The Affordable Care Act and Trauma Care

5th Annual California State Trauma Summit
August 22, 2014

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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?

Health Care

Cost

Quality

Access
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
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 ≤ 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 ≤ 133% of FPL ($15,521 for individual, $31,720 for family of 4 in 2014)
• Ensures Medicaid coverage for all children with household incomes ≤ 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

Total Rates of Reimbursement for Non-capitated Medicare per Enrollee
by Hospital Referral Region (2006)

- $9,000 to 16,352 (57)
- 8,000 to < 9,000 (79)
- 7,500 to < 8,000 (53)
- 7,000 to < 7,500 (42)
- 5,310 to < 7,000 (75)
- Not populated

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

G O A L S :

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.

• 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

30-Day All-Cause Readmission Rate

Jan-10 Apr-10 Jul-10 Oct-10 Jan-11 Apr-11 Jul-11 Oct-11 Jan-12 Apr-12 Jul-12 Oct-12

18.9%

17.7%
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

Source: CMS Office of the Actuary, Midsession Review – FY 2013 Budget
US Health Care Delivery System Evolution

Acute Care System 1.0
- Episodic Health Care
- Lack integrated care networks
- Lack quality & cost performance transparency
- Poorly Coordinate Chronic Care Management

Coordinated Seamless Healthcare System 2.0
- 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
- 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

Episodic Non-Integrated Care
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
Get the latest resources to help people apply, enroll, and get coverage in 2014.

Click “Get Training” for helpful videos.

Looking for consumer information?

Visit HealthCare.gov, the official consumer site for the Marketplace.

Have questions?

Find the right answers to your questions about the Marketplace.

Resources for assisters

Get training

Join us to become a Champion for Coverage

Apply to be a certified application counselor organization

Get consumer information

Get answers