

# HEALTHCARE REFORM – IN PERSPECTIVE: 2015 & BEYOND

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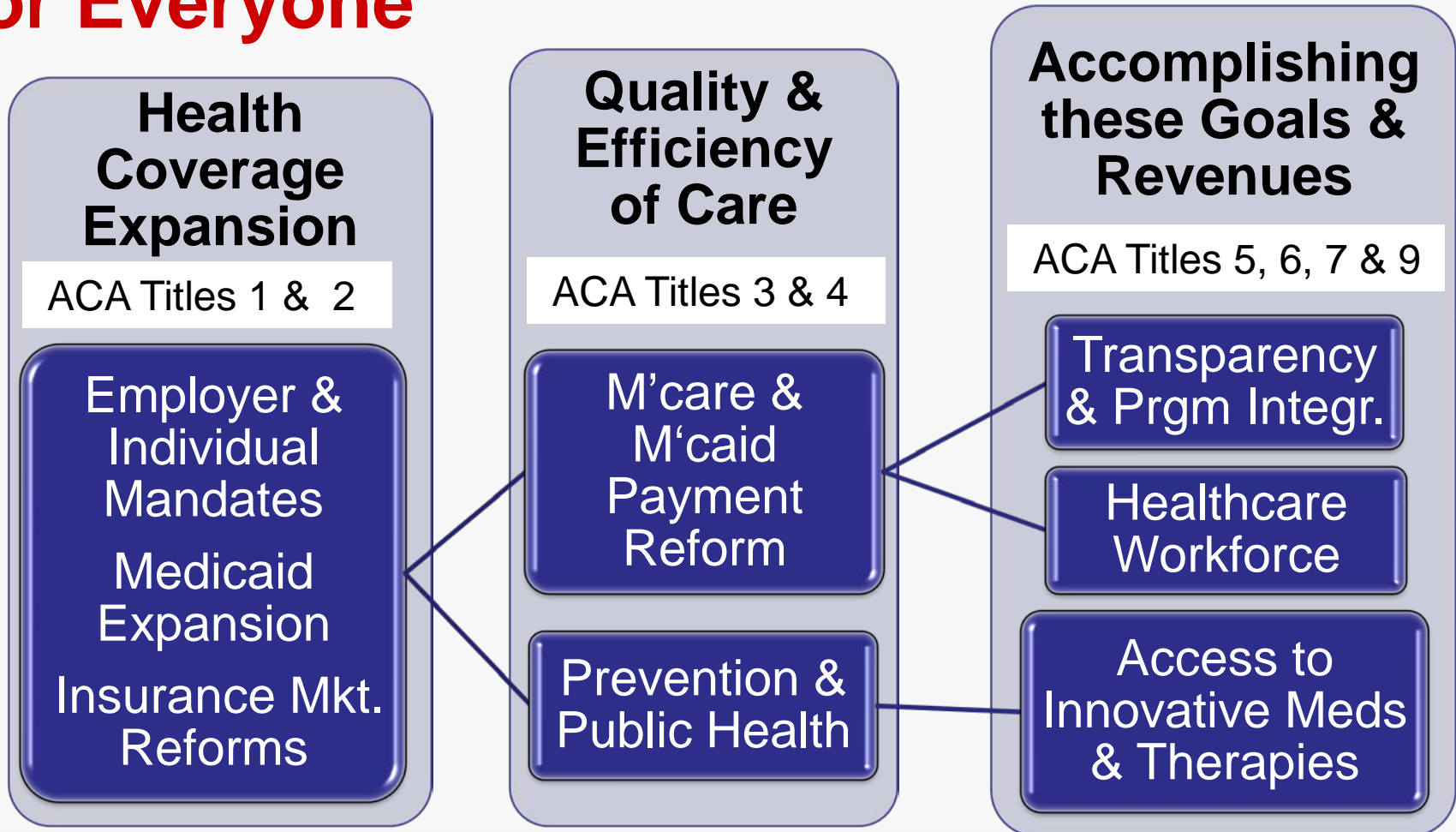
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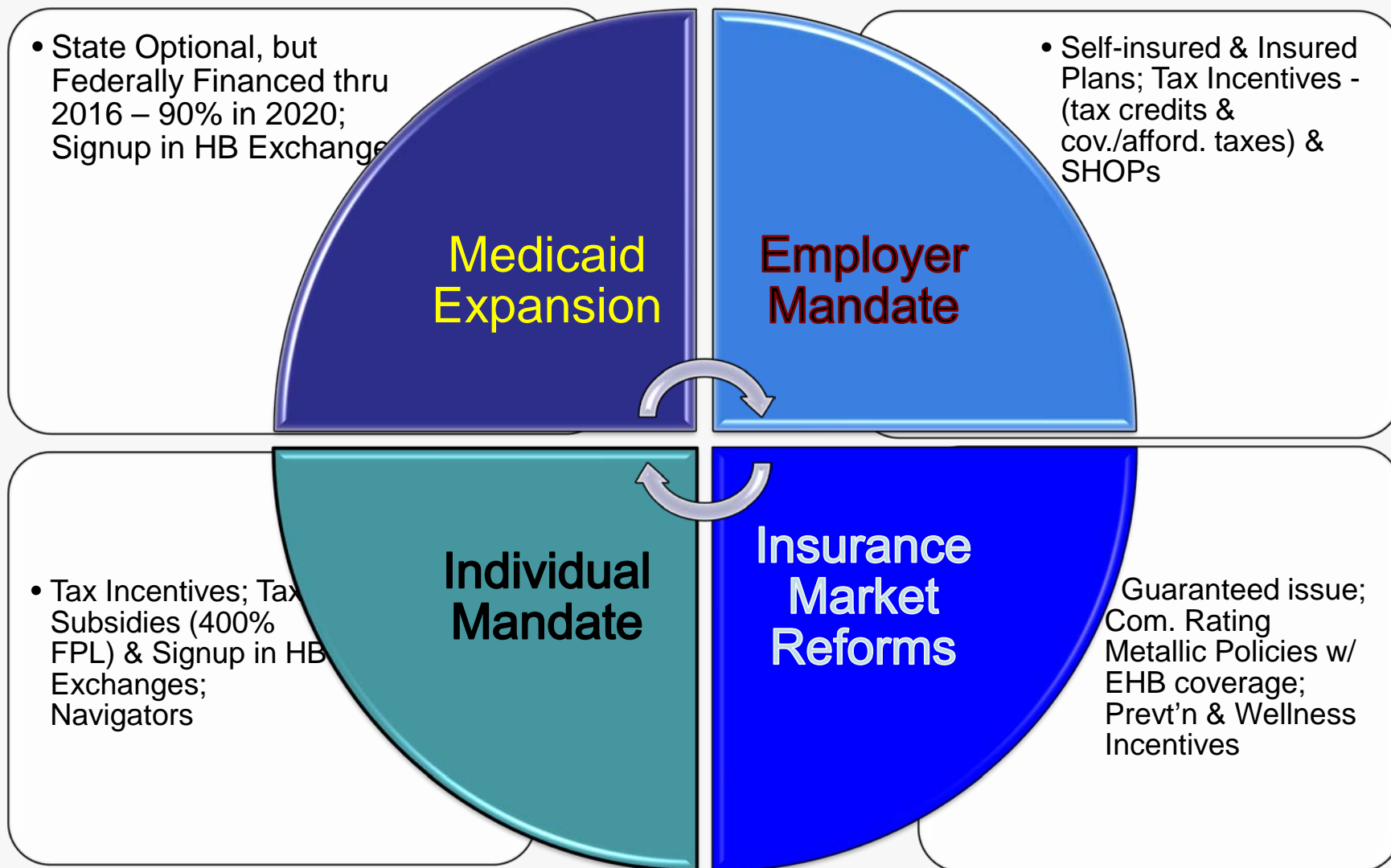
# The ACA (a/k/a “Obamacare”)



