Is the Affordable Care Act Helping?

New Mexico AFP Annual Meeting Taos, NM 8-1-2014

Rick Madden, MD, FAAFP
Family Physician
Presbyterian Medical Group
Belen, New Mexico

Did you hear the story about Obamacare being like...the flea market?

- Source: NPR 5/27/2014

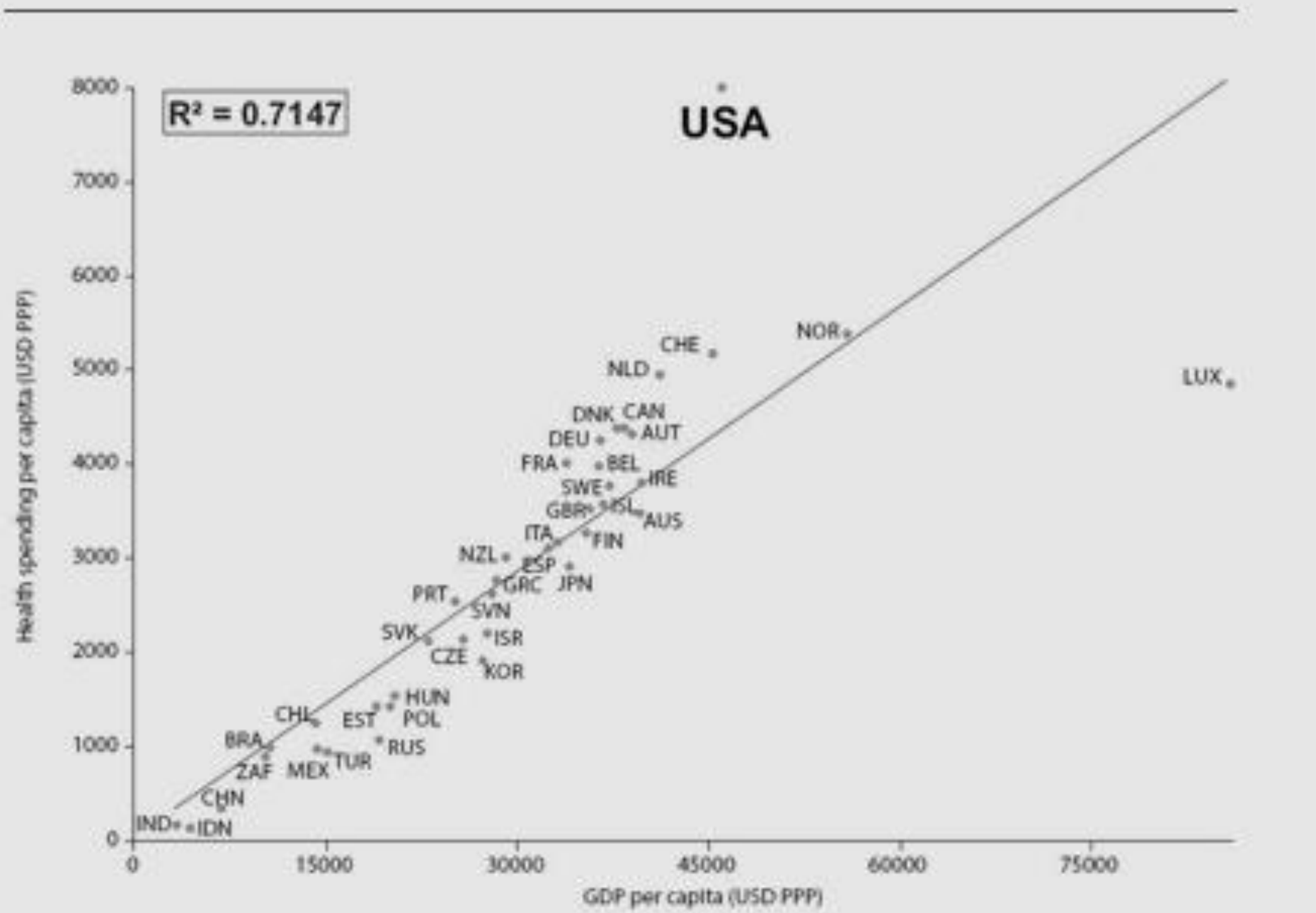
Widely varying perspectives on the ACA

1. Patients vs systems (latter includes, but not limited to: doctors, teams, hospitals, care networks (e.g. solo/independents, IPAs, FQHCs, ACOs, public health, long term care))
2. Narrow vs broad: some see only a part of the health care sector (the part that affects them)
3. Insider vs outsider: policy makers, doctors, nurses, administrators are inside; patients and the public are outside
4. Physicians' quality of life vs quality of care and cost: which focus is at hand during the discussion
5. Specialists vs generalists: differing gains and losses, depending on vested interest, breadth of perspective
6. Age, income, ethnicity/race: each category here has perceived gains and losses, aspirations and needs, affected by change from the status quo
7. Region (of the country), locale (urban, suburban, rural), and practice size: not all equal in measures of health, access, resources, business challenges
8. Levels of awareness of the ACA: varying degrees of news awareness (and willingness to seek balance and depth of information), which of course depends on many of the above.
9. Political persuasion: conservative/liberal

Why did Congress pass the Patient Protection and Affordable Care Act (ACA) of 2010?

- **Costs of health care in the U.S. were out of control and increasingly unaffordable.**

International comparison of per capita health care spending



Source: OECD Health Data 2011.

International comparisons 6/2014

EXHIBIT ES-1. OVERALL RANKING

COUNTRY RANKINGS

Top 2*
Middle
Bottom 2*

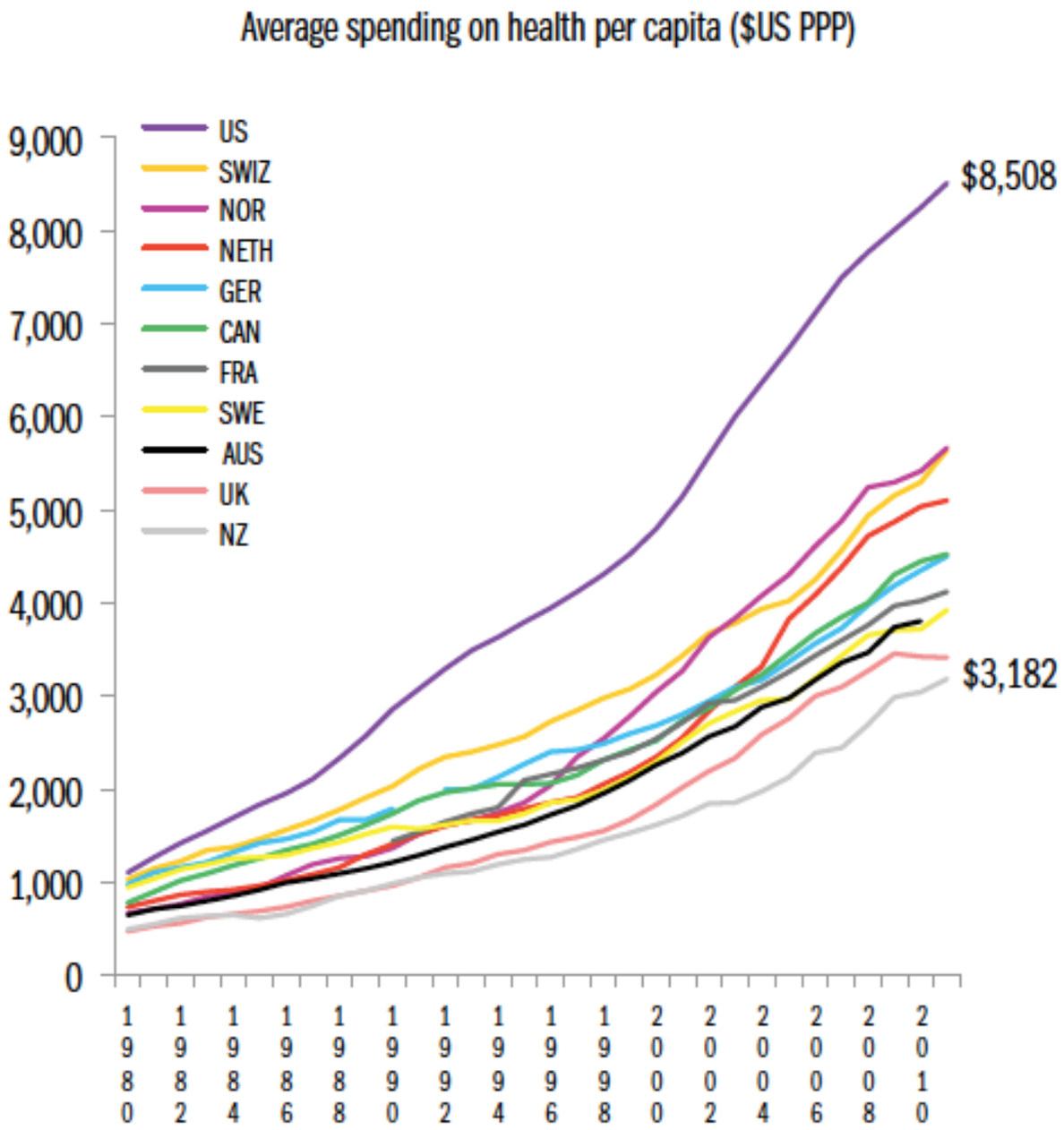
	AUS	CAN	FRA	GER	NETH	NZ	NOR	SWE	SWIZ	UK	US
OVERALL RANKING (2013)	4	10	9	5	5	7	7	3	2	1	11
Quality Care	2	9	8	7	5	4	11	10	3	1	5
Effective Care	4	7	9	6	5	2	11	10	8	1	3
Safe Care	3	10	2	6	7	9	11	5	4	1	7
Coordinated Care	4	8	9	10	5	2	7	11	3	1	6
Patient-Centered Care	5	8	10	7	3	6	11	9	2	1	4
Access	8	9	11	2	4	7	6	4	2	1	9
Cost-Related Problem	9	5	10	4	8	6	3	1	7	1	11
Timeliness of Care	6	11	10	4	2	7	8	9	1	3	5
Efficiency	4	10	8	9	7	3	4	2	6	1	11
Equity	5	9	7	4	8	10	6	1	2	2	11
Healthy Lives	4	8	1	7	5	9	6	2	3	10	11
Health Expenditures/Capita, 2011**	$3,800	$4,522	$4,118	$4,495	$5,099	$3,182	$5,669	$3,925	$5,643	$3,405	$8,508

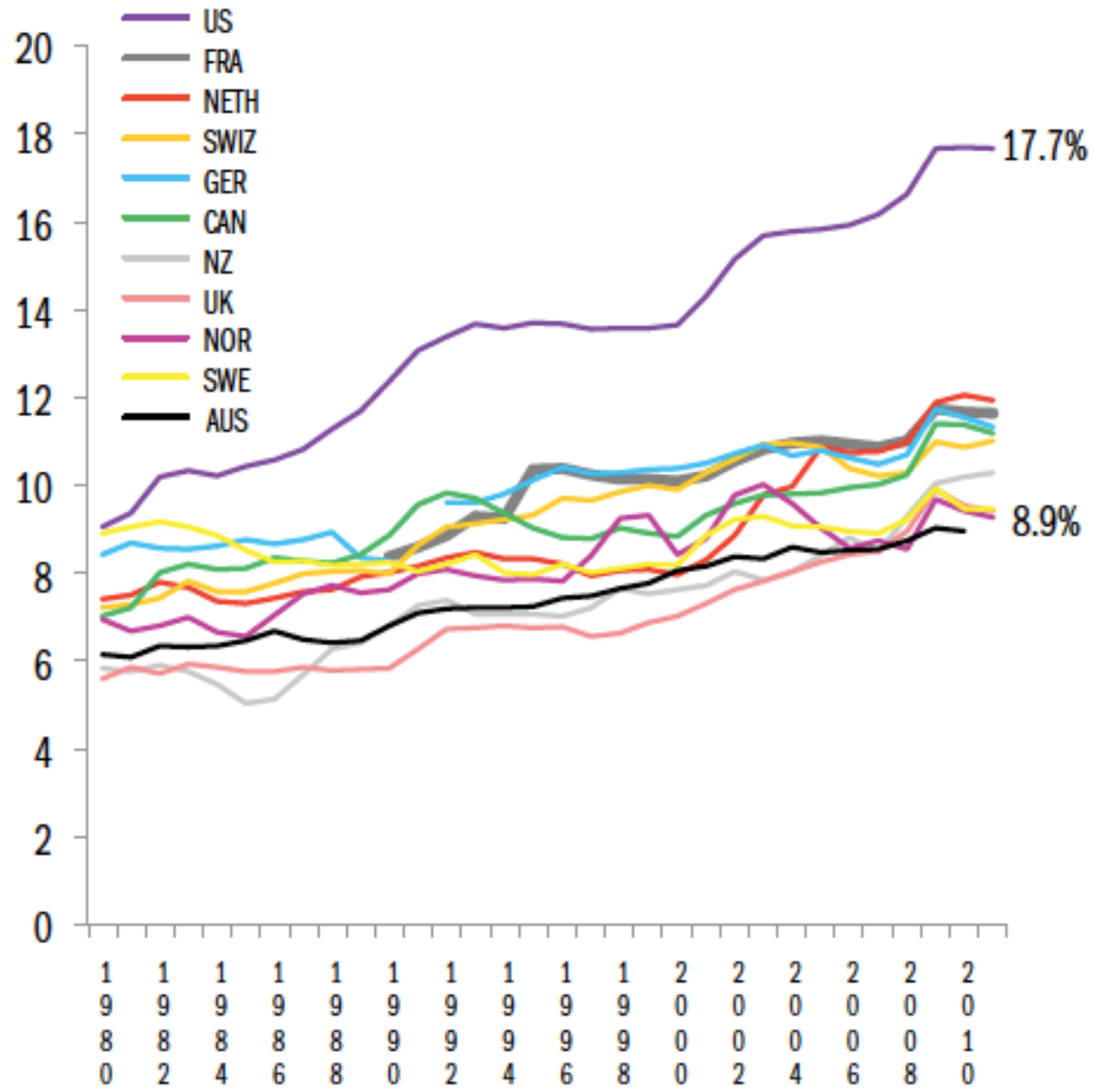
Notes: * Includes ties. ** Expenditures shown in $US PPP (purchasing power parity); Australian $ data are from 2010.

Source: Calculated by The Commonwealth Fund based on 2011 International Health Policy Survey of Sicker Adults; 2012 International Health Policy Survey of Primary Care Physicians; 2013 International Health Policy Survey; Commonwealth Fund *National Scorecard 2011;* World Health Organization; and Organization for Economic Cooperation and Development, *OECD Health Data, 2013* (Paris: OECD, Nov. 2013).

International comparisons 6/2014

EXHIBIT 1. INTERNATIONAL COMPARISON OF SPENDING ON HEALTH, 1980–2011





Note: $US PPP = purchasing power parity.

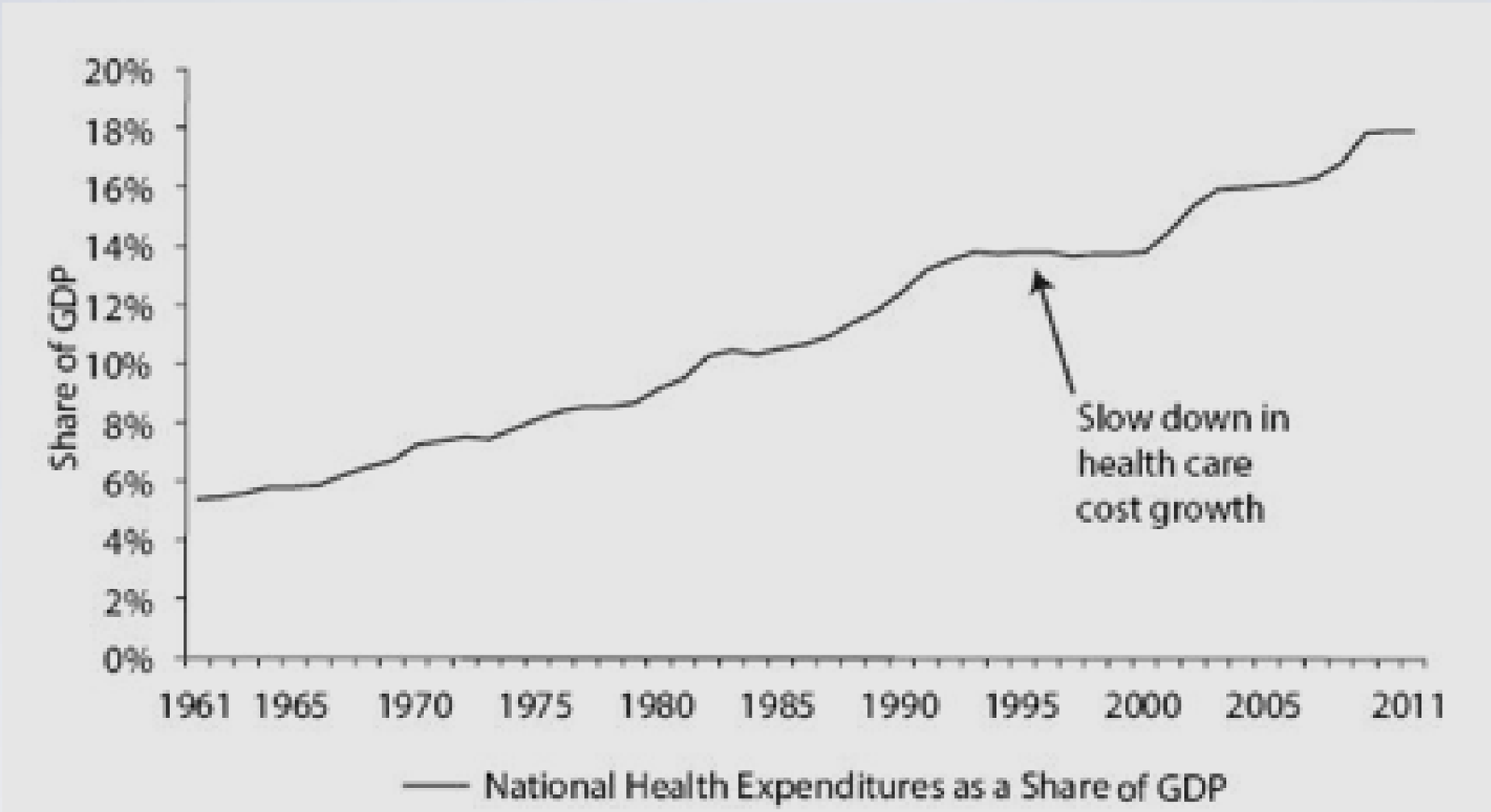
Source: Organization for Economic Cooperation and Development, OECD Health Data, 2013 (Paris: OECD, Nov. 2013).

Why did Congress pass the Patient Protection and Affordable Care Act (ACA) of 2010?

- **Costs of health care in the U.S. were out of control and increasingly unaffordable.**

- **Costs of health care threatened our economy by consuming state and federal budgets, decreasing worker productivity, and raising costs of business.**

Annual U.S. health care spending as percent of GDP

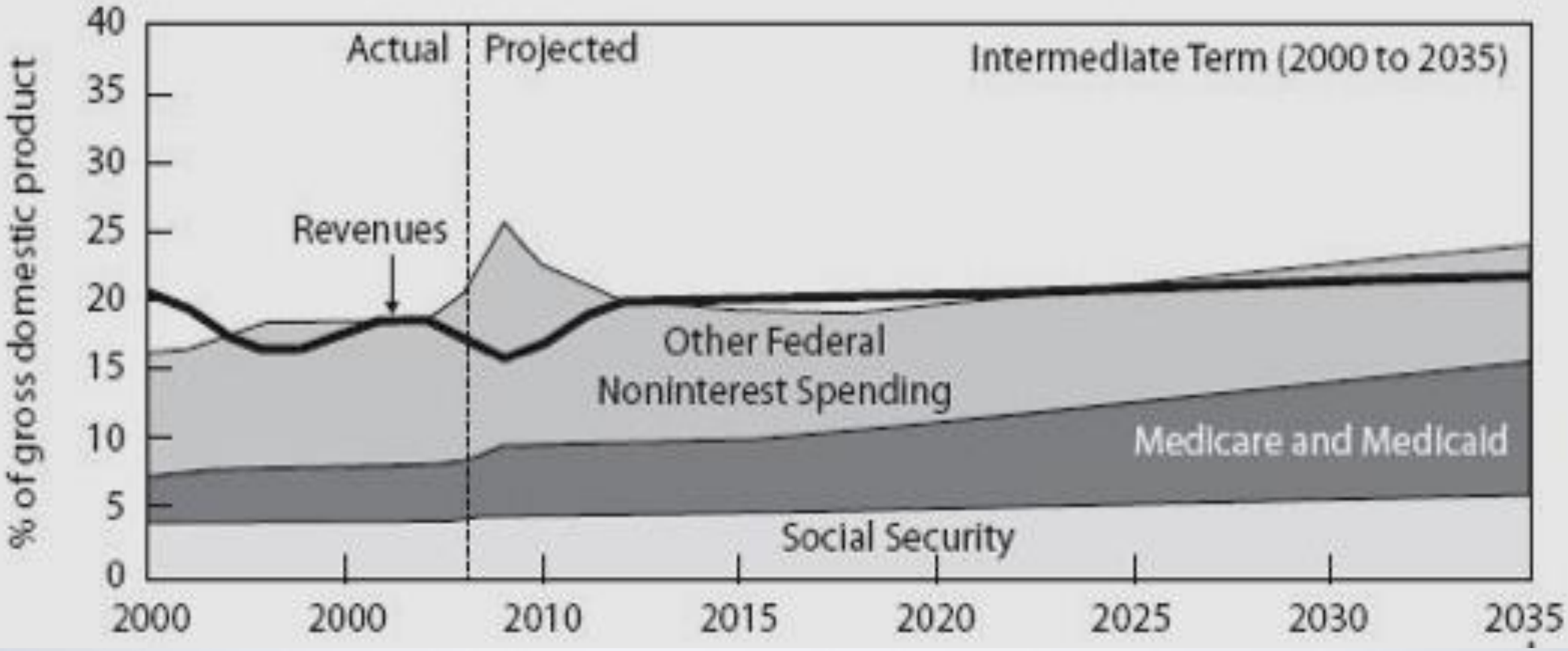


Source: Kaiser Slides, The Henry J. Kaiser Foundation, March 13, 2013. *Data Sources:* Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group.

