

The Affordable Care Act and Trauma Care

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Objectives

- **Describe main components of the Affordable Care Act (ACA)**
- **Define the importance of “value” in the U.S. healthcare system**
- **Relate this to the trauma care system**

Where were we?

Access:

- Nearly 50 million uninsured Americans

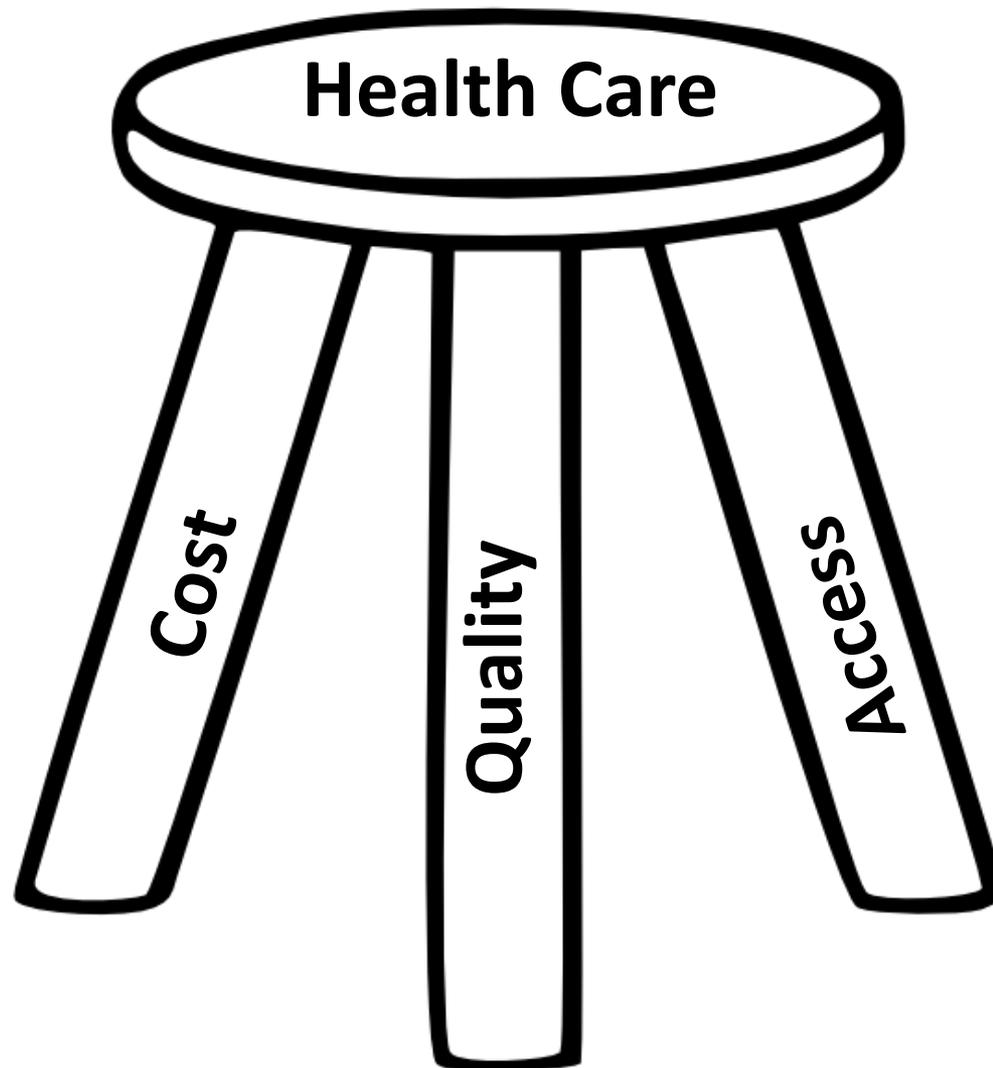
Quality:

- Healthcare outcomes trail those of other nations

Cost:

- U.S. spends almost twice as much per capita on health care than other western countries
- Medicare insolvency still looming

Where are we going?



How does the Affordable Care Act Help Us Get There?