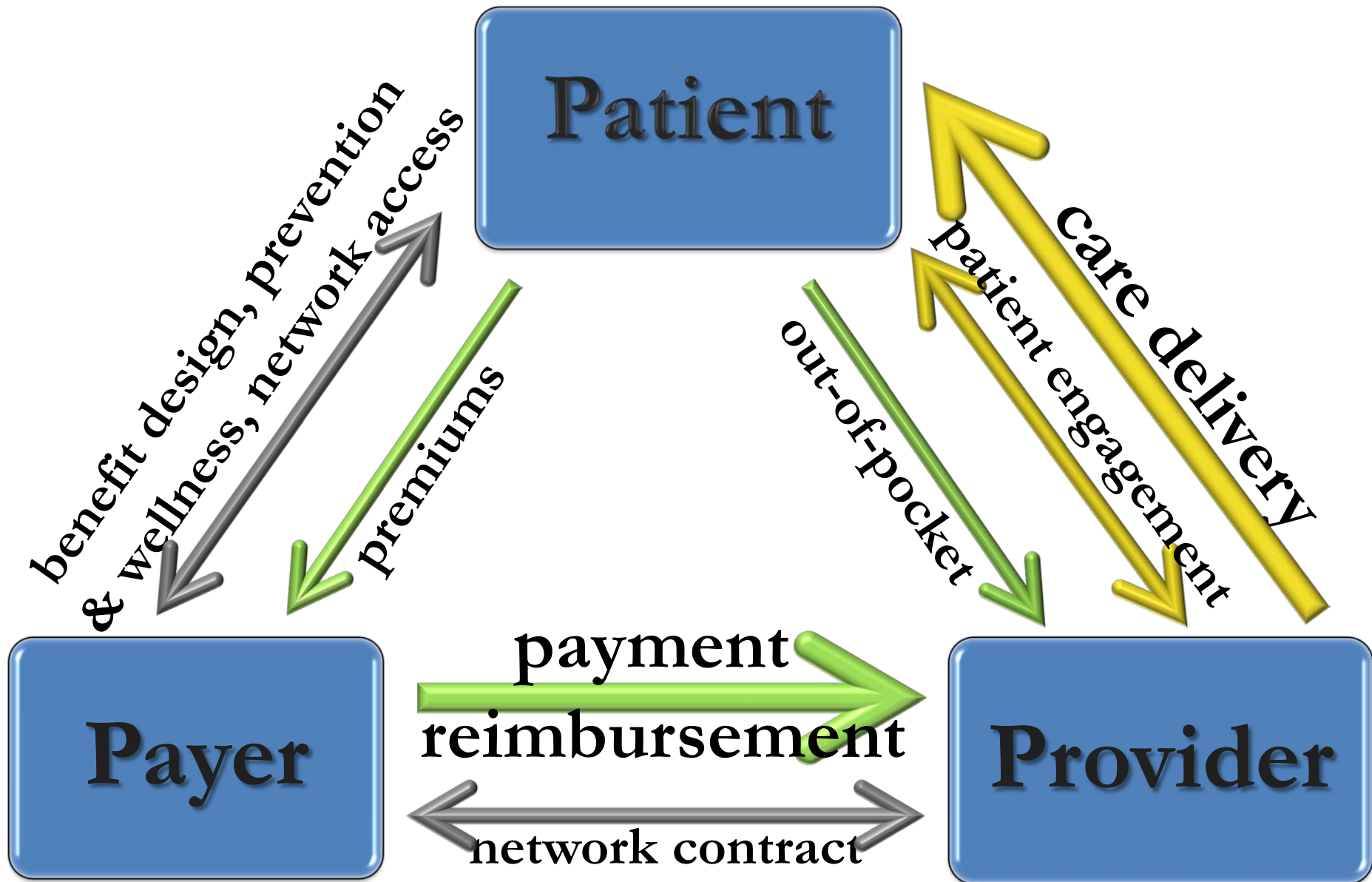
# ACA Policy: Quality, Affordable Healthcare for Everyone



