

Ten Titles: Understanding the Affordable Care Act

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Presentation Outline

- The ACA's Architecture
- The People Flows and the Money Flows
- Ten Ways to Think about the ACA and Its Impact
- Some Essential Resources

Ten Titles: the Architecture

- I. Affordable and Available Coverage
- II. Medicaid and CHIP
- III. Delivery System Reform – Medicare plus
- IV. Prevention and Wellness
- V. Workforce Initiatives
- VI. Fraud, Abuse and Transparency
- VII. Pathway for Biological Similar
- VIII. CLASS – Community Living Assistance Services & Supports
- IX. Revenue Measures
- X. Harry Reid's Manager's Amendment
 - I. And the "Reconciliation Sidecar"

Title I and II

- I: Affordable and Available Coverage
 - The Three-Legged Stool
 - Insurance Market Reform – Guaranteed Issue
 - Individual Mandate/Responsibility
 - Premium & Cost Sharing Subsidies
 - State Insurance Exchanges
 - Employer Responsibility
- II: Medicaid & CHIP
 - National Eligibility floor of 133% fpl
 - Federal Financing 90% plus
 - Uniform Eligibility and Enrollment Standards
 - CHIP Extension through 2019

Titles III and IV

- III: Medicare and Delivery System Reform
 - Delivery System Reforms
 - National Quality Strategy
 - Medical Homes, Accountable Care Organizations, Preventable Readmissions, Hospital Infections
 - Changes to Lower Medicare Spending
 - Medicare Advantage
 - Hospitals, Home Health, Hospice Market Basket Payment Adjustments
- IV: Prevention and Wellness
 - Prevention and Wellness Commission
 - Prevention & Wellness \$15B Trust
 - Inclusion of Clinical Preventive Services
 - Calorie Labeling in Chain Restaurants

Titles V and VI

- V. Health Care Workforce
 - National Workforce Commission
 - Primary Care Expansions
 - Community Health Centers & National Health Service Corps
- VI. Transparency and Program Integrity
 - Physician Payment Sunshine Act
 - Medicare & Medicaid Fraud & Abuse
 - Elder Justice Act
 - Nursing Home Transparency

Titles VII and VIII

- VII. Pathway for Biological Similars
 - FDA Approval for Generic-like BioPharma
- VIII. CLASS – Community Living Assistance Services & Supports
 - Public – Program – Option
 - National cash support program for disabled
 - Minimum 5 years monthly premium payments
 - Premium TBD by DHHS Secretary
 - Daily cash benefit \$50-75
 - \$ to be used to support community living
 - \$5 premium for low-income and students

Title IX and X

- Revenue Provisions
 - FICA High Income Changes
 - Fees on Health Insurers, Drug Manufacturers & Med Device Makers
 - “Cadillac” Tax on High Cost Health Plans
 - Tax on Indoor Tanning Services
- Manager’s Amendment & Reconciliation
 - MA = Changes to Titles I-IX in Nov/Dec 2009 to achieve 60 Senate votes
 - Reconciliation = Changes to Titles I-X in March 2010 negotiations with White House & House

Tracking the Impacts of the Affordable Care Act (2010-19)

ACA Title	Covered Lives (#M)	\$ Spent (\$B)	\$ Raised /Saved (\$B)
1. Private Sector Coverage	16	\$504	\$80.6
2. Medicaid/CHIP	16	\$434	\$52.1
3. Medicare/Delivery Reform		\$54	\$449.9
4. Prevention/Public Health		\$18	\$.8
5. Workforce		\$18.2	--
6. M&M Fraud & Abuse		\$2.8	\$6.5
7. Biologic Similarars		--	\$7
8. CLASS		--	\$70
9. Revenues		--	\$452
TOTALS	32 million	\$1,031.5	\$1,118.9

1. The ACA is a landmark law full of smaller landmarks.

- Once every other generation, on par with Social Security('35) and Medicare ('65)
- Multiple smaller achievements:
 - Patients' Bill of Rights
 - Coverage of Clinical Preventive Services
 - Physician Payments Sunshine Act
 - Medicaid for all low-income
 - Elder Justice Act
 - CLASS
 - Bio-Similars
 - Indian Health Care Improvement Act