Insurance Marketplace



Access

Delivery Reform



Quality

Payment Reform



Cost

Health Insurance Marketplace

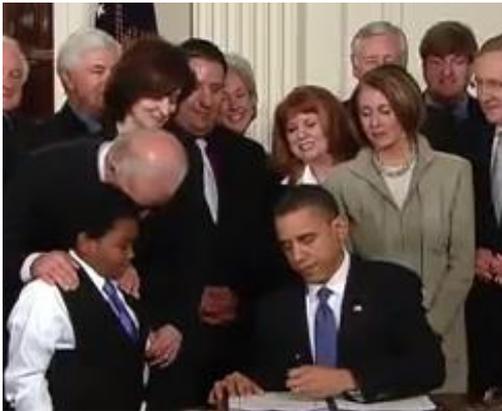
The Problem

- **Insurance companies could turn away 129 million Americans with pre-existing conditions**
- **Premiums more than doubled over the last decade, while insurance company profits soared**
- **Tens of millions were underinsured, and many who had coverage were afraid of losing it**
- **50 million Americans had no insurance at all**



The Health Care Law

- **In March 2010, President Obama signed the Affordable Care Act into law generally requiring:**



- **Young adults up to age 26 may stay on their parents' plan**
- **Additional drug coverage for people with Medicare**
- **More preventive services with no cost-sharing**
- **Lifetime limits removed from essential health benefits**

Historic Expansion of Coverage

Increased Availability of Private Coverage

- **Health Insurance Marketplaces**
 - **Enrollment opened October 1, 2013**
 - **Coverage starting as early as January 1, 2014**

Expansion of Medicaid Eligibility

- **Starting January 1, 2014**
- **Coverage for individuals under 133% of federal poverty level**
- **States receive additional federal funding**
 - **100% funding for first three years**
 - **90% funding subsequent years**

<http://www.healthcare.gov/law/timeline/full.html#2013>



What Changed on January 1, 2014?

- **Discrimination due to pre-existing conditions or gender was generally prohibited**
- **Annual limits on insurance coverage of essential health benefits were eliminated for most plans**
- **Advance payments of premium tax credit available**
- **The small business health care tax credit increased**
- **More people became eligible for MediCal**
- **Coverage through the Health Insurance Marketplace began (Covered CA in California)**

A New Way to Lower Premium Costs

- **Refundable or Advanced Premium Tax Credit lowers cost of Qualified Health Plans**
- **Eligibility based on:**
 - **Household income, and family size (at end of year)**
 - **Income between 100% to 400% of FPL or Federal Poverty Level (\$23,550 – \$94,200 for a family of four in 2013)**
 - **Obtaining qualified health insurance through the Marketplace**
 - **Ineligibility for government-sponsored coverage, affordable employer-sponsored insurance, or certain other minimum essential coverage**

Who is Eligible for a Cost-Sharing Reduction?

- **To be eligible, you must:**
 - **Have income \leq 250% of FPL (\$59, 625 annually for a family of four in 2014)**
 - **Receive the Premium Tax Credit**
 - **Enroll in a Marketplace silver-level plan**
- **Members of Federally-recognized Indian Tribes**
 - **No cost sharing if income is $<$ 300% FPL**

Medicaid Eligibility in 2014

- **New opportunities for states to expand Medicaid eligibility to adults**
 - **Ages 19 – 64 with incomes \leq 133% of FPL (\$15,521 for individual, \$31,720 for family of 4 in 2014)**
- **Ensures Medicaid coverage for all children with household incomes \leq 133% of the FPL**
- **Simplifies determination of Medicaid/CHIP eligibility**
 - **Known as Modified Adjusted Gross Income (MAGI) based method**

Qualified Health Plans Cover Essential Health Benefits

Essential health benefits include at least these 10 categories

- Ambulatory patient services
- Emergency services
- Hospitalization
- Maternity and newborn care
- Mental health and substance use disorder services, including behavioral health treatment
- Prescription drugs
- Rehabilitative and habilitative services and devices
- Laboratory services
- Preventive and wellness services and chronic disease management
- Pediatric services, including oral and vision care (oral services may be provided by stand-alone plan)



When You Can Enroll in the Individual Market

- **Marketplace initial open enrollment period**
 - **October 1, 2013 – March 31, 2014**
- **Annual open enrollment periods**
 - **November 15 – February 15**
- **Special enrollment periods**
 - **Available in certain circumstances during the year**

