

Health Care Reform 2013

Impact on Patients and Physicians

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Goals

1. What is the framework for Massachusetts reform?
2. What is working? What's not?
3. What changes are required by the Affordable Care Act?
4. What do physicians think?
5. What influence can you have?

What is Driving Reform?

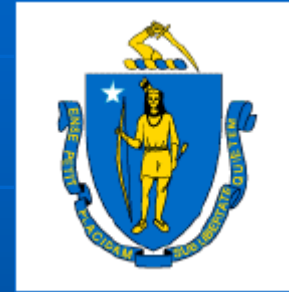
1. Persistent uninsured
2. Healthcare cost growth
3. Quality and coordination of care

What really drove Massachusetts reform?

- Romney running for President
- Potential loss of \$385 million a year in federal revenue
- Advocacy groups threatening ballot initiative
- Physicians, health plans and hospitals were all on board
- Business opposition was muted

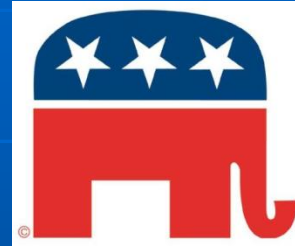
Massachusetts Vision

- Shared responsibility
 - Government
 - Individual
 - Employer
- Keep stakeholders connected
- Put-off debate on controlling spending (Until now!)

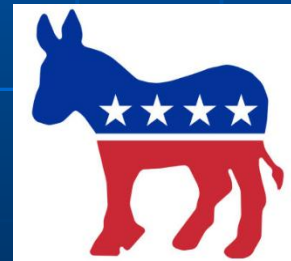


Individual Mandate

Political Right



Political Left



Government Responsibility

- MassHealth (Medicaid) Expansions
- Health Care Connector
- Commonwealth Care Health Insurance Program
- Commonwealth Choice



Commonwealth Care

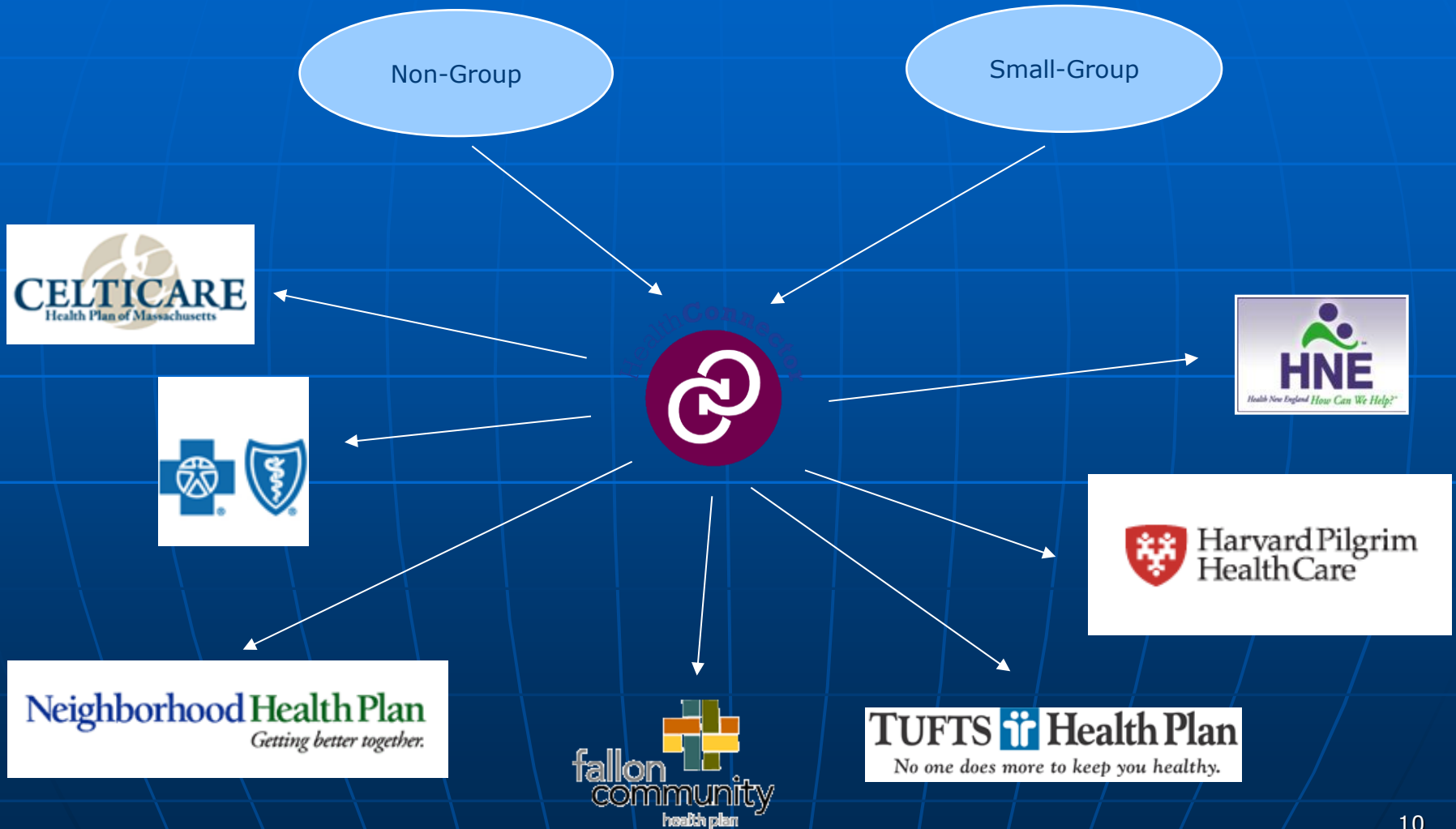


- Sliding scale premium to 300% of FPL (Not Medicaid Eligible)
- At or below 150% FPL: no premium/co-insurance
- 150 to 300 FPL sliding scale premium/no coinsurance (27K individual, 60K family)

Commonwealth Choice

- Combines individual and small group markets (unsubsidized)
- Reduced premiums for individuals
- Limited success in small group market
 - Individual 69%
 - Small group 31%

