

Demystifying Health Care Reform

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Today's Topics

- The Mechanics
- Insurance Impacts
 - Improving existing insurance coverage
 - Expanding coverage
- Provider Impacts
 - Hospitals
 - Nurses



Today's Topics

- Quality Impacts
 - New National Quality Strategy
 - Quality Measurement
 - Data Collection and Public Reporting
 - Quality Improvement and Patient Safety
 - Patient-Centered Outcomes Research
 - New Procedures for collection of data to assess health disparities



The Mechanics

- Primary bill: HR 3590 (The Patient Protection and Affordable Care Act)
 - Passed by Senate on 12/24/2009
 - Passed by House on 3/21/2010
 - Signed into law by President Obama on 3/23/2010
- Contains bulk of health care reform (HCR provisions)
- Ten Titles – 900 pages



The Mechanics

- Secondary bill: HR 4872 (Health Care Education and Reconciliation Act)
- Enacted changes to HR 3590 *as if they had been included in HR 3590*
 - Passed House on 3/21/2010
 - Passed Senate on 3/25 /2010 with amendments
 - House agreed to Senate amendments 3/25/10
 - Signed into law by President Obama on 3/30/10



The Mechanics

- Bills collectively referred to as 'health care reform' legislation
- Referred to in more formal way as 'PPACA' or 'Affordable Care Act'
- Effective dates range from 1/1/2010 to 1/1/2017



Insurance Impacts

- Improving existing private insurance market
- Initial reforms **effective 9/23/2010** (*Sections 1001 and 1101*)
 - Eliminates pre-existing condition exclusions for children
 - Eliminates rescissions (policy terminations for unintentional fraud on application)
 - Children up to age 26 can stay on parent's policy
 - Eliminates lifetime limits on any policy
 - Prohibits copayments on and deductibles for preventive services



Insurance Impacts

- Improving existing private insurance market
- Comprehensive reforms **effective 1/1/2014** (*Section 1201*)
 - Bans use of annual policy coverage limits
 - Eliminates pre-existing condition exclusions for adults
 - Requires an insurer to accept all applicants for coverage and renew policies annually
 - Waiting periods before coverage begins can't be longer than 90 days



Insurance Impacts

- Expanding coverage now
 - New high-risk pools will be available in each state to provide coverage to individuals who can't purchase private insurance (effective July 1, 2010 through December 31, 2013)



Insurance Impacts

- Expanding coverage (effective 1/1/2014)
- *Section 1301*
 - All insurers (except self-insured under ERISA) must offer 'essential benefit package' (EBP) in order to be a 'qualified health plan'
 - EBP to include behavioral health consistent with new mental health parity requirements, prescription drug, dental and vision benefits
 - Each EBP will have different coverage levels (bronze, silver, gold and platinum), representing a percentage of the actuarial value of the full benefit package.



Insurance Impacts

- Expanding coverage (effective 1/1/2014)
- *Section 1311*
 - Qualified health plans (QHPs) will be made available through American Health Benefit Exchanges
 - Can be single-state or multi-state, government agency or non-profit
 - Will designate 'Navigators' to provide impartial information about QHPs, facilitate enrollment, and refer to ombudsman for problem resolution



Insurance Impacts

- Expanding coverage (effective 1/1/2014)
- *Section 1312*
 - Must be a citizen residing in the State to be eligible to enroll in QHPs
 - Small employers can buy QHPs for employees through Exchange; large employers can use QHPs in 2017



Insurance Impacts

- Expanding coverage (effective 1/1/2014)
- *Section 1322*
 - Federal \$ available to develop non-profit 'Consumer Operated and Oriented Plans' (CO-Ops) (*grants/loans to be awarded by July 1, 2013*)
 - Must be a new member-run non-profit health insurer (cannot be a governmental entity or related to existing insurer)



Insurance Impacts

- Expanding coverage (effective 1/1/2014)
- *Section 1401*
 - Individuals in the Exchange with incomes between 100% and 400% FPL can receive refundable tax credits toward cost of premiums
 - Current Federal Poverty Levels:
 - 100% FPL = \$10,830 (individual); \$22,050 (family of four)
 - 200% FPL = \$21,660 " ; \$44,100 "
 - 400% FPL = \$43,320 " ; \$88,200 "