The continuous rise in our national debt has been due not to social security or defense spending, but to:

health care costs

FIGURE 4.7 Long-term budget outlook pre-ACA



Source: CBO

The continuous rise in our national debt has been due not to social security or defense spending, but to:

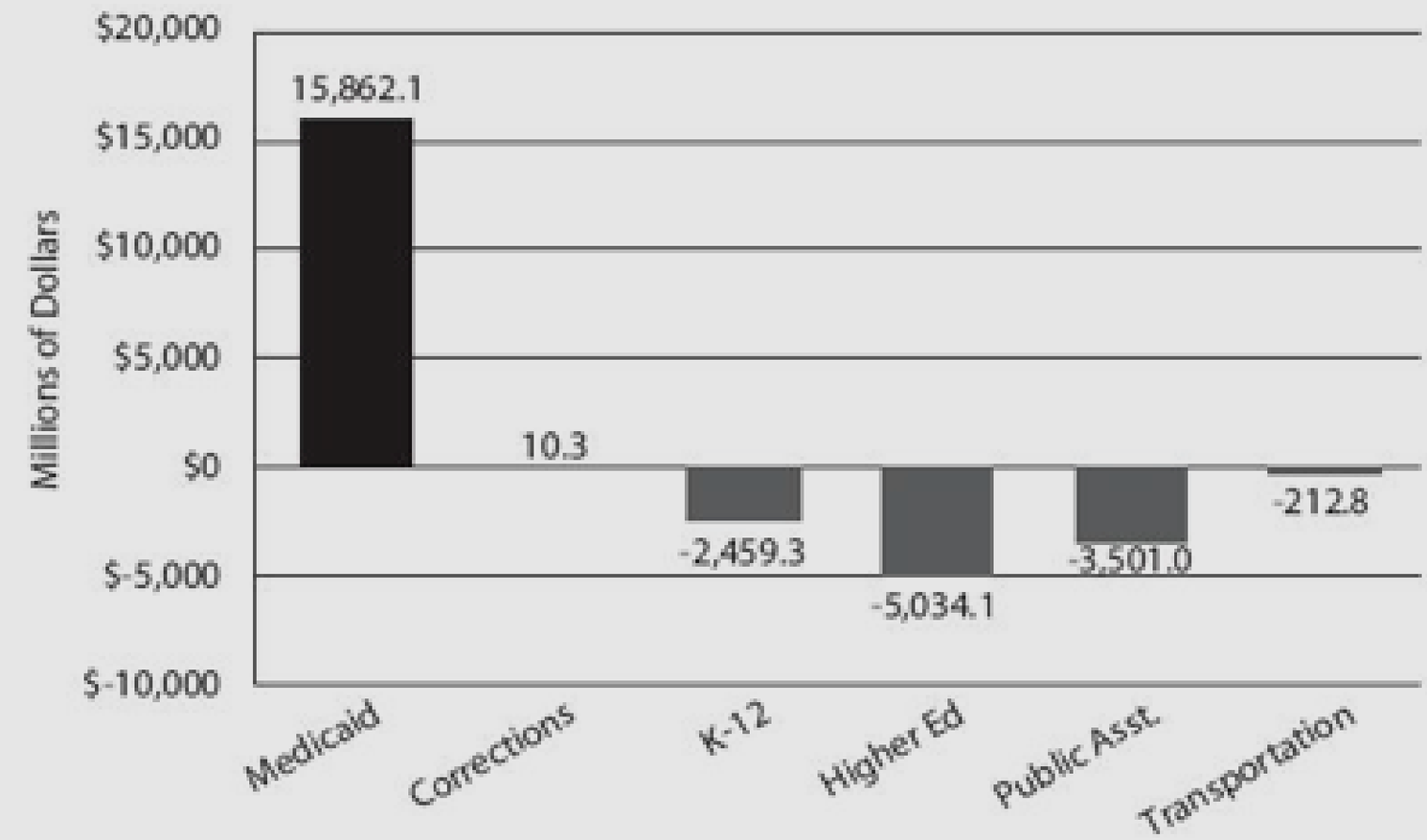
health care costs

YEAR	TOTAL FEDERAL HEALTH CARE SPENDING (IN BILLIONS)	FEDERAL HEALTH CARE SPENDING AS PERCENT OF FEDERAL BUDGET	MEDICARE (IN BILLIONS)	MEDICAID (IN BILLIONS)
2000	$388.9	21.7%	$219.0	$117.9
2001	$428.9	23.0%	$241.1	$129.4
2002	$472.5	23.5%	$256.8	$147.5
2003	$522.5	24.2%	$277.9	$160.7
2004	$568.5	24.8%	$301.5	$176.2
2005	$614.0	24.8%	$336.9	$181.7
2006	$650.5	24.5%	$378.6	$180.6
2007	$716.8	26.3%	$432.6	$190.6
2008	$751.8	25.2%	$452.0	$201.4
2009	$853.0	24.2%	$494.5	$250.9
2010	$916.2	26.5%	$516.8	$272.8
2011	$984.1	25.8%	$563.9	$276.2
2012	$971.8	26.1%	$569.0	$269.1

Source: Altarum Institute.

As health care costs consume budgets, other public needs suffer

FIGURE 4.5 Changes in state general fund spending by category between 2011 and 2012

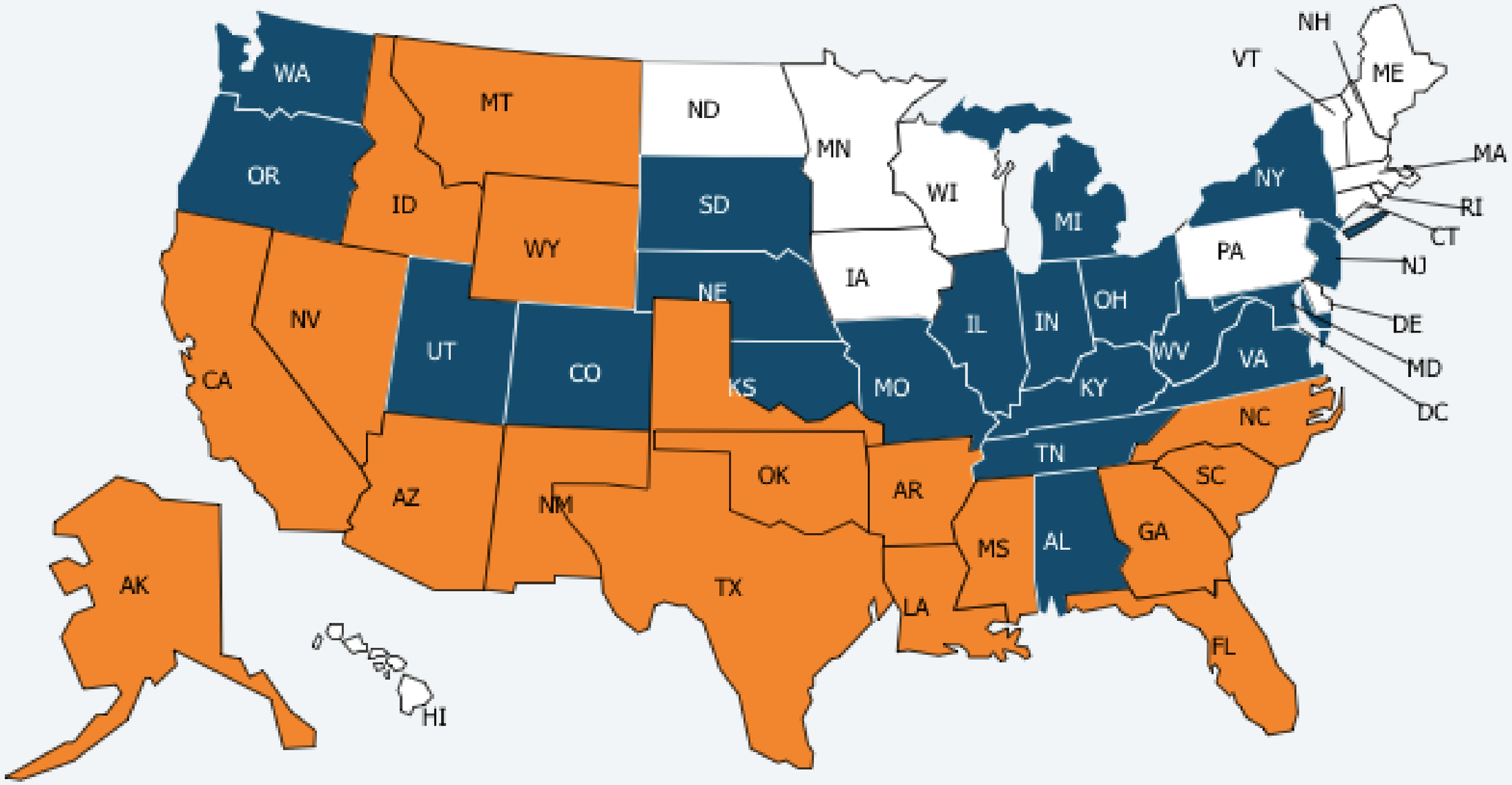


Source: National Association of State Budget Officers. Fiscal Survey of States, Fall 2011.

Why did Congress pass the Patient Protection and Affordable Care Act (ACA) of 2010?

- **Costs of health care in the U.S. were out of control and increasingly unaffordable.**
- **Costs of health care threatened our economy by consuming state and federal budgets, decreasing worker productivity, and raising costs of business.**
- **Try as we might, we couldn't find the way to controlling costs and improving care. And ~50M people (including 38M US citizens) remained uninsured.**

Uninsured Rates Among Nonelderly by State, 2010-2011



OURCE: KCMU/Urban Institute analysis of 2011 and 2012 ASEC Supplement to the CPS (two-year pooled data).

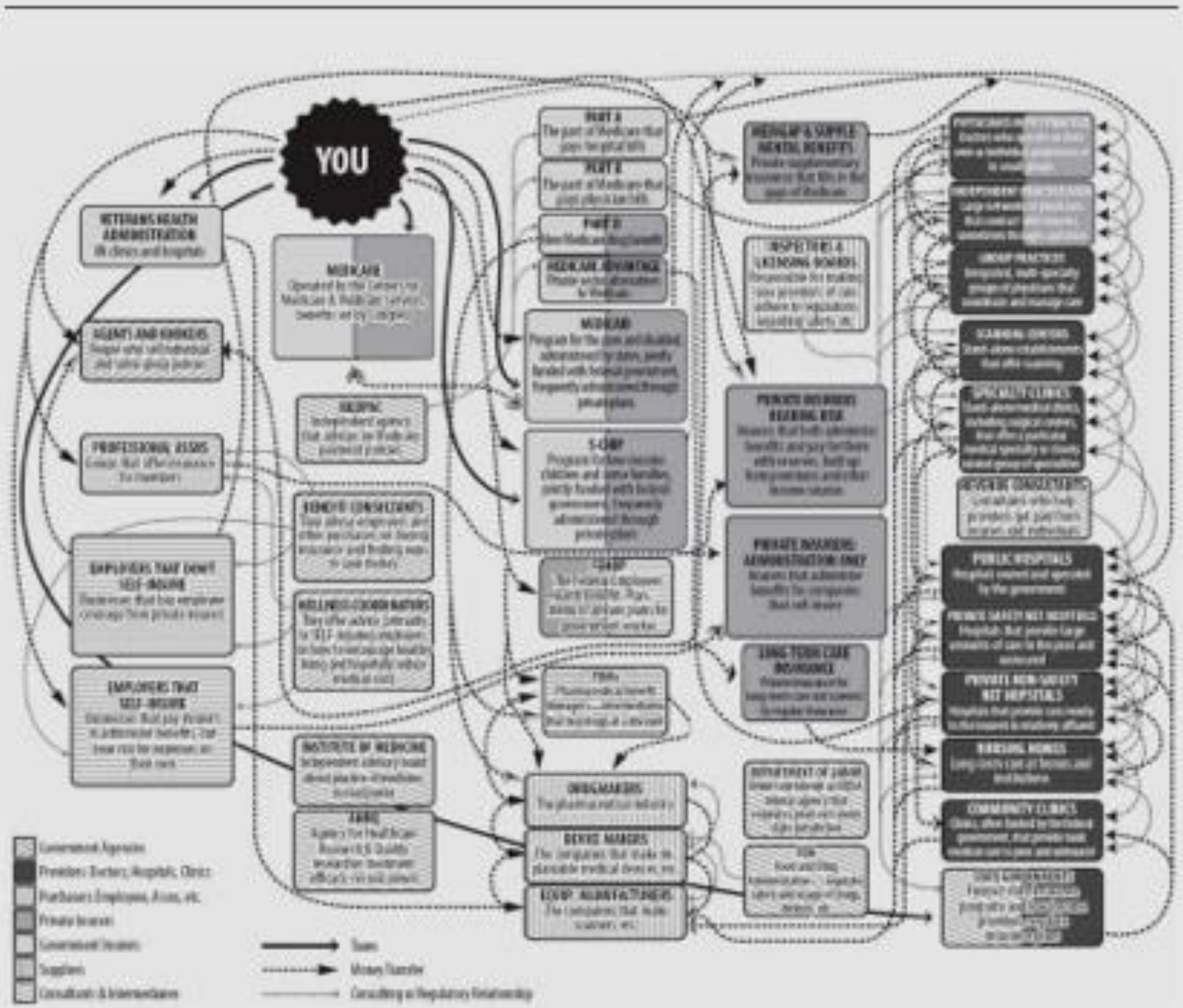
New Mexico Demographics

- Total Population = 2,028,100
- Total Uninsured Population = 21%
- Uninsured Individuals = 422,000
- Expanded Medicaid Eligible = 204,000
- Insurance Exchange Eligible = 95,000

Sources: The Kaiser Family Foundation; www.statehealthfacts.org Center on Budget and Policy Priorities; www.cbpp.org
New Mexico Level I HIX Establishment Grant; www.hsd.state.nm.us

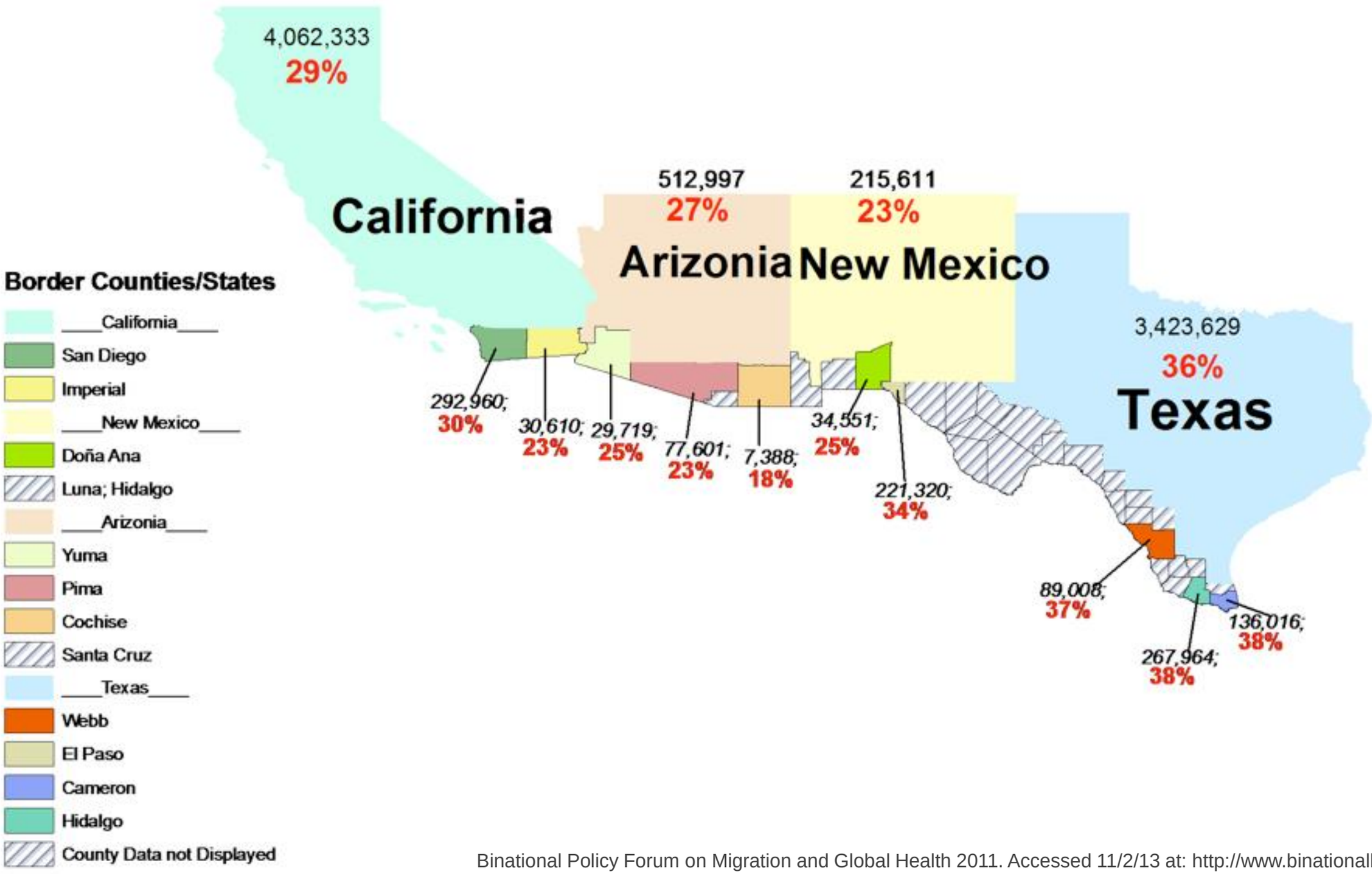
NEW MEXICO health CONNECTIONS

Our health care “system”, in part (nice and simple)



© *The New Republic*, Jonathan Cohn, July 1, 2009.

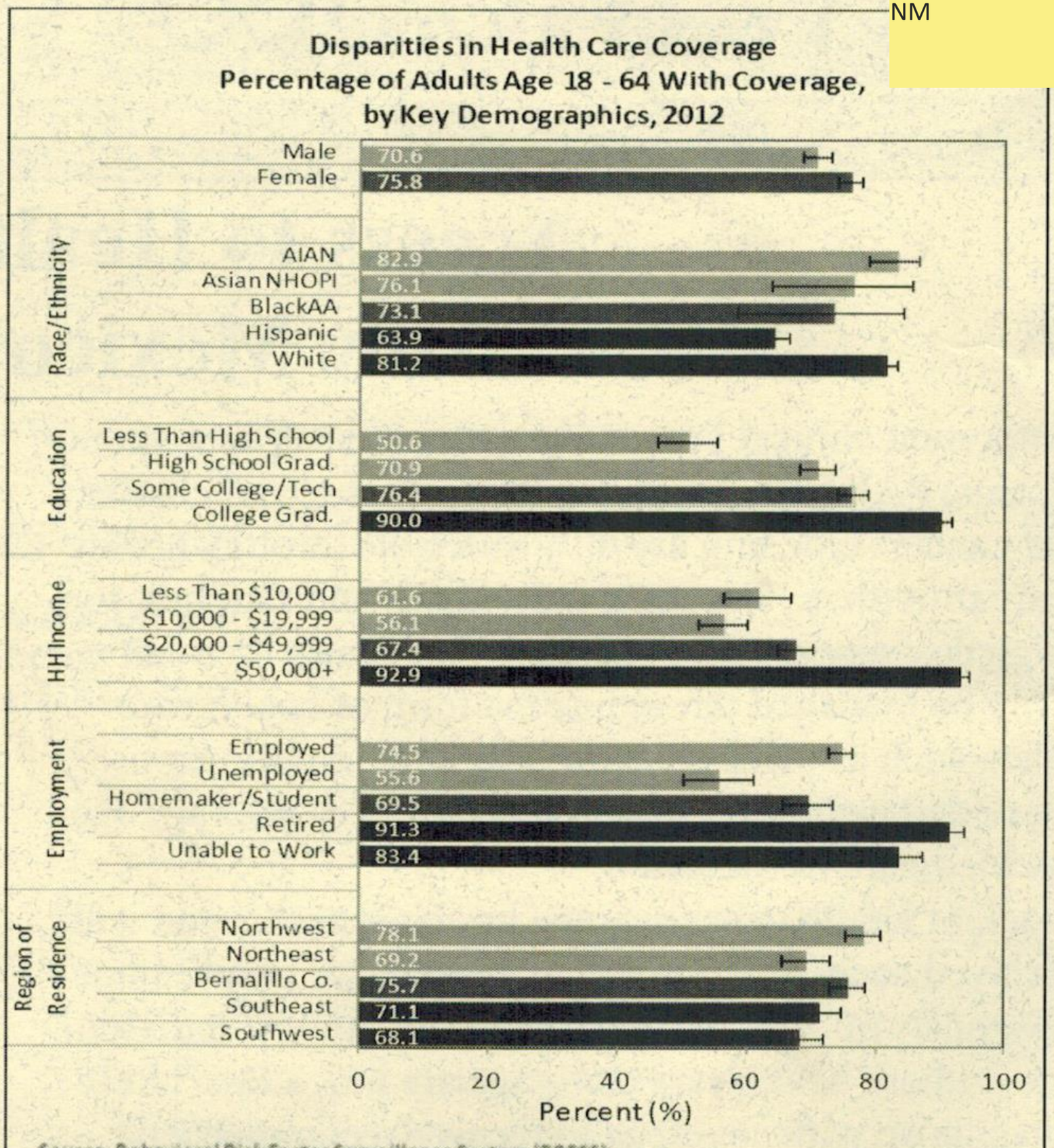
Number and Percent of Uninsured Latinos in the Border Counties and States



Binational Policy Forum on Migration and Global Health 2011. Accessed 11/2/13 at: http://www.binationalhealthweek.org/uploads/Campaigns/Uninsured%20Latinos%20and%20the%20Affordable%20Care%20Act-Flores.pdf

Figure 3. Demographic Disparities in Healthcare Coverage among Adults, New Mexico, 2012

Note the effects of race/ethnicity, education, income, employment on insurance coverage in NM



How did the ACA pass Congress in 2010?

