



The National Congress on Health Reform

January 19, 2011

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President and CEO
America's Health Insurance Plans

Overview

- Current Regulatory Environment
 - Impact of Specific ACA Provisions
 - Need to Address Cost
-

Regulations

Current

MLR

Grandfathering

Pre-ex for Kids

“Omnibus”

High Risk Pool

Annual Limits

Internet Portals

Rate Review

Pending

ACOs

Essential
Benefits

Exchanges

January 1, 2014

Lowering Costs

Subsidies*

Increasing Costs

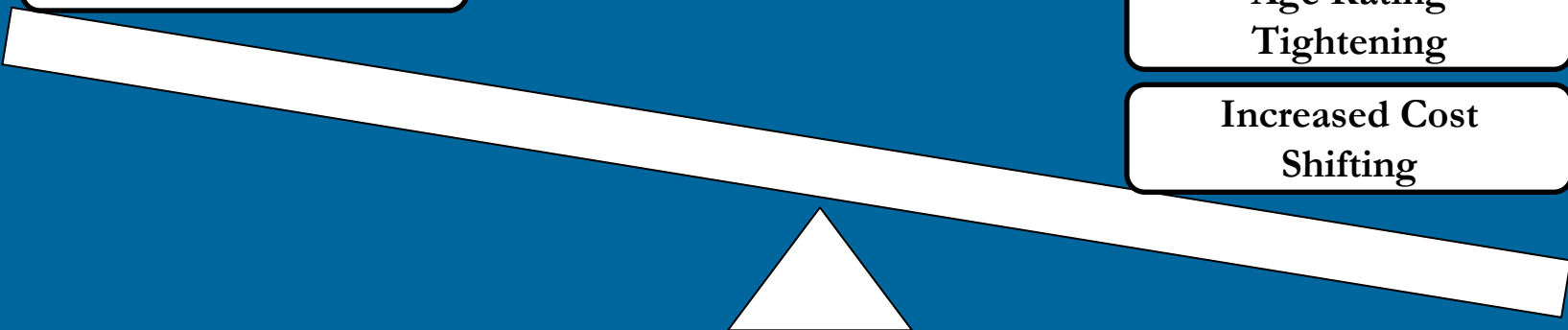
**Underlying Medical
Costs**

Essential Benefits

Premium Taxes

**Age Rating
Tightening**

**Increased Cost
Shifting**

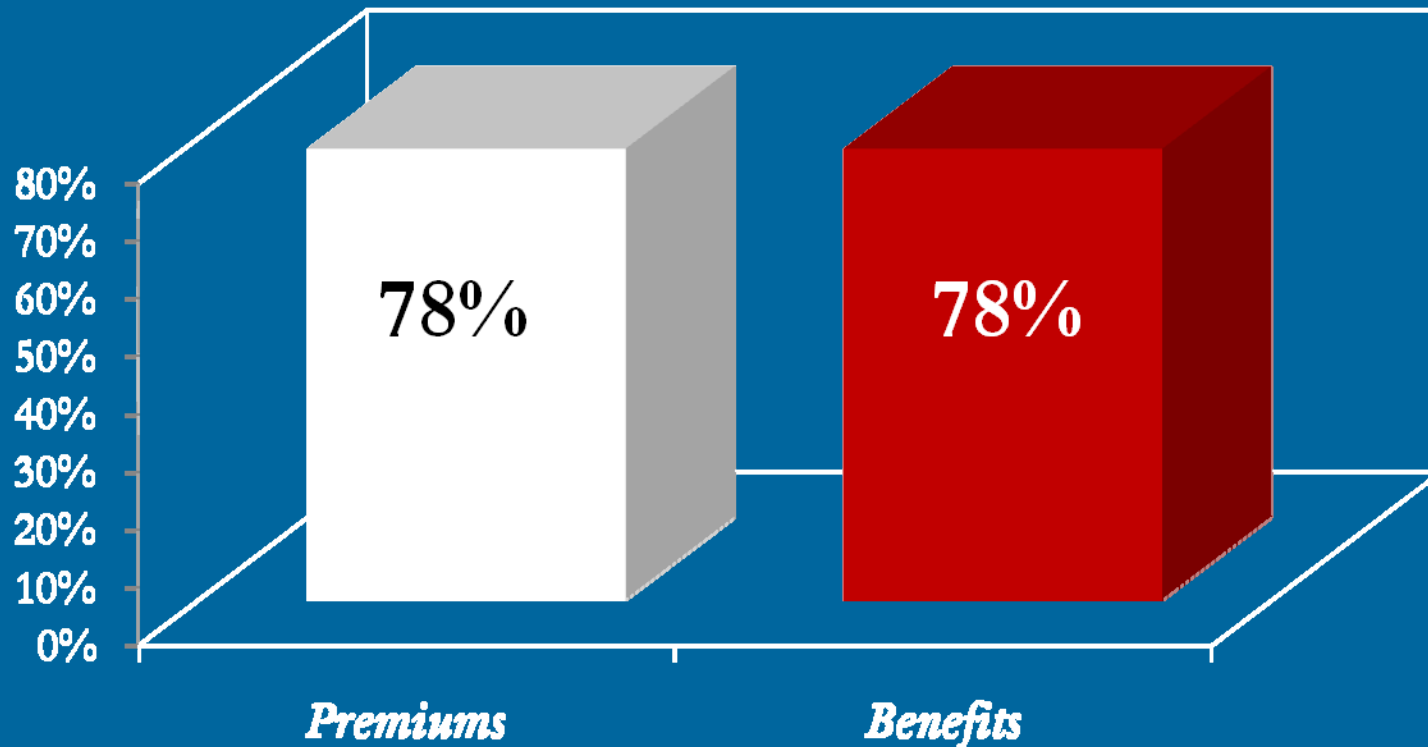


** Note: Subsidies help with affordability but don't actually lower the cost of coverage.*

What About Costs?