Commonwealth Choice



Health Exchange

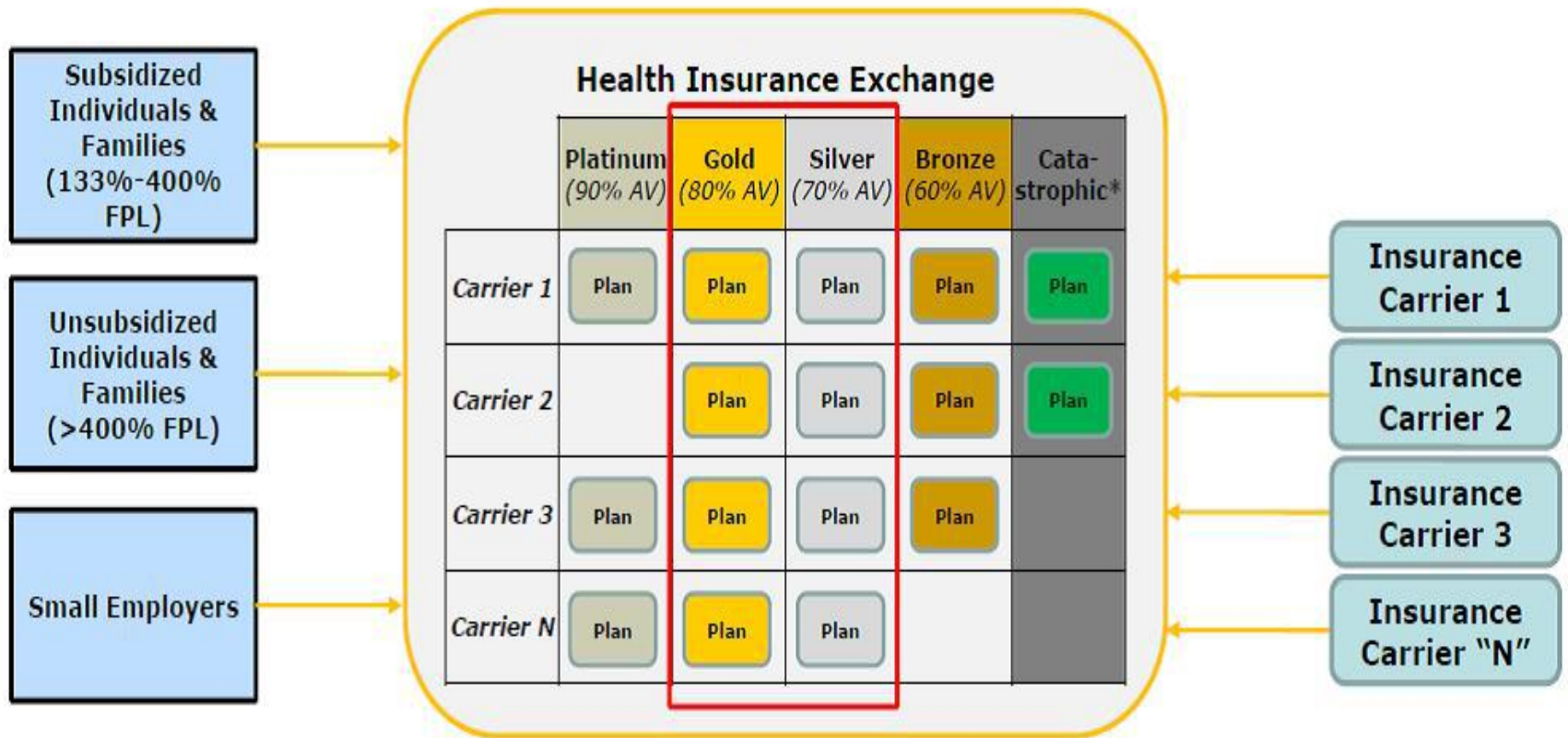


Chart from Health Care Connector Retreat April 2010

https://www.mahealthconnector.org/portal/binary/com.epicentric.contentmanagement.servlet.ContentDeliveryServlet/About%2520Us/Publications%2520and%2520Reports/2010/2010-12-4/Board%2520Retreat_Health%2520Reform_final.pdf

Commonwealth Choice

- Connector awards Seal of Approval to “good value” and “high quality” plans
- Four benefit tiers
 - Platinum
 - Gold
 - Silver
 - Bronze
 - YAP
- Plans offer options in each tier

How Is The Plan Working?

- 97 percent coverage
- More people have a medical home
- Fewer forgo care due to cost
- Health care cost continue to be high and growing
- Shortage of primary care providers

Massachusetts Has Lowest Rate of Uninsured in the Country

PERCENT UNINSURED, ALL AGES

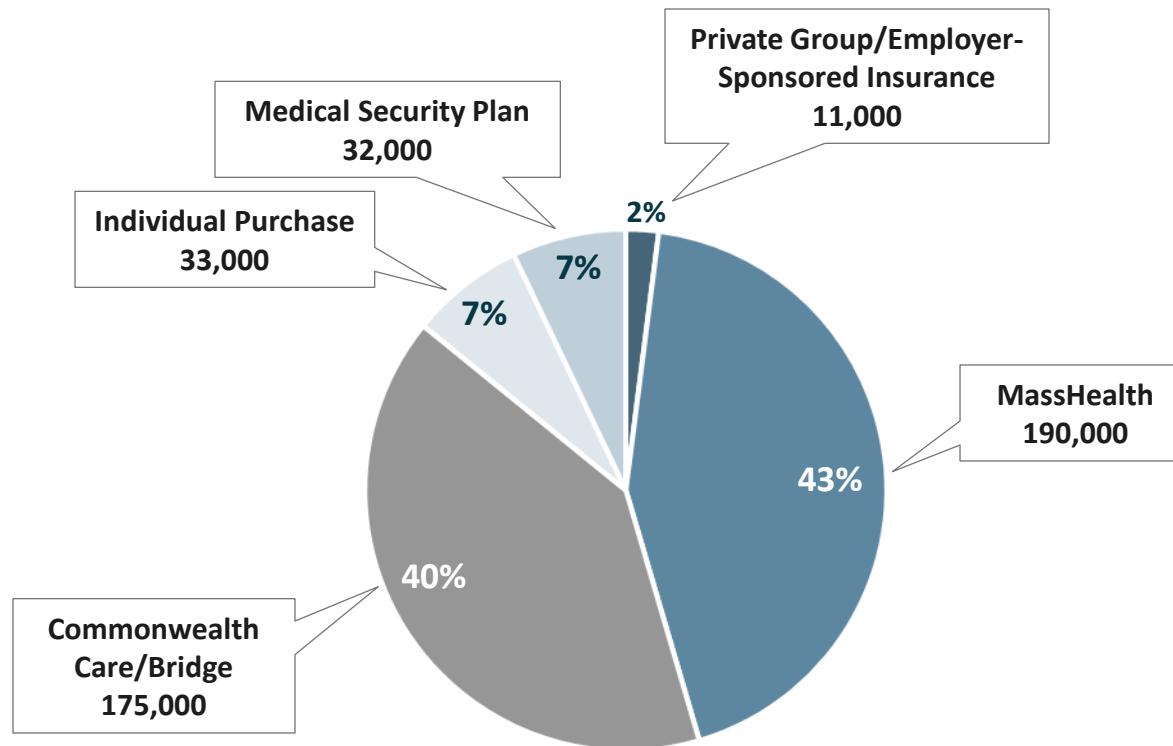


NOTE: The Massachusetts specific results are from a state-funded survey — the Massachusetts Health Insurance Survey (MHIS). Using a different methodology, researchers at the Urban Institute estimated that 507,000 Massachusetts residents were uninsured in 2005, or approximately 8.1 percent of the total population. Starting in 2008, the MHIS sampling methodology and survey questionnaire were enhanced. These changes may affect comparability of the 2008 and later results to prior years. The national comparison presented here utilizes a different survey methodology, the Current Population Survey, which is known to undercount Medicaid enrollment in some states.

SOURCES: Urban Institute, *Health Insurance Coverage and the Uninsured in Massachusetts: An Update Based on 2005 Current Population Survey Data In Massachusetts*, 2007; Massachusetts Center for Health Information and Analysis (formerly the Division of Health Care Finance and Policy) *Massachusetts Health Insurance Survey* data for years 2000, 2002, 2004, 2006, 2007, 2008, 2009, 2010, 2011; U.S. Census Bureau, Current Population Survey, Health Insurance Historical Tables (HIB Series).

439,000 MORE RESIDENTS HAVE COVERAGE THAN HAD IT BEFORE HEALTH REFORM

INCREASE IN NUMBER OF INSURED MASSACHUSETTS RESIDENTS BETWEEN 2006 AND 2011, BY COVERAGE TYPE



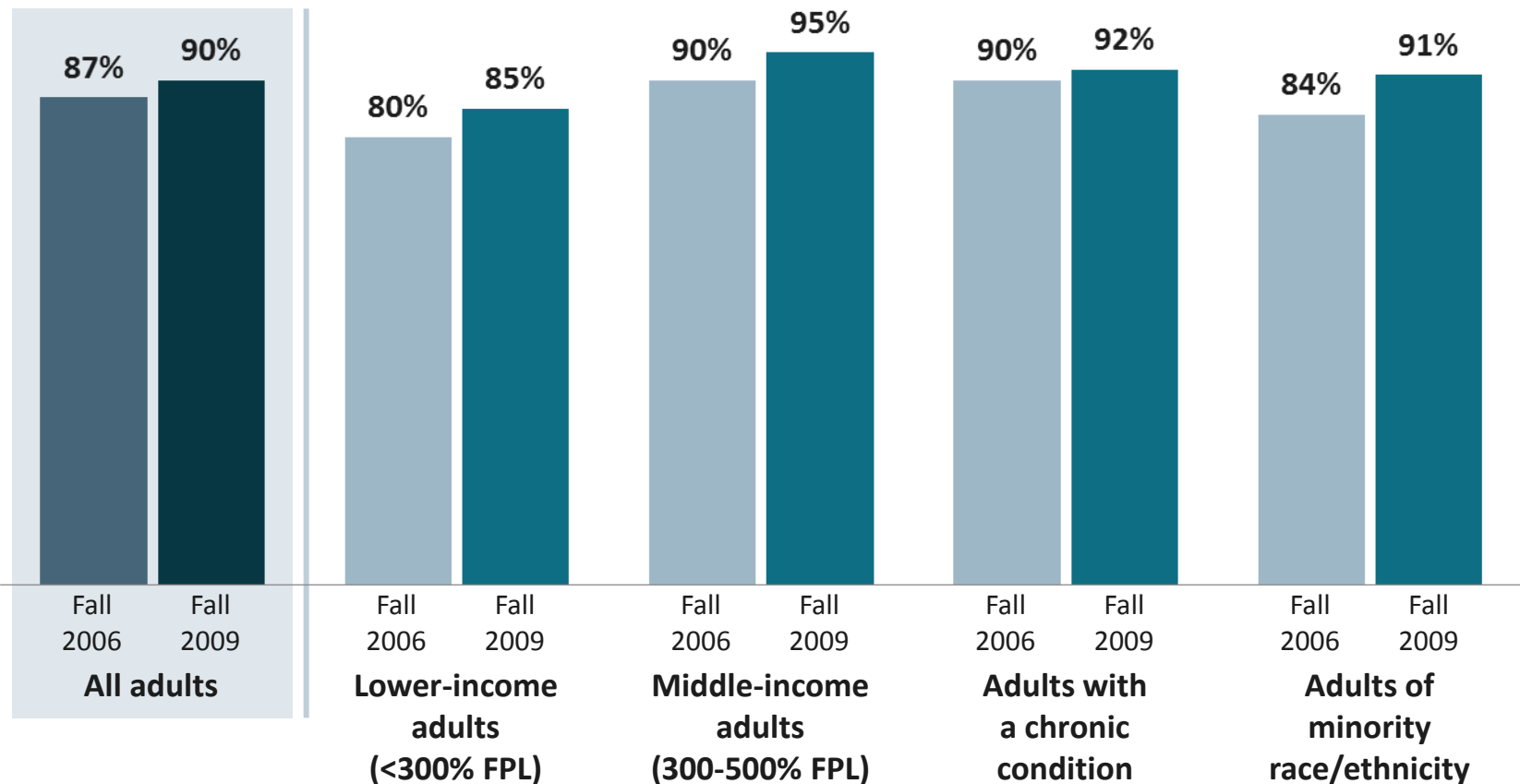
NOTE: Numbers may not add due to rounding.

