

# Affordable Care Act

## 2012 Implementation Update

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- Major ACA provisions already in effect
- Accountable Care Organizations
- Bundled Payments
- Value-based purchasing & Re-admissions
- The Supreme Court Challenge



Image: School House Rock

# How the bills became Law

# 2008 Election Issue



- #1 - Economy
- #2 - Gas prices
- #3 - Health care

NEJM. 2008 Nov 6;359(19):  
2050-61.

Photo by Chris Gallevo

# Summer of Discontent



Franken video still:  
DustyTrice.com/Town hall  
photos: Reuters

# House Passes a Bill

7 November 2009 - House version of health reform bill passed



# Senate Passes a Bill

24 December 2009 - Senate version of health reform bill passed



# The Game Changer

20 January 2010 - Democrats lose the 60th Senate vote



Image: Yana Paskova for The New York Times

# Democrats Unite

21 March 2010 - House Passes Senate Version



# The Bill Becomes Law

23 March 2010 - PPACA Signed by President Obama





*I don't know if you know this, but  
I'm kind of a big fucking deal.*

Image: Huffingtonpost

# Major ACA provisions

# Major ACA Provisions

- Established temporary high risk pools
- Dependents covered up to age 26
- Prohibits lifetime limits on coverage
- Tax credits for small employers (<25) purchasing health insurance

# Major ACA Provisions

- Require FREE preventive services (USPSTF rated A and B) & Medicare wellness check ups
- Rebates for Medicare Part D (donut hole)
- Higher payments for primary care doctors in Medicare
- Hospital acquired conditions no longer paid for by Medicaid (federal share)

# Major ACA Provisions

- Reauthorized the Indian Health Services Act
- Residency slot redistribution
- Established Patient-Centered Outcomes Research Institute for Comparative Effectiveness Research

# The Tanning Tax



The image shows a screenshot of a Twitter post. At the top left is the Twitter logo. To the right of the logo is a navigation bar with links: Home, Profile, Find People, Settings, Help, and Sign out. The main content is a tweet from @SenJohnMcCain. The text of the tweet reads: "@Snooki u r right, I would never tax your tanning bed! Pres Obama's tax/spend policy is quite The Situation. but I do rec wearing sunscreen!". Below the text, it says "about 20 hours ago via web" and "Retweeted by 100+ people". To the right of the text are icons for "Reply" and "Retweet". Below the tweet is the user's profile information: a profile picture of John McCain, the name "SenJohnMcCain", and the name "John McCain". At the bottom of the screenshot is a footer with copyright information and various links: "© 2010 Twitter About Us Contact Blog Status Goodies API Business Help Jobs Terms".

twitter

Home Profile Find People Settings Help Sign out

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 **SenJohnMcCain**  
John McCain

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# The Practice of Medicine

# Accountable Care Organizations

- Pioneer ACO Program (3y commitment & 5000 Medicare enrollees)
- Groups of providers meeting criteria may work together to manage and coordinate care for Medicare fee-for-service beneficiaries via ACO
- ACOs that meet quality performance standards are eligible to receive payments for shared savings

# Accountable Care Organizations

- Integrated systems
- Multi-specialty group
- Physician-Hospital organizations
- Independent practice organizations
- Virtual physician organizations



# Accountable Care Organizations

- The “Poster Boys” for ACOs
- Mayo Clinic
- Cleveland Clinic
- Geisinger Health System
- Intermountain Healthcare



KHN: “‘Poster Boys’ Take A Pass On Pioneer ACO Program”

Photo: Premier, Inc

# Payment reform

# Bundled Payment

- Episode-based care
- Up to 8 state demos in Medicaid (§2704)
- PROMETHEUS system



Image: Chris Gash

# PROMETHEUS

- Evidence-informed case rates
- Provider quality scorecards
- Potentially avoidable complications
- AMI, hips and knees, DM, asthma, CHF and HTN

Image:Rockefeller Center Archives



# PROMETHEUS

- Slow start
- 3 year pilot
- No contracts
- No payments made

Health Aff November 2011 vol. 30 no. 11 2116-2124

Image:Rockefeller Center Archives



# PROMETHEUS

- How do you divide up the bundle?
- Clinicians
- Hospitals
- SNFs
- What's typical and what's avoidable?
- An extra layer of billing

Image:Rockefeller Center Archives



Quality not Quantity

# Value-based Purchasing

- Hospital-based value based purchasing in Medicare (§3001, 3004, 3006)
- Skilled nursing facilities, home health, ambulatory surgery centers
- Lowers payments by 1%
- \$850 million for bonuses



Image: [www.datagen.info](http://www.datagen.info)

# Value-based Purchasing

- Pay-for-performance
- Process vs. Outcome measures
- Validity of measures
- Is 1% enough at risk to motivate change?



Image: [www.datagen.info](http://www.datagen.info)

# Hospital Readmissions

- Reduces Medicare payments to hospitals for admissions that are otherwise preventable
- Improve transition to outpatient setting

Image: [sansego.blogspot.com](http://sansego.blogspot.com)



# Hospital Readmissions

- How do you determine what is preventable?
- Unintended consequences?
- Gaming by physicians and administrators

Image: sansego.blogspot.com





# The Supreme Court



- Anti-Injunction Act
- The Individual Mandate
- Severability
- Medicaid Expansion

# Is a mandate constitutional?

- Federalism: states vs. national gov't
- Commerce: the broccoli argument
- Tax: is it a tax?



Image: The New Yorker

# What if?

- If the mandate falls?
- If all insurance reforms fall?
- If the whole law falls?



Image: USATodayEducate.com

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Image: [supremecourt.gov](http://supremecourt.gov)

[www.policyrx.org](http://www.policyrx.org)