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 toPts 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
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 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
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