SOURCES: Massachusetts Division of Health Care Finance and Policy, *Key Indicators*, May 2011 and June 2011.

As of March 2011, most of the increased coverage since reform has been through public programs. Increases in employer-sponsored insurance initially were much larger but have since declined as a result of the recession.

MORE MASSACHUSETTS ADULTS HAVE A USUAL SOURCE OF CARE

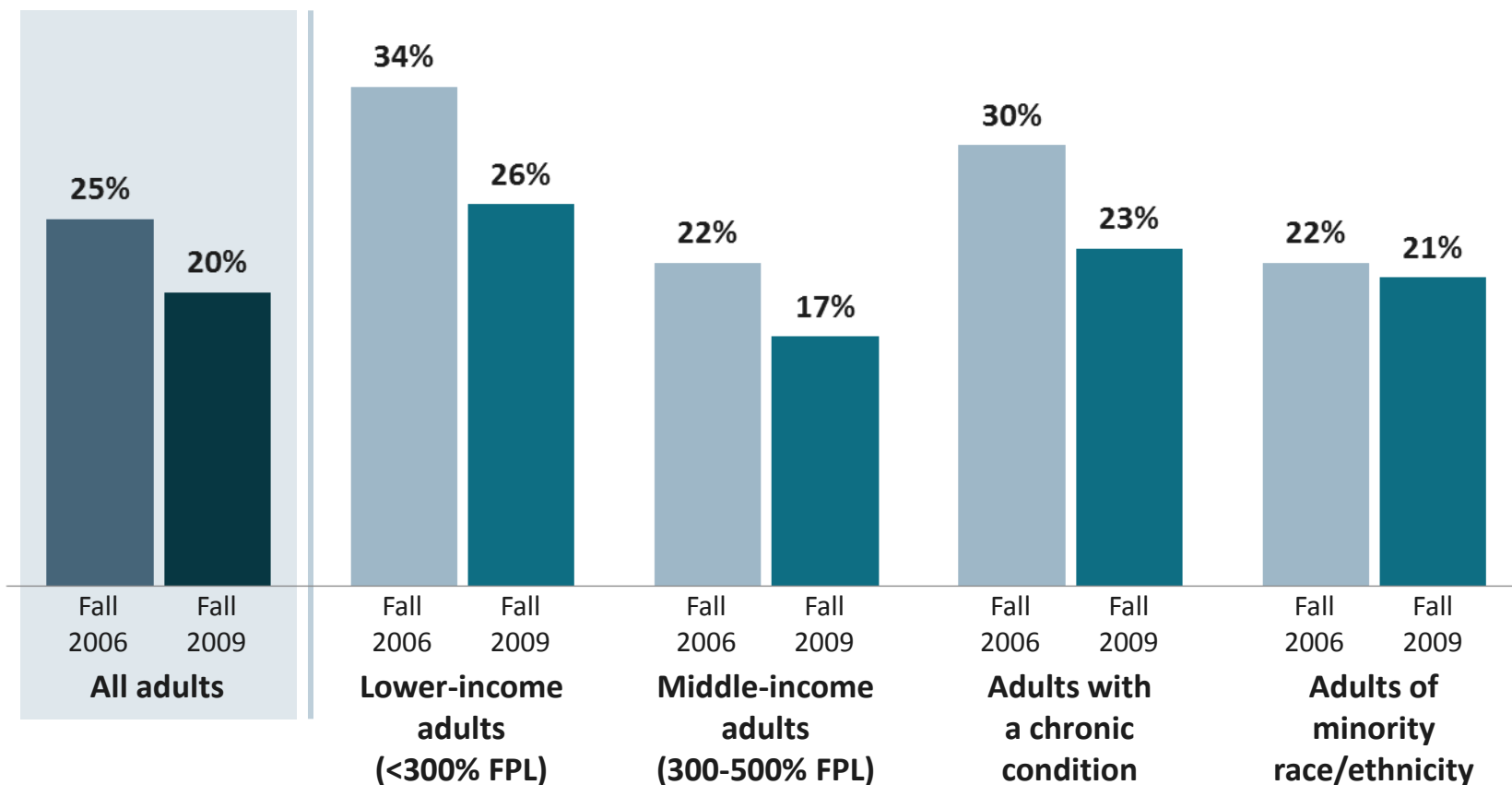
PERCENT OF NON-ELDERLY ADULTS REPORTING A USUAL SOURCE OF CARE, SELECTED POPULATIONS



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

UNMET NEED FOR CARE FOR ANY REASON HAS DECREASED SINCE REFORM

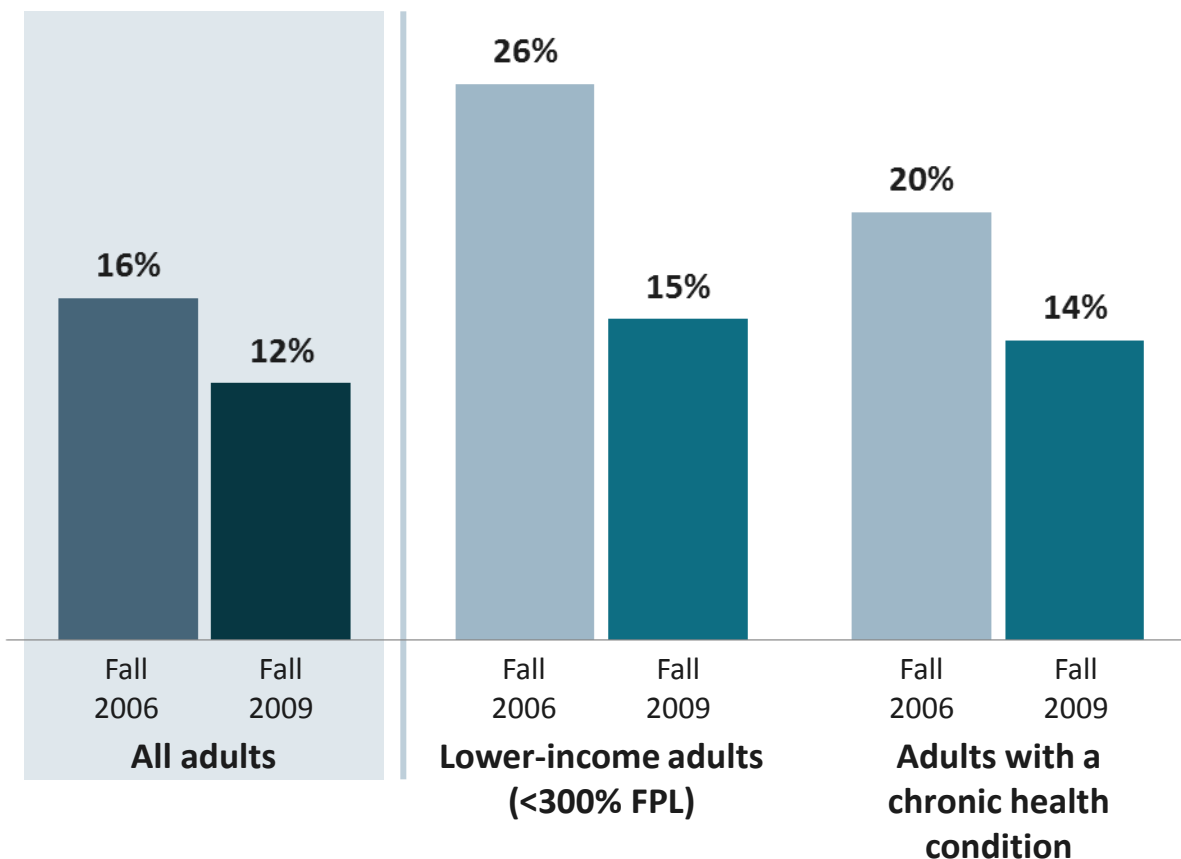
PERCENT OF NON-ELDERLY ADULTS REPORTING AN UNMET NEED FOR CARE FOR ANY REASON, BY SELECTED POPULATIONS