- **The White House encouraged Congress to take the lead in developing the bill**
- **Reform advocates came to believe they would lose if they torpedoed a bill that didn't contain everything they wanted.**
- **Many interest groups signed on for different but overlapping reasons: pharma, insurance, hospitals, nurses, AAFP, AMA**
- **Through consistent efforts by the ACA's authors to build in cost controls, the CBO estimate of the 10 year cost of the ACA came in under $1Trillion, half paid by savings from the provisions in the bill and half from new revenue from the bill**
- **The CBO estimated the ACA would reduce the federal deficit over 10 years**
- **Crucially, in February 2010, Wellpoint announced 39% premium rate hike for California, persuading the US House of Representatives to accept the Senate's version of the ACA on March 21. President Obama signed March 23**

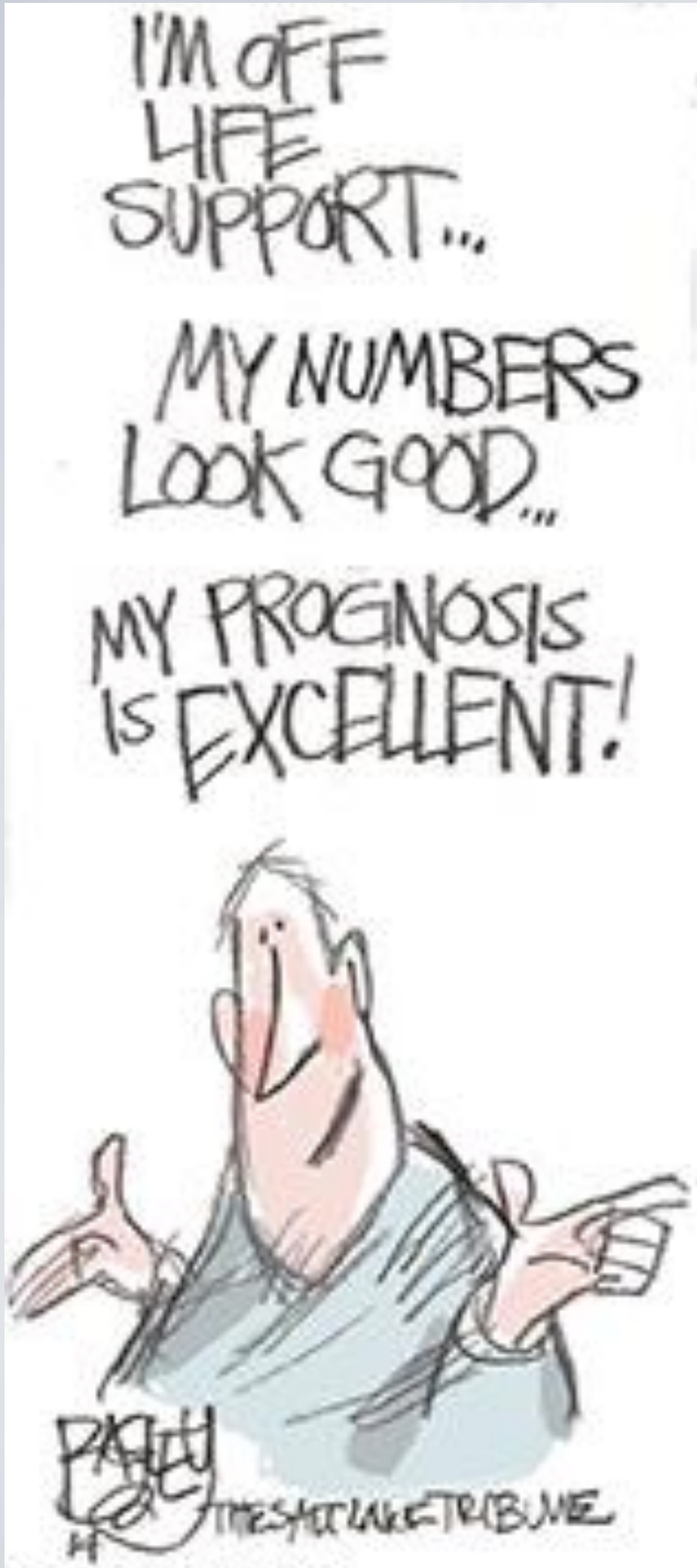

FINISH
HEALTHCARE .GOV
A.C.A. OBAMACARE SIGN-UP
A.C.A.
"MADE IT!"

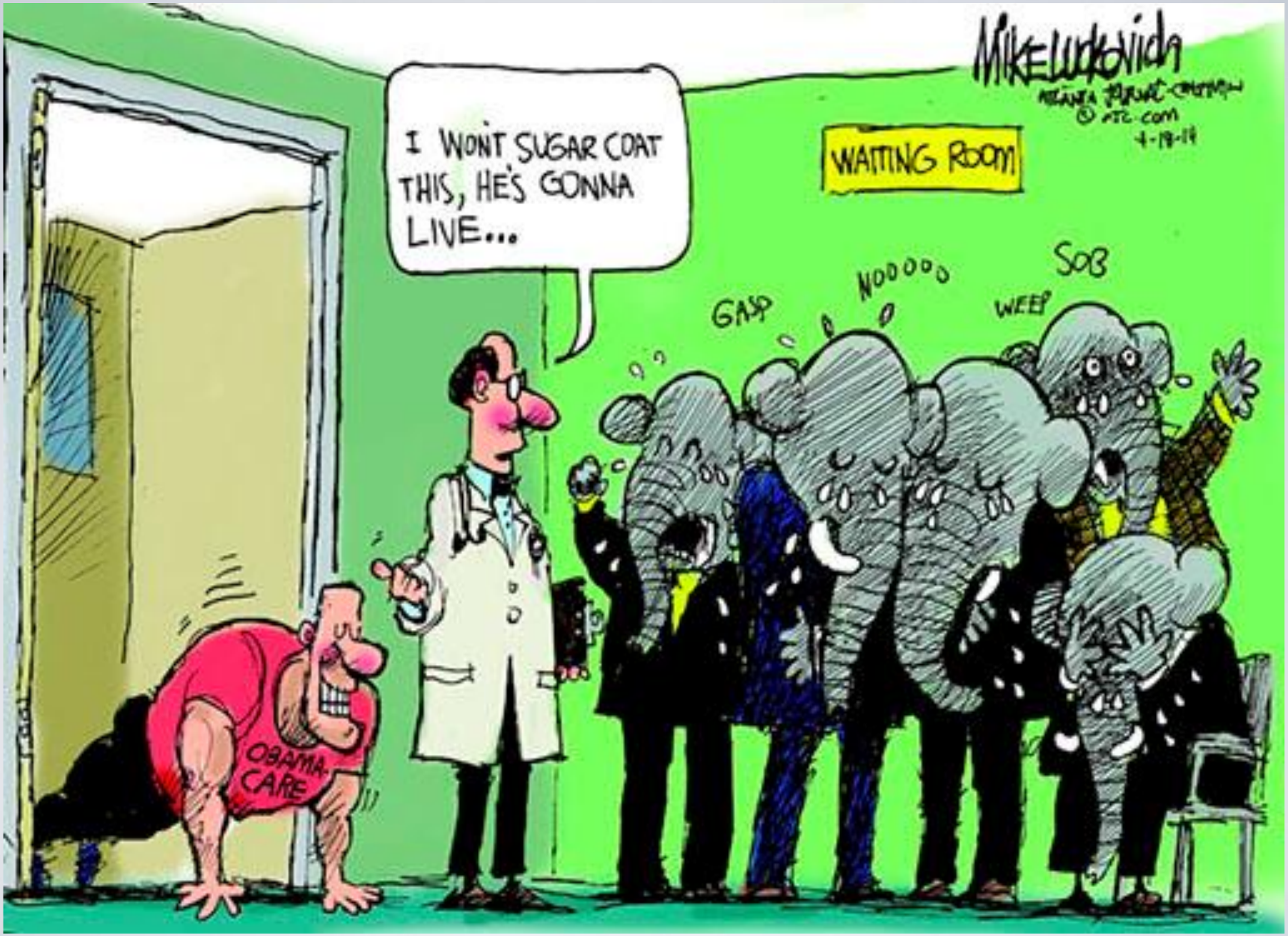
"I've come a long way. I now have health insurance."

I'M OFF LIFE SUPPORT...

MY NUMBERS LOOK GOOD...

MY PROGNOSIS IS EXCELLENT!

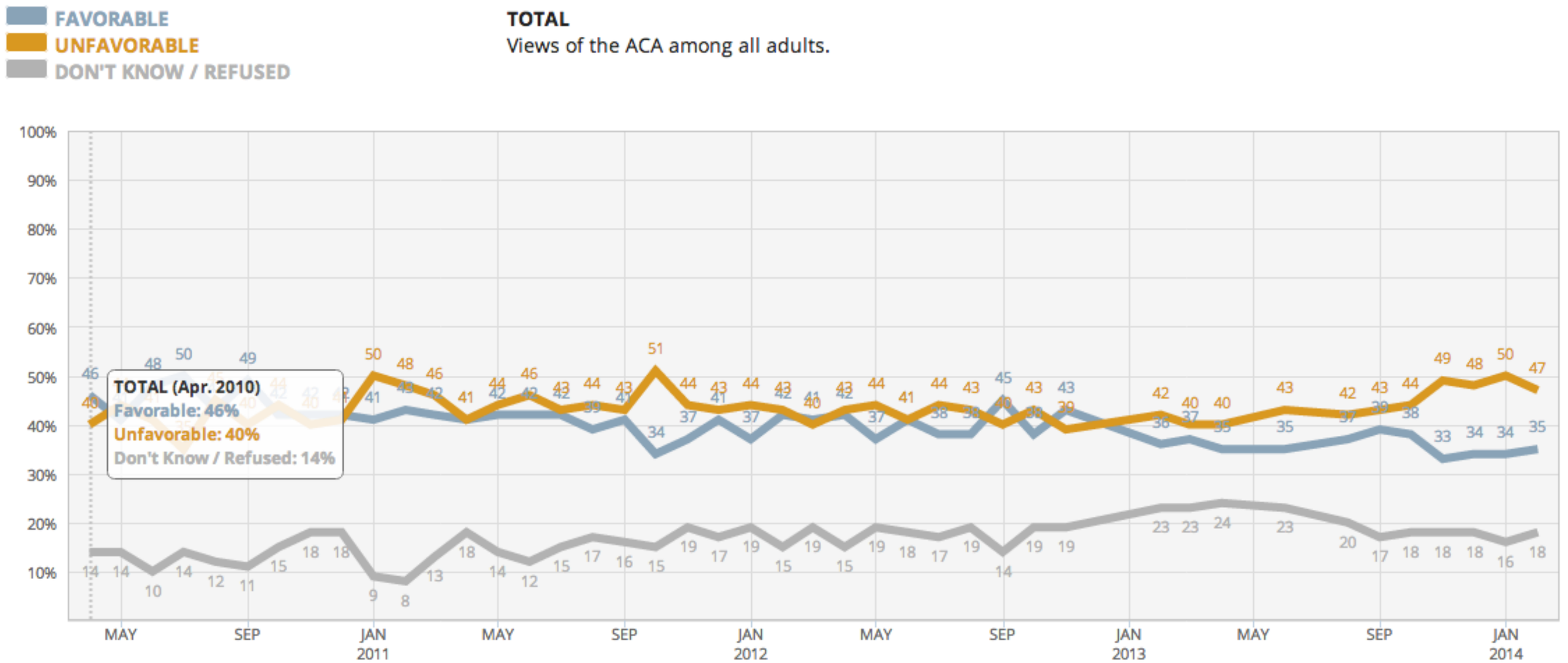



MIKELUCKOVICH
NEA
© NEA.COM
4-18-14
I WON'T SUGAR COAT THIS, HE'S GONNA LIVE...
WAITING ROOM
GASP
NOOOOO
SOB
WEEP
OBAMA CARE

Out of step?

Is Obamacare popular?

No. Most polls show that Americans are sharply divided on Obamacare, with more people viewing the law negatively than favorably.

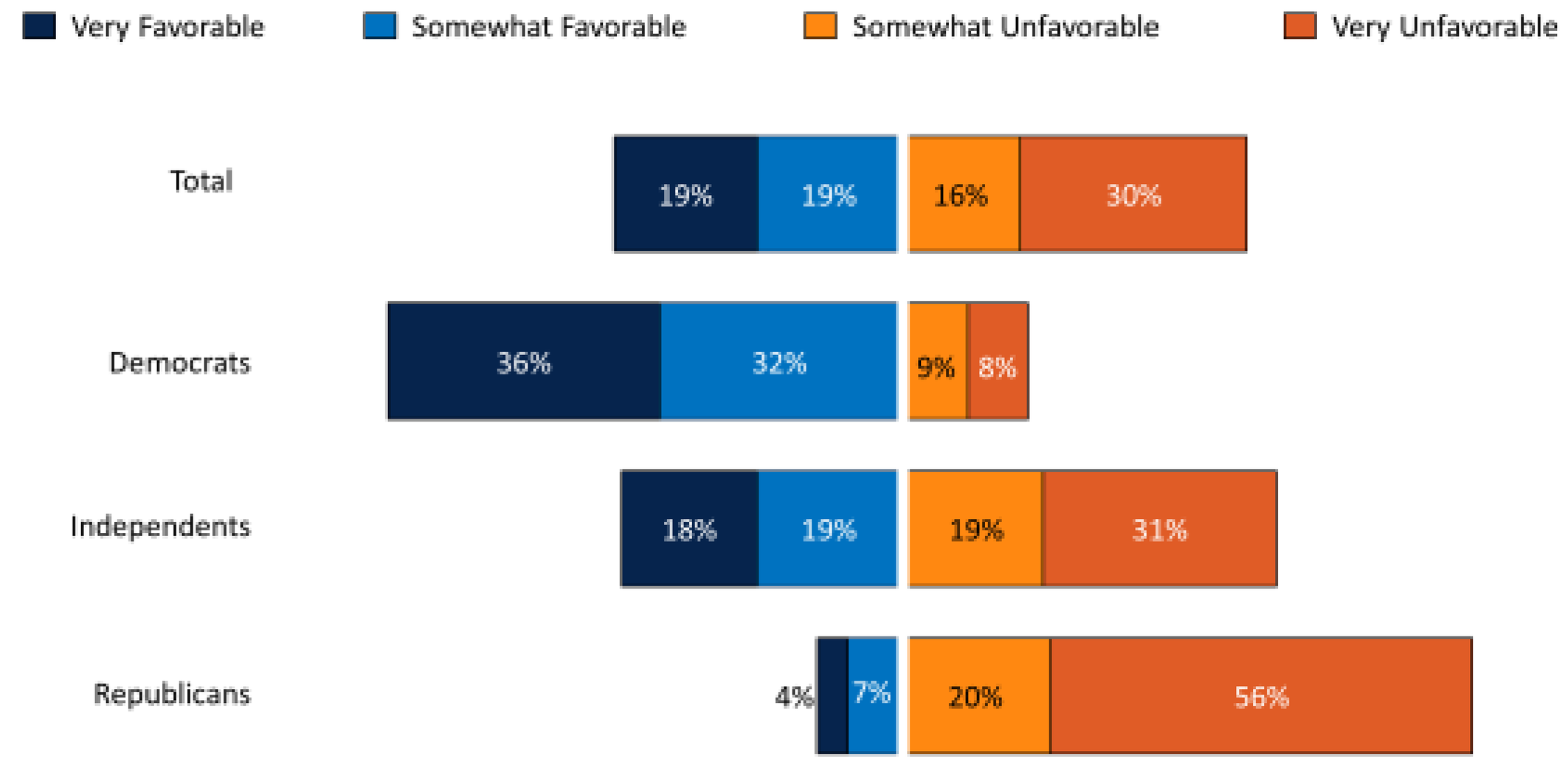


Click here for more details on the monthly Kaiser Health Tracking Poll, including the survey findings and methodology.

Source: Vox News 1-14-2014

Opinion Of ACA Divided Along Party Lines

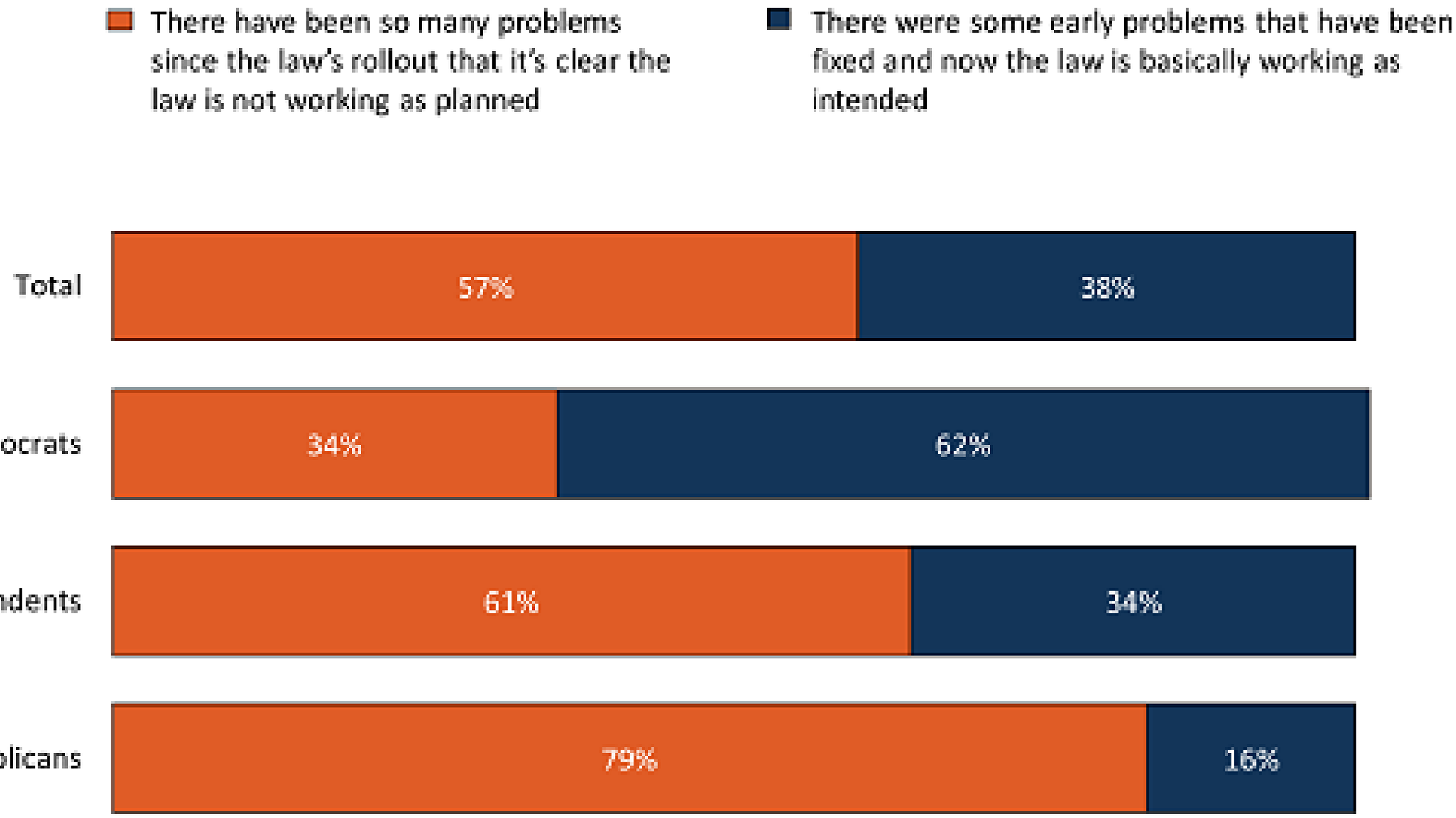
As you may know, a health reform bill was signed into law in 2010. Given what you know about the health reform law, do you have a generally favorable or generally unfavorable opinion of it?



NOTE: Don't know/Refused answers not shown.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted April 15-21, 2014)

Majority Say Law Is Not Working As Planned

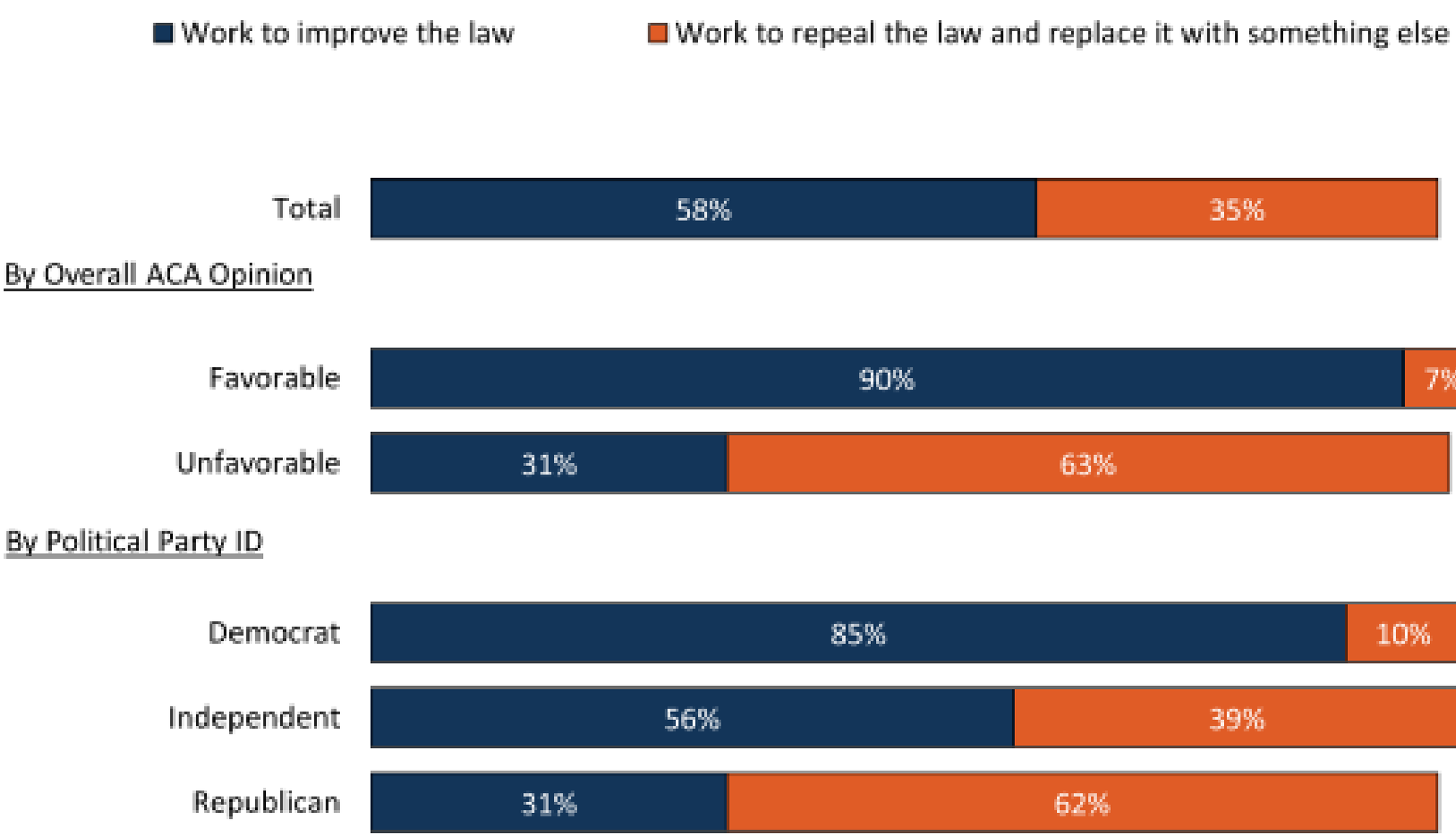
Percent who say...



SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted April 15-21, 2014)

More Want Congress To Improve ACA Than Repeal And Replace

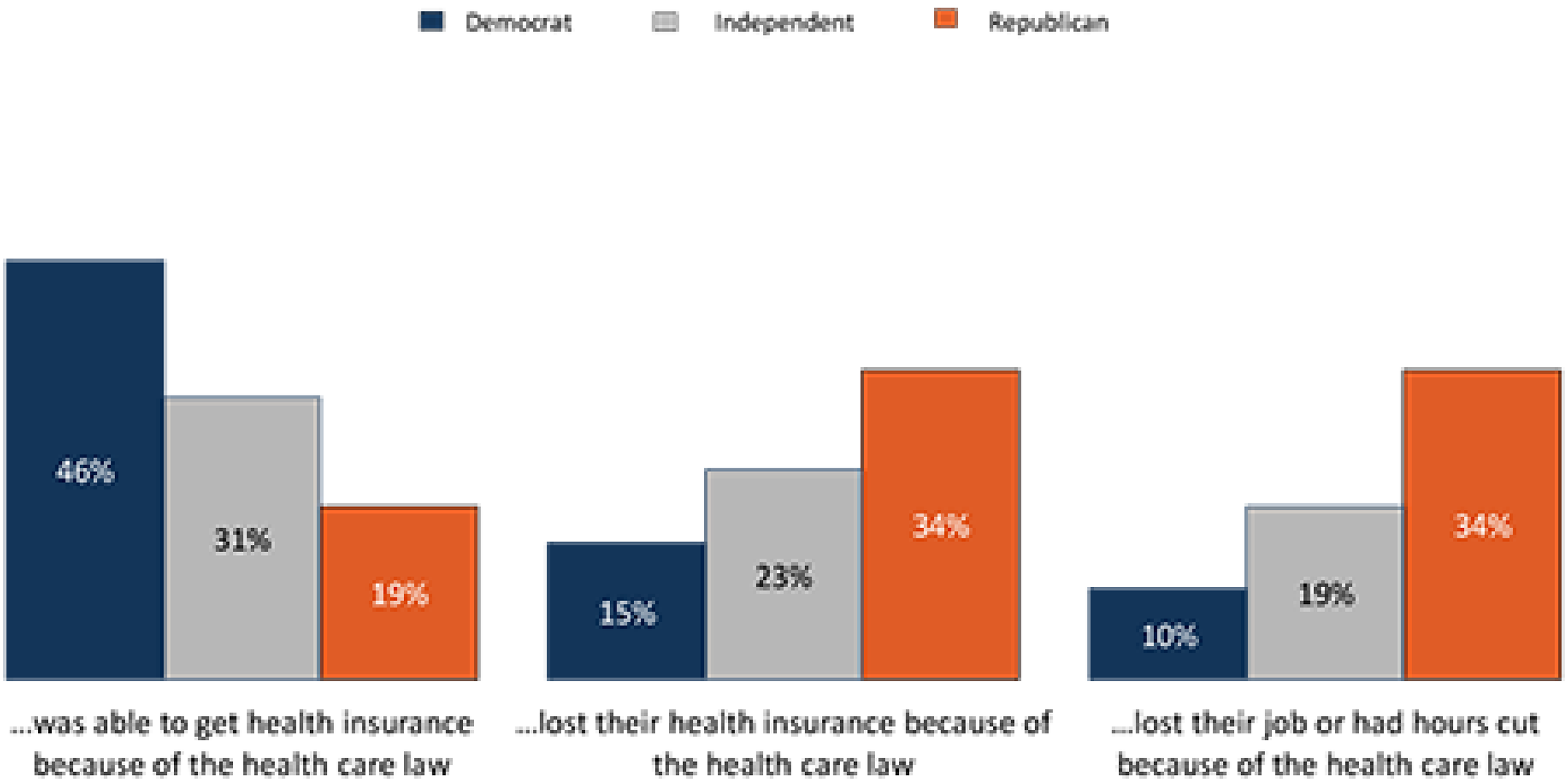
Which would you rather see your representative in Congress do when it comes to the health care law?



NOTE: Neither of these/they should do something else and Don't know/Refused answers not shown.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted April 15-21, 2014)

Partisan Divide In Reports Of Knowing Someone Who Gained/Lost Coverage

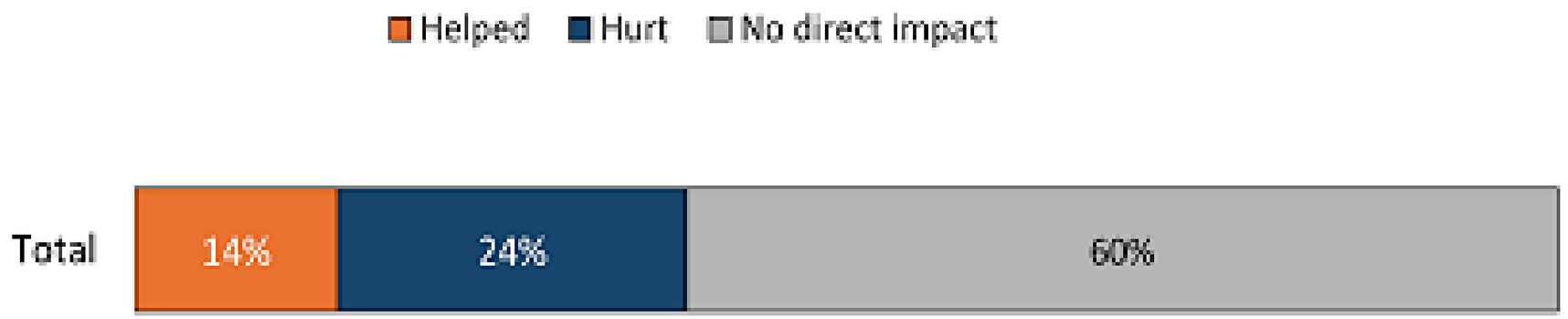
Percent who say they PERSONALLY know anyone who...



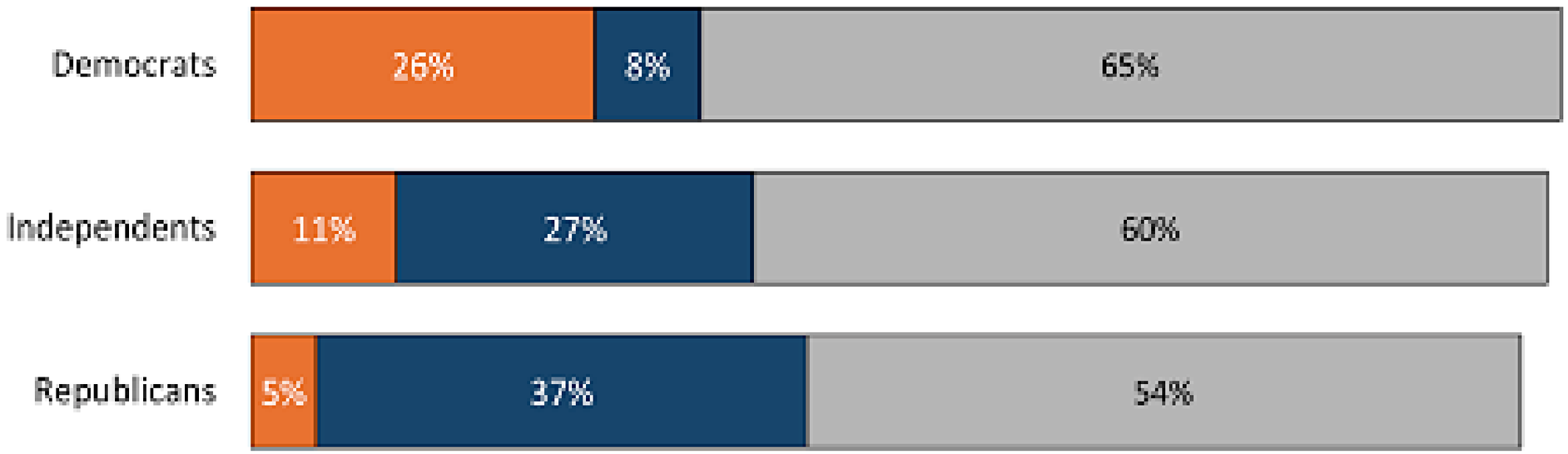
NOTE: No, don't personally know anyone in this situation and Don't know/Refused answers not shown.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted May 13-19, 2014)

Most Report No Direct Impact From ACA; Democrats More Likely to Feel Helped, Republicans More Likely to Feel Hurt

So far, would you say the health care law has directly (helped) you and your family, directly (hurt) you and your family, or has it not had a direct impact?



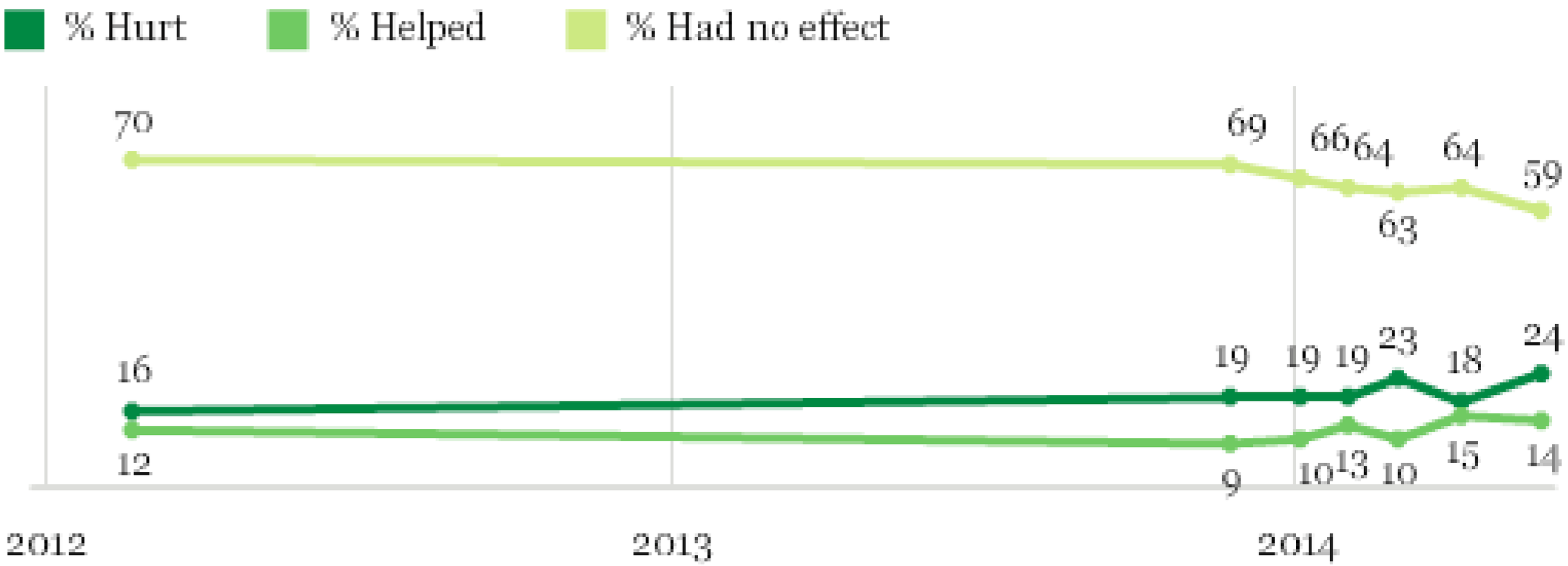
By Political Party ID



NOTE: Both helped and hurt (VOL.) and Don't know/Refused answers not shown.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted May 13-19, 2014)

Healthcare Law's Perceived Impact on Americans and Their Families

As you may know, a number of the provisions of the healthcare law have already gone into effect. So far, has the new law -- [ROTATED: helped you and your family, not had an effect, (or has it) hurt you and your family]?



Wording from 2012 to April 2014: As you may know, a few of the provisions of the healthcare law have already gone into effect. So far, has the new law -- [ROTATED: helped you and your family, not had an effect, (or has it) hurt you and your family]?

GALLUP

Out of pocket costs do matter to patients in choosing to spend on health care: RAND

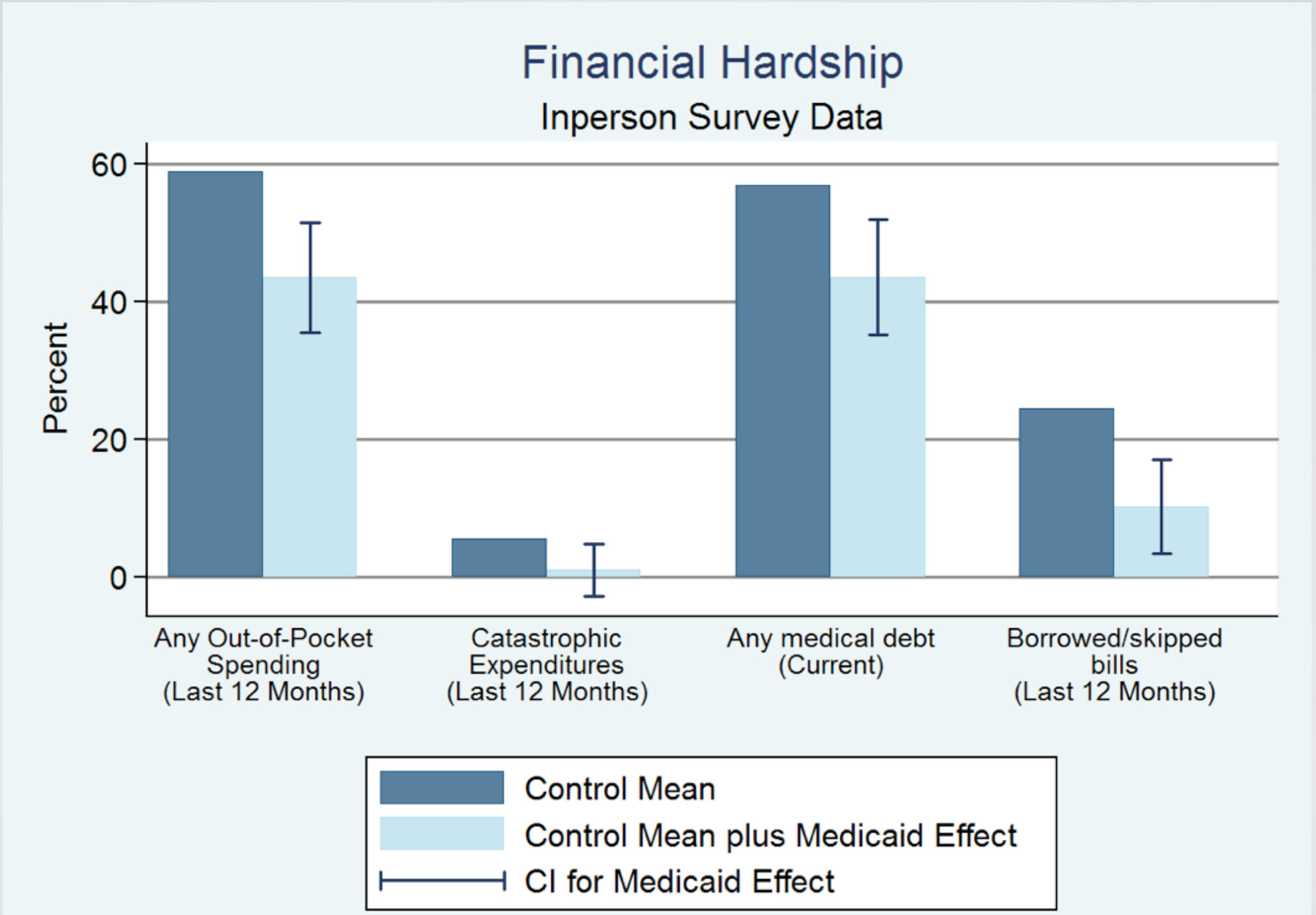
- **The RAND Health Insurance Experiment of 1974-1981 showed patients do base their choice of how to spend money on health care on their costs.**
- **Patients will restrict their own spending if out of pocket costs are too high, including premium, deductibles and co-pays.**
- **Health reform employs this lesson by holding down costs for patients, proportionate to their ability to pay.**

Out of pocket costs do matter to patients in choosing to spend on health care

Oregon Insurance Experiment 2011: Medicaid expansion

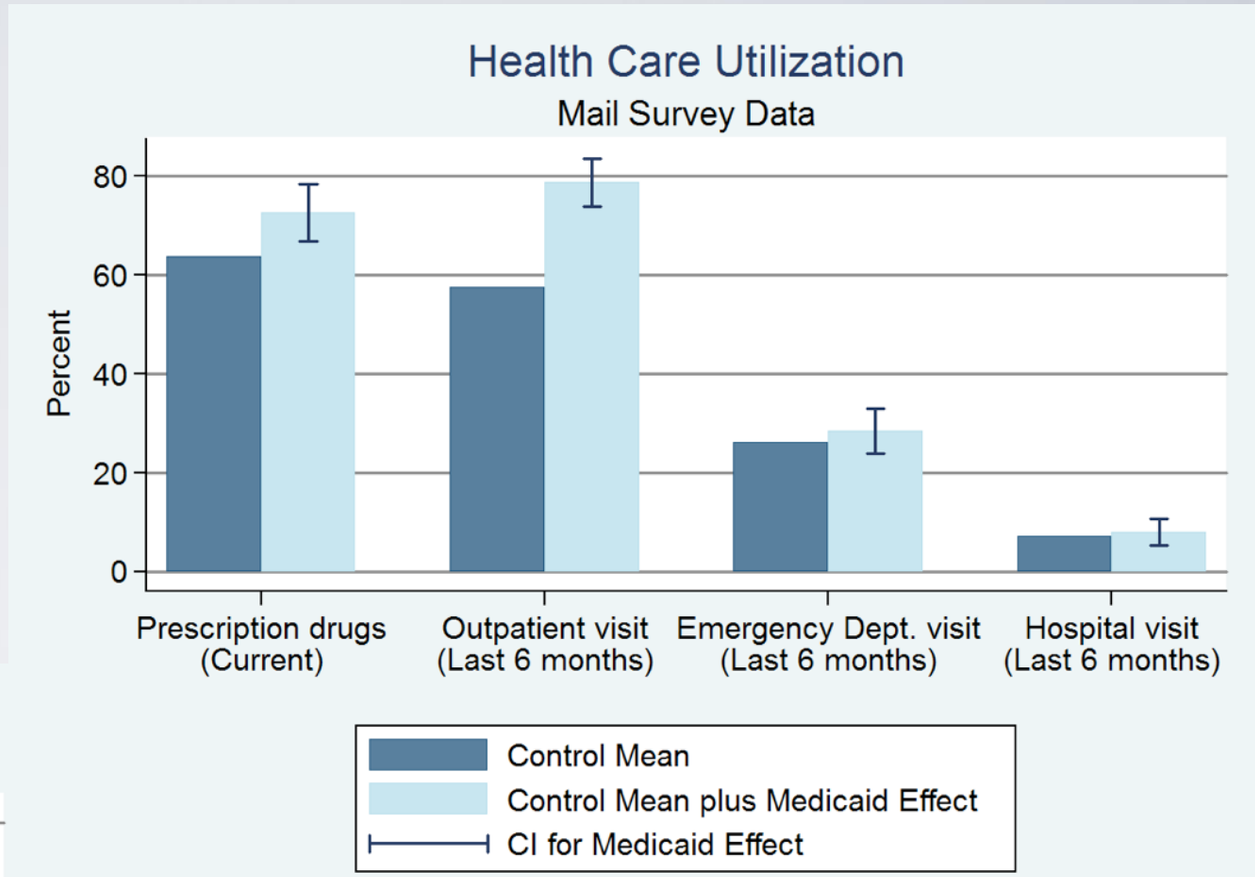
Source: Oregon Health Insurance Experiment, www.nber.org/oregon

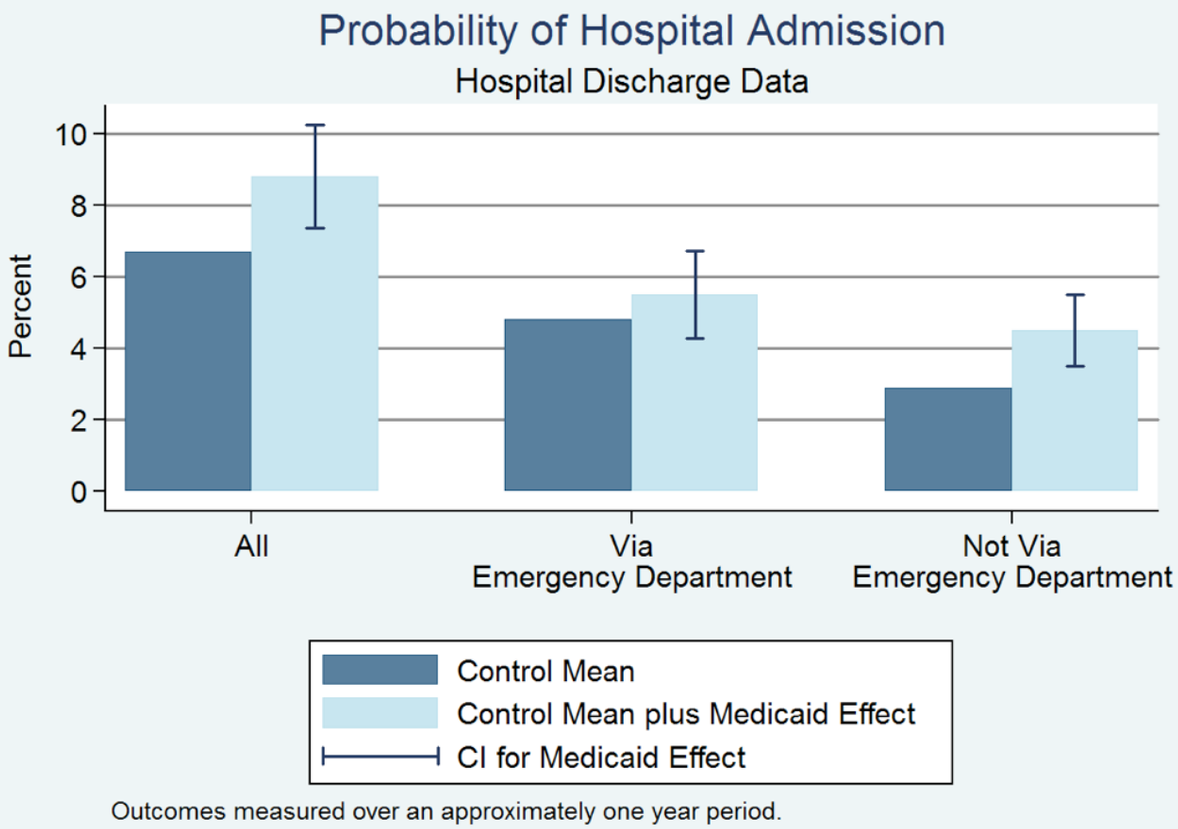
Oregon Medicaid expansion reduced financial hardship



Source: Oregon Health Insurance Experiment

Oregon Medicaid expansion increased utilization at one year

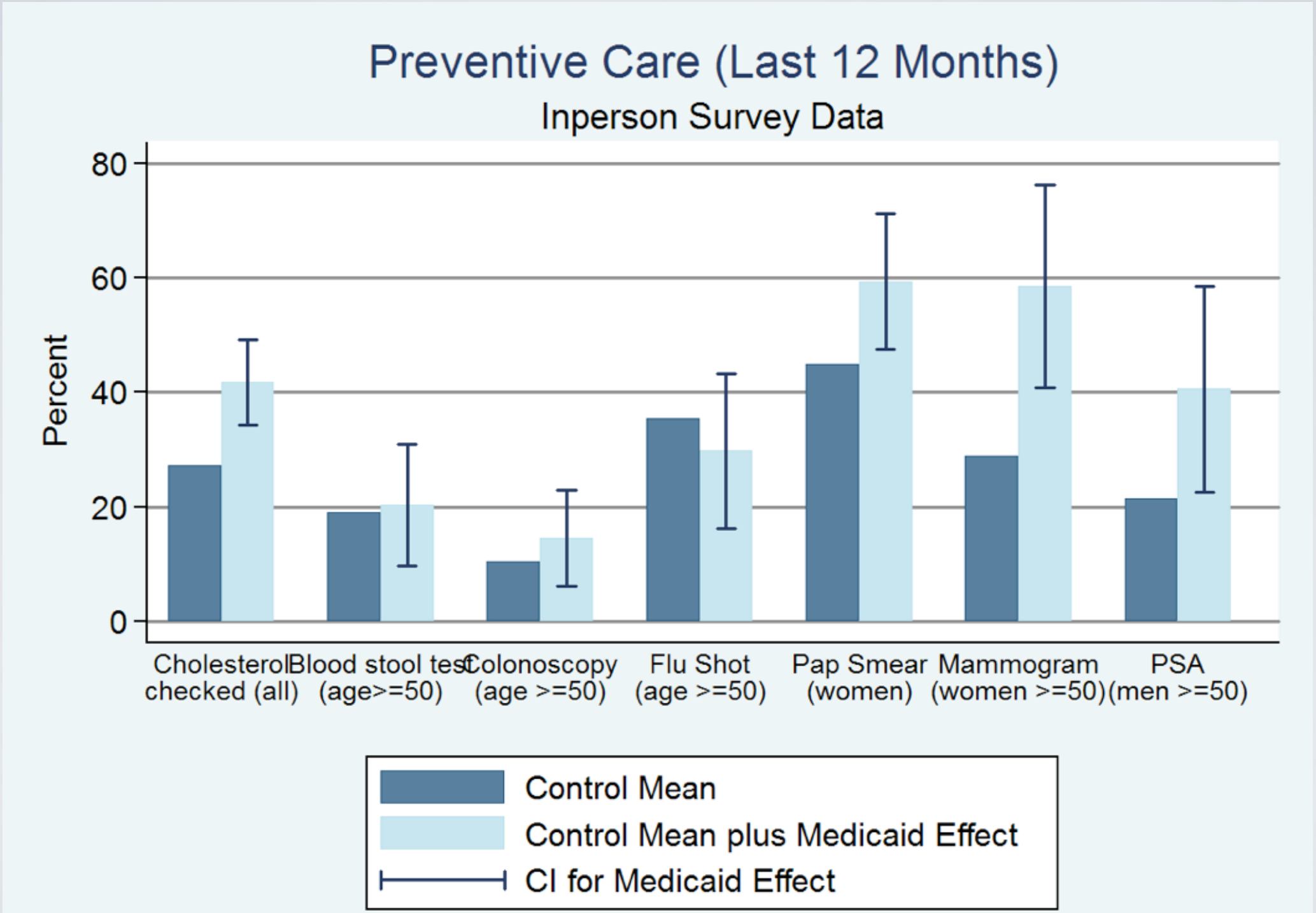




Outcomes measured over an approximately one year period.

