Inside National Health Reform:
The Impact of the ACA

John McDonough, DPH, MPA
Harvard School of Public Health
March, 2012
Presentation Outline

* The ACA’s Essential Architecture
* People Flows and Money Flows
* ACA and Its Impact – Current Controversies
* 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, Transparency and more
VII. Pathway for Biological Similars
VIII. CLASS – Community Living Assistance Services & Supports
IX. Revenue Measures
X. Harry Reid’s Manager’s Amendment
   I. And the “Reconciliation Sidecar”
Title I (Coverage) and II (Medicaid)

**I: Affordable and Available Coverage**
- Immediate Reforms in 2010 and 2011 – i.e. 26 year olds
- The Three-Legged Stool
  - Insurance Market Reform – Guaranteed Issue
  - Individual Mandate/Responsibility
  - Premium & Cost Sharing Subsidies
- State Insurance Exchanges
- Employer Responsibility

**II: Medicaid & CHIP**
- New national eligibility floor of 133% FPL
- Federal Financing 90% + for newly eligible
- Uniform eligibility and enrollment standards
The New Coverage Structure under Title I and II

- 400%+ FPL – Eligible for Exchange without subsidies ($89K, family of 4)
- 139-400% FPL – Eligible for Exchange with subsidies ($31K, family of 4)
- 0-138% FPL – Eligible for Medicaid (less than $31K, family of 4)
III: Medicare and Delivery System Reform

Delivery System Reforms

- National Quality Strategy, Medical Homes, Accountable Care Organizations, Preventable Readmissions, Hospital Infections, Value Based Insurance, Independent Payment Advisory Board
- Changes to Lower Medicare Spending
  - Medicare Advantage
  - Hospitals, Home Health, and Hospice Market Basket Payment Adjustments

IV: Prevention and Wellness

- Prevention and Wellness Commission and Strategy
- Prevention & Wellness $15B Trust
- Coverage of Clinical Preventive Services without cost sharing
- Calorie Labeling in Chain Restaurants
V. Health Care Workforce
- National Workforce Commission and National Plan
- 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
- Patient Centered Outcomes Research Institute (PCORI)
Titles VII (BioSimilars) and VIII (CLASS)

* VII. Pathway for Biological Similars
  * FDA Approval for Generic-like Biopharmaceuticals/Bio-similars

* 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
  * Major implementation challenges before launch
Revenue Provisions

- FICA increases for high-income for both earned and unearned income
- Fees on Health Insurers, Drug Manufacturers & Medical 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
The ACA’s Financial Impacts (2010-19)

<table>
<thead>
<tr>
<th>ACA Title</th>
<th>Covered (#M)</th>
<th>$ Spent ($B)</th>
<th>$ Raised /Saved ($B)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Private Sector Coverage</td>
<td>16</td>
<td>$509</td>
<td>$80.6</td>
</tr>
<tr>
<td>2. Medicaid/CHIP</td>
<td>16</td>
<td>$458.8</td>
<td>$52.7</td>
</tr>
<tr>
<td>3. Medicare/Delivery Reform</td>
<td></td>
<td>$54</td>
<td>$449.9</td>
</tr>
<tr>
<td>4. Prevention/Public Health</td>
<td></td>
<td>$18</td>
<td>$.8</td>
</tr>
<tr>
<td>5. Workforce</td>
<td></td>
<td>$18.2</td>
<td>--</td>
</tr>
<tr>
<td>6. M&amp;M Fraud &amp; Abuse</td>
<td></td>
<td>$2.8</td>
<td>$7</td>
</tr>
<tr>
<td>7. Biologic Similars</td>
<td></td>
<td>--</td>
<td>$7</td>
</tr>
<tr>
<td>8. CLASS</td>
<td></td>
<td>--</td>
<td>$70.2</td>
</tr>
<tr>
<td>9. Revenues</td>
<td></td>
<td>--</td>
<td>$437.8</td>
</tr>
<tr>
<td>Others (Interactions etc)</td>
<td>14.8</td>
<td></td>
<td>$92.8</td>
</tr>
</tbody>
</table>

The ACA's Financial Impacts (2010-19):
Public Remains Largely Split On ACA

As you may know, a health reform bill was signed into law in 2010. Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?

Source: Kaiser Family Foundation Health Tracking Polls
Slight Majority Want Health Care Law Kept As Is Or Expanded

What would you like to see Congress do when it comes to the health care law?

Source: Kaiser Family Foundation Health Tracking Polls
Some Essential Resources

* Bill Text and Section-by-Section Summary
* Congressional Budget Office: cbo.gov
* Joint Tax Committee: jtc.gov
* Obama 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/](http://www.politico.com/politicopulse/)
* Funding Opportunities in the ACA:
  * UMass Center for Health Law & Economics