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

FEWER MASSACHUSETTS ADULTS HAVE UNMET HEALTH CARE NEEDS DUE TO COST

PERCENT OF NON-ELDERLY ADULTS REPORTING UNMET NEED DUE TO COST, SELECTED POPULATIONS

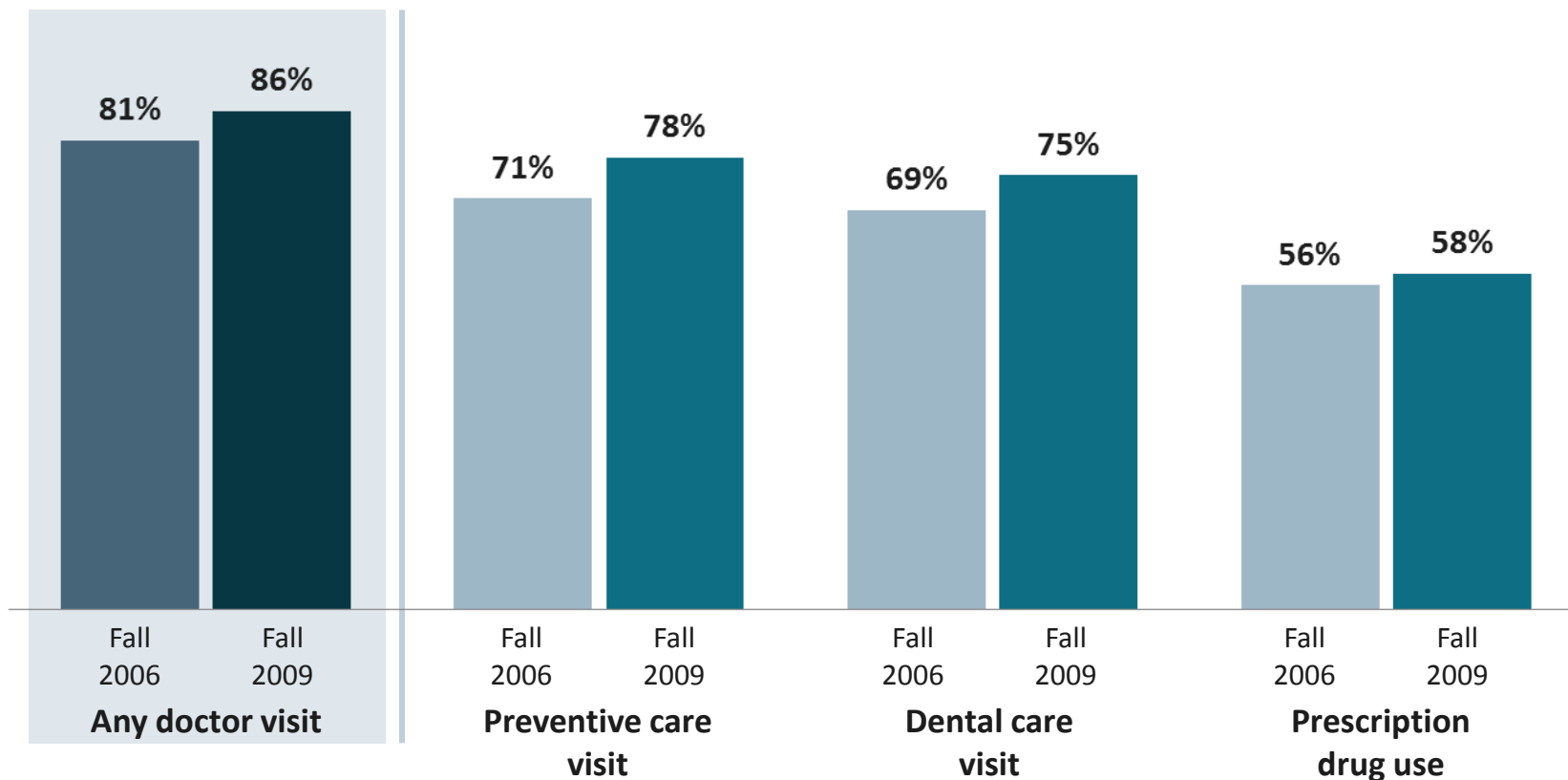


Under health reform, unmet need due to cost fell between 35 and 42 percent among low-income residents and residents with chronic health conditions.

SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

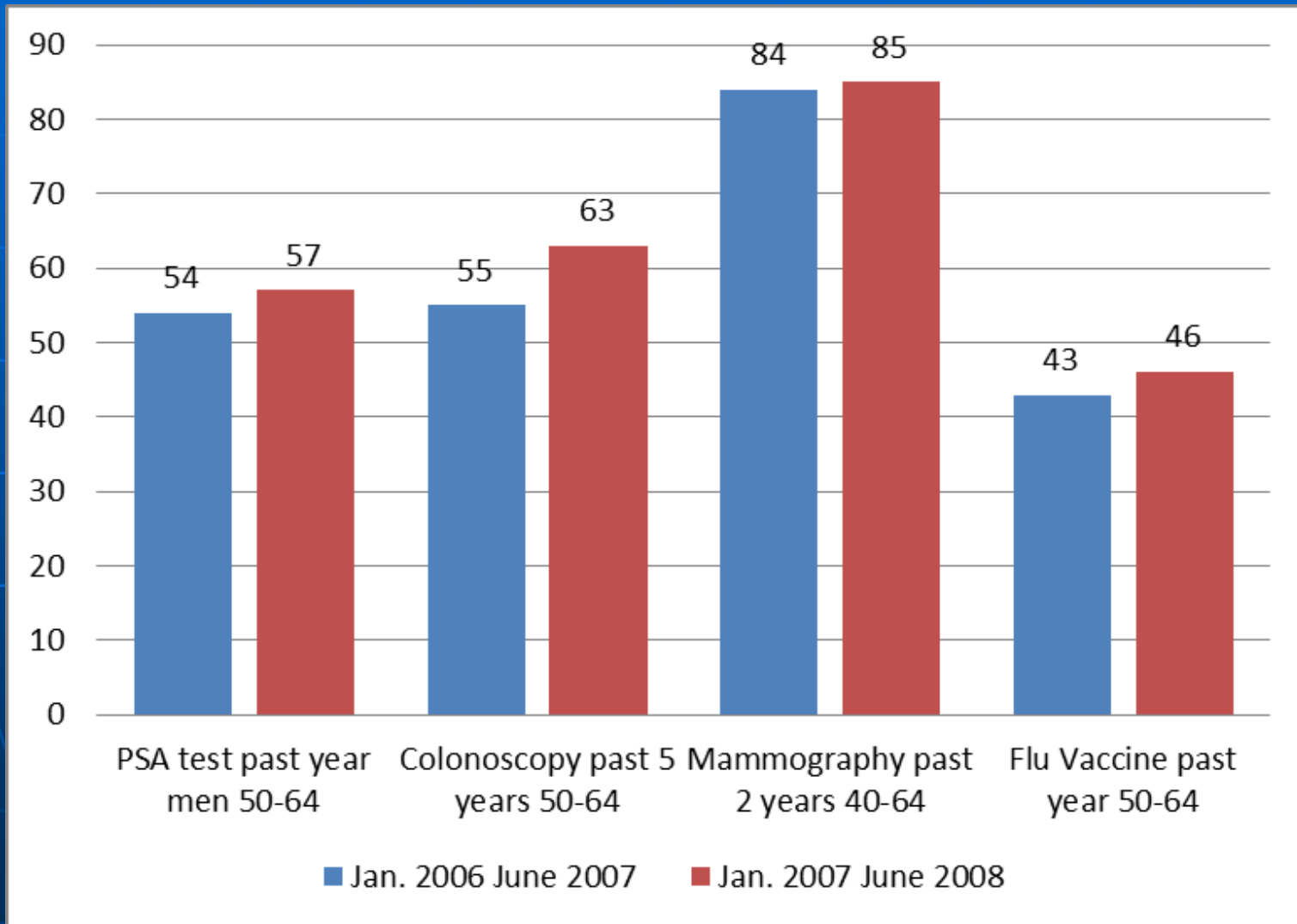
PREVENTIVE CARE AND USE OF OTHER MEDICAL SERVICES HAVE INCREASED AMONG MASSACHUSETTS ADULTS SINCE REFORM

PERCENT OF NON-ELDERLY ADULTS REPORTING USE IN PRIOR YEAR, BY TYPE OF SERVICE



SOURCE: Urban Institute, *Massachusetts Health Reform Survey*, 2010.

