Health Care Coverage Expansion and the Anticipated Demand for Primary Care

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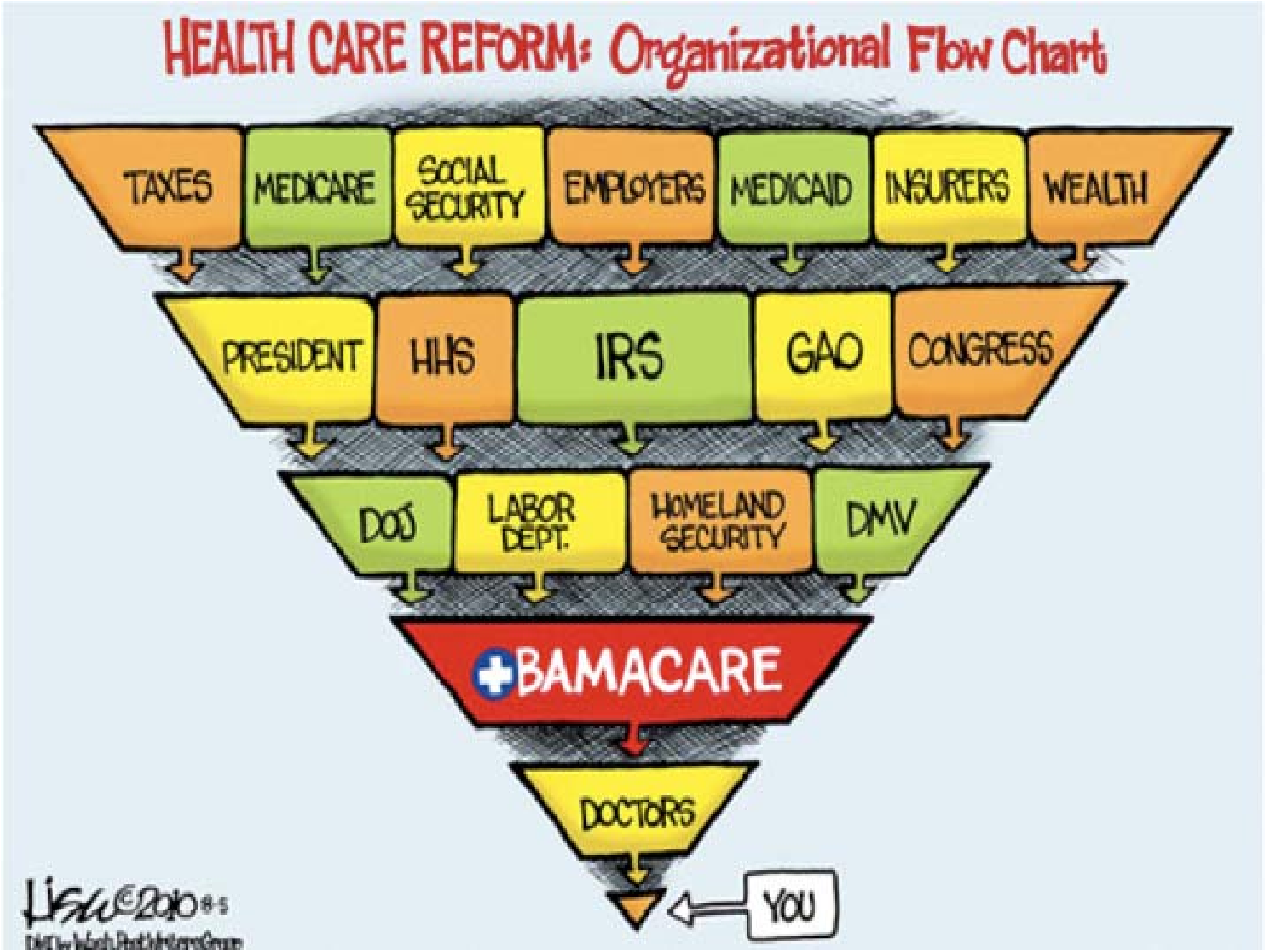

HEALTH CARE REFORM: Organizational Flow Chart
TAXES
MEDICARE
SOCIAL SECURITY
EMPLOYERS
MEDICAID
INSURERS
WEALTH
PRESIDENT
HHS
IRS
GAO
CONGRESS
DOJ
LABOR DEPT.
HOMELAND SECURITY
DMV
BAMACARE
DOCTORS
YOU

Coverage Expansion: Impact on Primary Care:

- Begins January 2014
- No exclusion for preexisting condition
- Individual mandate
- Premium subsidies averaging $5-6K/yr
- Medicaid
  - <138% FPL
  - Eliminates categorical eligibility
- Exchange
  - Premium subsidies up to 400% FPL