Insurance Impacts

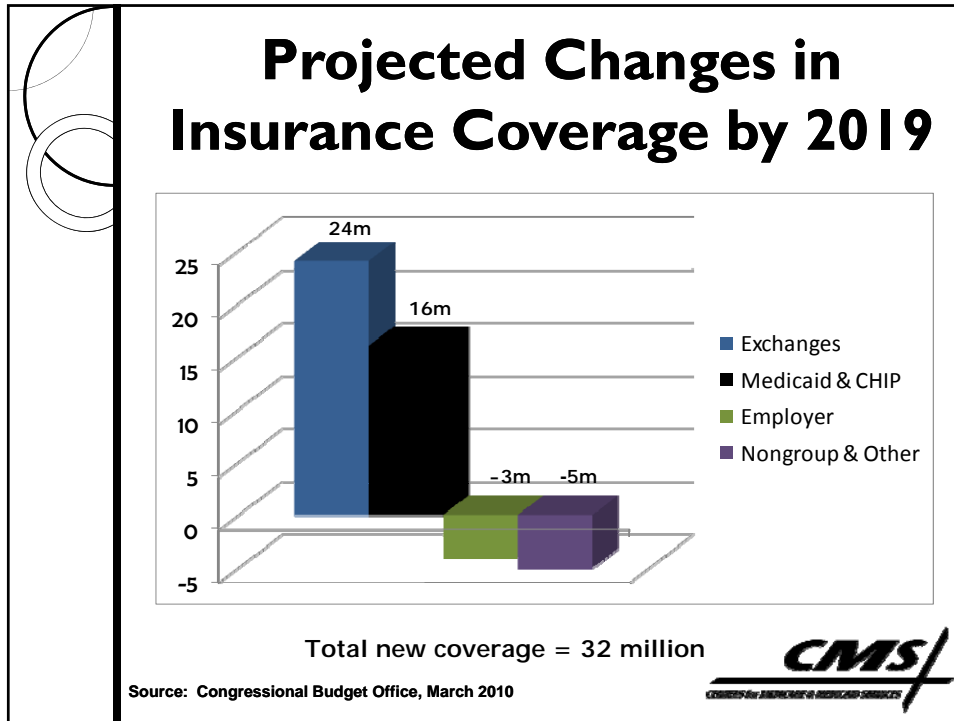
- Expanding coverage (effective 1/1/2014)
- *Section 1501*
 - Every citizen must have 'minimum essential coverage' or face penalty of \$695/family/year or 2.5% of family income (whichever is greater)
 - Plans will report enrollees to IRS which will effectuate the penalty



Insurance Impacts


- Expanding coverage (effective 1/1/2014)
- *Summary*
 - Medicaid will provide coverage for all adults up to 133% FPL
 - QHPs (through Exchange) will provide coverage for all adults above 133%, unless
 - Covered by employer-sponsored insurance
 - Covered by State basic health program (in lieu of QHPs for individuals between 133% and 200% FPL)







Hospital Impacts




- Hospital value-based purchasing program (*Section 3001 – effective 10/1/2012*)
 - Incentive payments (increase in its base operating DRG payment for discharge) for outcomes around specific conditions.
- Payment adjustment for hospital-acquired conditions (*Section 3008 – effective 10/1/2015*)
 - A hospital in the top 25% of hospitals for HACs only receive 99% of payments otherwise due.






Hospital Impacts

- Accountable Care Organization shared savings program (*Section 3022 - effective 1/1/2012*)
 - ACOs which save \$ for Medicare (Parts A & B) will get share of savings
- Bundled Payment Pilot (*Section 3023 – effective 10/1/2015*)
 - Providers will get bundled payment (in lieu of separate A & B payments) for specific period of time for treating 10 specific conditions.



Hospital Impacts

- Hospital readmissions reduction program (*Section 3025 – effective 10/1/2012*)
 - Publication of all hospitals' readmissions rate and reduced payment for 'excess' readmissions (hospital-specific)
- Community-based care transitions program (*Section 3026 – effective 1/1/2011*)
 - 5-year program to provide enhanced payments to hospitals for improved care transition services to high-risk Medicare beneficiaries.