Screenings Post 2006 Reforms



Access to Primary Care 2006 to 2010

<i>Physicians no longer accepting new patients</i>	<i>Fall 2006</i>	<i>Fall 2010</i>	<i>Change 06 - 10</i>
<u>Family Medicine Physicians</u>	25%	54%	+29%
<u>Internal Medicine Physicians</u>	31%	49%	+18%

Source: Massachusetts Medical Society Physician Workforce Study, 2010.

Provider Shortage

Specialty	Status
Internal Medicine**	Critical
Family Medicine**	Severe
Neurology	Severe
Gastroenterology	Severe

** Critical or Severe for 7 years

Provider Shortage

- Regional Variation
 - Pittsfield/Western Mass: 78% inadequate pool physicians
 - Springfield: 75%
- Community Health Centers
 - Average 2 FTE physician vacancies
 - 100 FTE vacancies statewide
- 71% of doctors have hard time making timely referrals

Sources: Survey of Community Health Centers 2007, Massachusetts Medical Society Workforce Study, 2008, 2009, 2013

20 percent of adults report challenges in finding a physician who will see them!



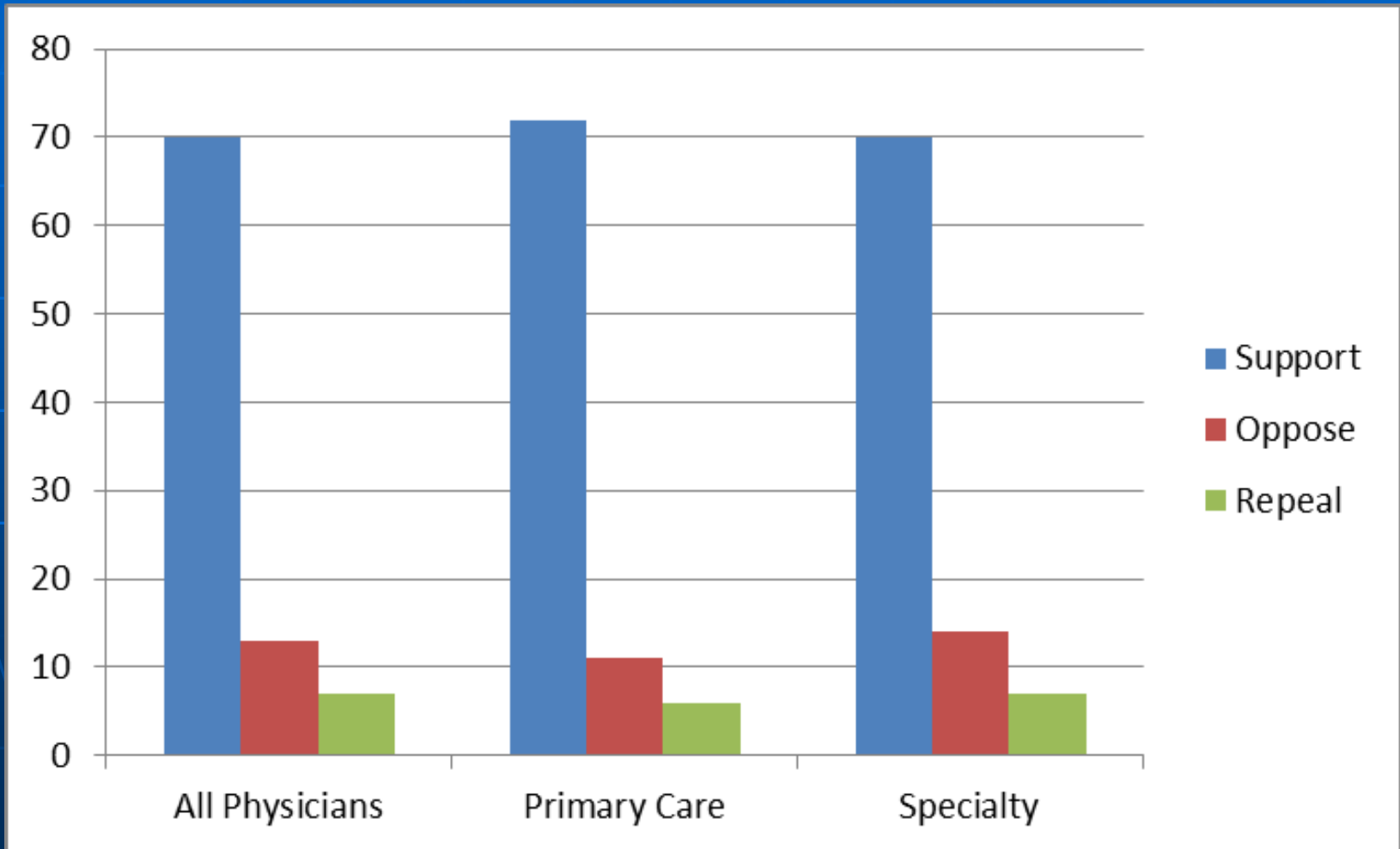
Cost to patients still a problem

- 11% of unmet need due to cost
- 18% have trouble paying medical bills
- 20% are paying medical bills over time
- Affordability
 - High out of pocket payments (chronically ill)
 - High premiums
 - Over 300% FPL and responsible for full premium
 - Age 55-65
 - Continued Medical Debt

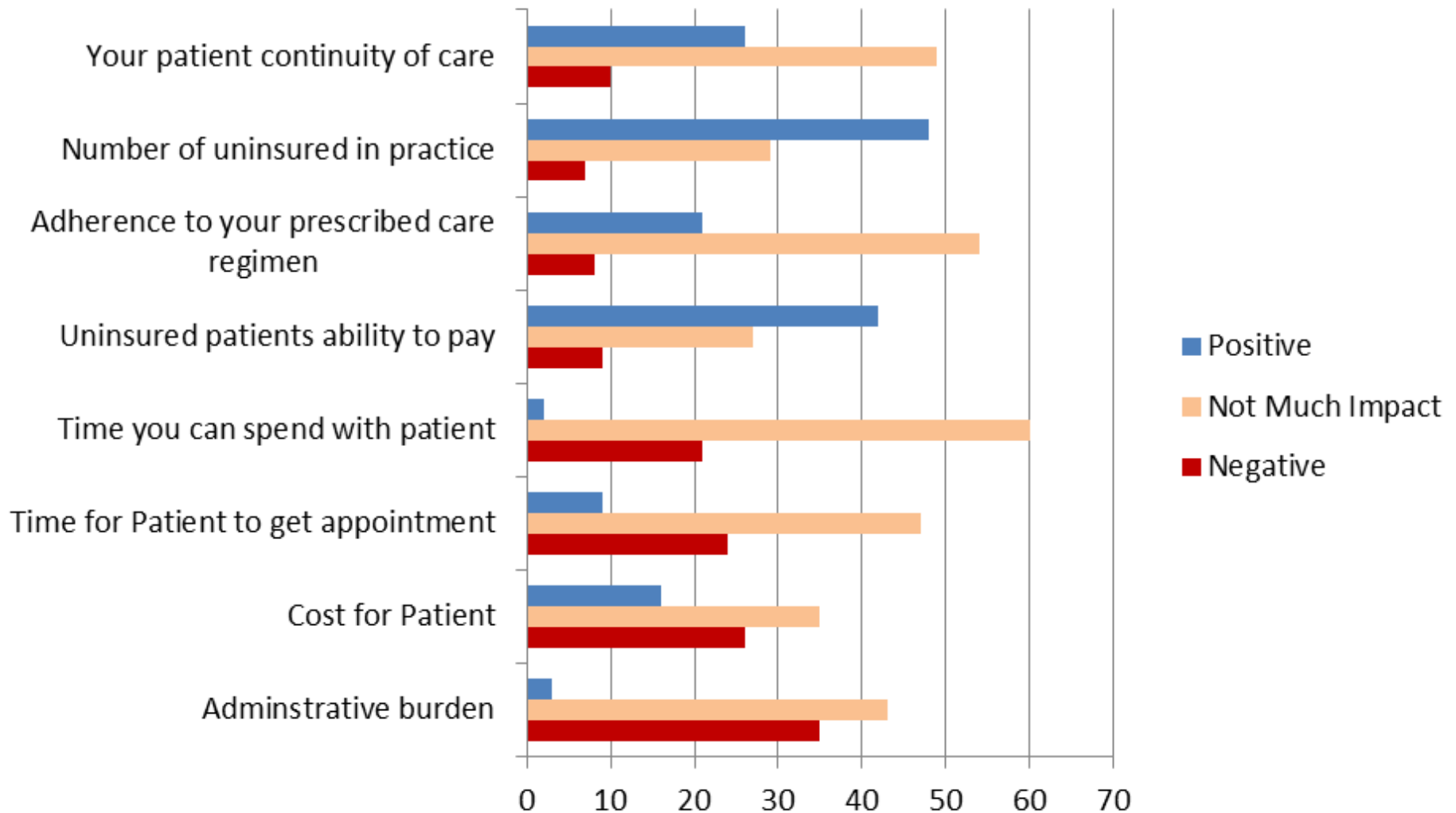
Sources: Mass Health Reform Survey Urban Institute, Fall 2008; JSI, Access to Health Care in MA, Spring 2009.