The Value Proposition

Payment Reform

Delivery Reform

We need delivery system and payment transformation

Current State –

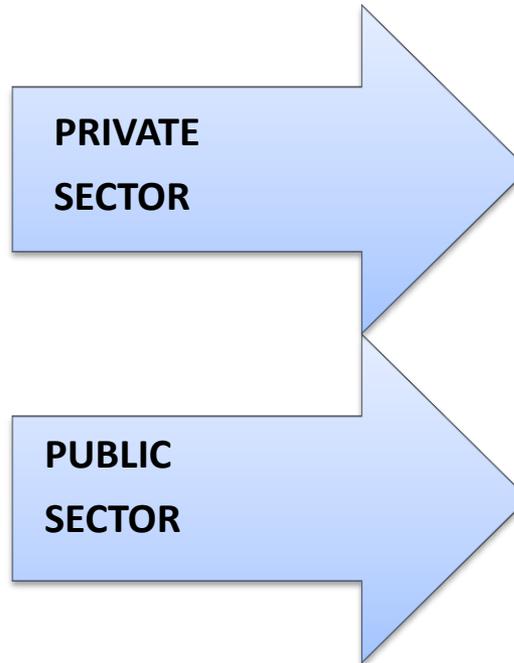
Producer-Centered

Volume-Driven

Unsustainable

**Fragmented Care
Systems**

FFS Payment Systems



Future State –

People-Centered

Outcomes-Driven

Sustainable

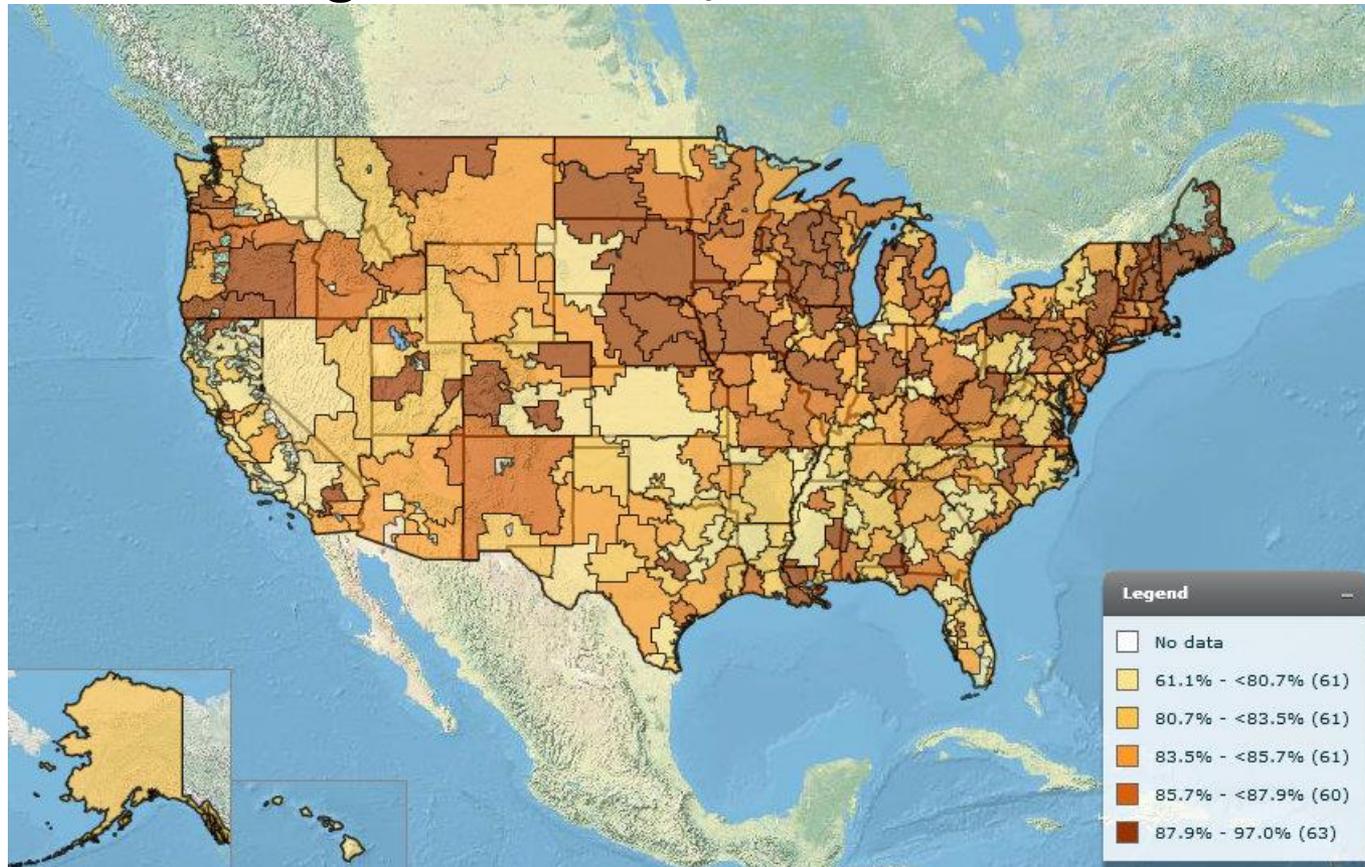
**Coordinated Care
Systems**

New Payment Systems

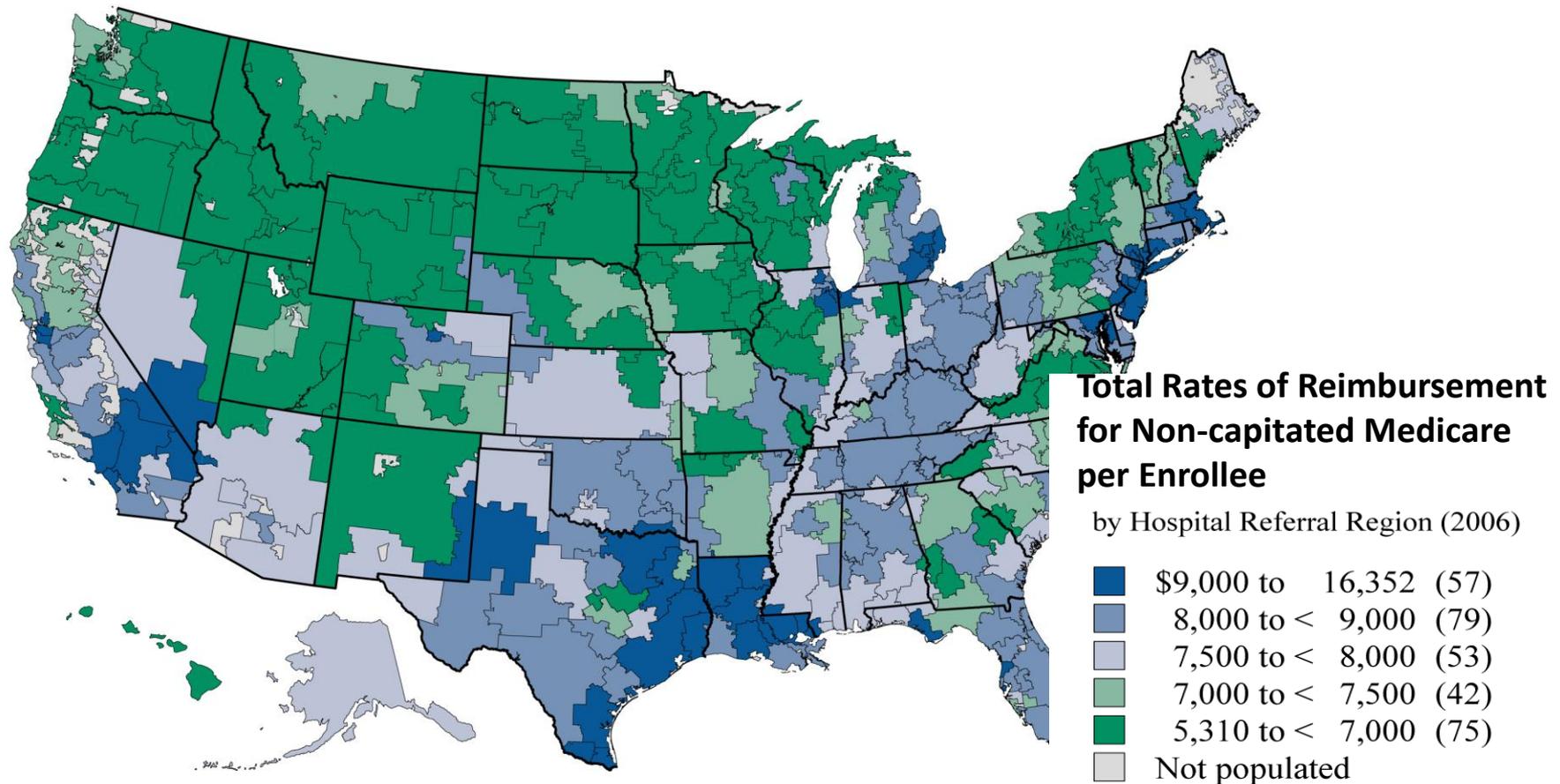
- Value-based purchasing
- ACO shared savings
- Episode-based payments
- Care management fees
- Data transparency

Imperative for Quality = Unwarranted Variation

Percent Filling At Least One Prescription for a Beta-Blocker Within Six Months Following Heart Attack, 2008-2010



Imperative for Cost Control = Unwarranted Variation



Source: E. Fisher, D. Goodman, J. Skinner, and K. Bronner, *Health Care Spending, Quality, and Outcomes*, (Hanover: The Dartmouth Institute for Health Policy and Clinical Practice, Feb. 2009).

