HEALTH POLICY CORNER

All Politics (and Health Care) is Local: A View from Pennsylvania

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The late Speaker of the House Tip O'Neil was famous for saying all politics is local. In health care, you hear the same idea repeated—all health care is local. For the Affordable Care Act (ACA), both are true and important in how the law will be implemented. In Pennsylvania, politics and health care are as complicated as they are anywhere in the country. In this article, I will describe two challenges in Pennsylvania (and Philadelphia)—coverage and payment reform. But let me start with politics.

In November 2010, Attorney General Tom Corbett was elected governor of Pennsylvania. While campaigning, he was among the initial group of state attorneys general to sue the federal government challenging the constitutionality of the ACA. Now, his administration is charged with implementing key provisions of the law in Pennsylvania—in particular, the launch of a health insurance exchange and getting subsidies to eligible consumers. All states have the choice of whether to assume this responsibility or defer to the federal government. Governor Corbett has been slow to decide. As a result, time is short in Pennsylvania.

Health insurance exchanges will be the face of health reform. The exchange will be the "store" that consumers visit to shop for their health insurance. How this "store" does business will matter a lot to consumers. For example, will the exchange simply be a clearinghouse of insurance plans, or will it require plans to bid to participate? How will the exchange help consumers choose, and will the technology platform be easy to use? We know from the experiences of Medicare Part D that choice quickly becomes overwhelming. Finally, will eligibility screening for Medicaid or subsidies for private coverage be a streamlined and efficient experience for consumers, or will it be onerous?

Launching a patient-centered health insurance exchange cannot be done in a few months. Many states, including Pennsylvania, are running out of time to do this well, and the politics of the health reform debate continues to hang over implementation.

There is hope though in Pennsylvania. The insurance commissioner has moved forward with a planning process. My hope is that the experts in the insurance department will be given the authority and support to move forward in an expeditious fashion with patients in mind. It is too soon to know if this process will be allowed to happen without excessive political interference. The legislature will want to weigh in at some point and is awaiting signals from the governor. Meanwhile, the governor is balancing his campaign rhetoric against the ACA with a decision of whether to defer important health policy decisions to the federal government. Pennsylvania SGIM members should be reminding the governor and insurance commissioner why this is so important.

The ACA also included provisions to test and expand new payment models focused on reducing costs and improving quality. The signature program in the law is the creation of Accountable Care Organizations (ACOs). In Philadelphia, although there is enthusiasm around several payment models such as the medical home, there seems to be less enthusiasm toward being an early adopter of the ACO model.

Perhaps one reason is the unique nature of the Philadelphia market. The close proximity of several large academic medical centers and competing health systems creates a perception that it is more difficult to be accountable for a patient population. In a dense urban area like Philadelphia, patients are more likely to receive care in competing health systems. The ACO model does not explicitly limit patient choice of provider. Thus, health systems are understandably nervous about their ability to manage the cost of a patient population. It may be that ACOs in dense markets, like Philadelphia, need additional tools to make this an attractive option.

In contrast to ACOs, southeastern Pennsylvania has been a leader in the medical home model. The previous administration led a regional chronic care initiative in partnership with private payers that has helped push many primary care practices toward becoming patient-centered medical homes. Although the final outcomes of this initiative are unknown, it laid the foundation for future efforts to reform the delivery of primary care.

The ACA could be transformative for patients in Pennsylvania to cover the uninsured and make insurance more affordable. However, Tip O'Neil was right that all politics is local. And health policy experts are right that all health care is local. Successful implementation of the ACA will depend on political leaders moving beyond the polarization of the health reform debate and allowing state agencies to implement the law without political interference. Expertise, not politics, needs to drive the process. At the same time, transformation of the delivery system will require health care leaders to take some risks. The alternative is across the board payment cuts—a bad outcome for both doctors and patients.

Poststcript: Since going to press, Governor Corbett announced plans to move forward to develop a state-based insurance exchange.

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