**What do physicians think
about these reforms?**

Physician Support

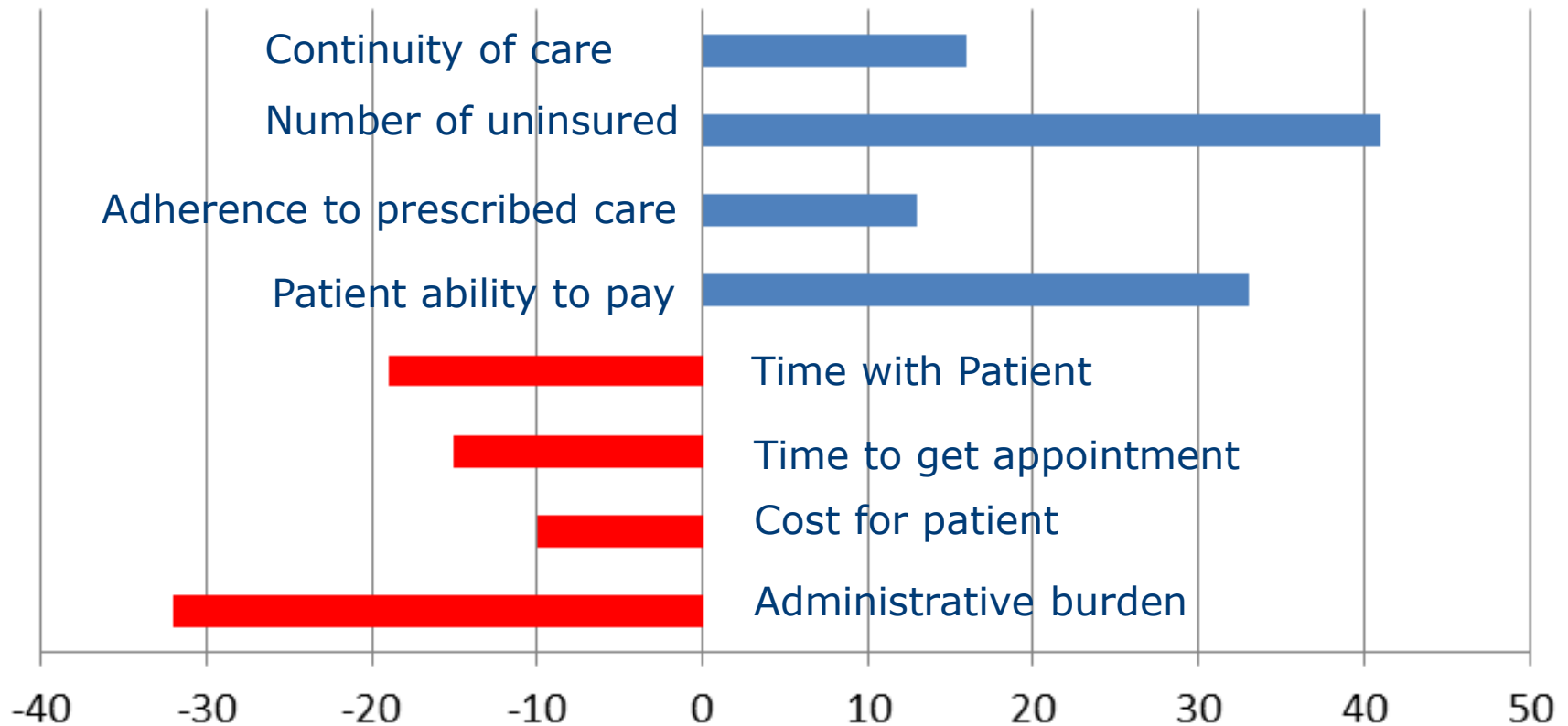


Physician Patient Impact



Physician Patient Impact

Pos. Neg differential



Massachusetts Passed Health Care Cost Control Legislation in 2008, 2010 and 2012

Encourage Alternative Payment Methods

- Certify ACOs
- Certify Patient Centered Medical Homes
- Aggressively reform financing of Medicaid and State Employee Health Plans
- Encourage tiered products or limited network plans

http://bluecrossmafoundation.org/sites/default/files/download/publication/Chapter%2024%20summary_2.pdf

Wellness and Health Care Delivery System Change

- Prevention and wellness trust fund (\$60 million), health information technology (\$30 million), and struggling community hospitals (\$135 million)
- Wellness tax credits for small business

Cost Containment Provisions

- Health Policy Commission
 - Set and enforce cost growth target
 - Tied to state GDP
- Transparency
 - Price variation
 - Cost growth in hospitals, insurance premiums, and other providers/services
- Reporting requirements

**What do physicians think
about these reforms?**

Physician Knowledge of Reform

- 50% familiar with Chapter 224 Cost Containment
- 71% familiar with ACOs
- 41% members of ACOs
- 60% familiar with global payments

Sources: Survey of Community Health Centers 2007, Massachusetts Medical Society Workforce Study, 2013





Similarities



- Shared responsibility
(individuals, employer, government)
- Individual Mandate
- Expansion of public coverage
(Medicaid to 138% FPL)
- New subsidies (up to 400% FPL)
- Minimum coverage requirements
- Health Care Exchanges

YOUR
KID IS
UGLY...

MIKE LUCCAICH © 3-25-10
ATLANTA JOURNAL-CONSTITUTIONAL
ATLANTA, GA



National Reform

- Individual Mandate
 - Supreme Court upheld
 - Kicks in: 2014
 - Federal penalties for not being insured in 2016 will be the higher of \$695 or 2.5% of income capped \$2,085
- National Essential Coverage
 - Uniform by state not national
 - Grandfathers existing plans

National Reform

- Employer Assessment
 - 50+ \$2,000 FTE excluding first 30
 - 50+ employer with employees receiving tax credits, pay the lesser of \$3,000 per credit recipient or \$2,000 FTE
 - Delayed to 2015
- Subsidies
 - Expand Medicaid to 138% FPL
 - Premium cost sharing tax credits on sliding scale to \$400% FPL (3% to 9.5% of income at phase out)

Medicaid Expansion

- Many of the most at risk uninsured
- Now Medicaid covers just 40% of poor
- Newly covered: People w/disabilities, mental health, substance abuse
- Reduced racial and ethnic disparities
- The program provides:
 - Translation
 - Transportation
 - Culturally sensitive care
 - Limited deductibles and out of pocket costs

But Not For Everyone

- Supreme court ruled that states may choose not to expand Medicaid
 - 22 States and DC will
 - 21 States will not
 - 4 still on the fence
- \$\$\$ will be temping for states
 - Feds pay 100% for two years
 - 95% thereafter
- Lack of uptake will reduce the number of uninsured ultimately covered

Health Insurance Exchanges

- Massachusetts Health Care Connector
 - Commonwealth Care/Choice
 - Combined individual and small group
- National Exchange
 - American Health Benefit Exchange
 - Small Business Health Options Program (up to 100 employees)
 - State based, geographical exclusive, government or non-profit run

National Health Insurance Exchanges

- 17 states and DC creating exchanges
- 7 partnerships
- 26 federal exchanges

Issues In Implementing the ACA

- Nationally
 - Politics is ugly
 - Partisan
 - Republican House
 - 26 states opposed in Supreme Court Case
 - 30 Republican governors
 - States like Texas: 25 percent uninsured, hostility to reform, a wide range of plans considered insurance, no strong insurance safety net

Other States Will Have a Harder Time Implementing Reform

- Massachusetts had:
 - A relatively low rate of uninsured
 - Political and financial incentives to change
 - A history of reform
 - Non profit health plans and hospitals
 - A free care pool
 - Broad-based support from stakeholders

**Access before cost
containment with lots of
demonstrations**

SEEMAN Walter Leger



"YOU'LL NEED A GLASS OF WATER. THIS PILL MAY BE A LITTLE HARD TO SWALLOW."

