

Key Provisions of the House and Senate Health Care Reform Bills



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PRESENTER DISCLOSURE INFORMATION

Key Provisions of the House and Senate Bills

The following conflicts exist with this talk:

None

Neither I nor my professional corporation have received anything of value from or own stocks in a commercial company or institution related directly or indirectly to the subject of this talk.

Ongoing Major Concerns

- **Permanent fix of the Medicare payment SGR formula in Senate HR 3590**
- **Restrictions on physician-owned hospitals**

Other Major Concerns

- **Singling out specialists**
- Compared to PCPs we cost more to train
- Specialists use more procedures and expensive technology
- No surgical groups were invited to the first White House health summit on 3/5/9
- POTUS remarks about \$30K amputations and treating a sore throat with a tonsillectomy

Dr owned Hospitals

- **Owned on or before 11/1/09 OK**
- **But could not have converted from an ASC after the enactment date**
- **Full disclosure of ownership to Pts and in any advertising**
- **Subject to unannounced site inspections and financial audits**

Independent Medicare (Payment) Advisory Board

- **Tasked to reduce Medicare spending**
- **15 members appointed by POTUS with Senate confirmation**
- **2014 required to submit a proposal to reduce excess Medicare growth by 0.5% in 2015**
- **Savings targets to increase each year to 1.5%**

Independent Medicare Advisory Board

- **Health care experts**
- **Health policy experts**
- **Health economics experts**
- **Employers**
- **Payors**
- **Consumers**
- **Elderly**

Independent Medicare Advisory Board cannot:

- **Ration care**
- **Raise taxes**
- **Raise part B premiums**
- **Change Medicare benefits, eligibility, or cost sharing**
- **Reduce payments to providers whose payments have already been reduced by market-basket adjustments**

Independent Medicare Advisory Board

- **Because of the above restrictions, IMAB is limited to reducing expenses in:**
 - Medicare Part C (Medicare Advantage)
 - Medicare Part D (drugs)
 - Physician payments
- **CBO scored 10 year savings = \$23.4 billion**

House Bill H.R 3962

- **11/7/09 approved by a vote of 220 to 215 with only one Rep supporting the bill**
- **On 11/19/09 House also separately approved H.R. 3961 (246-183-8) to change SGR formula with all 4 Dem MDs and Rep Mike Burgess, MD ayes and all remaining Rep MDs noes.**

Immediate reforms HR3962

- **\$ 5 billion National high risk pool for those with preexisting conditions**
- **85% medical payment ratio**
- **Coverage of children on parents' policy through age 26**
- **Ends health insurance rescissions**
- **Reduces look back window for preexisting conditions from 180 to 30 days**

Immediate reforms HR3962

- **Stops lifetime bans on coverage**
- **Allows folks to keep their COBRA coverage until the Insurance Exchange is up and running**
- **Prohibits employers from reducing health coverage for those already retired unless the reduction is also made for current workers**

2013 Reforms

- **Full insurance reform. Premiums can only vary by location, family size and age (2:1)**
- **Health insurance exchange for those without other coverage and small employers (<26)**
- **Mandatory health insurance - 2.5% penalty**
- **Mandatory insurance from employer – 8% penalty**

Republican Alternative

- **High risk pools and reinsurance for those with preexisting conditions**
- **Ending junk lawsuits and curbing defensive medicine using CA and TX models**
- **Outlaw non-fraud based rescissions and and lifetime caps**
- **Encouraging insurance purchasing pools for small business**

Republican Alternative

- **Allowing the purchase of insurance across state lines**
- **Providing employers greater flexibility to financially reward workers who adopt healthier life styles**
- **Allowing dependents to remain on parents' policies through age 25**
- **Not mandating individual or business insurance coverage**

Republican Alternative

Democrats

- **Jobs lost – up to 5.5 million**
- **Medicare cuts - \$500 billion**
- **Tax increases - \$730 billion**

Republicans

- **Jobs lost – 0**
- **Medicare cuts – 0**
- **Tax increases - 0**

Senate Bill H.R. 3590

- **CBO score = \$848 billion over 10 years vs. \$1.3 trillion for HR 3962**
- **Covers 94% of non-elderly citizens & legal residents**
- **Key parts effective 2014 vs. 2013 for House**
- **States mostly implement and enforce Senate bill vs. new Fed agency in the House bill**

Senate Bill H.R. 3590

- **Age rating of 3:1 = less expense for younger and more expense for older Americans**
- **Four coverage levels**
 - ✓ **Platinum – 90%**
 - ✓ **Gold – 80%**
 - ✓ **Silver – 70%**
 - ✓ **Bronze – 60%**

Senate Bill H.R. 3590

- **State run insurance exchanges**
- **Folks can purchase ins in or out of the exchange but subsidies only available in the exchange**
- **The only Americans required to purchase through the exchange are MC's and their staffs**

Senate Bill H.R. 3590

- **Allows ins sales across state lines if states don't op out**
- **Americans are mandated to have insurance**
- **Penalty = \$95 in '14, \$350 in '15, \$750 in '16 and COLA thereafter**

AAOS Principles

- **Health care reform should include:**
 - **A permanent Medicare physician payment formula fix**
 - **Meaningful medical liability reform**
 - **Antitrust reform**
 - **ERISA reform to allow states to legislate provisions that can regulate insurance plans (80 percent of these plans are ERISA plans which can only be regulated by the Federal government)**

AAOS Principles

- **Pt's ability to choose their own Drs and have access to high quality orthopaedic care**
- **Pts should have affordable and portable health care**
- **Eliminate preexisting condition denials**
- **Responsible physician ownership**

AAOS Concerns

- **Shift of money to primary care (budget-neutrality issue)**
- **Further regulation of imaging**
- **Restrictions on physician owned hospitals**
- **Reductions in fees for outlier physicians**