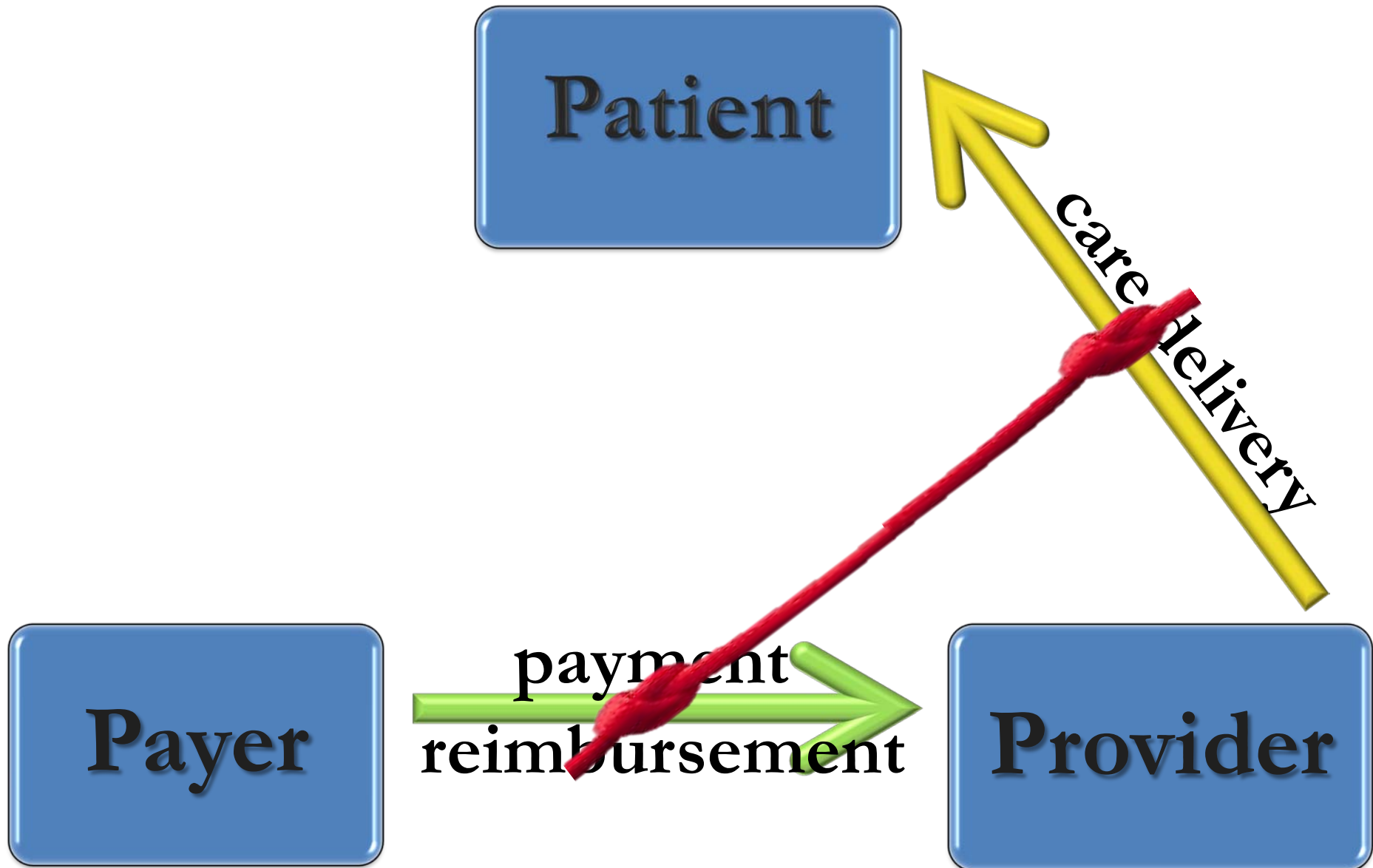
# Expanded Healthcare Coverage



# PAYMENT & QUALITY

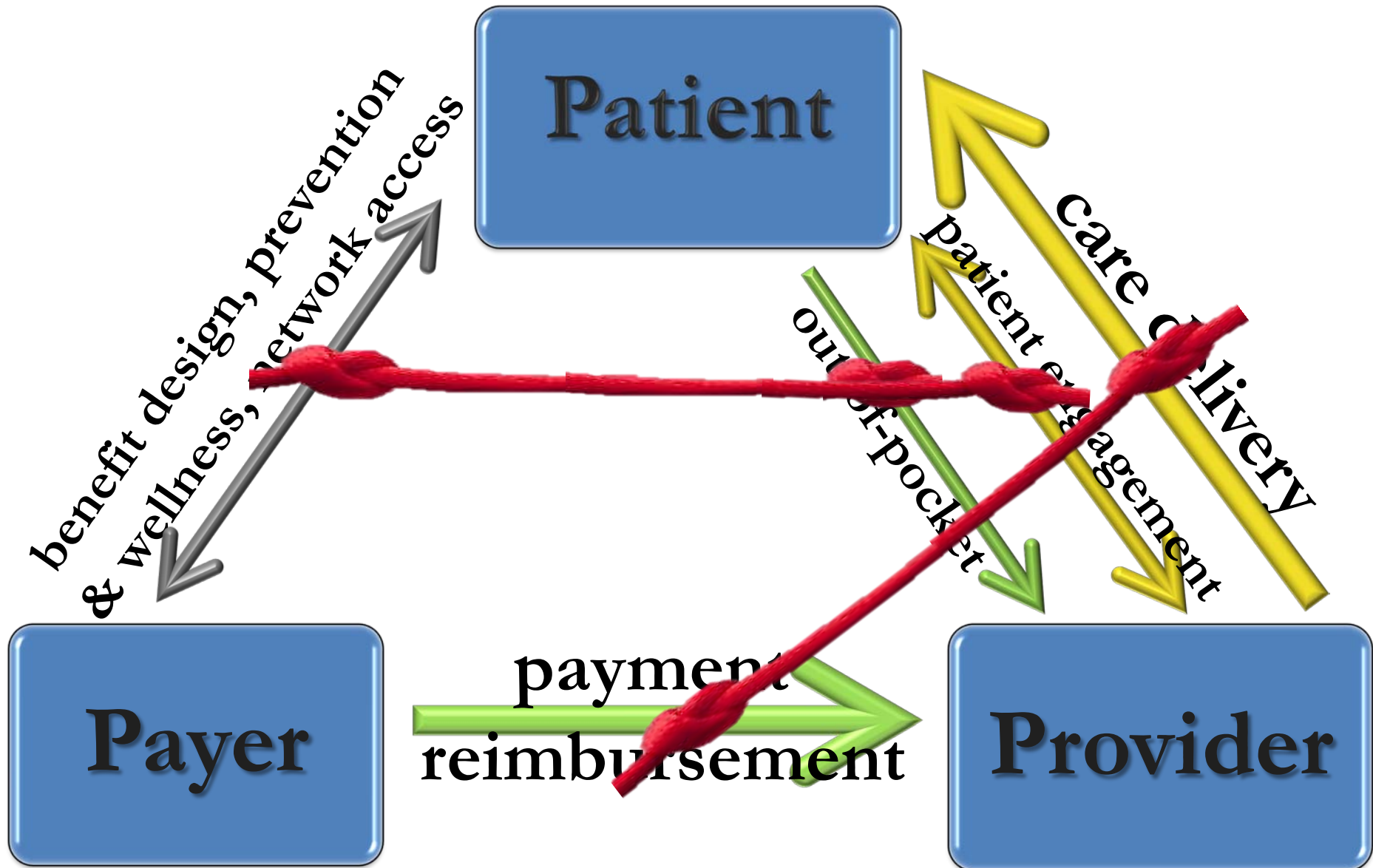


# ACCOUNTABLE CARE



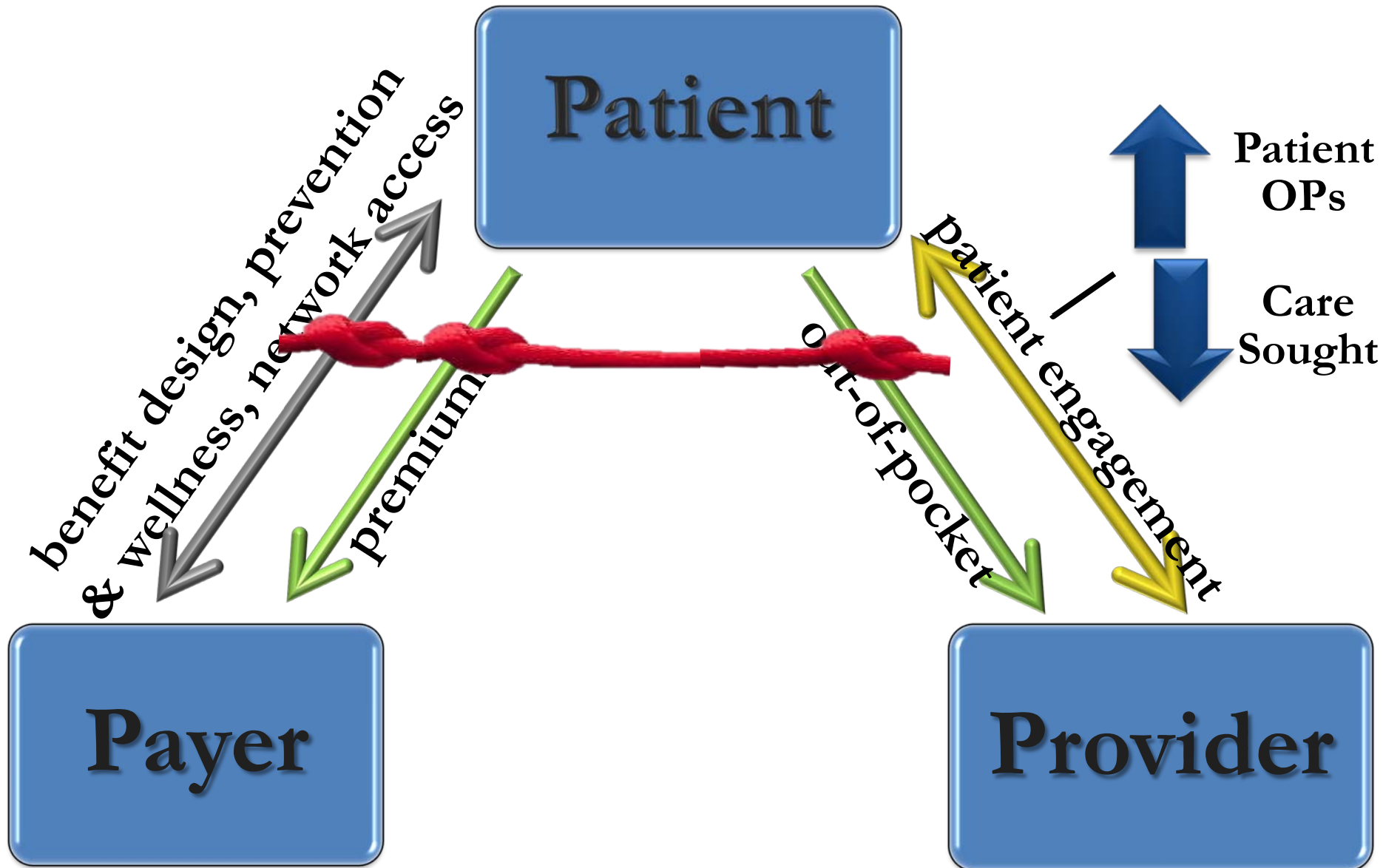
# BENEFIT DESIGN

## PREVENTION & WELLNESS

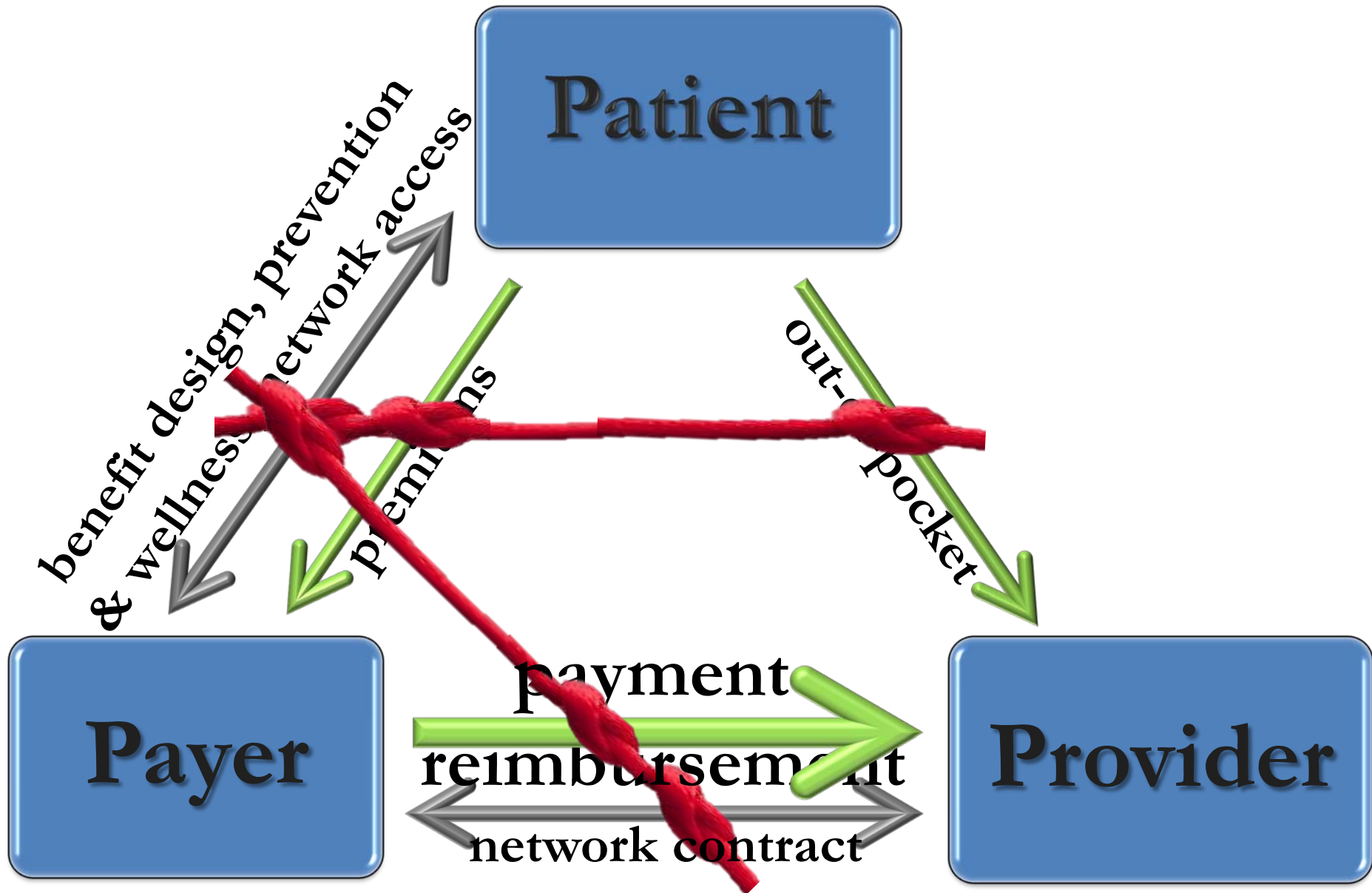