Source: Oregon Health Insurance Experiment, www.nber.org/oregon

Oregon Medicaid expansion improved preventive care



Source: Oregon Health Insurance Experiment

Is the ACA helping?

in the areas of:

- Access
- Cost Control
- Quality Improvement
- Prevention
- Workforce

Access

Is the ACA helping?
Access: Uninsured rate falls to lowest since 2008

Percentage Uninsured in the U.S., by Quarter

Do you have health insurance coverage?

Among adults aged 18 and older

Quarter 1 2008-April 30, 2014

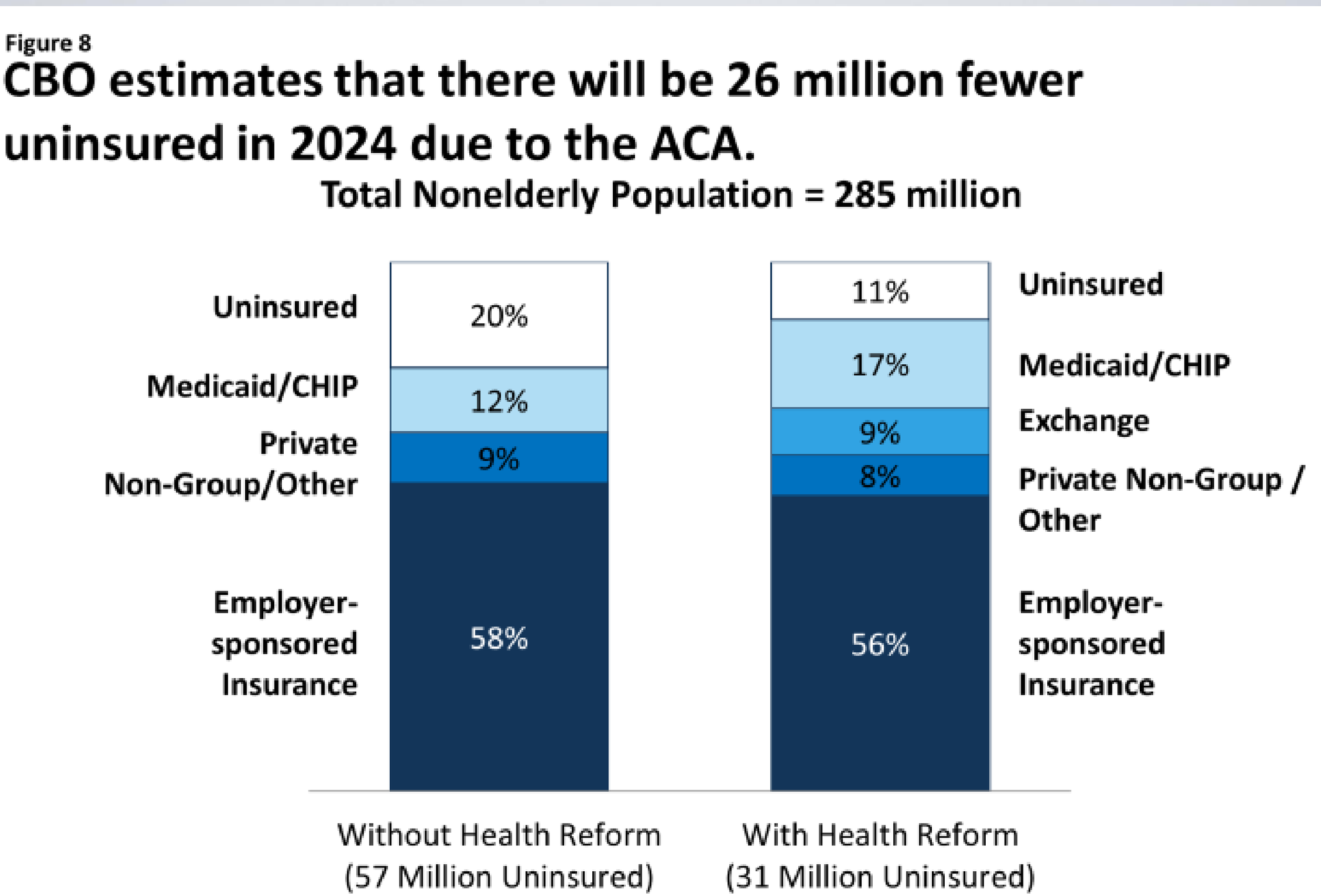
Gallup-Healthways Well-Being Index

GALLUP

IS THE ACA HELPING?
ACCESS: OVERALL COVERAGE PROJECTION

Figure 8

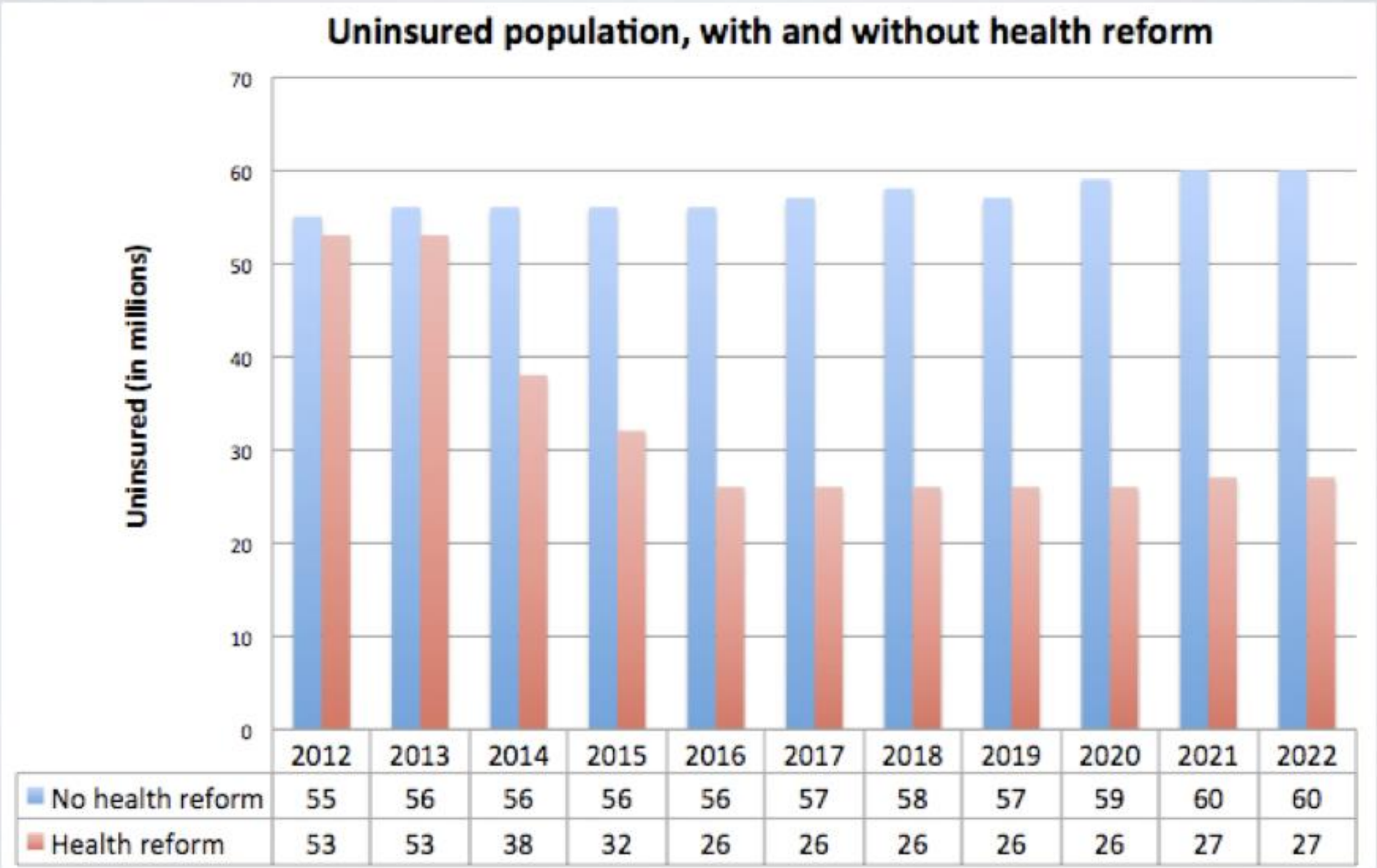
CBO estimates that there will be 26 million fewer uninsured in 2024 due to the ACA.



NOTE: This assumes that not all states choose to expand Medicaid eligibility up to 138% FPL.
SOURCE: Congressional Budget Office, April 2014. Total may not equal 100% due to rounding

THE HENRY J. KAISER FAMILY FOUNDATION

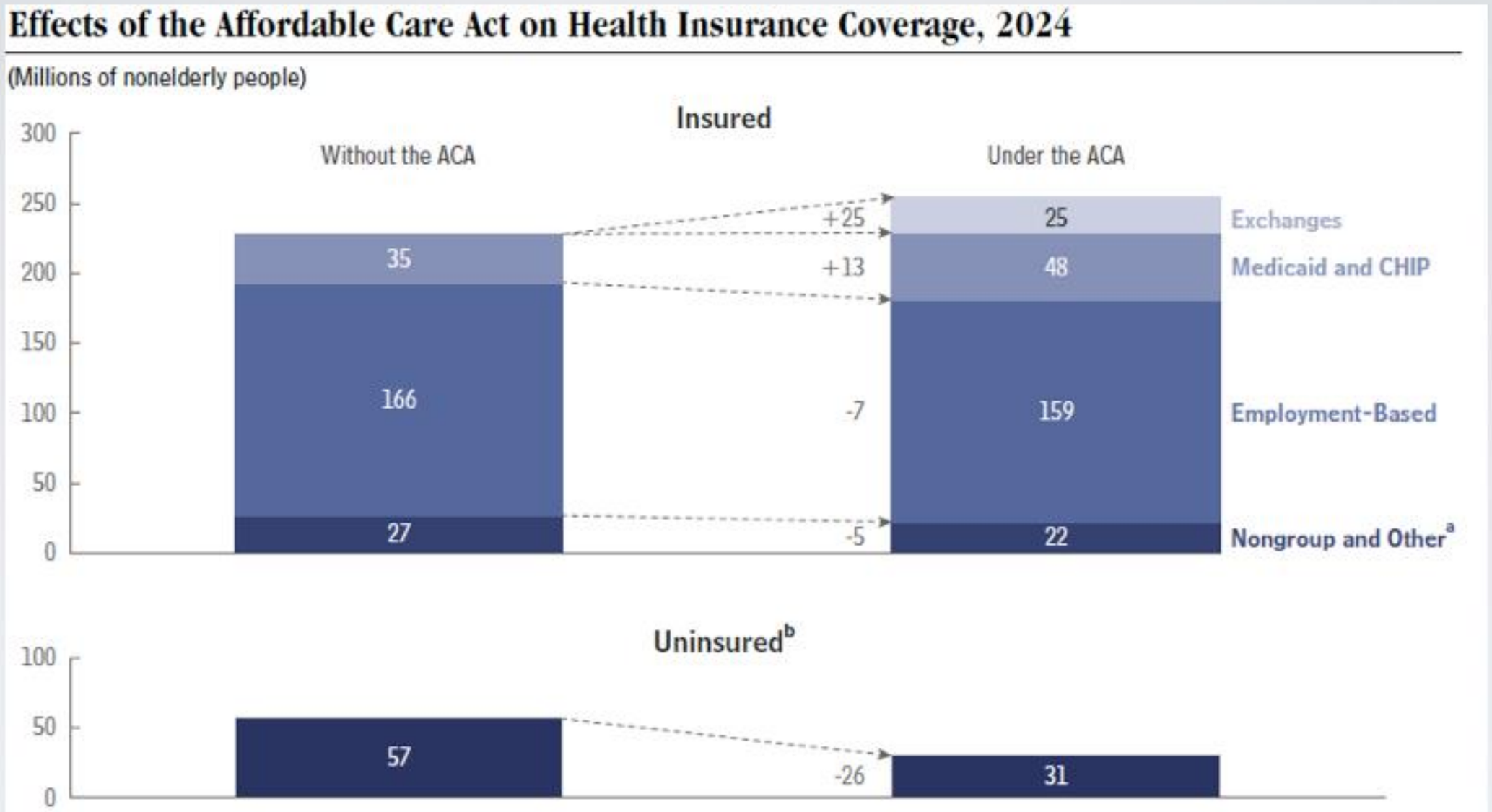
Is the ACA helping?
Access: compare w/ & w/o ACA



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
No health reform	55	56	56	56	56	57	58	57	59	60	60
Health reform	53	53	38	32	26	26	26	26	26	27	27

SOURCE: HEALTH INTEGRATED, PPACA PRESENTATI

IS THE ACA HELPING?
ACCESS: OVERALL COVERAGE PROJECTION



Sources: Congressional Budget Office; staff of the Joint Committee on Taxation.

Notes: The nonelderly population consists of residents of the 50 states and the District of Columbia who are younger than 65.

ACA = Affordable Care Act; CHIP = Children's Health Insurance Program.

a. "Other" includes Medicare; the changes under the ACA are almost entirely for nongroup coverage.

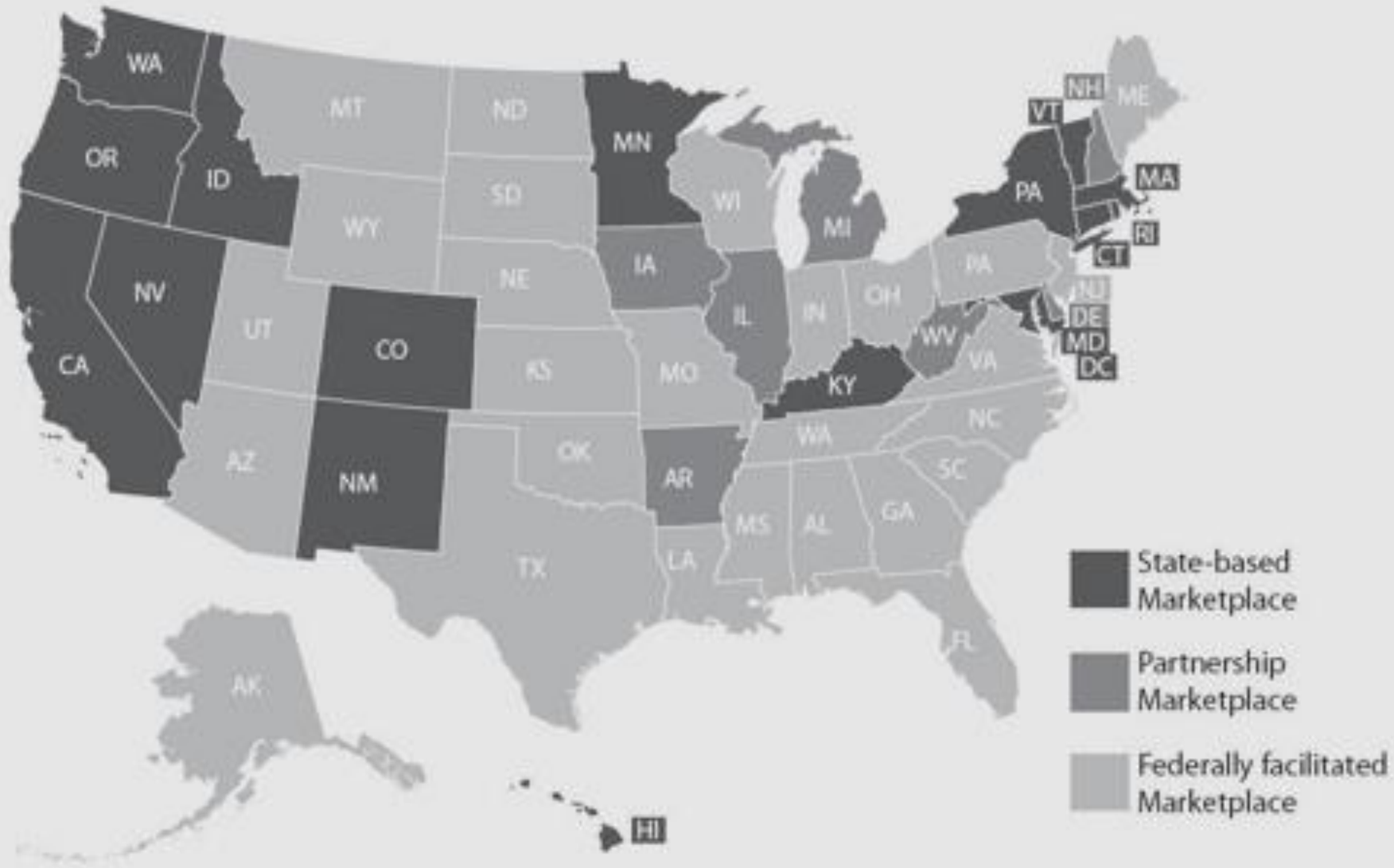
b. The uninsured population includes people who will be unauthorized immigrants and thus ineligible either for exchange subsidies or for most Medicaid benefits; people who will be ineligible for Medicaid because they live in a state that has chosen not to expand coverage; people who will be eligible for Medicaid but will choose not to enroll; and people who will not purchase insurance to which they have access through an employer, an exchange, or directly from an insurer.

SOURCE: CBO 4-2014

Is the ACA helping?
Access: Health Insurance Exchanges

- **Health Insurance Exchanges set up, subsidized coverage for income up to 400% FPL ($45,960 individual, $94,200 family of 4)**

FIGURE 8.5 State decisions on exchanges

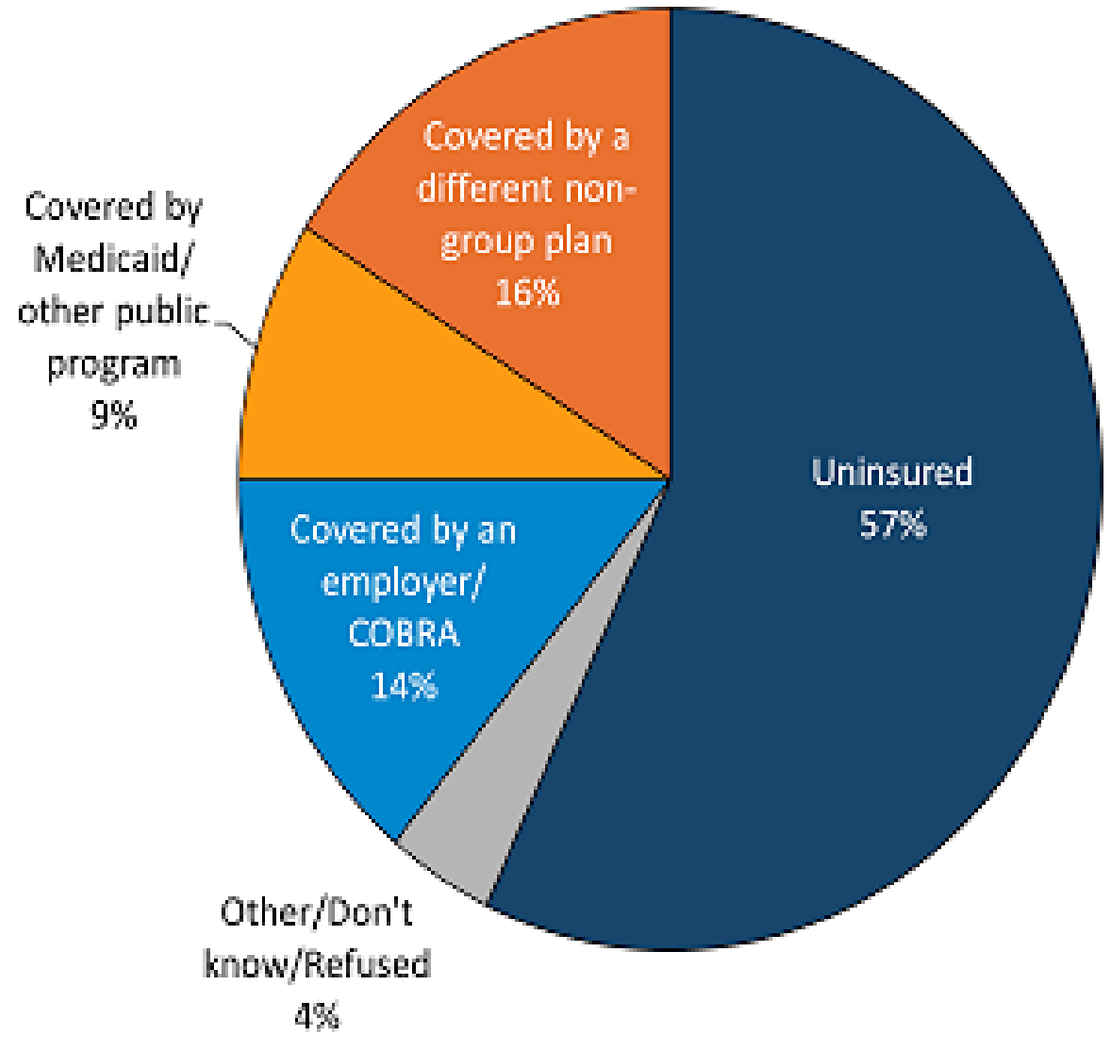


Source: The Henry J. Kaiser Family Foundation.