2. The ACA will be revisited and revised repeatedly for many years

- Social Security's many large holes filled over ~40 years
- Medicare is revised nearly every year including big ones: 1983, 1989, 1997, 2003
- Ditto for Medicaid
- Enactment closes one chapter and opens an entirely new book
- "Continuous Policy Improvement"

3. More than Money or Politics, Health Reform Is About Values

- Not the highfalutin ones: liberty, justice, security, efficiency, equity, patriotism etc.
- We only understand our values when two or more compete and we have to choose
- “We all support universal health insurance...” Kay Bailey Hutchinson (R-TX)
- Everyone has a price and a limit
- Democrats found their minimal sweet spot; Republicans found a bridge too far

4. ACA is the achievement of a movement for health justice

- Movements are messy, undisciplined, and uncoordinated, full of internal conflict.
- Think civil rights, women, environmental, conservative, gay & lesbian rights
- Many thousands of individuals and organizations have worked for health justice for nearly 100 years
- In end, health reform became a clash between two movements – health justice versus the Tea Party

5. Bipartisanship was pursued on both sides and was not possible

- Key Democrat ideas have Republican roots: individual mandate, private coverage, exchanges, business credits
- Serious negotiations in Senate, not House
- Many Republican ideas incorporated
- Two Republican camps: policy/politics –
 - Waterloo
- Democrats' bottom lines were a bridge too far for Republicans in 2010
- In the end, no internal conflict for Rs

6. Compromises and Deals Were Necessary, Not Scandalous

- Key deals with hospitals, physicians, drug companies, home health, hospice, BRT
- Deals, agreements, handshakes –the vital currency in every democratic legislative assembly in the world
- Without this currency, business does not get done
- The most despised deal – Nebraska's "cornhusker kickback" –was eliminated

7. Coverage Affordability Will Be a Key Test: Short/Long Term

- 70% actuarial value for subsidized enrollees will not be affordable for many
- Out of pocket enrollee exposure is unrealistic
- Done this way to keep price tag down
- Larger issue in 2020 and beyond:
 - Subsidies grow at CPI
 - Enrollee exposure as high as 10% annually
- Major test for workability of law and challenge in terms of fiscal balance

8. ACA's Fiscal Future Is Uncertain

- 10-year Spending Effect Is Speculative
 - Davis & Cutler – \$590B in system savings
 - Holtz-Eakin -- \$500B in federal losses
- CBO's Historical Track Record
 - 1983 Prospective Payment System – DRGs
 - 1997 Balanced Budget Act
 - 2003 Medicare Modernization Act
 - This could be the *really* good news
- Will Congress have the will to stick with it? Experience in both directions

9. ACA May Be a Landmark for Racial and Ethnic Minorities

- In three years, Massachusetts health reform eliminated racial/ethnic disparities in health insurance coverage
- 54% of uninsured Americans are non-white (75% in Texas)
- ACA has potential to eliminate disparities in coverage nationwide
- Combined with other provisions, ACA is major step forward in fighting disparities

10: Most Challenging Federal Law Implementation since Civil Rights

- 150+ policies taking effect just in 2010
- High level of political resistance by states, Republicans, Tea Party, media
- Political threats from a new Congress
- Lack of political cohesion seen in MA
- Yet...
 - Big threats to Medicare in the late 1960s
 - Much funding is locked in
 - The public likes most of the details

In conclusion:

The Affordable Care Act Is/Was:

About self interest	AND	About public interest
Way too expensive	AND	Not expensive enough
Seriously bipartisan	AND	Excessively partisan
Better covered by media ... ever	AND	Not covered nearly well enough by the media
Done way, way too fast	AND	Done way, way too slowly
An act that will save and improve the lives of many Americans	AND	An act that will harm and/or burden the lives of many Americans

F. Scott Fitzgerald: "...the test of a first rate intelligence is the ability to hold two opposed ideas in the mind at the same time, and still retain the ability to function."

Essential Resources

- Bill Text and Section-by-Section Summary
 - <http://democrats.senate.gov/reform/patient-protection-affordable-care-act-as-passed.pdf>
- Congressional Budget Office: cbo.gov
- Joint Tax Committee: jtc.gov
- Administration Site: healthcare.gov
- Commonwealth Fund: cmwf.org
- Kaiser Family Foundation: kff.org
- Health Reform GPS: healthreformgps.org
- Politico's PULSE:
www.politico.com/politicopulse/