# BENEFIT DESIGN

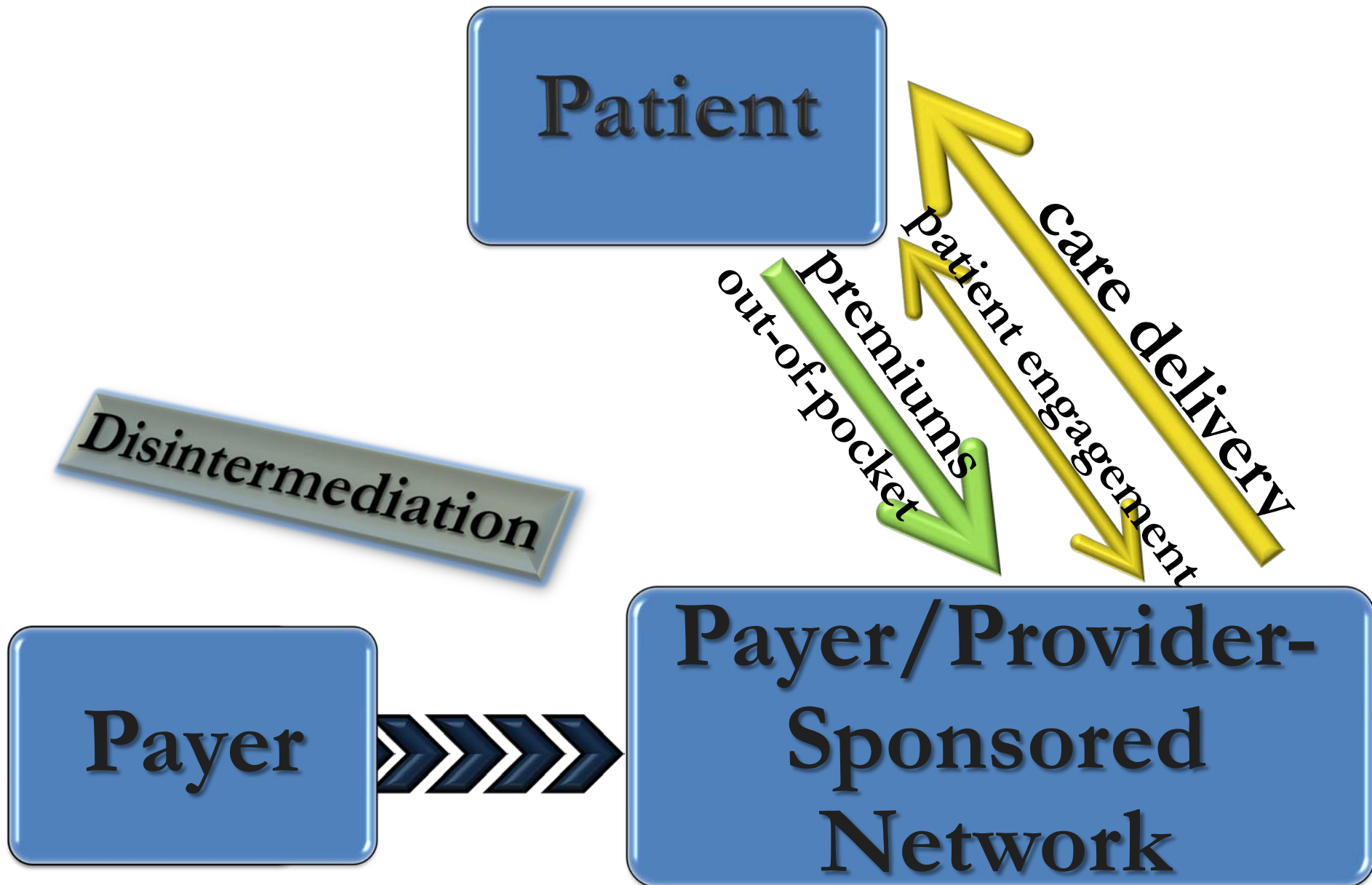
## CDHPs/HDHPs and HSAs



# PROVIDER NETWORKS



# COMPETITIVE RE-ALIGNMENT



# The “Revolution” in Health Care Delivery

<http://www.youtube.com/watch?v=SHRZId4IMBs>



# ACA's Payment Reform Models must either

- Reduce spending without reducing quality

**or**

- Improve quality without increasing spending;

**plus**

- Must not deny or limit the coverage or provision of any benefits

# MODERN

Feb. 2, 2015 weekly edition



# HEALTHCARE

Ignagni Gilfillan Burwell



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# Accountable Care ‘Arrangements’ for Commercial Plans & Employers