Is the ACA helping?
Access: Health Insurance Exchanges

Nearly Six In Ten In Exchange Plans Were Previously Uninsured

AMONG NON-GROUP ENROLLEES IN PLANS PURCHASED THROUGH A HEALTH INSURANCE EXCHANGE:
Percent who say before purchasing their current plan, they were...



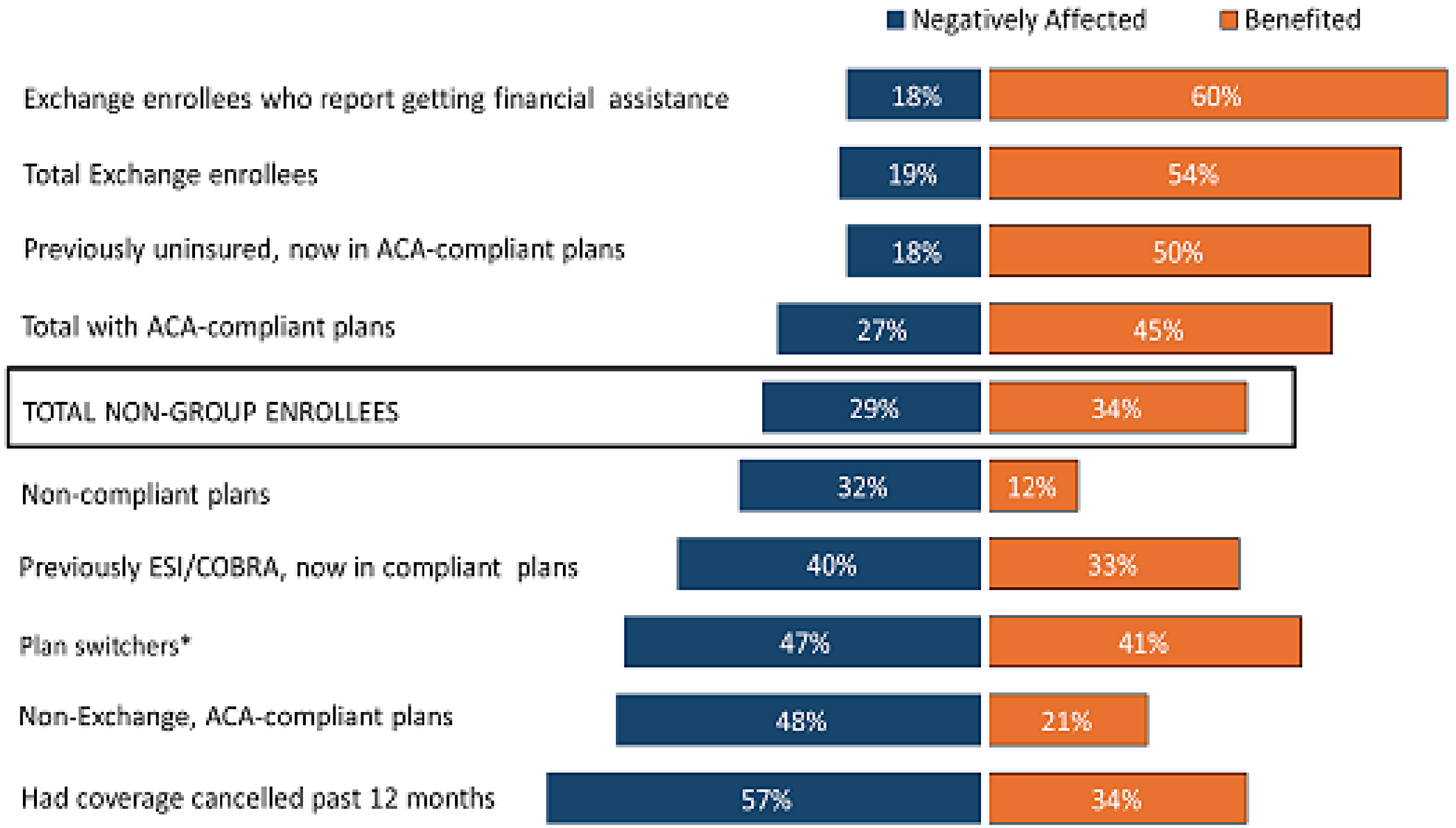
SOURCE: Kaiser Family Foundation Survey of Non-Group Health Insurance Enrollees (conducted April 3 – May 11, 2014)

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA Helping?
Access: Health Insurance Exchanges

Who Says They Benefited Or Were Negatively Affected By ACA?

AMONG NON-GROUP ENROLLEES: Percent who say they have benefited or been negatively affected by the ACA...



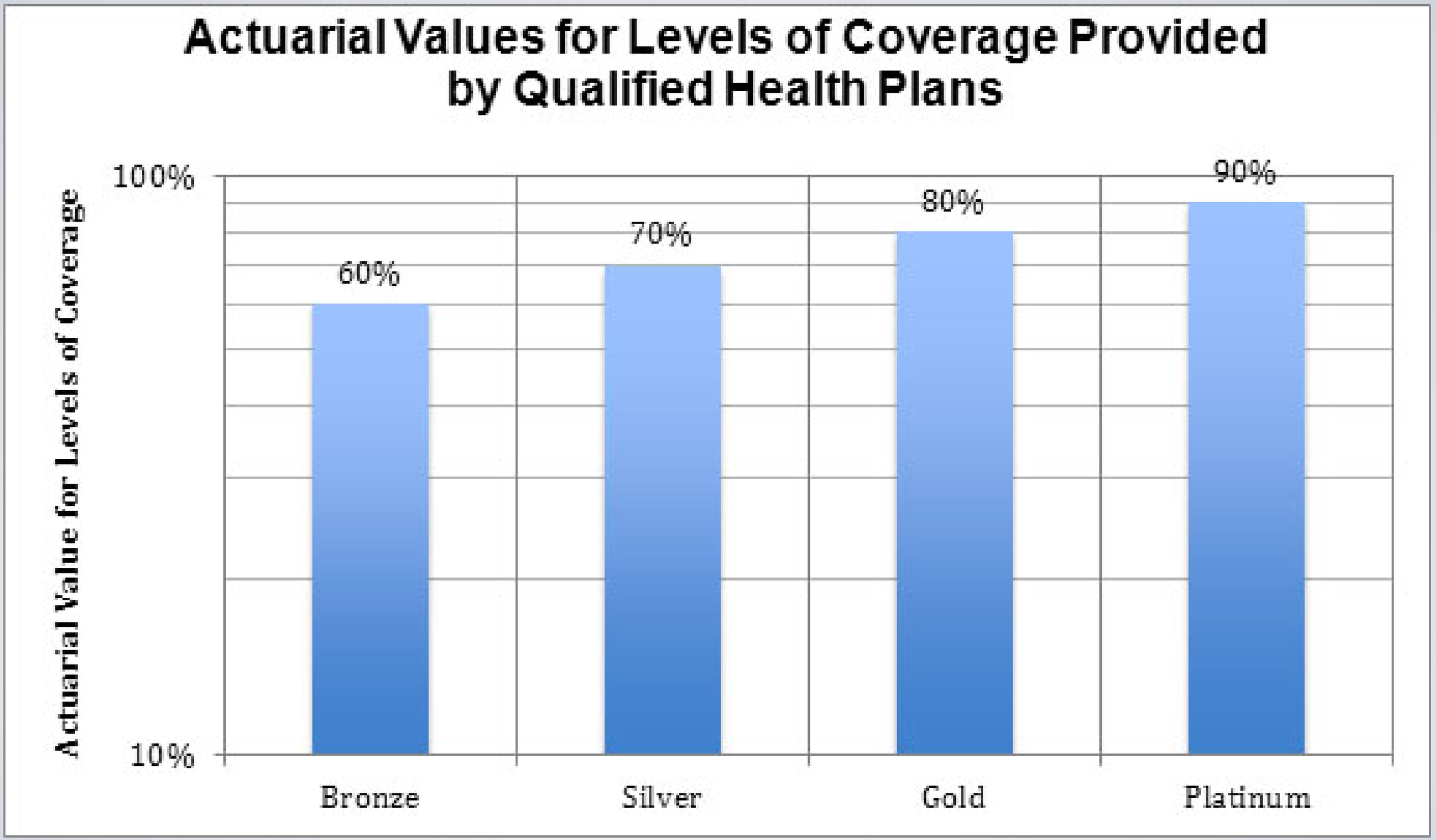
*Plan switchers are those who switched from a non-compliant to a compliant non-group plan.

NOTE: The share who say they neither benefited nor were negatively affected is not shown.

SOURCE: Kaiser Family Foundation Survey of Non-Group Health Insurance Enrollees (conducted April 3 – May 11, 2014)

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: Insurance
plan levels & values, mandated by ACA



- Source: Obamacare.com, accessed 5/9/2014

Is the ACA helping?
Access:
Insurance coverage must cover these

- **Hospital, ER, doctor office, obstetric care, and pediatric care, including oral and vision**
- **Lab and xray**
- **Screenings and immunizations**
- **Mental health care**
- **Drugs, DME, and rehabilitative care**
- **Preventive care, chronic disease management**
- **Only qualified health plans**
- **Guaranteed issue, renewability, no pre-existing condition exclusion, no annual or lifetime limits**

Is the ACA helping?
Access: insurance exchanges
Subsidies to ease the patient cost

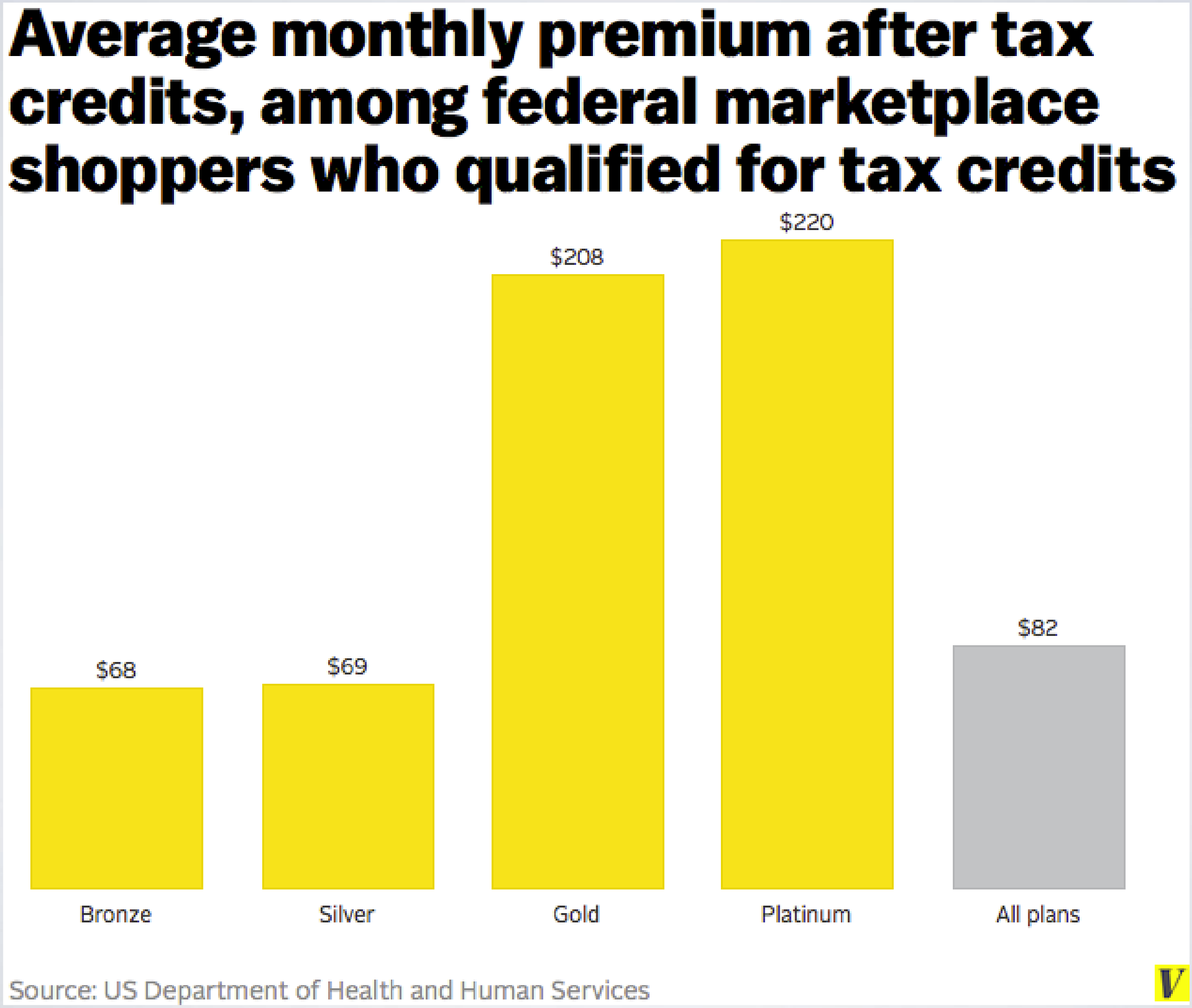
- **Two types of patient subsidies: premium support and cost-sharing**

- **Small business subsidies (with <25 low wage employees subsidies) for 2014 & 2015 only**

Is the ACA helping?

Access: insurance exchanges

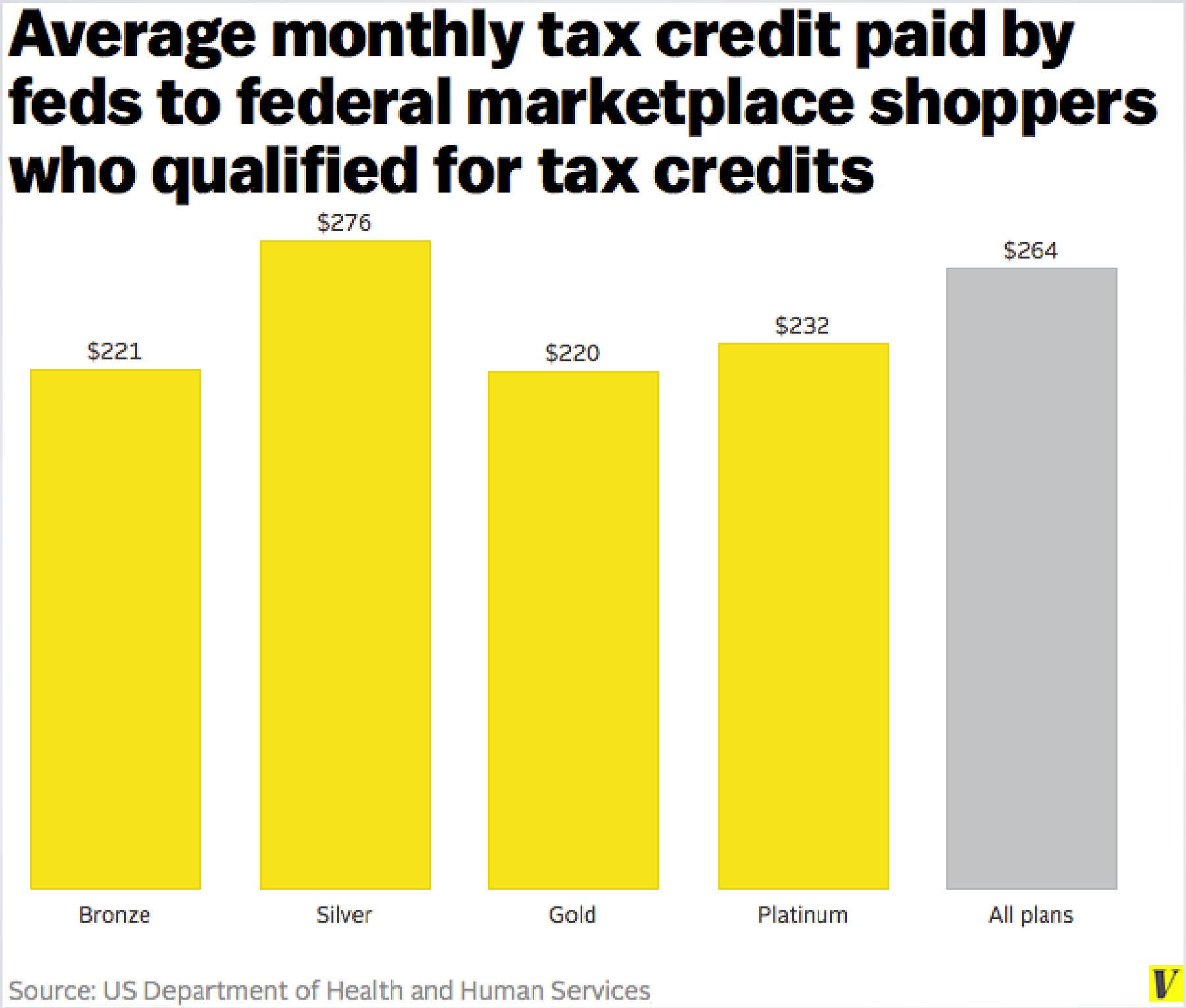
Subsidies to ease the patient cost



Is the ACA helping?

Access: insurance exchanges

Subsidies to ease the patient cost

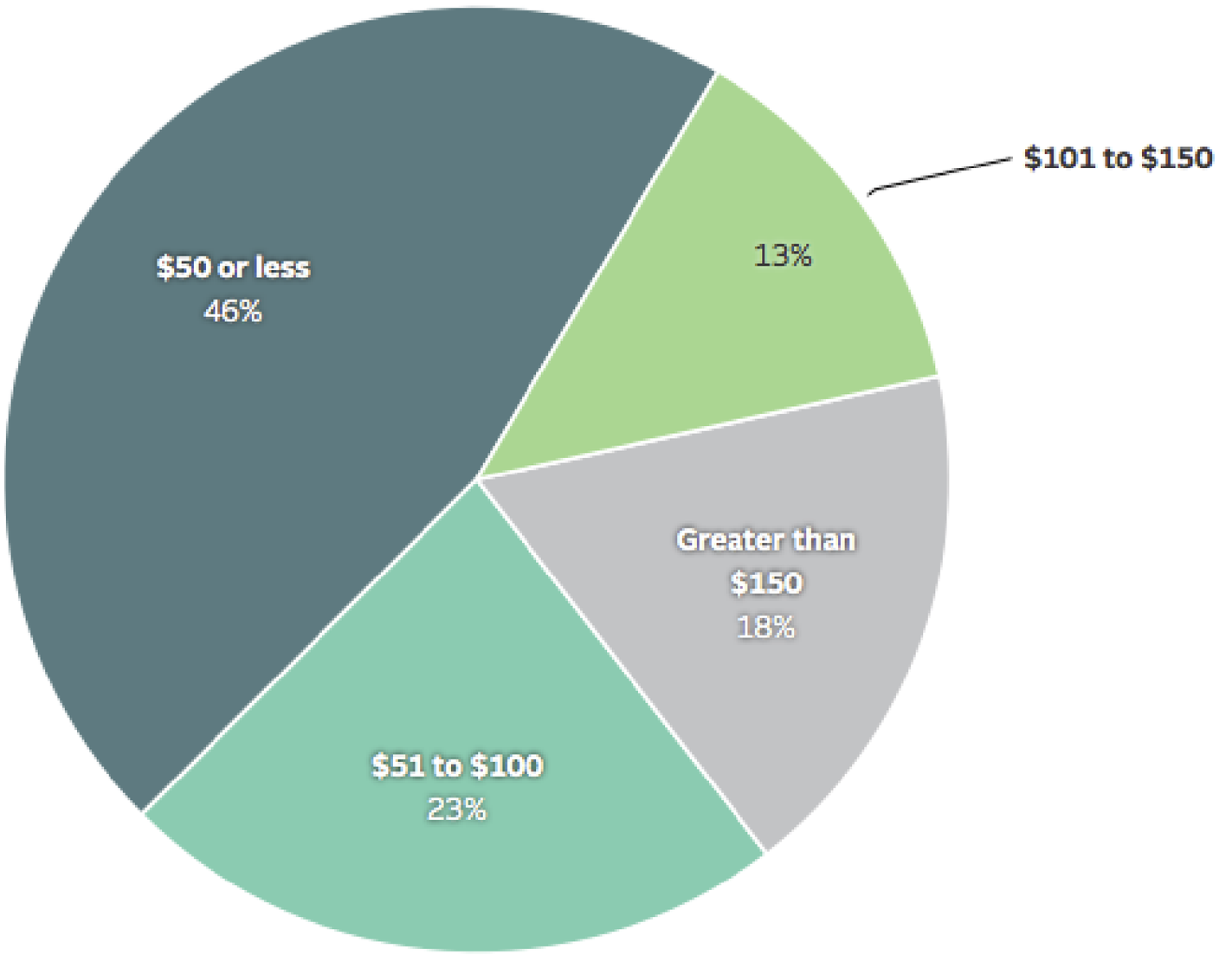


Is the ACA helping?

