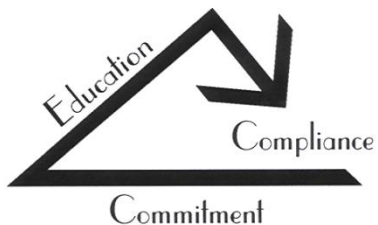


HEALTHCARE REFORM - PLUS LOTS OF HEALTHCARE BUZZ

5th National Physician Advisor and
Utilization Management Boot Camp

AR Systems, Inc.





HEALTHCARE BUZZ - FACTOIDS

- ◉ 17 million Americans have at least 1 chronic disease. 86% of healthcare spending in the US goes to treat chronic diseases.
- ◉ Outpt depression cases rose from 3,578,847 in 2013 to 4,045,879
Managed Care Digest June 2017

- ◉ **6.3 million with Pre-Existing Conditions could face higher premiums.**
- ◉ **25% of adult enrollees in the 2015 individual market had a pre-existing condition.**

Kaiser Family Foundation

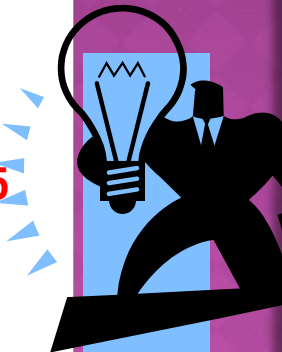
***Essential benefits *** part of the ACA require all plans to offer essential benefits - mental health, maternity, and protect against pre-existing exclusions or massive rate increases.

Senate proposed plan* No required coverage for employers or individuals...no essential benefit requirements

- According to the 2017 Sanofi Provider Digest, the total # of acute care hospitals in 2016 was 5,284 compared to 4,992 in 2004 and recent peak of 5,335 in 2014. The rate of annual net change in the total US has been on a downward trajectory since 2007-2008 and the total # has declined during the past 2 years.
- A Kaiser Family Foundation analysis of insurer rate filings and news report found that, in 2017 - 8.7 million people (84% of all marketplace enrollees) received tax credits to cover a share of their premiums and 5.9 m (57% of all enrollees) received cost sharing reductions. It also shows that 38 counties and 25,133 enrollees risk having NO insurer in the marketplace in 2018.
- Exchange premiums increased 105% from 2013-17. The average 2013 monthly premium in 39 states was \$232. 62% of those same states saw premiums double in 2017. Lowest premium: NJ \$12%. Highest : AL at 222%
- *Employer firms with fewer than 500 workers employed 48.4% of private-sector payrolls in 2011. Employers with fewer than 100 workers employed 34.3%. Employers with less than 20 workers employed 17.6%.. SMALL BUSINESS*

US census Bureau data

CLARIFICATION: Currently, market place is used for individual coverage, small employers' employees/less 50 employees, early retirees/prior to 65 /Medicare..



MANAGED MEDICARE

- Also called, Medicare Advantage, Medicare Part C or Medicare Managed Care
- 19% of Medicare Advantage Enrollees are in a group plan.
- United Healthcare, Humana, BCBS account for 57% of MA enrollment.

Kaiser Family Foundation June 6, 2017



NEARLY 2M HAVE DROPPED INSURANCE IN 2017- GALLUP

- ◉ Since the end of 2016, the uninsurance rate increased .8% points to 11.7% of the population. It had previously reached a record low of 10.9% in the 3rd and 4th Quarters.
- ◉ Have insurance or pay a tax penalty starting in 2014.
- ◉ Why? Premiums, mostly



MEDICAID



- ◉ Medicaid covered 45% of children in Rural areas 2015. 38% in metropolitan areas.
- ◉ Uninsured children declined in rural areas in 43 of 46 states. National rate fell 3%. 30 states expanded Medicaid.
- ◉ CO, NV, NM, OR, and SC saw declines of 8% points from 2009-2015.

Center for Children & Families

- ◉ Medicaid provides coverage to more than 4.6M low-income SENIORS, nearly all of whom are also enrolled in Medicare. (MM)
- ◉ Provides 3.7M people with disabilities who are enrolled in Medicare. (MM)
- ◉ Different programs for low income Srs - but it is income based.
EX) **Qualified Medicare Beneficiary/QMB** \$1025/individual
\$1374 couple.

Medicaid.gov



HIGHLIGHTS OF SENATE REVISED BILL - REPEAL AND REPLACE. (NO VOTE

- ◉ Still enacts major cuts to low and moderate income Americans and scales back Medicaid
- ◉ Loosens insurance requirements to allow health plans to offer stripped-down cheaper plans. (*Skinny plans - Wellness only*)
- ◉ Increased funding to combat opioid addiction
- ◉ Expands ability to use tax-deferred H S A.
- ◉ Earmarks additional money to help stabilize health insurance markets
- ◉ Keeps two ACA taxes on wealthy

LA times, July 13, 2017

HIGHLIGHTS OF CHANGES FROM

ACA ** MANDATES IMPACTED EMPLOYERS WITH MORE THAN 50 EMPLOYEES**

- Allows children to stay on plan until 26
- State and Federal share costs of providing healthcare to low income children & adults ; disabled children and adults; with expansion - income based
- Protection from massive rate increase for pre-existing or no coverage.
- Older Americans - 3x higher premiums than younger
- Tax set up to pay the insurance companies for their reduction in premiums/subsidizing
- No change
- Complex formula for funding with focus moving to States to fund and oversee.- MEDICAID
- Break in service or change of jobs = risk for pre-existing exclusion or premiums
- 5x higher premiums
- No mechanism to pay for these