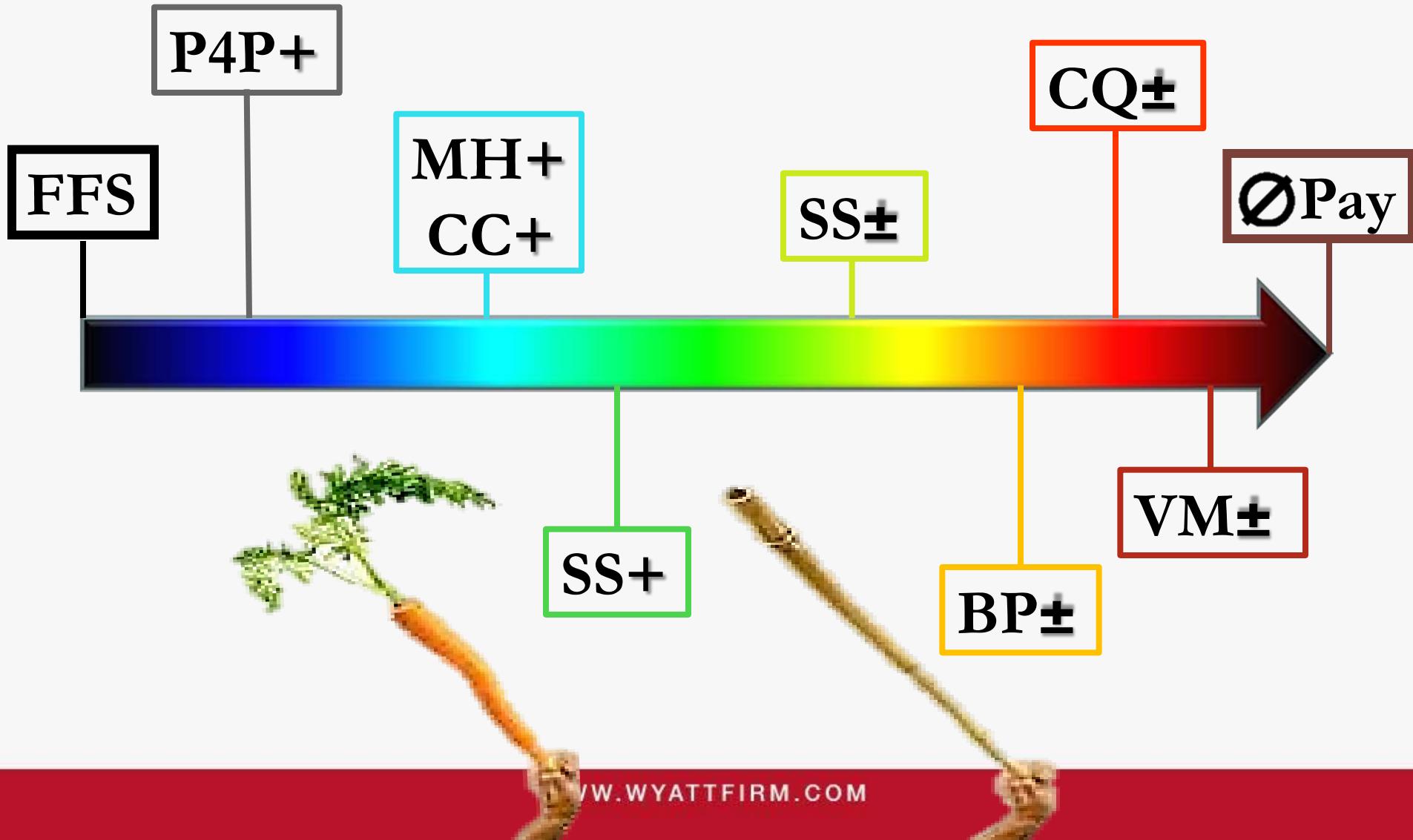
- Commercial plans replicate ACA’s “value-based” payment
  - 2015 – MSSP ACOs – 424 ACOs (incl. 19 Pioneer ACOs) – covering 7.8M lives up from 4+M lives in 2013
    - 1/26/15 CMS says by 2016 – 30% & by 2018 – 50% of Medicare’s \$362B to be spent in value-based payments
  - Commercial accountable care “arrangements”
    - In 2013 – 11% & in 2014 – 40% (Catalyst for Paym’t Ref.)
    - 1/28/15 – Health Care Transformation Task Force (group of country’s largest payors) projects by 2020 – 75%
    - AHIP – 2014 – 27%; projects by 2018 – 50% & by 2020 – 75%

# Population Health Management

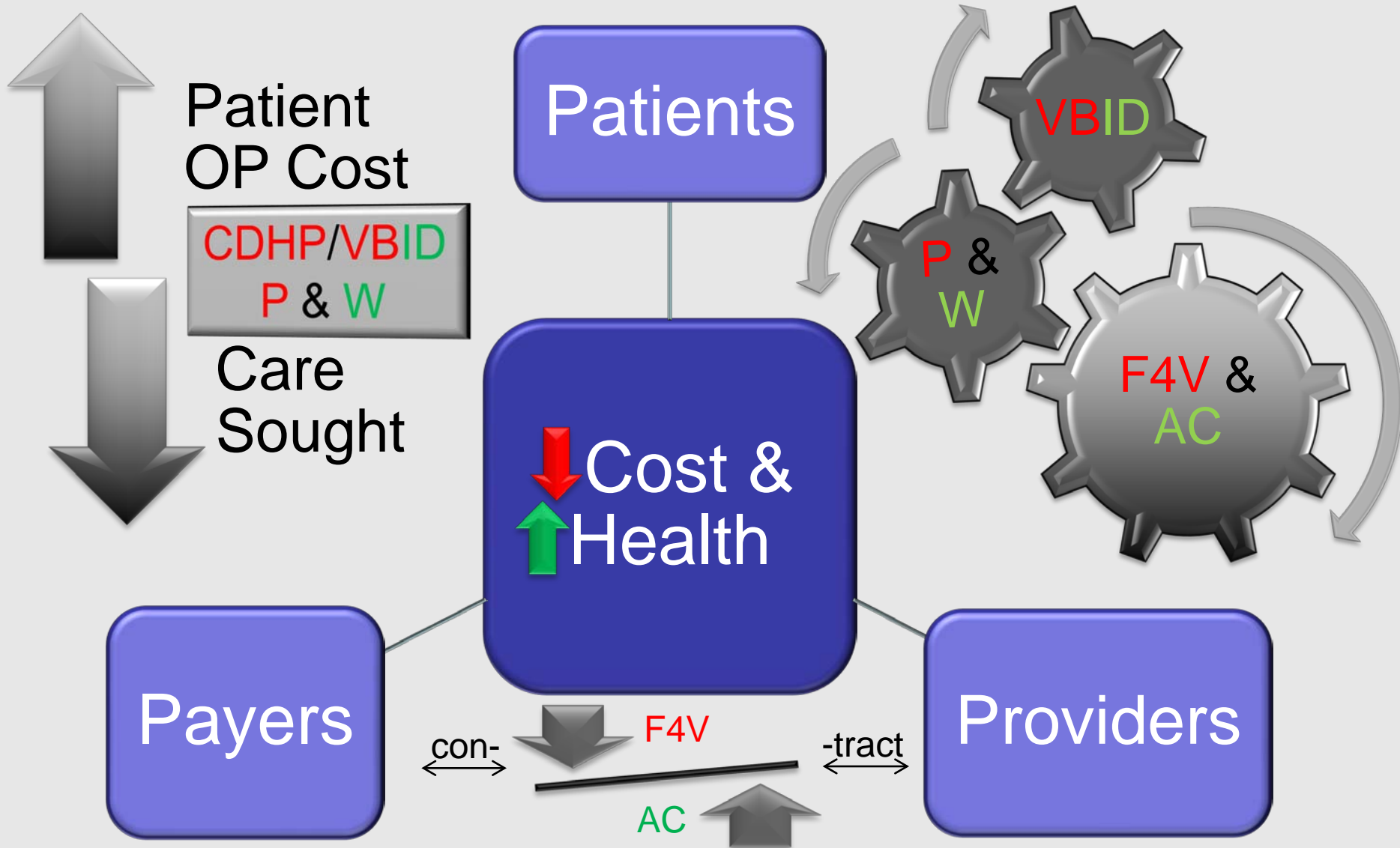
## What is it?