Access: insurance exchanges

Subsidies to ease the patient cost

Monthly premium after tax credits, among federal marketplace shoppers who qualified for tax credits

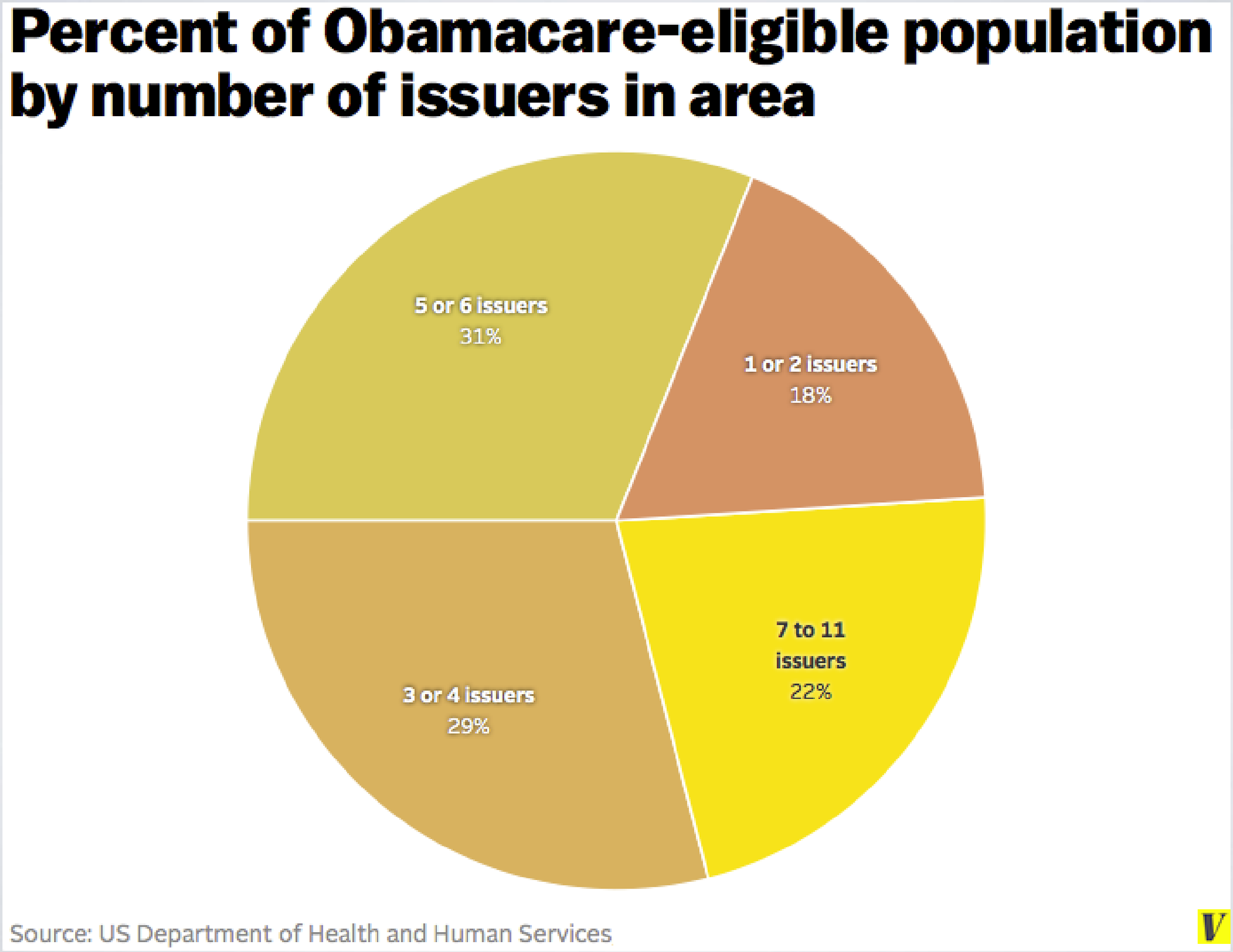


Source: US Department of Health and Human Services

Is the ACA helping?

Access: insurance exchanges

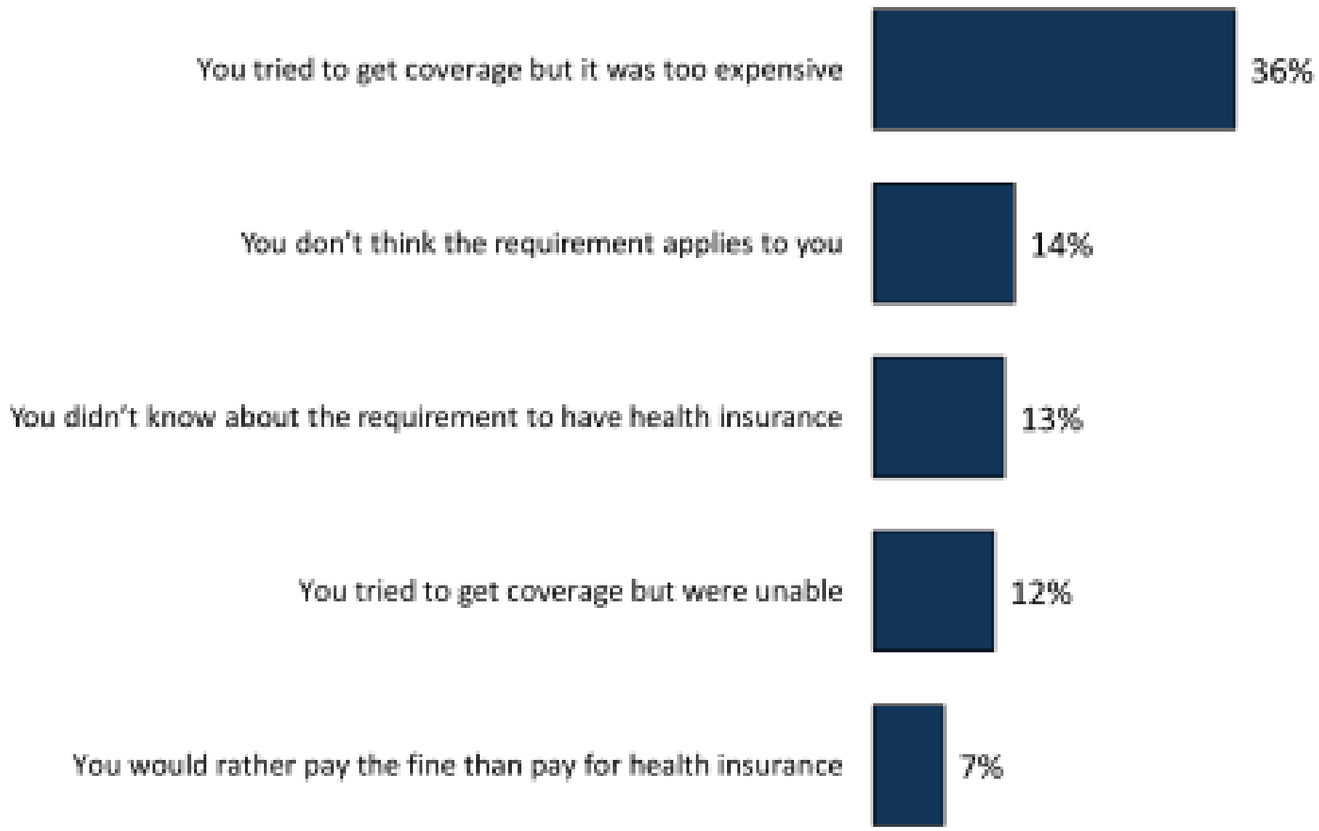
Subsidies to ease the patient cost



Even though there is a penalty, some choose to remain uninsured...

Cost Is Primary Reason For Remaining Uninsured

AMONG THE UNINSURED AGES 18-64: As you may know, the health care law requires nearly all Americans to have health insurance this year or else pay a fine. Which of the following comes closest to why you personally have not gotten health insurance this year?



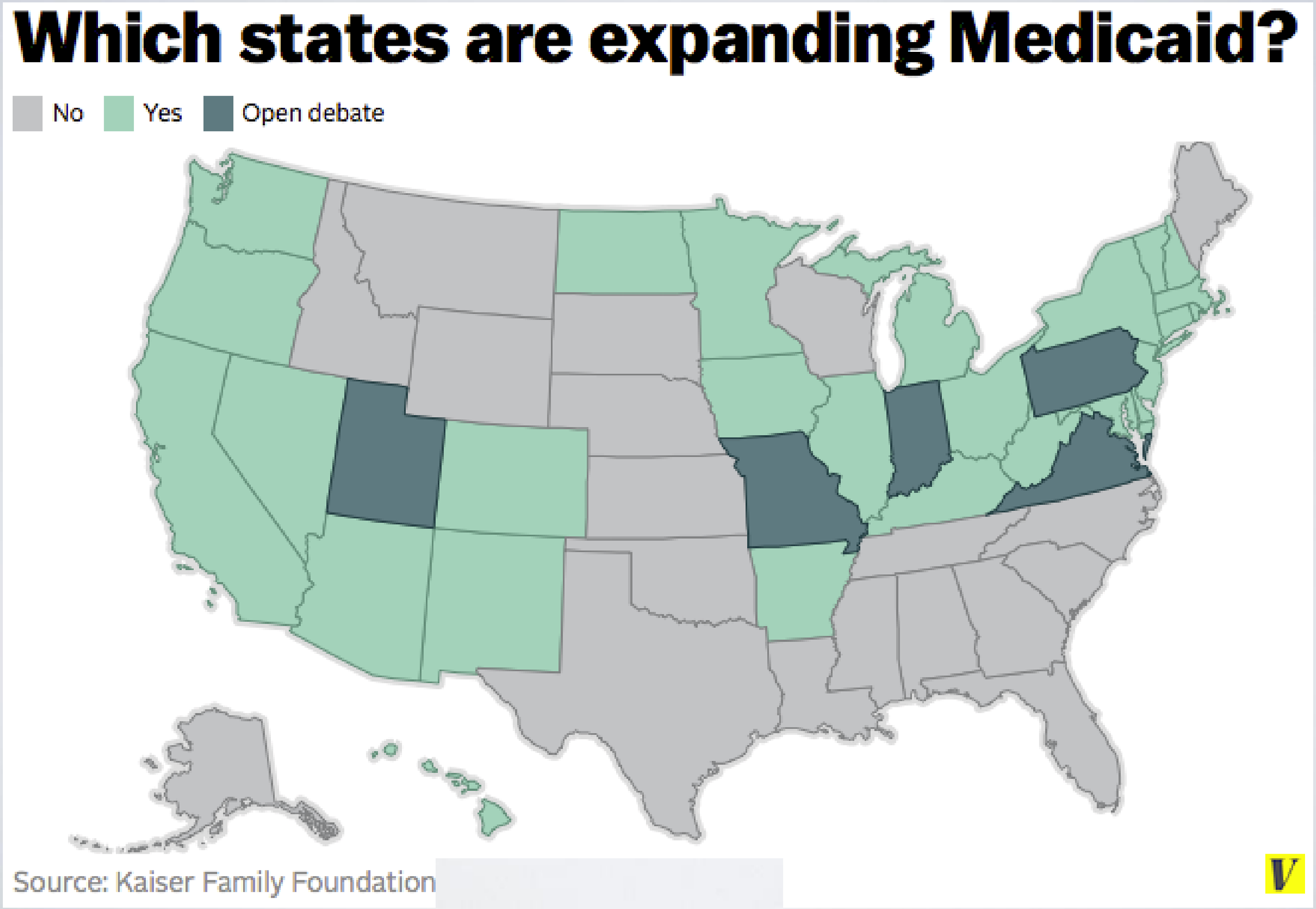
NOTE: Some other reason (vol.) and Don't know/Refused responses not shown.
SOURCE: Kaiser Family Foundation Health Tracking Poll (conducted April 15-21, 2014)

THE HENRY J. KAISER FAMILY FOUNDATION

Penalty for individuals: $95 in 2014, rises to $695 in 2016 (but not > 2.5% household income); in 2017 & after: adjusted with the cost of living
(exempt, if cost of lowest price policy > 8% of income)

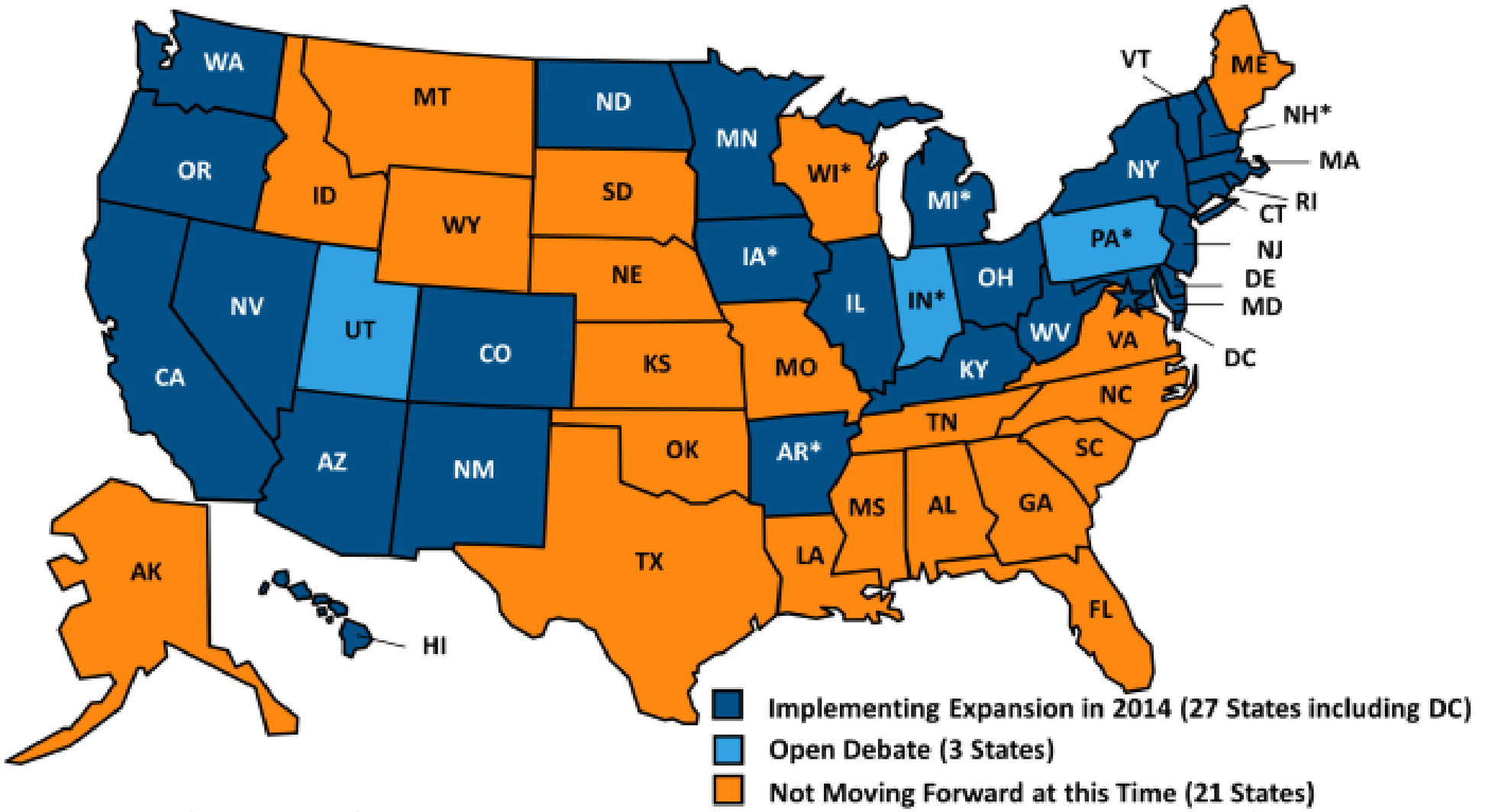
Is the ACA helping?

Access: Medicaid expansion, April 2014



Is the ACA helping?
Access: Medicaid expansion, June 2014

Current Status of State Medicaid Expansion Decisions, 2014



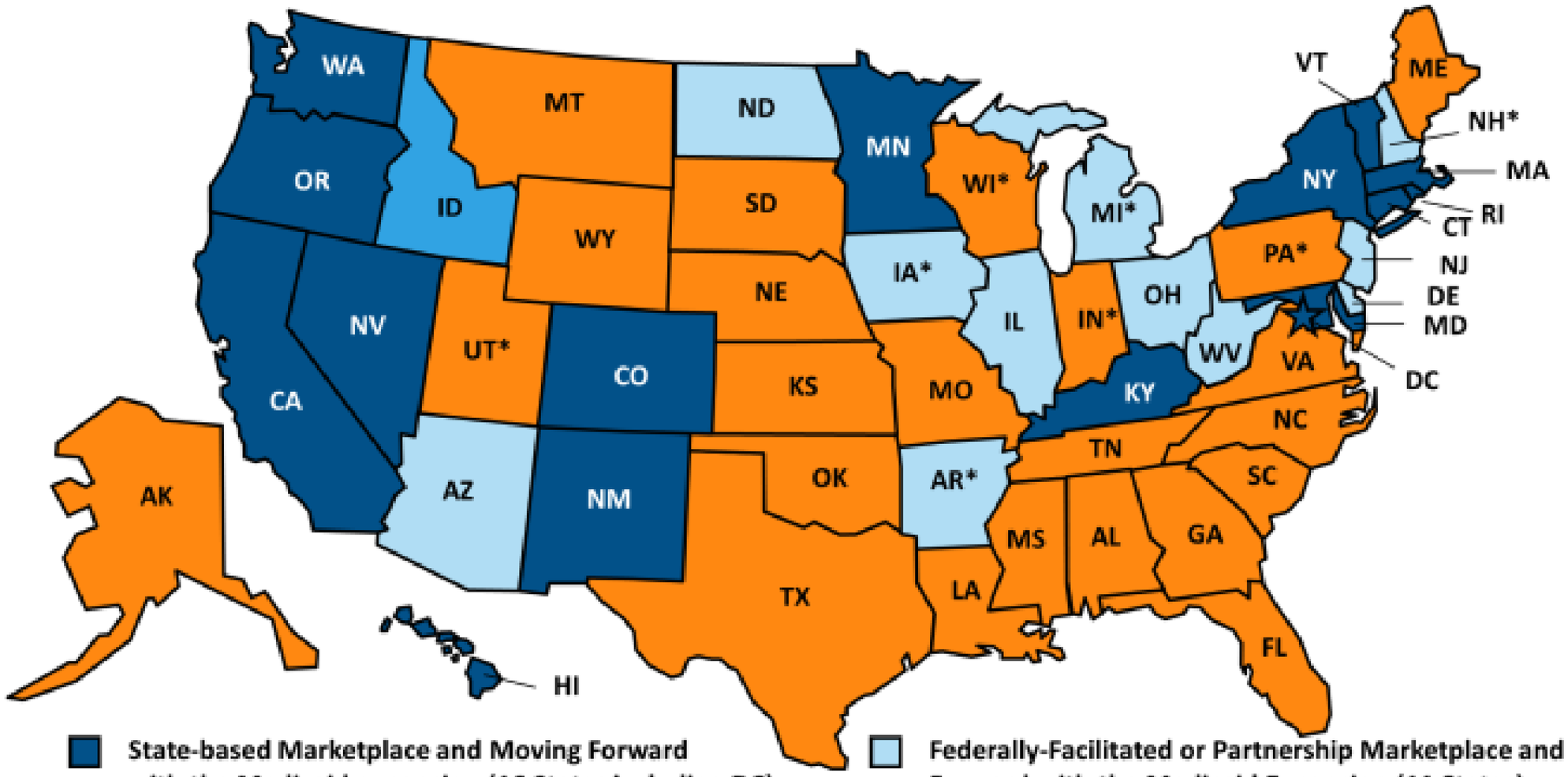
NOTES: Data are as of June 10, 2014. *AR and IA have approved waivers for Medicaid expansion. MI has an approved waiver for expansion and implemented in Apr. 2014. IN and PA have pending waivers for alternative Medicaid expansions. WI amended its Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion. NH has passed legislation approving the Medicaid expansion in Mar. 2014; the legislation calls for the expansion to begin July 2014.

SOURCES: States implementing in 2014 and not moving forward at this time are based on data from CMS here. States noted as "Open Debate" are based on KCMU analysis of State of the State Addresses, recent public statements made by the Governor, issuance of waiver proposals or passage of a Medicaid expansion bill in at least one chamber of the legislature.

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: Marketplace + Medicaid, June 2014

Current Status of State Individual Marketplace and Medicaid Expansion Decisions, 2014



- State-based Marketplace and Moving Forward with the Medicaid expansion (16 States including DC)
- State-based Marketplace and Not Moving Forward with the Medicaid expansion (1 State)
- Federally-Facilitated or Partnership Marketplace and Moving Forward with the Medicaid Expansion (11 States)
- Federally-Facilitated or Partnership Marketplace and Not Moving Forward with the Medicaid Expansion (23 States)

NOTES: *AR and IA have approved waivers for Medicaid expansion; MI has an approved waiver for expansion and plans to implement in Apr. 2014. NH passed legislation approving the Medicaid expansion in March 2014; the expansion will start July 1, 2014. WI amended its Medicaid state plan and existing waiver to cover adults up to 100% FPL, but did not adopt the expansion. IN and PA have pending waivers for alternative Medicaid expansions. These states along with UT have been classified as Open Debate on the Medicaid expansion decision.

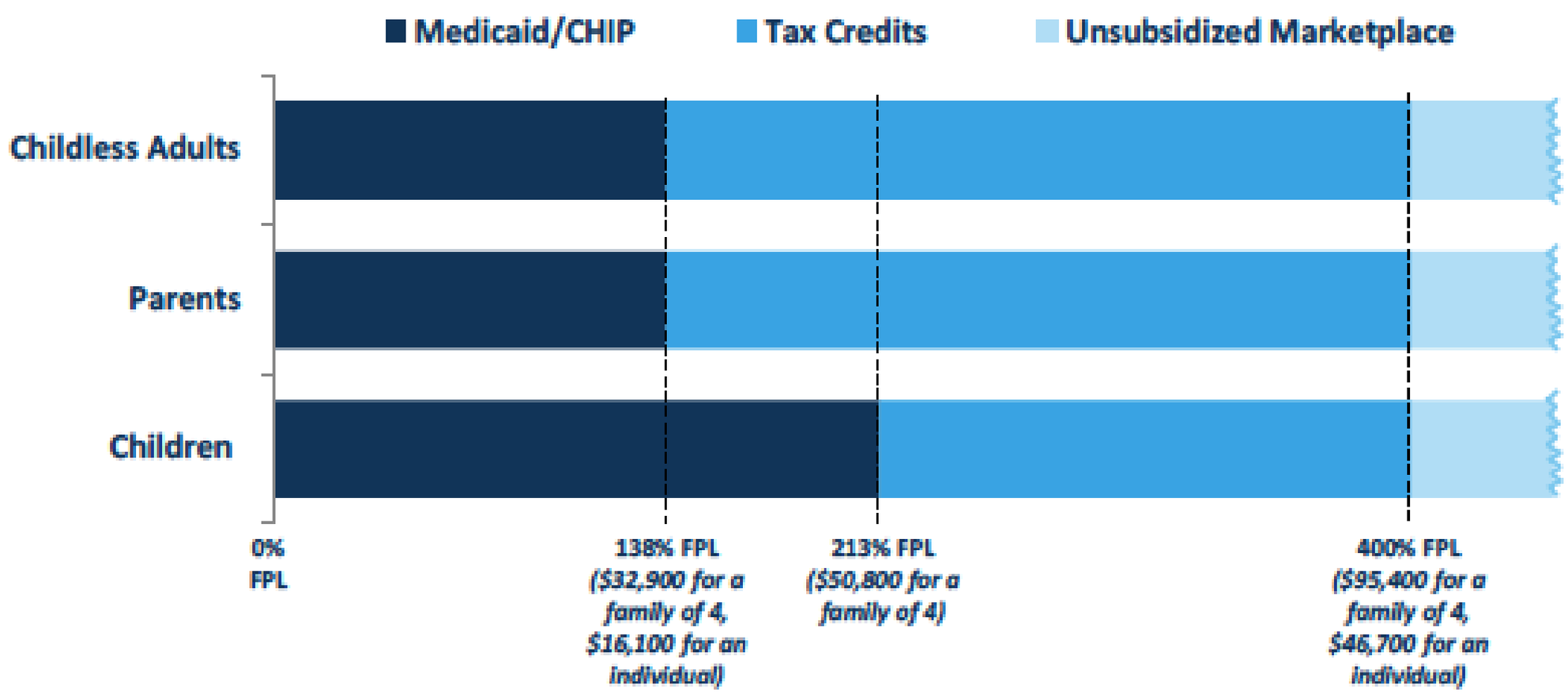
SOURCE: State Decisions on Health Insurance Marketplaces and the Medicaid Expansion, 2014, KFF State Health Facts, http://kff.org/health-reform/state-indicator/state-decisions-for-creating-health-insurance-exchanges-and-expanding-medicaid/.

