Healthcare Reform: Unsolved Mysteries

How Providers & Consumers must deal with the challenges

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Can we make a complicated process simple?

I think we need to schedule another appointment...

Doc, What is Healthcare deform?
Unsolved Mysteries

• Healthcare Reform
  • Why?
  • What?

• Consumerism
  • Responsibility
  • Consumer choice

• Next Steps
  • Patient Access will have a role
  • Where to begin!
Q: Why healthcare reform?

A: The current system is not financially sustainable.
<table>
<thead>
<tr>
<th>Agenda 1975-6</th>
<th>Agenda 2013</th>
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<tbody>
<tr>
<td>1. Uniform Billing Project-UB16</td>
<td>1. ICD10</td>
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<tr>
<td>2. Discharge Planning</td>
<td>2. Discharge Care/Readmission</td>
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<tr>
<td>4. Cost Containment</td>
<td>4. VBP, HCAHPS</td>
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<tr>
<td>5. HMOs</td>
<td>5. HSAs, HDHPs, ACOs, CDHPs</td>
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<tr>
<td>6. Establishing Polices for Charity Care</td>
<td>6. Charity Care, Self-Pay discounts, Transparency</td>
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<tr>
<td>7. A 5-Step Approach to avoiding excessive uncompensated care</td>
<td>7. Six Sigma/Lean projects (programs du jour)</td>
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<tr>
<td>9. The Launching of NAHAM</td>
<td>9. Importance of networking!</td>
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</table>
How can we bend the cost curve?
A: CHANGE THE INCENTIVES
- 1985 DRGs
  - (had to sell the condo in Florida 😞)
- Physician owned ancillary usage
WHAT TYPES OF INCENTIVES WILL BEND THE COST CURVE?

- Fee for Service => Population Health Mgmt
- Consumer Engagement
WHERE DO WE START?

- Hospital Value-Based Purchasing Program
- Hospital Readmissions Reduction Program
- ACOs
- Bundled Payments for Care Improvement Program
- Hospital Value-Based Purchasing Program

  - Quality Score is 70% and based on four key service areas
    - AMI, Heart Failure, Pneumonia, Inpatient Surgery
  - Patient Satisfaction is 30% and based on patient surveys
  - Holdbacks are 1% for FY13, rising to 3% by FI17
  - For FY13, holdback pool is $917M

The HCAHPS survey results can reduce a hospital’s reimbursement rate up to 1 percent in 2013.

For a hospital with an average daily Medicare census of 100 patients at an average daily reimbursement of $1,200 per day, the 1 percent reimbursement at risk for 2013 is $438,000.

By 2017, that rate will double.
Hospital Readmissions Reduction Program

- How to Influence the patient when they are no longer under your care?
- M/C incentive conflicts with Other payer incentives.
- *Will hospitals with a high mortality rate benefit?*
Patient Access: “How can we help you” (not come back?)

Should we reduce readmission rates to avoid penalties, or because it is the right thing to do?

Forward thinking organizations are planning for what comes next.

The role Access plays?

• Help with coordinating information
• Enroll patient in Patient Portal?
• Perhaps at scheduling
• Maybe at PreAdmission testing
• Possibly at PreRegistration
• Likely ALL of the above
Hospital Readmissions Reduction Program

- Readmissions rate is determined based on a retrospective 3 year lookback.
- Rates are adjusted based by case-mix based on formulas using demographic and insurance data
- AMI, Heart Failure and Pneumonia patients are considered
- In FY2013, penalty is capped a 1%. This will be assessed yearly, likely increasing in future years
- In FY2013, 307 hospitals will be receiving the full 1% penalty and 2,214 hospitals will receive some level of penalty.
Population Health Management Ahead!
- **ACO Pioneers**

  - Replicate savings from M/C Advantage
  - 30% Potential Cost Reduction?
  - Cannot manage without Consumer Incentives
  - Cannot manage without data
- How can Patient Access HELP?

- Identify patient re-admission risk
- Automate/Management of your ACO member file
- Run your ACO member file through a demographic verification process and clean up discrepancies
- Display the ACO affiliation within eligibility response for submitting providers
- Send real-time notification to ACO when a member patient is receiving care at any provider within the eligibility vendor’s community
Health Insurance Exchanges

- Will they be ready?
- Narrow Networks
- Uninsured moved to High Deductible plans
- Open Enrollment Period
- Tailored premiums (can I cash my points?)
- Increased use of supplemental coverage?
The Requirement to Buy Coverage Under the Affordable Care Act

Do any of the following apply?
- You are part of a religion opposed to acceptance of benefits from a health insurance policy.
- You are an undocumented immigrant.
- You are incarcerated.
- You are a member of an Indian tribe.
- Your family income is below the threshold requiring you to file a tax return ($9,350 for an individual, $18,700 for a family in 2010).
- You have to pay more than 8% of your income for health insurance, after taking into account any employer contributions or tax credits.

Were you insured for the whole year through a combination of any of the following sources?
- Medicare.
- Medicaid or the Children’s Health Insurance Program (CHIP).
- TRICARE (for service members, retirees, and their families).
- The veteran’s health program.
- A plan offered by an employer.
- Insurance bought on your own that is at least at the Bronze level.
- A grandfathered health plan in existence before the health reform law was enacted.