# PROVIDER PAYMENT SPECTRUM



# New Alignments



# WHICH POPULATION



# DO YOU WANT



# ATTRIBUTED?

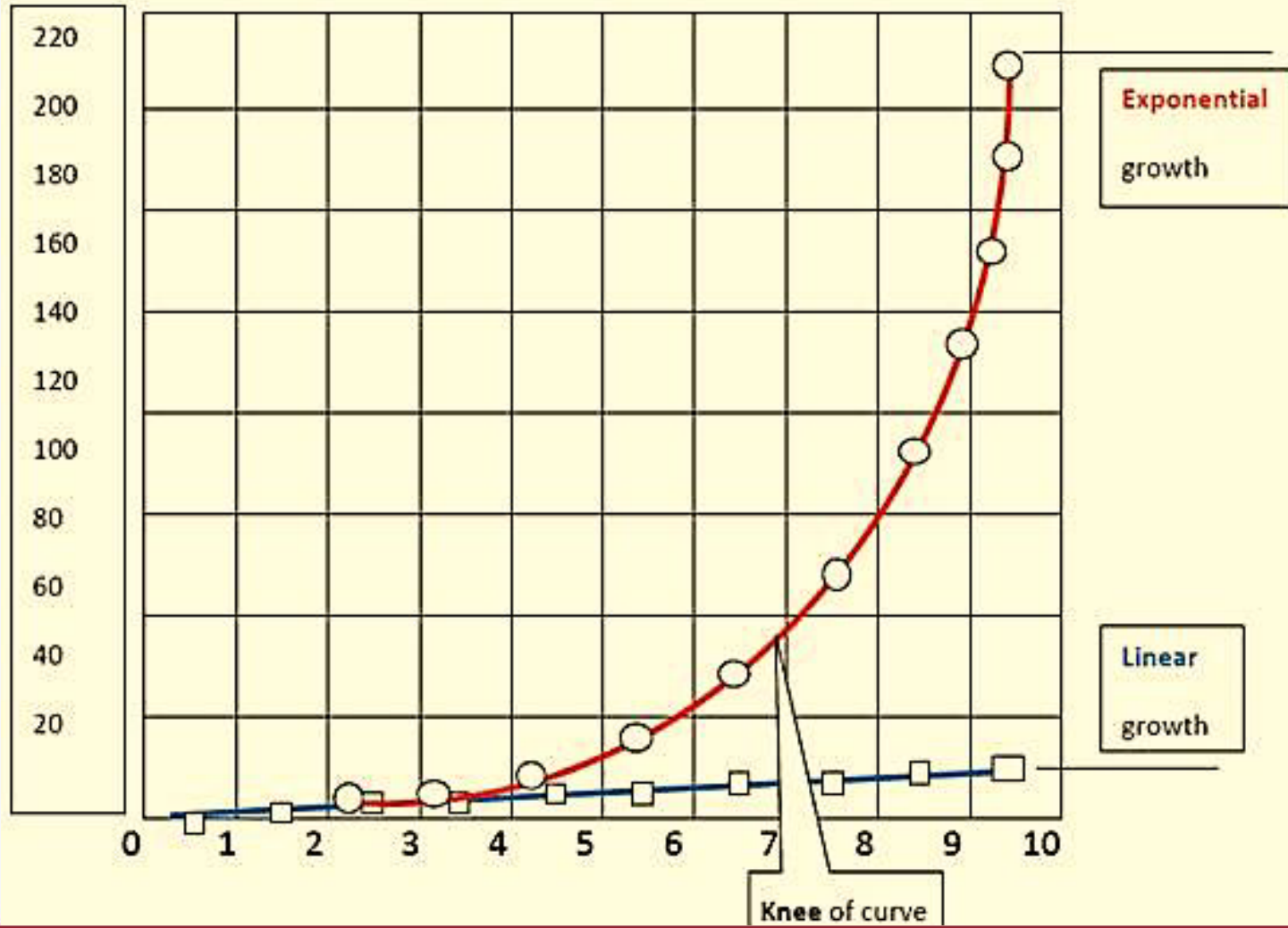


# “BIG” Data, Cadillacs & Emerging Strategies

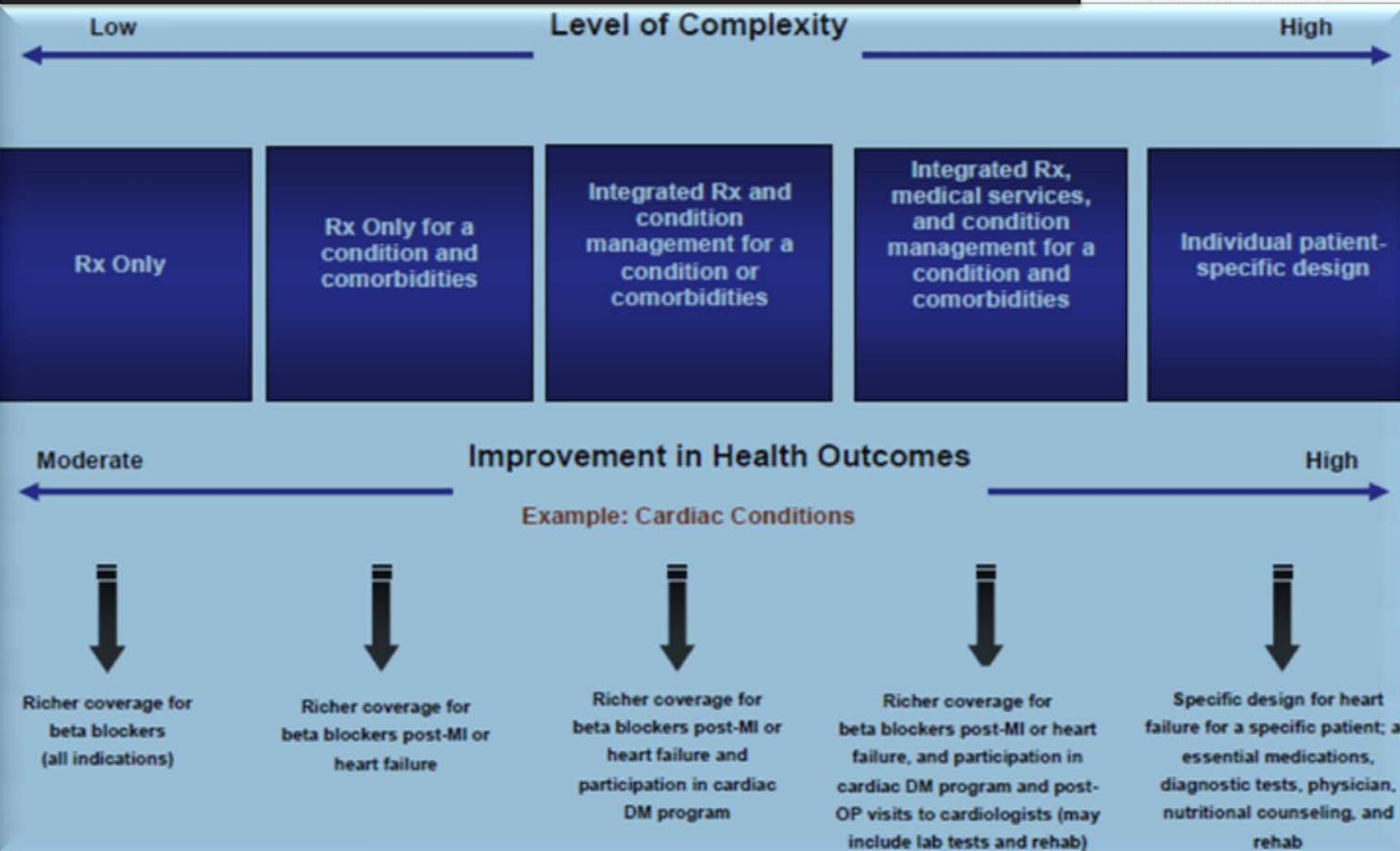
- “Big Data” analytics, KHIE & ↑ evidence-based “trials”
- VBIDs & Prevention & Wellness Incentives (30% & 50%)
  - CMS’ 2014 RFI (AON Hewitt’s VBID “comments”)
  - EEOC’s anti-discrimination suits in 2014
- “CADS” - Cadillac (tax) Avoidance Design Strategies
- HDHPs (CDHPs) – in 2014 >50% of plans
  - Voluntary benefits & employee “risk”
    - Fixed hospital & accident indemnity; vision & dental plans
  - FSAs/HSAs/HRAs – cost counting
  - On-site clinics
- Private Exchanges



# WHEN DID THIS PATIENT'S DATA COME IN?



# AON HEWITT's VBID Spectrum



# ACA Legal Challenges (at the SCOTUS)

- *NIFB v. Sebelius* – 2012
  - ACA is **mostly** constitutional
    - Individual mandate upheld as a “tax”
    - Mandatory Medicaid expansion - **un**constitutional
    - Medicaid expansion “optional” for States
- *Burwell v. Hobby Lobby* – 2014
  - ACA’s contraceptive mandate must respect employers’ religious objections
- *King v. Burwell* - To be argued – 3/4/15; Ruling – 6/?/15 – premium tax subsidies in federal exchange?



# Other Legal Challenges

- Origination Clause Challenges – *Sissel v. HHS*
  - “Tax” bills must originate in House of Representatives
- Tea Party Challenges to Gov. Beshear’s actions
  - Exec. Orders establishing “Kynect” & Expanding Medicaid (Franklin Co. Judge upheld actions in 9/13)