National Politics is Ugly

LOOK WHAT THE CAT DRAGGED IN!



OPEN
WIDE...

NO... I MEANT
YOUR WALLET...

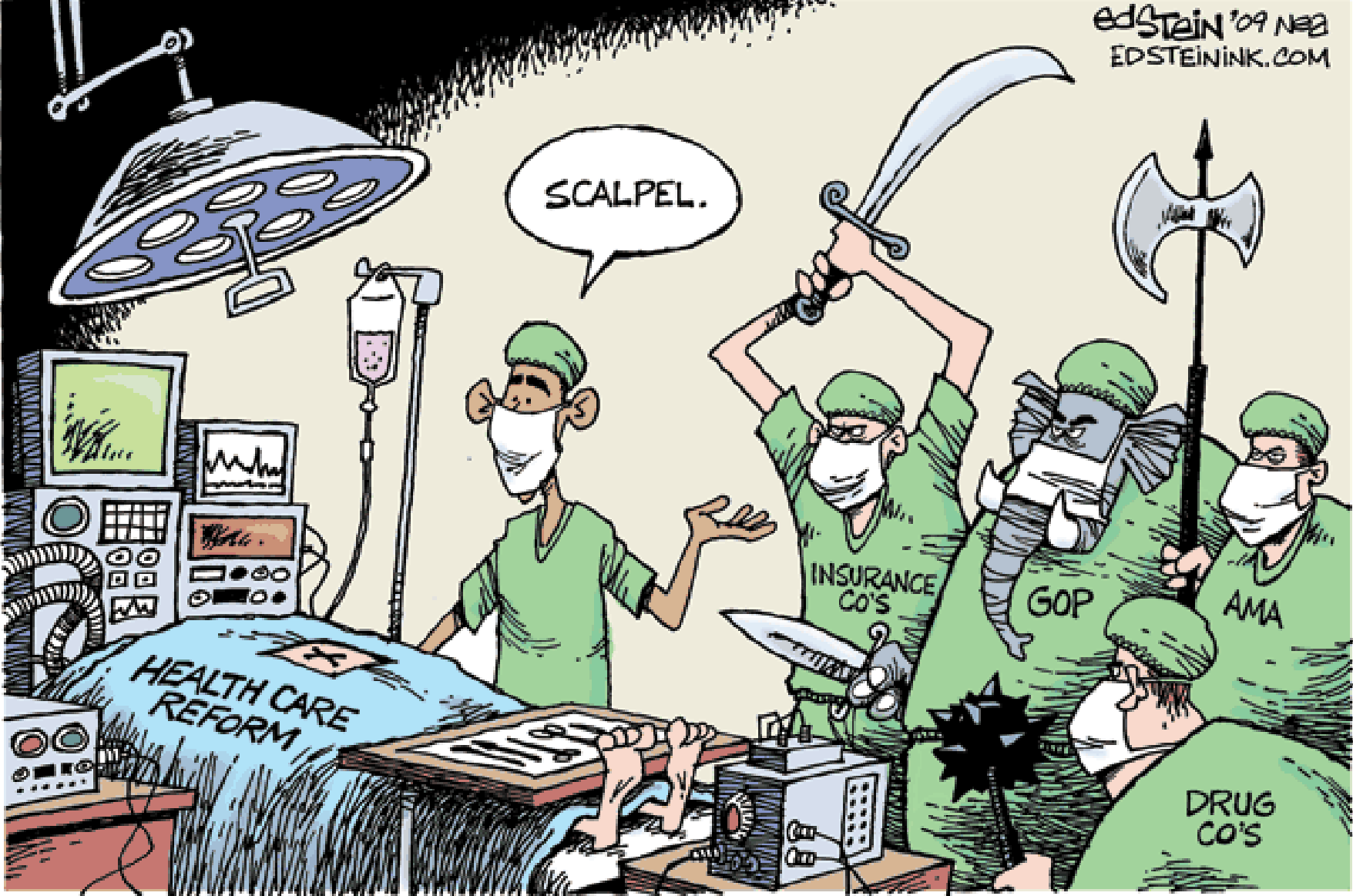


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Major Issues In Taking Reform National

- Pass along partisan lines
- Republican's repealed 41 times
- 26 States challenged in court
- States like Texas have 25 percent uninsured, wide range of what is considered "insurance"
- 30 Republican governors hate it



Massachusetts Must Make Significant Changes to Comply with ACA

Mass Will Have to Change to Comply With the ACA

- Commonwealth Care Gone
 - 138% FPL Medicaid
 - 138 to 300% FPL Connector tax subsidies with state/federal wrap
 - 300 to 400% FPL Connector with tax subsidies
- Employer Mandate
 - \$195 per employee
 - \$2000 per employee

Mass Changes

- Reconcile
 - Affordability
 - Mandate penalties
 - Subsidies
- Elimination of Commonwealth Care
 - Under 138% FPL to Medicaid
 - 138% FPL to 300% FPL to exchange with wrap around coverage
 - All current plans available and lower cost wrap plans favored

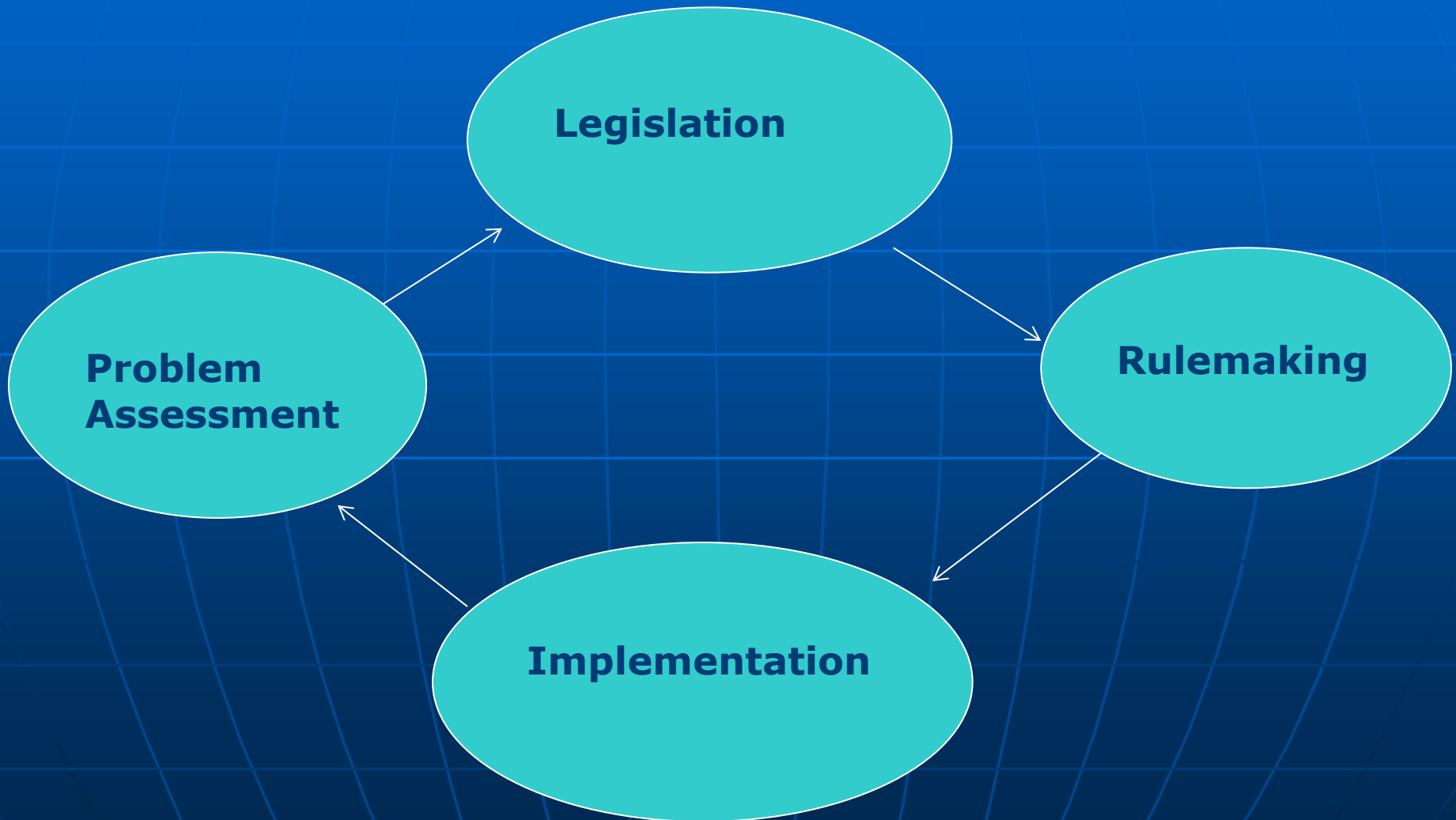
Mass Changes

- Elimination of Commonwealth Care
- Under 138% FPL to Medicaid
- Between 138 and 300% FPL to new ConnectorCare
- Boston Medical Center HealthNet Plan, CeltiCare, Fallon Community Health Plan, Health New England, Neighborhood Health Plan, Network Health, and new coop plan Minuteman Health

