – under \$1 trillion
 - Senate Health Committee - \$611 billion
 - Doesn't include Medicaid and other public programs
 - Those provisions in the Finance bill
 - House Tri-Committee – not yet scored by CBO
 - Ways & Means, Energy & Commerce, and Education & Labor

Provisions : Individuals

	Senate Finance	House Tri-Committee	Senate Health Committee
Coverage Mandate	Yes	Yes	Yes Immediate coverage for uninsured (temp. plan)
Hardship Exemption	Yes	Yes	Yes
Subsidies / Tax Credits	Yes (100 – 400% FPL)	Yes (400% FPL)	Yes (500% FPL)
Penalties	Tax	Tax	Tax

Provisions: Physicians

	Senate Finance	House Tri-Committee	Senate Health Committee
<i>SGR & Medicare payment</i>			-Extensive provisions (see later slide)
<i>Primary Care Role</i>	-Care management \$ -Chronic Care Mgmt. Innovation Center	-PCMH -Care management \$ -P4P -Increased Medicaid \$ -Medicare bonus payments in HPSAs	-Care coordination \$ -Support for PCMH & med management
<i>Quality Improvement</i>	-Quality measures w/public reporting	-Quality measures w/public reporting	-National report card -Quality measures w/public reporting
<i>Workforce</i>	-GME reform for primary care and ensuring residency programs in rural/underserved areas	-GME reform for primary care (redistribute slots and more outpatient training) -Training for health professionals -Full federal funding for Medicaid expansion	-National Health Care Workforce Commission -GME improvements -CHC & SBHC funding increases

Provisions: Medicare/Medicaid

	Senate Finance	House Tri-Committee	Senate Health Committee
<i>Medicaid Expansion</i>	Yes (115% FPL)	Yes (133% FPL)	Yes (150% FPL)
<i>CHIP (Healthy Families) Expansion</i>	Yes (275% FPL)	No (Enrollee coverage through HIE)	Not mentioned
<i>Medicare Buy-In</i>	Temporary (55-64 age range)	Not mentioned	No (alternative available)

Provisions : Employers

	Senate Finance	House Tri-Committee	Senate Health Committee
<i>Pay or Play</i>	\$750 per individual if coverage not provided	Yes (w/small business exemption)	TBD
<i>Incentives</i>	Small employer tax credits	Small employer tax credits	Yes for small employers
<i>Employee Benefit Package Change</i>	Eliminates tax preference for health insurance	Not mentioned	Not mentioned

Provisions: Health Plans

	Senate Finance	House Tri-Committee	Senate Health Committee
<i>Public Option</i>	Not mandated (two options)	Yes	Yes
<i>Increased Regulations</i>	-No lifetime coverage limits -No annual benefit limit	-Guaranteed issue -Renewability -85% medical loss ratio -Standardized claims processing	-Guaranteed issue -Renewability -Medical loss ratio -No cost sharing for preventive care -Cost reporting
<i>Plan Minimum</i>	Yes	Yes	Yes
<i>Plan Admin.</i>	National or regional health Insurance Exchange where individuals and employers purchase qualified insurance	National Health Insurance Exchange where individuals and employers purchase qualified insurance	State-based "American Health Benefit Gateway" – individuals and employers purchase coverage here from qualified plans
<i>Benefit Levels</i>	Four coverage levels	Four benefit categories	Three benefit tiers

Provisions: Costs/Funding

	Senate Finance	House Tri-Committee	Senate Health Committee
Medicare Advantage Restructuring	Yes	Yes	N/A
Simplification	Not addressed	Yes	Not addressed
Misc.		-Reduced hospital payments for excessive readmission -Bundled post-acute care -Extend Medicare Rx	-Reduced hospital admissions -Wellness and health promotion activities

Medicare Physician Pay

- House Tri-Committee proposal:
 - Eliminates Medicare SGR statutory cuts
 - Establishes a new SGR baseline and provides a cost-based update in 2010
 - New formula (effective 2011):
 - E/M and preventive care: GDP + 2%
 - All other services: GDP + 1%
 - Part B drugs and clinical lab services considered separately
 - In 2011, 5% Medicare bonus for primary care (general IM, FM, general peds, geriatrics)

Major Issues for Negotiation

- The most significant areas for negotiation include:
 - Public plan option
 - Medicare/Medicaid expansion
 - Cost
 - Disagreement over CBO score
 - Offsets
 - Scrap SGR altogether or short-term fix?
 - Employer mandates

Timeline

- Murky, murky, murky
- HELP Committee has been marking up for awhile
- Finance has not begun marking-up
 - Proposal was supposed to be in leg language before July 4 break but they missed that deadline
 - They are trying to reach consensus with Republicans on the more controversial provisions (e.g., public plan) before mark-up
- House Tri-Committee has begun hearings

Questions for the Magic Eight Ball

- How will new Senate majority affect negotiations?
 - ▣ 60 votes was needed to avoid filibuster
- Can Dems keep their veto-proof majority together and if so, on which issues?
 - ▣ How “bipartisan” will the bill be?
- How will SGR be addressed?
- Funding & public plan option