Congressional Budget Office Estimate of coverage and cost: 2010-2019

Type of Insurance Expansion	Estimated Increase in Covered Lives	Estimated Cost ($billions)
Medicaid	16 million	$434
Private Insurance	16 million	$504

Who Gains Coverage

- Targeted toward 50 million uninsured
- 80% are non elderly adults
  - 1/3 ages 19-29
  - 2/3 high school education or less
  - Disproportionately non white
- States with the highest unemployment and the most restrictive Medicaid eligibility will have biggest increases in coverage (mainly southern and western states)

How Many of the Uninsured Have Chronic Disease

- 7 million non elderly adults with at least one self reported chronic disease
- One third without a usual source of care

Laiteerapong and Huang; JAMA 2010

Who Are the Remaining Uninsured After Federal Reform

- CBO estimates 23 million
  - down from projected 54 million
  - >7 million eligible but not enrolled in Medicaid
- 1/3 immigrants
- 1/3 low income below penalty threshold
- 1/3 unaware/unconcerned about mandate

Benefits of Coverage

- Uninsured have high rates of unmet need
- Uninsured receive inefficient care
- Gain in insurance coverage increases an individual's demand for care by 40%

Requirements for Turning Coverage into Access

- Systems to turn eligibility into enrollment
  - Many uninsured eligible but not enrolled
- Available and willing providers
  - Primary care shortages in many communities

Primary Care's Increased Demand Due To Coverage Expansion

- 32 million people newly insured X 0.4 increase demand= 12.8 million patient lives
- 1500-2000 patients per primary care FTE
- 12.8 million/1500-2000 = 6,400 -8500 additional primary care FTEs to keep pace

Consequences of Inadequate Primary Care Capacity

- Exacerbation of ED overcrowding
- Ineffective delivery of preventive care services
- Higher rates of ambulatory care sensitive conditions
- Higher costs
- Frustration with health care reform that could doom its future

Expanding Primary Care Capacity

- Reauthorization of primary care training grants (eg Title 7)
- Increased funding for national health service corps
- Increased funding for community clinics
- National workforce commission
- Increased payment through Medicare and Medicaid
- Delivery system reform

Physician Participation in Medicaid

- Only about half of primary care physicians participate in Medicaid
- Medicaid payment rates that average ~60% of Medicare's are a major barrier
- Health reform requires states to pay GIM, Peds and FM physicians at least 100% of Medicare rates for 2013 and 2014
- Applies to FFS and managed care
- Medicaid increase rides Medicare primary care payment increases in bill

Continuity of Coverage

- Greatly improved through health care reform
  - Illness no longer the basis for losing coverage
  - Coverage options independent of employer
- Income fluctuations will result in patients moving between Medicaid and Exchange
- Potential for health care disruptions if states do not align benefits and provider networks between Medicaid and Exchange

Delivery System Reform

- Improve efficiency
- Increase quality
- Reduce costs

Electronic Health Records

- $20 billion government investment
- Standardizing functionality through “meaningful use”
- Standardizing definitions of data elements to support communication across providers
- Payments begin this year tied to Medicare and Medicaid participation with greater amounts available to high concentration (>30%) Medicaid providers

Center for Medicare and Medicaid Innovation (CMI)

- New Center within CMS; launched last month
- "To test innovative payment and service delivery models to reduce program expenditures … while preserving or enhancing the quality of care."
- $10 billion/10 years committed
- Pilots rather than demos can fast track dissemination of successful models

Payment Reform Strategy

- Goal to not only reduce cost and improve quality per episode but also through primary care and prevention to decrease number of episodes
- Increasing accountability and expectation on providers to demonstrate performance to patients and payers