ACA and the Value Proposition

- **Center for Medicare and Medicaid Innovation**
- **Hospital Readmission Reduction Program**
- **Hospital Value Based Purchasing**
- **Hospital Acquired Conditions**
- **Accountable Care Organizations**
- **Physician incentive programs**
- **Driving down waste, fraud and abuse in Medicare and Medicaid**

CMS Innovations Portfolio

Accountable Care Organizations (ACOs)

- Medicare Shared Savings Program (Center for Medicare)
- Pioneer ACO Model
- Advance Payment ACO Model
- Comprehensive ERSD Care Initiative

Primary Care Transformation

- Comprehensive Primary Care Initiative (CPC)
- Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration
- Federally Qualified Health Center (FQHC) Advanced Primary Care Practice Demonstration
- Independence at Home Demonstration
- Graduate Nurse Education Demonstration

Bundled Payment for Care Improvement

- Model 1: Retrospective Acute Care
- Model 2: Retrospective Acute Care Episode & Post Acute
- Model 3: Retrospective Post Acute Care
- Model 4: Prospective Acute Care

Capacity to Spread Innovation

- Partnership for Patients
- Community-Based Care Transitions Program
- Million Hearts

Health Care Innovation Awards (Rounds 1 & 2)

State Innovation Models Initiative

Initiatives Focused on the Medicaid Population

- Medicaid Emergency Psychiatric Demonstration
- Medicaid Incentives for Prevention of Chronic Diseases
- Strong Start Initiative

Medicare-Medicaid Enrollees

- Financial Alignment Initiative
- Initiative to Reduce Avoidable Hospitalizations of Nursing Facility Residents

Partnership for Patients

partnershipforpatients.cms.gov

GOALS:

40%

Reduction in Preventable Hospital-Acquired Conditions

1.8 Million Fewer Injuries | 60,000 Lives Saved

20%

Reduction in 30-Day Readmissions

1.6 Million Patients Recover without Readmission

Status:

- Over 3700 hospitals have signed the pledge
- Hospital readmission rates down from 18.9% to 17.7% in first year (unpublished data)

It's working!

We are starting to see results nationally

**Cost trends are down, outcomes are improving
& adverse events are falling**

- Total U.S. health spending grew only 3.9 percent in 2011**
- 70,000 fewer readmissions in 2012**
- Have reduced early elective deliveries dramatically leading to decreased NICU admits**

ACA and Access

- **3 million - young adults on their parents' plans**
- **4.8 million - more through Medicaid and CHIP**
- **8 million - enrolled in the marketplace**
- **34 million - people with Medicare who received a free preventive service**
- **71 million - privately insured people who gained improved coverage for preventive services**
- **105 million - Americans who have had lifetime limits removed from their insurance**

Helping everyday Americans obtain the care they need, when they need it.

10.3 million previously uninsured Americans are now insured.