Start here.

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<thead>
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<th>Yes</th>
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</thead>
<tbody>
<tr>
<td>There is no penalty for being without health insurance.</td>
<td>Need to check if insurance is needed.</td>
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</table>

Coming SOON! 2014
Coverage – Affordable Care Act

The penalty is pro-rated by the number of months without coverage, though there is no penalty for a single gap in coverage of less than 3 months in a year. The penalty cannot be greater than the national average premium for Bronze level coverage in an Exchange. After 2016, penalty amounts are increased annually by the cost of living.

Key Facts:
- Premiums for health insurance bought through Exchanges would vary by age. The Congressional Budget Office estimates that the national average annual premium in an Exchange in 2016 would be $4,500-$5,000 for an individual and $12,000-$12,500 for a family for Bronze coverage (the lowest of the four tiers of coverage that will be available).
- In 2010 employees paid $899 on average towards the cost of individual coverage in an employer plan and $3,997 for a family of four.
- Employer Perspective

• Rather not be exposed to Insurance volatility
• Narrow Networks looking more attractive
• Subsidies available via Exchange
• Unintended Consequences
  • Part-time employees looking good
Insurance Exchanges

- What do you do?
- Open enrollment
- Advise or Help Patient with enrollment?
- Screen patients?
- Does Patient understand coverage?
- Do YOU understand coverage?
- How will you administer this provision?
The train has left the station

Determine your responsibilities with HIX

- Develop a plan to educate staff
- Understand the HIX requirements
- Understand the enrollment process
- Assign a Patient Advocate
- Collaborate with interfacing departments
- Collaborate with your vendors
But Wait. There’s another side to this…
Hmmm. Looks like a lifestylectomy is called for...
Tennessee Medicaid

- 2005 Prescription limitations: adults = 5
  Today limits adults to 3 as does New Hampshire
- Encourages over the counter or generic use
- Adverse consequences anticipated never happened?
- Incentive to stay healthy / make choices
- Tn. added validity to concerns of over prescribing
- Illinois & other states have implemented same or similar concepts.
Lifestyle Choices

• New York chain restaurants post calorie information on their menus effective July 2008 marking a first for a U.S. city.

New York City’s chain restaurants that have more than 15 outlets must include calories on menus and menu boards.
Put down that margarita, and back away from the bar!  (AP)

NYC Menu Calorie regulation
Cover Cocktails Too!

A city regulation requires chain restaurants to display calorie information also covers cocktails, sodas and other beverages that appear on menus.

Drinks are no longer the forgotten calories!

740 calories in a 10-ounce margarita
impossible guessing game...

Calif: Menu Education and Labeling Act, called the MEAL Act for short

"Who would guess that a large chocolate shake at McDonald's has more calories than two Big Macs or that a multigrain bagel at Dunkin' Donuts has 140 more calories than a jelly doughnut

The California law applies to restaurants with 20 or more locations in California, about 17,000 eateries. Beginning July 1, 2009 they must provide brochures with the number of calories and grams of saturated fat for each item. Starting Jan. 1, 2011, all menus and menu boards will have to include the number of calories for each item.
The Healthcare cost of some choices

• Clarion Health
  Higher premium

• Weyco – Michigan
  Nicotine positive = no employment
The highest combined state-local tax rate is $5.85 in New York City, with Chicago, IL second at $4.66 per pack.

Other high state-local rates include Evanston, IL at $4.48 and Anchorage, AK at $3.452 per pack.

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Due to the failure of Managed Care + Healthcare Reform

The healthcare pity-party continues…
Theory

- Managed Care shielded patients from cost
- Exchanges / HDPs: Patients likely to shop & interested in price
- Individual “ownership” Insurance Exchanges
- Control over their healthcare
- Consumers have more choice
- More responsibility for lifestyle choices & treatment
Theory

• Patient will make rational cost-effective decisions

• Actions will lead to a reduction in utilization of services

• Lower overall healthcare costs

• S/B able to make complex decisions if provided education and information

Another theory: Managed care – Payer rationed services to patient
Insurance Exchanges: Patients ration themselves
We cannot go it alone: Creative collaboration with other providers, vendors, your staff & the consumers themselves.
Consumerism will continue to transform business

- Telemedicine
- eVisits - the new House Call
- HSA’s and RHIO’s
- ECG@Home / Robots
- Concierge Medicine
- Insurance Exchanges
- mHealth - Is there an app?

I need help!

PAS Director
REFORM = Behavior Awakening
Paint a new picture!
Meet Tommy

Sweet, but what can this child expect for healthcare when he is their age? 1 in 3 born today will live to 100!

I think he looks like me!

She’s crazy! He looks like me!

Sweet, but what can this child expect for healthcare when he is their age? 1 in 3 born today will live to 100!
Parting Thoughts

New Healthcare paradigms
- Be involved
- Ask questions
- Participate in HCAHPS discussions & review
- ACOs, identify, direct and communicate
- Explore vendor partner resolutions
- Expect to dig into the mechanics
Gates: "This is the **dream** but it works only if frontline workers are inputting data, health ministries are acting on it, and patients are using the information that they receive on their phones. A decade ago, people said that this would happen quickly. It didn’t, because the pieces just were not there. **Now they are starting to come into place.**"
“Go humans go”!