Primary Care Medical Home

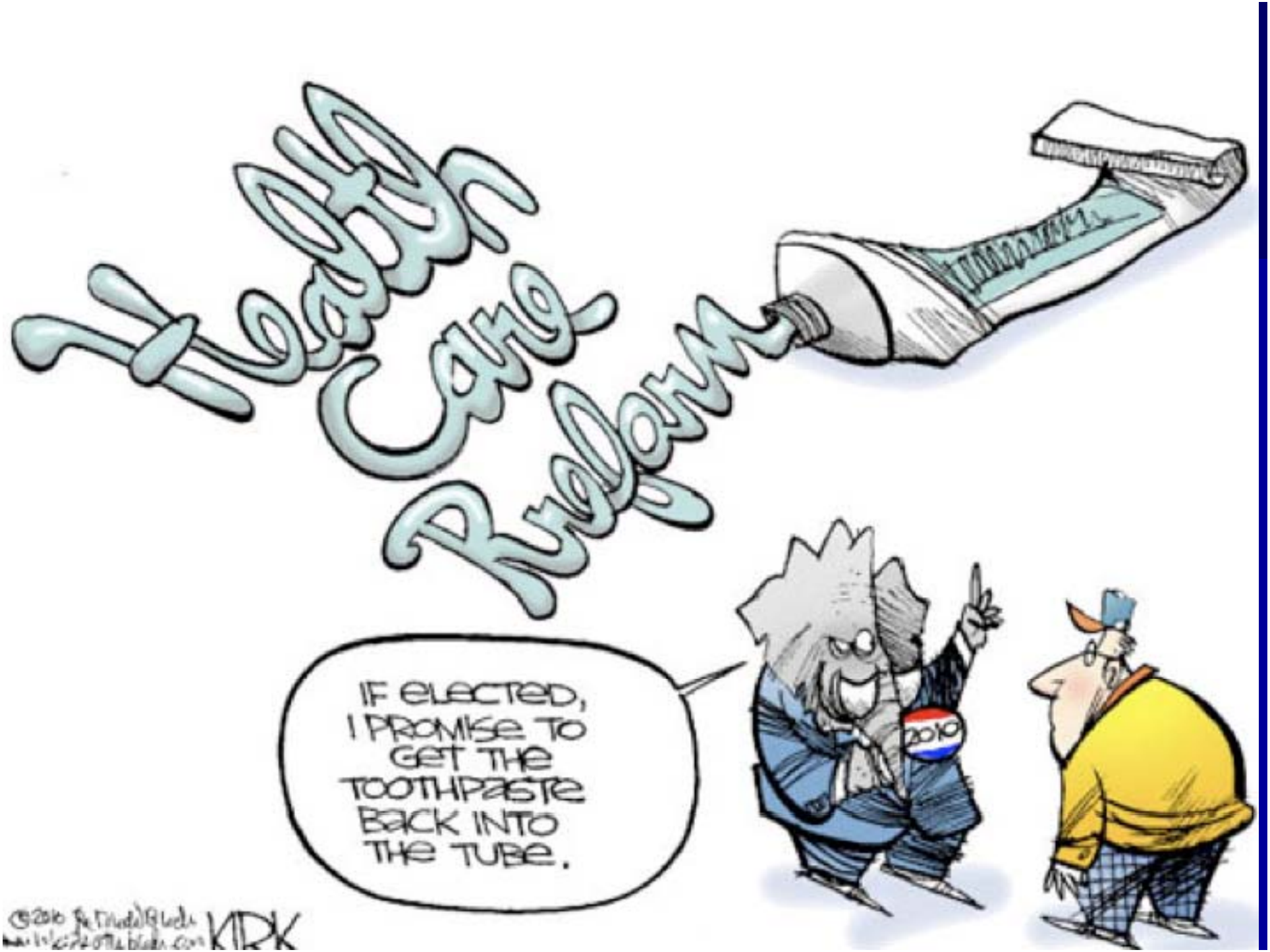
- Enhanced care coordination and evidence based practice supported by IT
- Reduces ED visits, hospitalizations and overall health care costs
- Blended payment: partial capitation to support care coordination and FFS for in person care
- Health reform will test model in Medicare and Medicaid for patients with chronic disease

Accountable Care Organizations (ACOs)

- Medical home as a foundation of an integrated health care delivery system
- Global payments to ACO adjusted for health status and quality of care
  - No penalty for caring for sick
  - Incentivizes delivery of highest quality care in the lowest cost setting
- General internists could be rewarded by ACO for preventing hospital and ED visits

Bridging to Reform

- States on the front lines of implementation
- Many states are financially challenged
- Although CBO estimates that >95% of coverage expansion paid for by federal government states worried about their costs
- States have the potential through Medicaid state options and waivers to start investing in primary care now


Health Care Reform
IF ELECTED, I PROMISE TO GET THE TOOTHPASTE BACK INTO THE TUBE.
2010
KIRK

Future of Health Reform

- Individual mandate in court
- Republicans want to repeal legislation
- Senate and president make that unlikely
- Possible that some less central components such as CER are negotiated away

Authorized But Not Appropriated

- Annual appropriations process a target
- Does not affect entitlements in Medicare, Medicaid, or premium subsidies in exchange
- Does affect implementation budget
- Delivery system provisions with phrase “such sums as necessary” also at risk

Some At-Risk Items

- Workforce training programs in primary care, public health, disparities
- Community prevention programs
- Community health teams to support medical home
- Health disparities data collection

Primary Care Reborn?

- Coverage expansion will increase demand for primary care
- Federal government indicating a willingness to expand its investment in primary care capacity
- Opportunity to demonstrate value of primary care in providing access and efficiency through new delivery models

Role of Professional Organizations

- Educate physicians about benefits of coverage expansion on practice of medicine
- Support scientifically sound evaluations of primary care's impact on the health care system that can be used to advocate for additional resources
- Value and encourage members' contributions to public service such as participation in Medicaid