

# The Affordable Care Act and Approaches to Improving Population Health

Pennsylvania Public Health Association

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# *Patient Protection and Affordable Care Act (ACA)*



- Signed into law March 23, 2010
  - ▣ Expands access to health insurance coverage for most Americans
  - ▣ Establishes personal responsibility of purchasing insurance
  - ▣ Creates a new competitive marketplace for individuals and small businesses to purchase health insurance
  - ▣ Increases regulation of private health insurance companies
  - ▣ Closes important gaps in the Medicare program
  - ▣ Creates policies that encourage preventive care
  - ▣ Begins the move toward payment paradigms that reward quality care and patient outcomes, rather than volume of care

# Patient Protection and Affordable Care Act

2010 – 2011 Provisions Currently In Place

# ACA – 2010 Implementation

- Pre-existing condition exclusions for children were eliminated effective 9/23/10
  - ▣ Applies to all employer plans and new plans in the individual market
  - ▣ Applies to adults in 2014
  
- Young adults may stay on parent's plan until age 26
  - *Approximately 600,000 newly insured young adults*
  
- Lifetime caps on benefits eliminated 9/23/10
  - ▣ Eliminate annual caps in 2014

# ACA – 2011 Benefits for Seniors



- Prescription drugs costs while in the doughnut hole
  - ▣ 50% discount on brand-name drugs
  - ▣ 7% discount on generics
    - Seniors have saved \$460 million in Rx drug costs
- Community Care Transitions Program
  - ▣ Services to ease transition from hospital discharge to home for high-risk beneficiaries

# ACA – Less Paperwork



- Funding for electronic medical records
  
- Administrative simplification – uniform standards for billing and insurance verification
  - Requires health plans to adopt and implement rules for the secure electronic exchange of health information (begins 10/1/2012)
  - Streamlined billing: save physician practices \$7B annually (Health Affairs, April 2010)

# ACA – Delivery System Reform



- Center for Medicare & Medicaid Innovation
  - ▣ Test innovative payment and service delivery models
  - ▣ Will oversee demonstration projects and pilot programs
  - ▣ Find alternatives to our current “fee-for-service” system that
    - Reward quality of care, rather than quantity

# ACA – Court Challenges

- Struck down PPACA
  - ▣ Federal Judge – Florida
    - Struck down the entire act
  - ▣ Federal Judge – Virginia
    - Declared the individual mandate unconstitutional
  
- Upheld PPACA
  - ▣ Federal Judge – Liberty University (Virginia)
  - ▣ Federal Judge – Thomas More Law Center (Michigan)
  - ▣ Federal Judge – District of Columbia
  
- U.S. Circuit Court of Appeals
  - ▣ Tied 1 to 1

# 112<sup>th</sup> Congress

- H.R. 1 & Continuing Resolution
  - ▣ Defunds salaries of those working to implement the ACA
  - ▣ Defund efforts to define essential benefits
  - ▣ Defund money for states to set up Exchanges
  - ▣ Revoke the individual mandate
- H.R. 3 “No Tax-Payer Funding for Abortion Act”
  - ▣ Would make permanent the Hyde Amendment which currently must be renewed annually
- H.R. 358
  - ▣ Revives the Stupak abortion ban
    - No person receiving a subsidy can buy a plan that covers abortion even if they contribute their own funds
  - ▣ Block the small business tax credit if a business purchases a plan that includes abortion coverage

# PPACA – 2014

- ❑ State health insurance exchanges up and running
- ❑ 32 million uninsured gain coverage
- ❑ Health insurance premium tax credits will reduce cost of insurance for many
- ❑ Individual mandate in place
- ❑ Health insurance company regulations fully in place
- ❑ Multi-state insurance plans, available nationwide
- ❑ Health care tax credits and annual out-of-pocket limits will make total health care costs more affordable for most
- ❑ Physicians empowered to focus on quality care and prevention