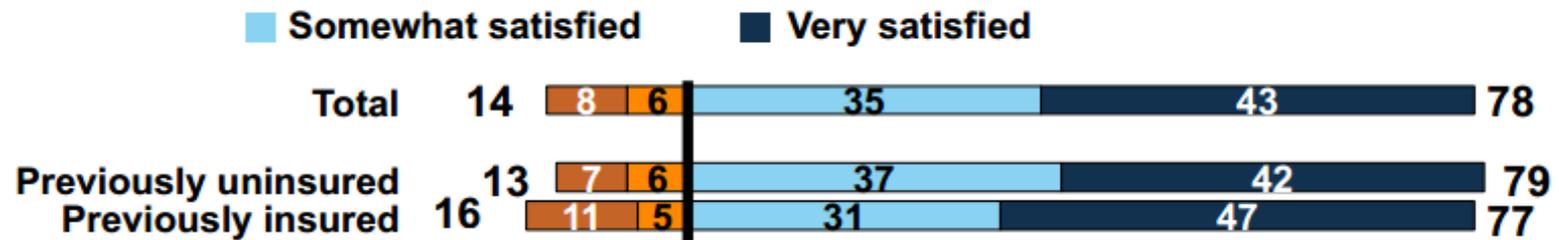


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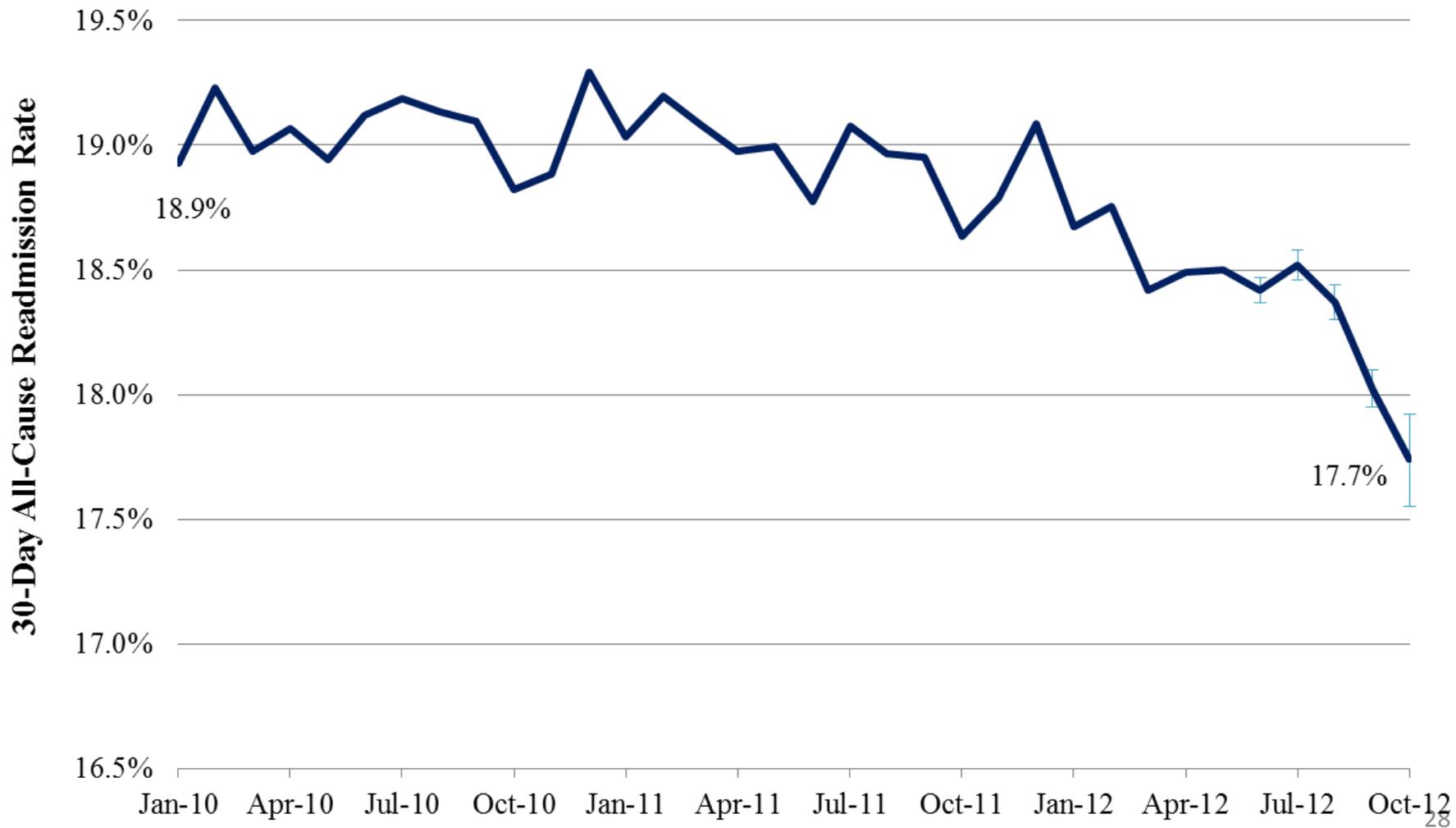
New England Journal of Medicine, Health Reform and Changes in Health Insurance Coverage in 2014, July 2014

ACA and Quality

- **Nearly 3 in 4 newly insured consumers who bought health plans during Open Enrollment 2014 expressed satisfaction with that coverage.**