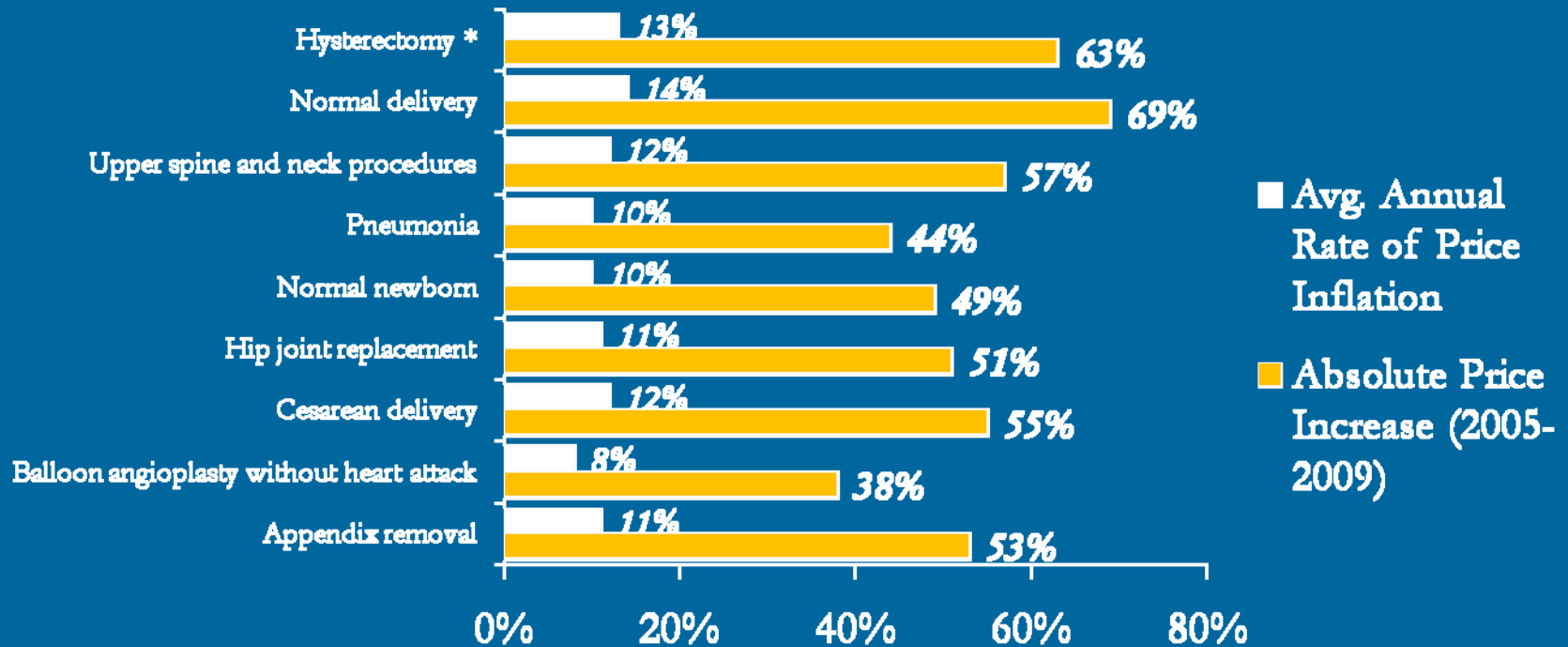
Premiums Track Benefits

Premium vs. Benefit Growth, 2000-2009



Oregon Statewide Average Hospital Allowed Charges, 2005-2009

In Oregon, hospital prices faced