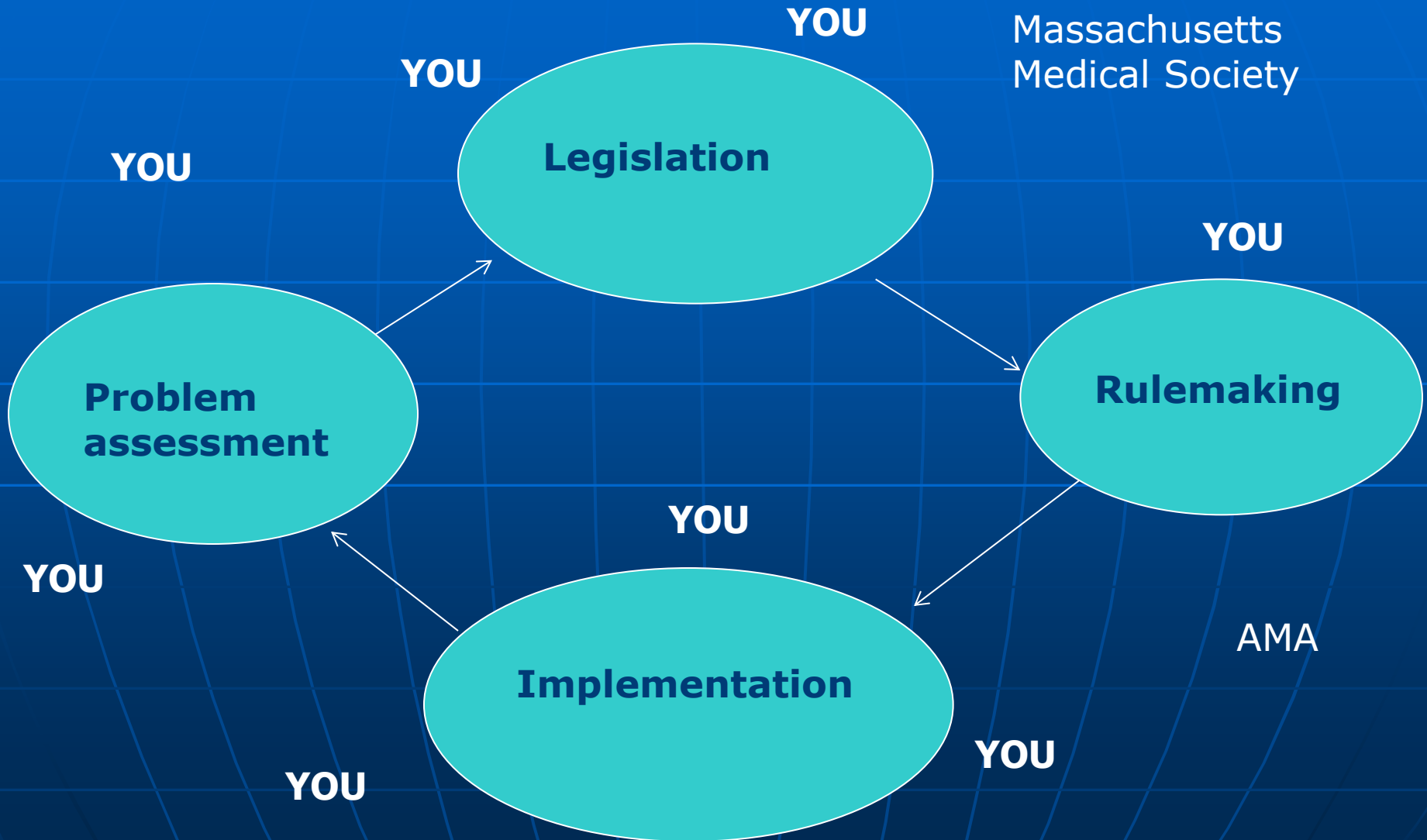
Impact

- 7.6% increase in coverage
- 6.6% increase in access to primary care
- 4.8% decrease in forgoing care due to costs

Policy Process

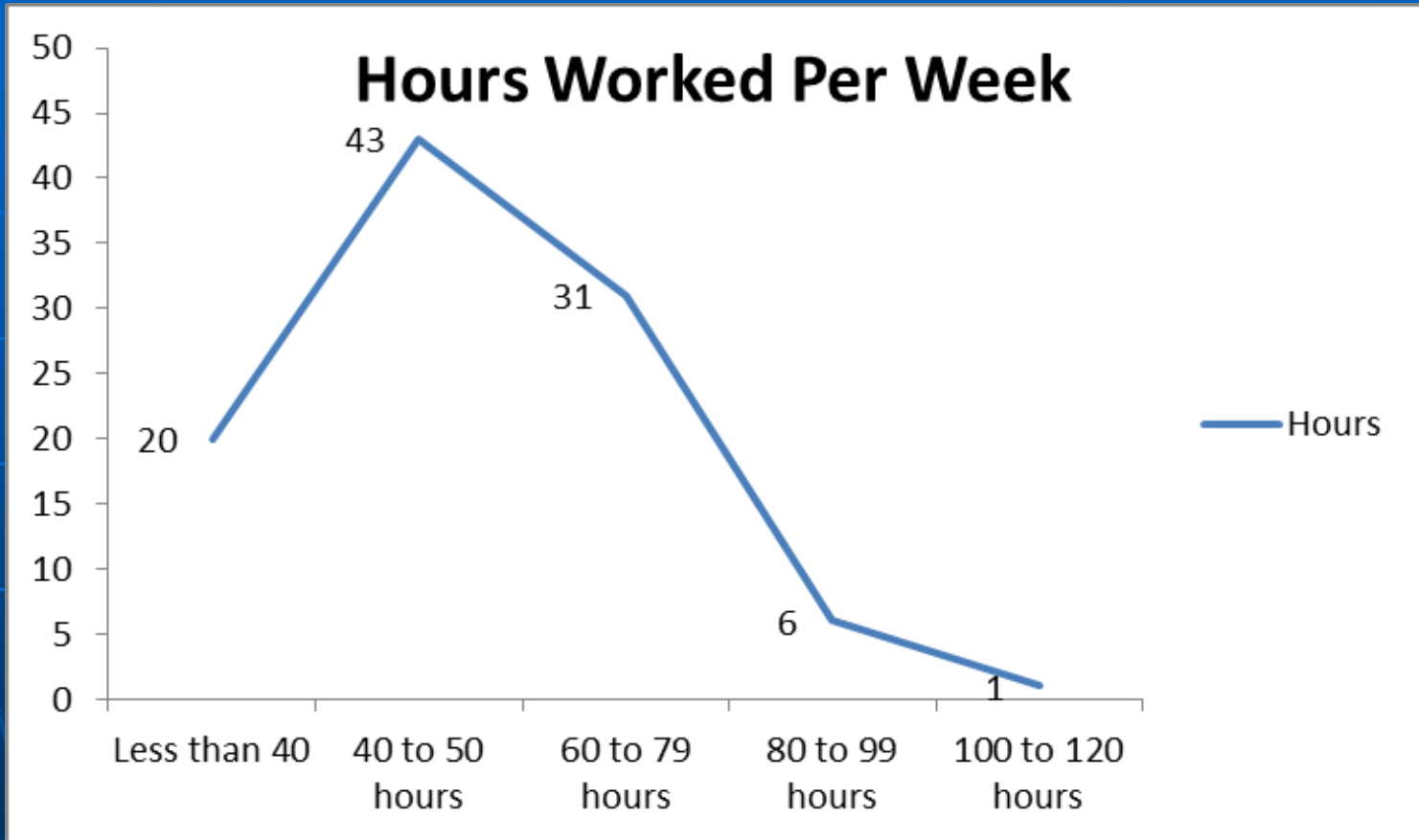


Policy Process



Problem

Percent



Hours

Prescription