Medicare Fee-for-Service 30-Day All-Cause Readmission Rates: All Hospitals



ACA and Cost

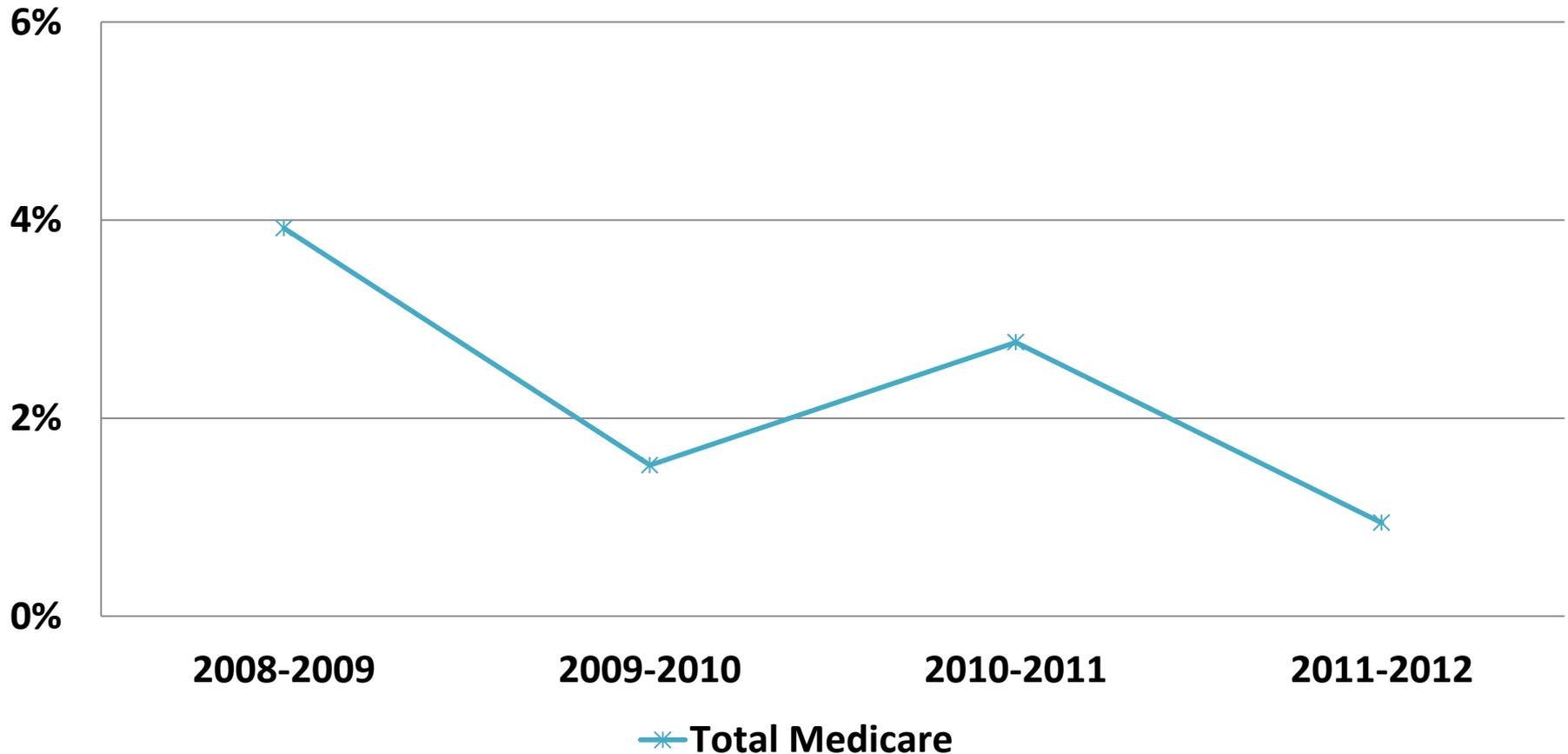
- **Nearly 7 in 10 are paying \$100 a month or less for coverage**
- **Average monthly premium dropped from \$346 before tax credits to \$82 after tax credits across all plans**
- **266 insurers in the Marketplace offering over 19,000 Marketplace plans across all rating areas**
- **Insurance companies must spend at least 80 cents of each premium dollar on health care, improvements to care, or provide a refund**

ACA and Cost

- **13 years** – the number of years the Medicare Trust Fund has been extended
- **\$11.5 billion** – saved on prescription drugs by Medicare enrollees
- **\$9 billion** – amount returned to consumers since 80/20 rule took effect



Medicare Per Capita Spending Growth at Historic Low



US Health Care Delivery System Evolution

Health Delivery System Transformation Critical Path

Acute Care System 1.0

Episodic Non-Integrated Care

- Episodic Health Care
- Lack integrated care networks
- Lack quality & cost performance transparency
- Poorly Coordinate Chronic Care Management