- GOP House’s Challenge to Pres. Obama’s actions – *US House of Representatives v. Burwell*
  - Employer mandate delays
  - Cost-sharing payments to exchange insurers



# ACA's New & Different Playing Fields with Changing Market Incentives

## ■ Health Insurance Markets

- More covered – 2015 Kynect – 103K QHPs; 55K M'caid
- Few employers dropping coverage
- Competition's new goal – “staying healthy”

## ■ ↑ ***Demand for Employee Benefits Advice***

- Navigating employer mandate
- KY's “SHOP” – 2015 upgrade; 2016 expansion

## ■ ↑ Transparency in pricing & quality

- For both providers & plans



# ACA's Changing Markets & Antitrust Complications

- “Care Coordination” & “Clinical Integration” or **Undue** Provider Consolidation?
  - Hospitals buying up physician practices
  - Hospitals merging or joint-venturing with other hospitals
- **St. Luke's Hospital v. FTC** – “unwind” remedy upheld 2/10/15
  - KY AG's *amicus* brief sided with FTC
  - Anti-competitiveness measured by St. Luke's ↑ bargaining power with insurers



# IN NEED OF TRUSTED GUIDANCE?



# ADVISORS & CONNECTIONS



**Employers**





# “Repeal & Replace”

(Rhetorical or Reality?)



- Sept. 2013 – GOP Study Committee Plan – similar to Pres. Bush’s 2007 plan
- 2009 – 2014 – “Empowering Patients First Act” (Rep. Tom Price & 58 co-sponsors & Sen. John McCain)
- Jan. 2014 – “Patient Care Act” (3 Sens.)
- 2015’s GOP majorities – House 56<sup>th</sup> repeal bill; Senate re-floating “Patient CARE Act” (2.0) (No bill though) (Sens. Hatch & Burr & Rep. Upton)