by commercial insurers for common discharge categories grew very rapidly between 2005 and 2009.



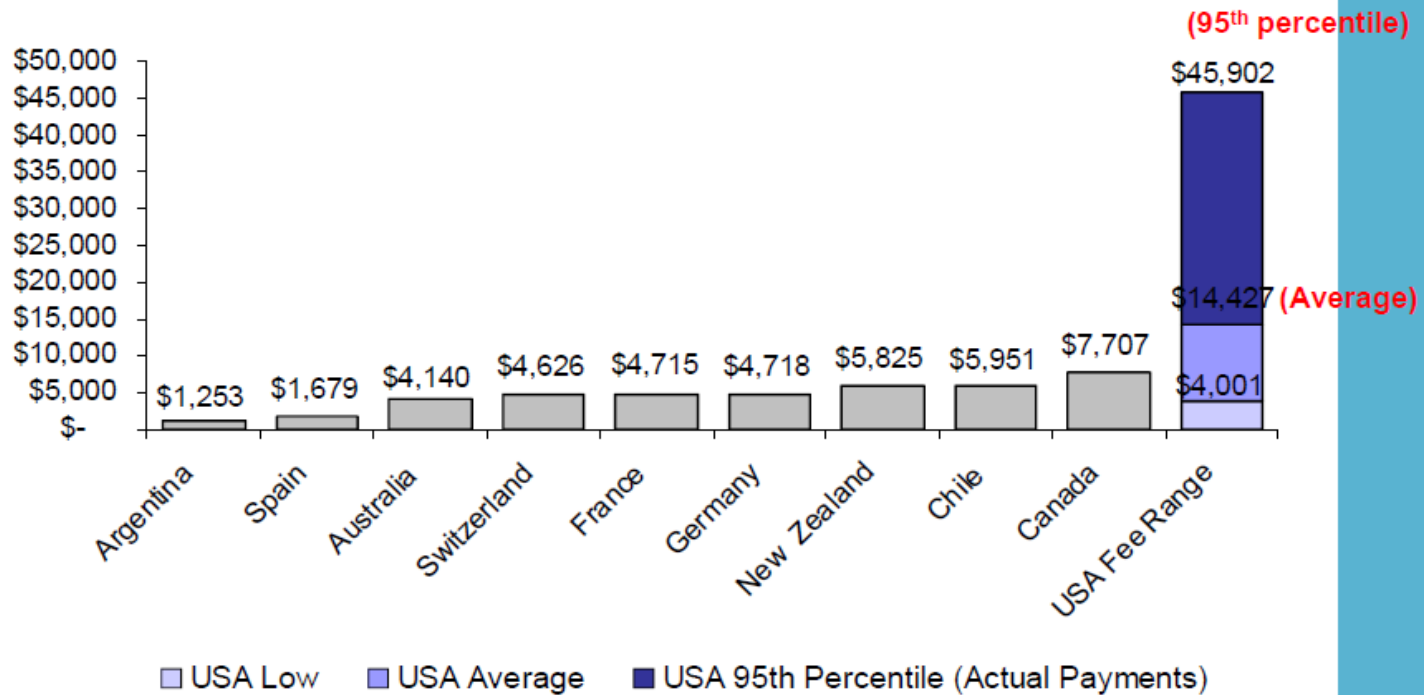
Source: Office for Oregon Health Policy and Research (OHPR).

