

National Health Care Reform

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While there is significant agreement among congressional leaders that the nation must expand health insurance coverage, improve the quality of health care, and contain costs, there is no consensus about the role the federal government should play and how to go about creating a fair and equitable system that does not diminish the quality and quantity of medical care that Americans have come to expect. There is no question that we need to take care of the 48 million Americans who are uninsured. It is expected that a national health care plan can reduce this number to less than 10 million.

There are three major health care reform proposals; The Senate Finance Committee, Senate HELP Committee, and the House Tri-Committee each with differing approaches to expanding access to insurance, individual/employer mandates, expansion of public programs, calculation of premium subsidies to individuals and employers, benefits design, and cost containment. Congress is on August break so now is the time to review the proposals and consider the impact they will have your constituents. An in-depth, side-by-side review of the proposals by the Kaiser Family Foundation can be accessed through our web site at www.mahealthcouncil.org.

There are many myths about health care reform and how it will impact individuals and employers. All of the plans being debated by Congress still allow the patient and his/her physician to make decisions about health care.

The employer-based health care system will continue as is for most working individuals. For those individuals that will purchase coverage for themselves, there will be a wide range of insurance options as is the case with Massachusetts Health Care Reform. A public option is under heated debate right now. According to Community Catalyst, “seventy-three percent of people who tried to buy insurance on their own in the last three years did not purchase a policy, primarily because premiums were too high.” In addition, some employees do not take employer offered plans because the cost is still too high for them.

Although seniors feel particularly vulnerable right now, all the plans intend to strengthen Medicare. None of the proposals cut Medicare benefits or increase out-of-pocket expenses. It will lower prescription drug costs and address the “donut hole” in senior prescription coverage. It will reduce unnecessary hospital readmissions and strengthen the financial status of the Medicare program. None of the health care reform proposals give the government or an insurance company the right to make life or death decisions for anyone. These decisions will continue to be made by the patient and their doctor.

Cost containment recommendations are addressed differently in the proposals.

The House Tri-Committee Bill includes*:

- Modify provider payments under Medicare including:
 - Modify market basket updates to account for productivity

improvements for inpatient hospital, home health, skilled nursing facility, and other Medicare providers; and

– Reduce payments for potentially preventable hospital readmissions.

- Restructure payments to Medicare Advantage plans, phasing to 100% of fee-for-services payments, with bonus payments for quality.
- Reduce Medicaid Disproportionate Share Hospitals (DSH) payments by \$6 billion in 2019, imposing the largest percentage reductions in state DSH allotments in states with the lowest uninsured rates and those that do not target DSH payments.
- Reduce waste, fraud, and abuse in public programs by allowing provider screening, enhanced oversight periods, and enrollment moratoria in areas identified as being at elevated risk of fraud in all public programs, and by requiring Medicare and Medicaid program providers and suppliers to establish compliance programs.

The Senate Finance Committee Bill includes:

- Eliminate waste, fraud, and abuse in public programs through more intensive screening of providers, the development of a database that captures and shares data across federal and state programs with increased penalties for submitting false claims.
- Restructuring payments to the Medicare Advantage plans to promote efficiency and quality.
- Improve transparency of information about skilled nursing facilities
- Allow provider organizations as accountable care organizations that voluntarily meet quality thresholds to share in the cost-savings they achieve for the Medicare program.

When Congress reconvenes in September, things will move quickly as bills are merged and edited. The goal is to pass health care reform by the end of the year. It's important to remember that national health care reform will not produce a socialized medical system. Health care reform is not about a government takeover, it's about guaranteeing that all Americans can acquire health insurance that is affordable. It's long overdue.

* The Kaiser Foundation side-by-side analysis of health care reform bills is updated as the plans change. Go to www.mahealthcouncil.org to see the latest versions of the plans