ACA/Obamacare

American Healthcare Act/Trumpcare

MORE COMPARISONS.. ACA VS AHC

- Tax penalty for no health insurance.
 - Essential benefits have to be offered in ALL plans
 - No lifetime or annual limits on coverage
 - Cannot charge women more than men for same health plan.
 - Planned Parenthood federal funding for family planning, cancer screening, STD testing, contraception. NO federal funds for abortion.
 - Tax medical devices & insurance companies = new customers.
- No penalty; no requirement to have insurance. But if no continuous coverage, have to wait 6 mons before purchasing.
 - Scale back on conditions that insurance has to cover. Insurers could now reimpose annual and lifetime limits on some coverage.
 - Same - but insurers can waive maternity and contraceptives
 - Nearly 80% of PP patients have incomes at or below 150% of poverty level. **TOTALLY DEFUND PP.**
 - Medical device makers, insurance companies and wealthy Americans would receive a BIG tax-cut as no taxes on Insurance companies or Medical devices...

COMMENTS FROM BCBS & AMERICA'S HEALTH INSURANCE PLANS 7-17

- ◉ Sent a strongly worded letter expressing opposition to a GOP controversial conservative repeal plan to ACA.
- ◉ Warned that the provision by Sen Cruz would mean 'premiums would sky rock for people with pre-existing conditions' and 'millions of more individuals will become uninsured.'
- ◉ Conservatives argue this move will allow younger, healthier people to buy cheaper plans.
- ◉ Warns that sicker people would remain in the more expensive, more generous ACA plans - leading to premium SPIKES for pre-existing conditions.
- ◉ SKINNY PLANS = only cover wellness. No doctor visits, hospital care, etc. with very low premiums accompanied by a five-figure deductible. Thus, junk insurance.

The Hill & NY Times

AND WHERE ARE WE NOW?

Senate VOTE SLATED “SOON”. House’s Bill left 22 M uninsured. Waiting for the final projection.

**11% uninsured now ===
forecast to 19% with changes.**

**P.S. -CONGRESS CONTINUES TO PASS
LEGISLATION TO KEEP THEIR OWN
INSURANCE - SEPARATE FROM THE REST OF
THE COUNTRY. *FEDERAL BX* FOR LIFE..**

**PPS: READ DR MEYERSON’S ACPA MEMBER
BLOG: “REPEAL AND REPLACE OBAMACARE-
PROPOSALS ARE HARMFUL, ILL-CONCEIVED
AND DESTINED TO FAIL.”**

[HTTP://ACPADIVSOR.ORG/ACPA-BLOG1](http://acpdivsor.org/acpa-blog1)

AS OF 7-21-17: UPDATES

- ◉ The July Kaiser Health Tracking Poll found that 61% of Americans continue to hold "unfavorable" views of the plan to repeal and replace ACA. 44% say they have a "very unfavorable" view. The negative view from the public of the plan has increased by 6% in the past month. 71% of Democrats hold a "very unfavorable" view, while only 25% of Republicans do.

Source: [Kaiser Family Foundation](#)

- ◉ *Insurance companies need to set rates for 2018. Great concern that there is no answer on how the individual marketplace will 'look.' No answers on required elements for insurance and employers.*

SENATE TO TRY TO VOTE NEXT WEEK ON NEW VERSION-MOVING TARGET

- Full Repeal of ACA -to begin in 2 years.
- But current conversation - allow debate on any issue with the healthcare legislation.
- Congressional Budget Office - with the latest version of REPEAL only :
 - 17 M loose insurance in 2018
 - Up to 32 M by 2026.
 - Premiums will skyrocket.
 - Insurance market/individual plans - insurance companies are not willing to stay in without guarantee of 'subsidy' payments

Also, budgetary cuts to Medicaid -outside ACA

SOME ARE WORKING ON A NEW PLAN

- ◉ Sen John McCain. (R- Az)

“The Congress must now return to regular order, hold hearings, receive input from members of both parties, and heed the recommendations of our nation’s governors so that we can produce a bill that finally provides American with access to quality and affordable health care.”

- ◉ Sen Rand Paul (R-KY)

“Clean Repeal Now!”

Other ideas:

- ◉ Bipartisan bill to stabilize ACA markets which could include funding for key payments to insurers known as cost -sharing reductions, as well as possibly funding to bring down premiums for high-cost enrollees, known as ‘reinsurance.’
- ◉ Give the states a chunk of money and let them decide whether to keep ACA or try something new.

AND NOW LET'S DISCUSS MORE

- How can healthcare providers lead the educational effort?
- What does all this mean to our patients?
What if they work for a 51 employee employer? 20 Employee? Smaller = higher premiums = limited ability to 'share risk.'
- What if I change jobs or get laid off?
Protection for pre-existing conditions?
Lifetime limits of chronically ill?
- Many Americans don't know about insurance until they need it...which may be a very ugly surprise.