Nursing Impacts

- Nurse-managed health clinics (*Section 5208 - \$50 million in 2010*)
 - Funds nurse-managed health clinics treating vulnerable or underserved populations
- Nurse education & retention grants for 2010 - 2012 (*Section 5309*)
- Graduate nurse education demonstration (*Section 5509 - \$50 million 2012-2015*)
 - Funds up to 5 hospitals for clinical training for advance practice nurses



Other Provisions

- Enhances program integrity/fraud and abuse programs for Medicare and Medicaid (*Section 6402*)
 - Strengthens National Practitioner Data Bank
 - Expands audits and data-sharing among Federal agencies
- Establishes a voluntary public insurance program for CLASS program - community living assistance services and support (*Section 8002*)




Quality Impacts



Sect 2701 – Adult Quality Measures Program for Medicaid


- HHS Secretary will release a set of proposed quality measures – similar to the process underway for children in Medicaid and CHIP
 - Jan 2011 – proposed set for comment
 - Jan 2012 – release of final measures
 - Jan 2013 – voluntary reporting by State Medicaid programs on the measures
 - Jan 2016 – Revised/enhanced set of measures






Sect 3011 – National Quality Strategy

- By January 2011, the HHS Secretary will release a National Strategy for Quality Improvement in Health Care
- Also by January 2011, a new internet website will be available to highlight national priorities for health care quality and Federal agency-strategic plans for health care quality.




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Sect 3011 – National Quality Strategy

- Will identify priorities that:
 - Have the greatest potential for improving health outcomes, efficiency, and patient-centeredness of health care
 - Areas with potential for rapid improvement in quality and efficiency in patient care
 - Address gaps
 - Improve Federal payment policies to focus on quality and efficiency




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Sect 3012 – Federal Interagency Working Group on Health Care Quality

- Convened by the President to address national priorities
- Will avoid inefficient duplication of quality improvement efforts and resources
- Will assess alignment of Federal quality efforts with private sector initiatives
- Attempt to streamline quality reporting and compliance efforts where possible





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Sect 3013 – Quality Measure Development

- \$75 million toward identifying gaps where no quality measures exist, or existing measures need improvement
- Secretary's Report every three years available to the public via an internet website



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Sect 3013 – Quality Measure Development

- Develop “outcome” measures
- Develop “quality and efficiency” measures
- Publicly report on HACs utilized by CMS



Sect 3014 – Multi-Stakeholder Approach to Quality Measures

- \$20 million to CMS each year 2010-2014
- Convene multi-stakeholder groups to provide input to quality measures development
- Publically transparent process
- Review of measures used by the Secretary at least every three years



Sect 3015 – Data collection: Public Reporting

- The Secretary will make public, via websites, performance information summarizing data on quality measures
- Quality and resource measures will address clinical conditions
- Provider-specific where appropriate
- Multi-stakeholder workgroup to design and format each website



Sect 3501 – Health Care Delivery Research

- AHRQ will identify, develop, evaluate and disseminate innovative strategies for quality improvement practices
- Establishes The Center for Quality Improvement and Patient Safety
- Will coordinate with new CMS Center for Medicare and Medicaid Innovation (Sec 3021)
- Includes authorization to appropriate funds for technical assistance



Sec 3508 – Integrate QI and Patient Safety training into clinical education

- Demonstration projects to develop and implement academic curricula
 - Health professions school
 - School of public health
 - School of social work
 - School of nursing
 - School of pharmacy
 - Graduate medical education



Sec 2702 – Payment Adjustments for “Health Care-Acquired Conditions”

- The Secretary will identify State practices that prohibit payment for “Health Care Acquired Conditions”
- Create regulation specific to Medicaid
- Shall not result in loss of access to care or services





Sec 10303(b) – “Hospital-Acquired Conditions”

- The Secretary will, to the extent possible, publicly report on measures for HACs that are currently utilized by CMS



Sec 6301 – Patient Centered Outcomes Research

- Creates a private, non-profit, tax exempt corporation called the Patient-Centered Outcomes Research Institute
- Will identify national priorities for research
- Will appoint panels for clinical trials and rare diseases
- Will establish a methodology committee



Sec 4302 – Health Disparities

- The Secretary will develop Office of Management and Budget (OMB) standards for collection of race, ethnicity, sex, primary language, and disability status
- Will develop national interoperability and security standards
- Will evaluate data collection methodologies under Medicaid and CHIP





Key to Reaching Our Goals: Bringing Everyone to the Table



Questions?

- www.healthreform.gov



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For Every Person
Every Time*