* Excluding cancer or non-malignant tumor.

Costs – Hospital Charges

U.S. vs. the World

Hospital Charges: Average Cost Per Hospital Stay (US\$)

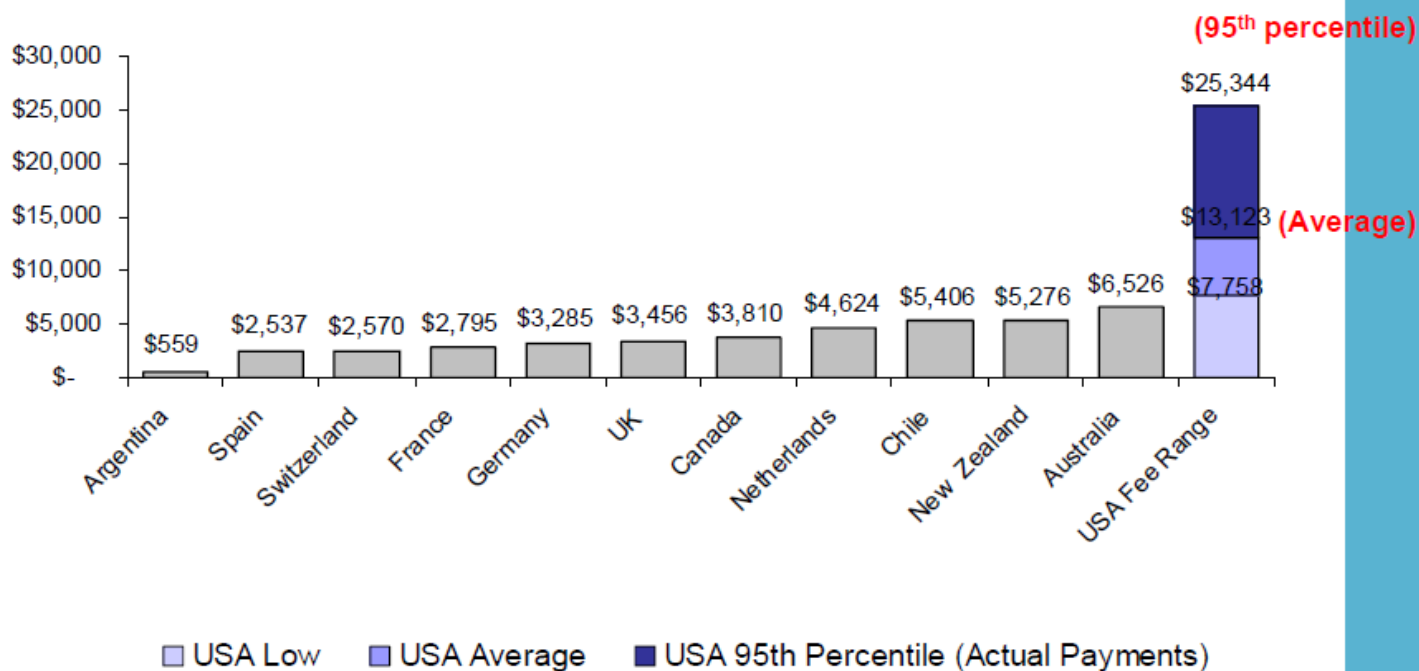


Costs – Appendectomy

U.S. vs. the World

Total Hospital and Physician Costs:

Appendectomy (US\$)



Rapid Growth of Prices in California

Cost-Shifting Pressure

Statewide Absolute Growth in Net Inpatient Revenue per Day, by Payer Category, California Hospitals, 2000-2009