Coordinated Seamless Healthcare System 2.0

Outcome Accountable Care

- Patient/Person Centered
- Transparent Cost and Quality Performance
- Accountable Provider Networks Designed Around the patient
- Shared Financial Risk
- HIT integrated
- Focus on care management and preventive care

Community Integrated Healthcare System 3.0

Community Integrated Healthcare

- Healthy Population Centered
- Population Health Focused Strategies
- Integrated networks linked to community resources capable of addressing psycho social/economic needs
- Population based reimbursement
- Learning Organization: capable of rapid deployment of best practices
- Community Health Integrated
- E-health and telehealth capable

Call to Collective Action

- **Historic moment in health care**
- **YOU can determine whether our system transforms to achieve better results**
- **Must focus on all 3 aims of**
 - **Better Care**
 - **Better Health**
 - **Lower Costs**
- **Think of the patients that inspire you**

Thank You!

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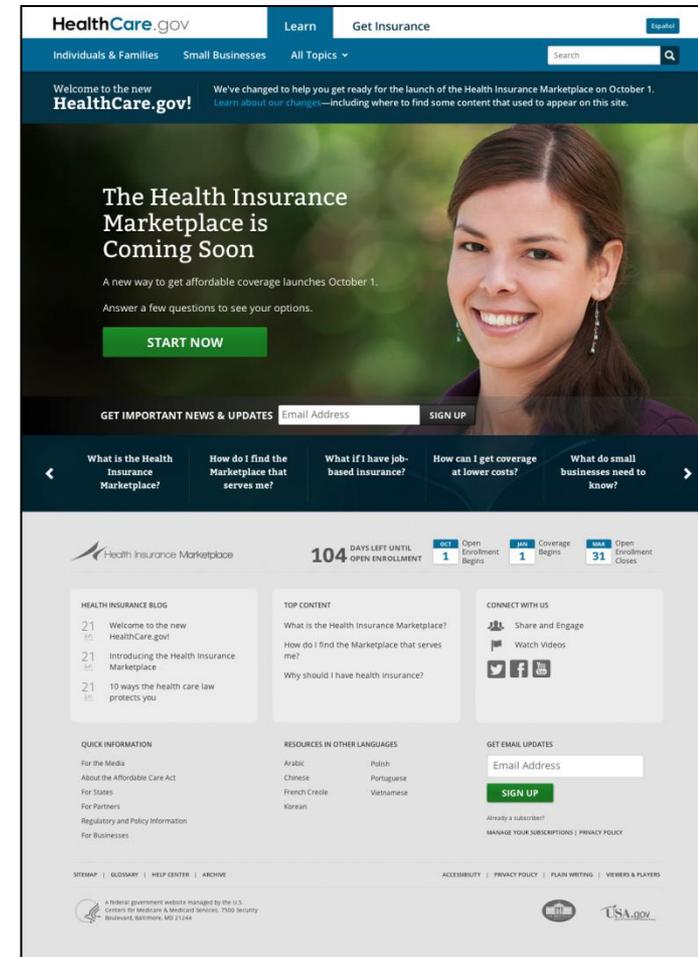
National Marketplace Toll-Free Call Center

- **1-800-318-2596 (TTY 1-855-889-4325)**
 - **Customer service representatives - 24/7**
 - **English and Spanish**
 - **Language line for 150 additional languages**
- **June – September**
 - **Provide general information to individuals in Marketplace and employees of SHOP employers**
 - **SHOP call center for Employers – opened in August**
- **Starting October**
 - **Eligibility, enrollment and referral assistance**



HealthCare.gov

- **Cuidadodesalud.gov for Spanish**
- **Consumer site for information, application, and plan comparison**
- **Social media connections**
- **Responsive design**
- **Accessible for those with visual disabilities**



Marketplace.cms.gov

Get the latest resources to help people apply, enroll, and get coverage in 2014

Click “Get Training” for helpful videos

Plan Compare (long version)



CMS.gov | Health Insurance Marketplace
Centers for Medicare & Medicaid Services

Type search term here

Search

Get email updates



If you're a professional learning about the Marketplace and helping people apply, get the latest resources here.

If you're a consumer ready to learn about and buy health insurance through the Marketplace, visit HealthCare.gov, the official consumer site for the Marketplace.

Resources for assisters >

Get training >

Join us to become a Champion >
for Coverage

Apply to be a certified
application counselor
organization >

Looking for consumer
information?

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Get consumer information >

Have questions?

Find the right answers to your questions about the Marketplace.

Get answers >