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: Medicaid/CHIP

Figure 2

Income Eligibility Levels for Medicaid/CHIP and Marketplace Tax Credits in States Implementing the Medicaid Expansion as of 2014

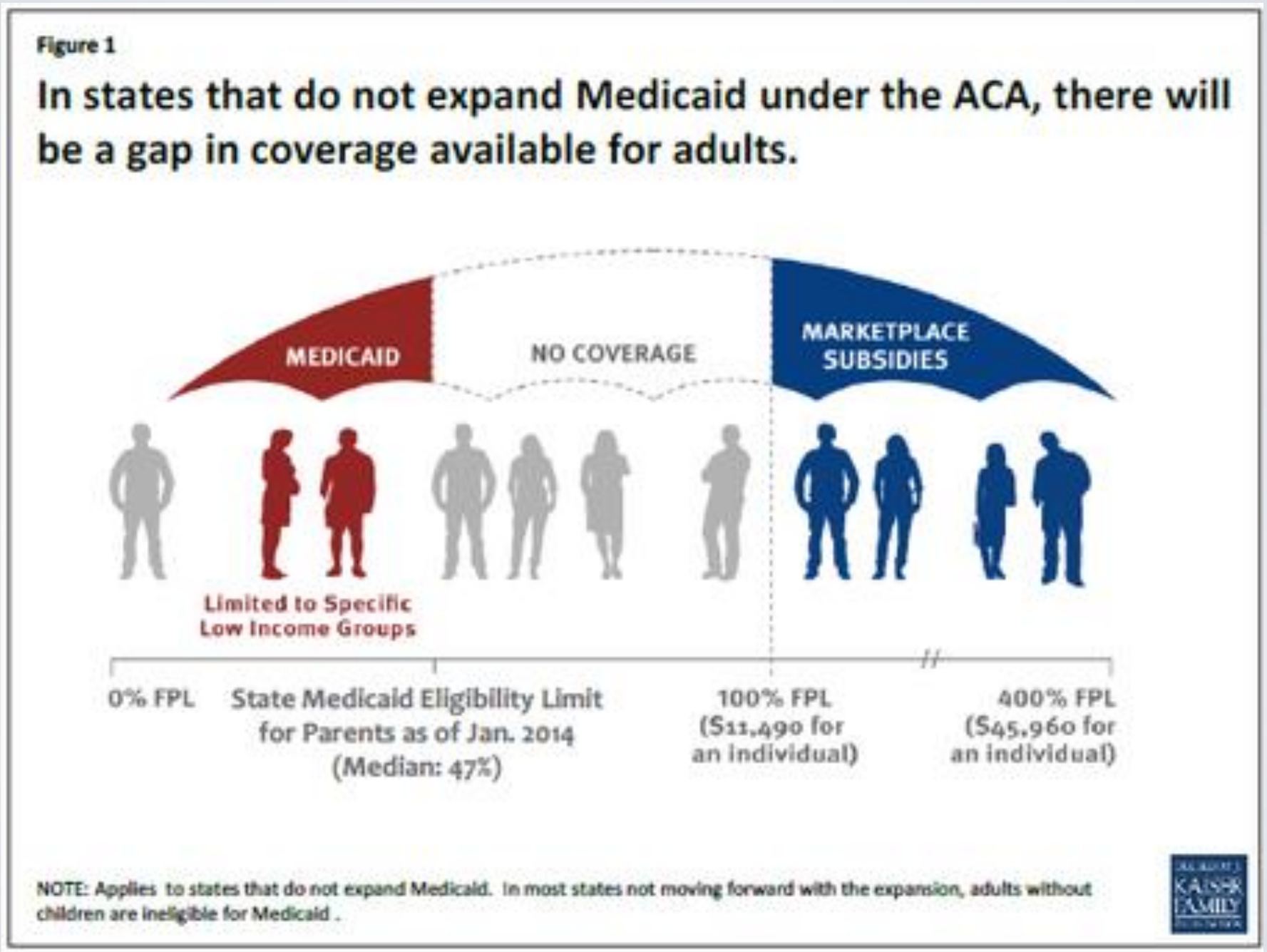


Notes: Medicaid eligibility is based on current Medicaid eligibility rules converted to MAGI. Applies only to MAGI populations. Medicaid eligibility levels as a share of poverty vary slightly by family size; levels shown are for a family of four. People who have an affordable offer of coverage through their employer or other source of public coverage (such as Medicare or CHAMPUS) are ineligible for tax credits. Unauthorized immigrants are ineligible for either Medicaid/CHIP or Marketplace coverage.
Source: Kaiser Family Foundation analysis based on 2014 Medicaid eligibility levels.

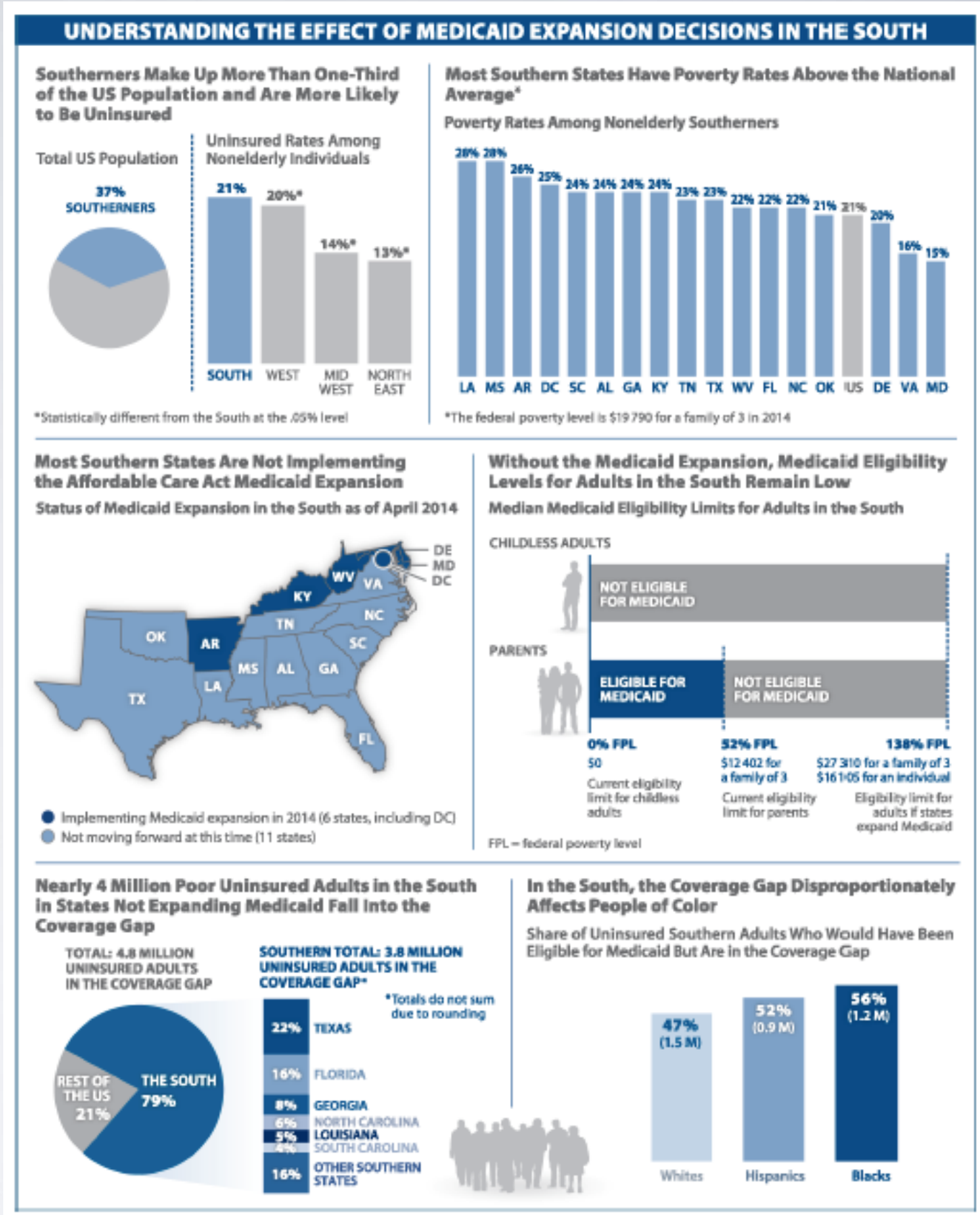
THE HENRY J. KAISER FAMILY FOUNDATION

IS THE ACA HELPING? ACCESS: What happens to poor people in states that do not expand Medicaid?

People who earn less than the poverty line cannot qualify for subsidized private insurance — the legislators who wrote Obamacare anticipated that this population would gain Medicaid coverage and so did not include them in the subsidies. That's left some of the poorest Americans in a coverage gap, where they are too poor to earn subsidies to help purchase insurance.



The south is hardest hit by lack of Medicaid expansion



Understanding the Effect of Medicaid Expansion Decisions in the South

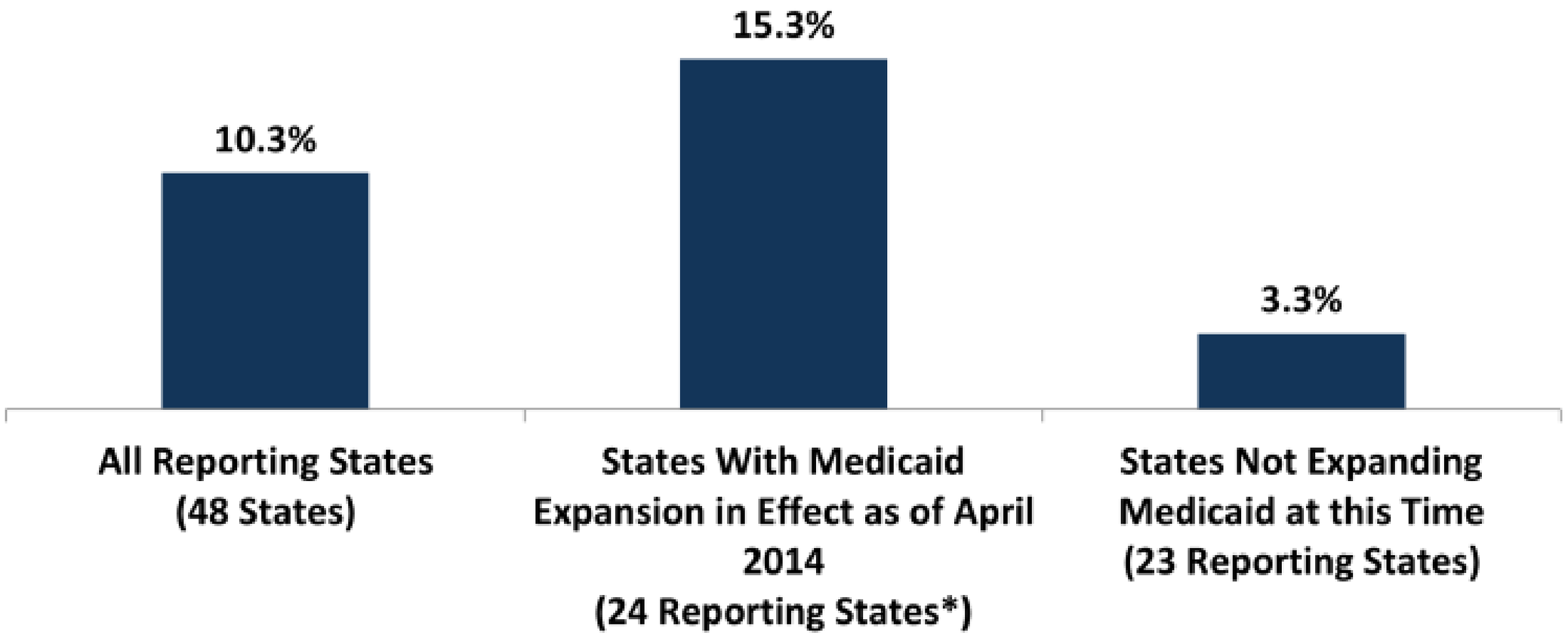
ARTICLE INFORMATION

Source: Kaiser Family Foundation (http://kff.org) analysis. Original data and detailed source information are available at http://kff.org/jama_062514.

Is the ACA helping?
Access: Medicaid/CHIP

Figure 1

Percent Change in Medicaid and CHIP Enrollment Between Summer 2013 and April 2014



*NH reported data but had not yet implemented its expansion.
Note: Summer 2013 based on average monthly enrollment between July and September 2013. Enrollment data represent point-in-time, unduplicated total enrollment counts for enrollees receiving full benefit coverage for 48 states reporting for both time periods.(Excludes CT, ME, and ND). Data are subject to certain state-specific caveats and limitations.
Source: CMS, Medicaid & CHIP: March 2014 Monthly Applications, Eligibility Determinations, and Enrollment Report, May 1, 2014, http://medicaid.gov/AffordableCareAct/Medicaid-Moving-Forward-2014/medicaid-moving-forward-2014.html.

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: PARENTS, Medicaid, CHIP

- **18-25 year olds covered under parents' insurance starting 2010: 3 Million covered. More parents covered.**

- **Pre-existing conditions covered; lifetime caps limited; comprehensive coverage for children**

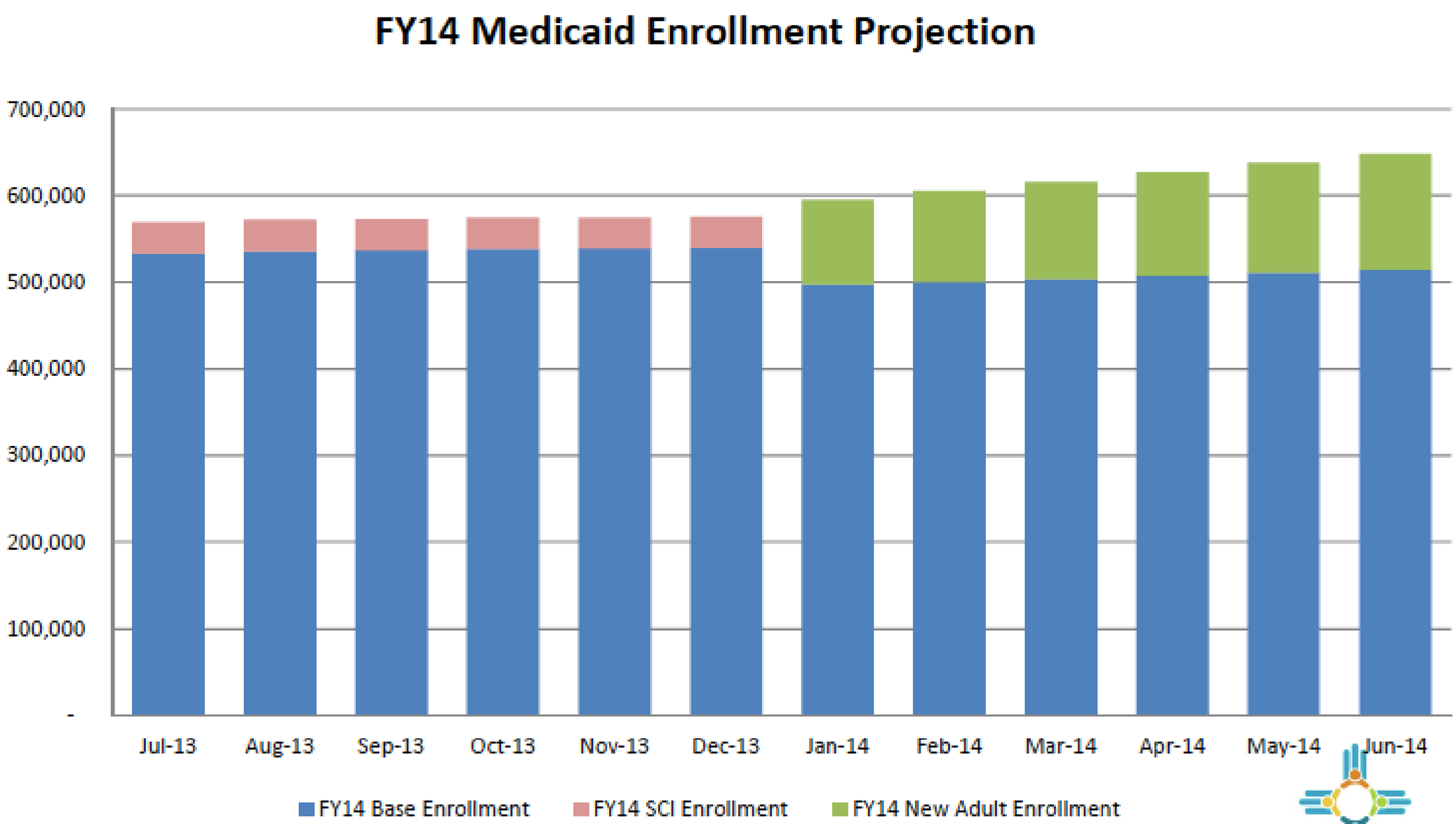
- **Children's Health Insurance Program maintained with current benefits, to be covered by feds 100% starting in 2015, if Congress approves its funding**

- **Medicaid expansion in 24 states cover adults <65 y.o. if income <138% of FPL ($11,490 for individual, $32,550 family of 4 unless covered by workplace or other source): 3M covered by 2-2014**

YEAR	PERCENT OF MEDICAID EXPANSION COST PAID FOR BY THE FEDERAL GOVERNMENT
2014–2016	100%
2017	95%
2018	94%
2019	93%
2020 and beyond	90%

IS THE ACA HELPING?
ACCESS: MEDICAID IN NM

NM and Medicaid Expansion



HUMAN SERVICES DEPARTMENT

Is the ACA helping?
ACCESS: projected insured by 2020

FIGURE 8.8 Changes in insurance coverage because of the Affordable Care Act (CBO estimates, in millions)

EFFECTS ON INSURANCE COVERAGE	2020 WITHOUT ACA	2020 WITH ACA	CHANGE BECAUSE OF ACA
Total nonelderly population	284	284	
Medicaid and CHIP	34	47	+13
Employer	167	160	−7
Self-insured and nonelderly Medicare	27	22	−5
Exchange	0	24	+24
Uninsured	56	30	−26
Insured as a share of the nonelderly population	80%	89%	+9%

Source: Congressional Budget Office.

Is the ACA helping?
Access: % uninsured by subgroup

Percentage Uninsured in the U.S., by Subgroup

Do you have health insurance coverage?

Among adults aged 18 and older

	Quarter 4 2013 %	Quarter 1 2014 %	April 1-30, 2014 %	Net change from Q4 2013 to Apr 30, 2014 (pct. pts.)
National adults	17.1	15.6	13.4	-3.7
18 to 25 years	23.5	21.7	19.0	-4.5
26 to 34 years	28.2	26.4	24.5	-3.7
35 to 64 years	18.0	16.1	13.2	-4.8
65+ years	2.0	1.9	2.2	+0.2
White	11.9	10.7	9.0	-2.9
Black	20.9	17.6	13.8	-7.1
Hispanic	38.7	37.0	33.2	-5.5
Less than $36,000 annual household income	30.7	27.5	25.2	-5.5
$36,000 to $89,999 annual household income	11.7	10.7	9.0	-2.7
$90,000+ annual household income	5.8	4.7	3.2	-2.6

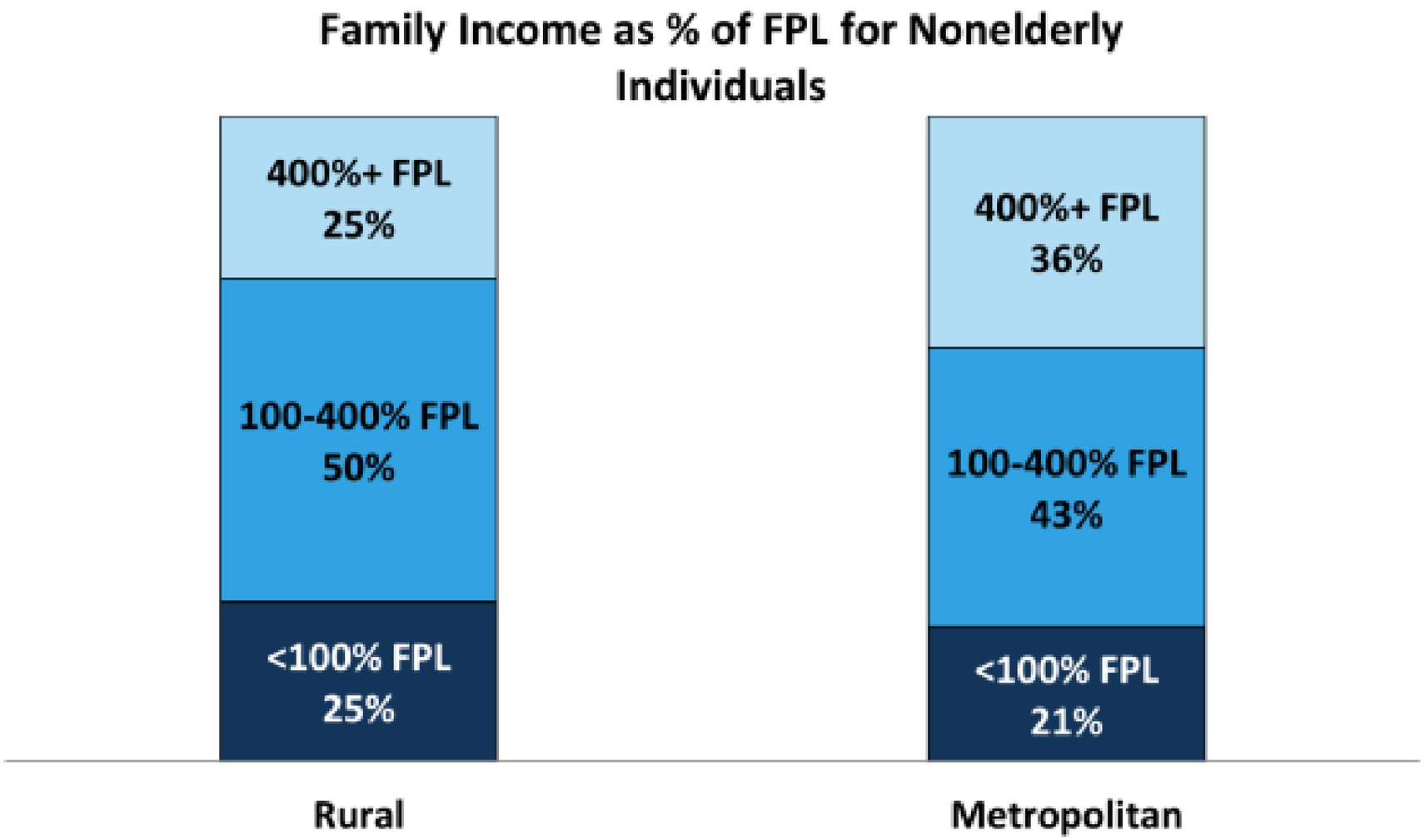
Gallup-Healthways Well-Being Index

GALLUP

Is the ACA helping?
Access: rural areas

Figure 1

Rural and metropolitan families have differences in family income



NOTE: Undocumented Immigrants are excluded from income analysis. In 2012 the federal poverty level was $19,790 for a family of three.

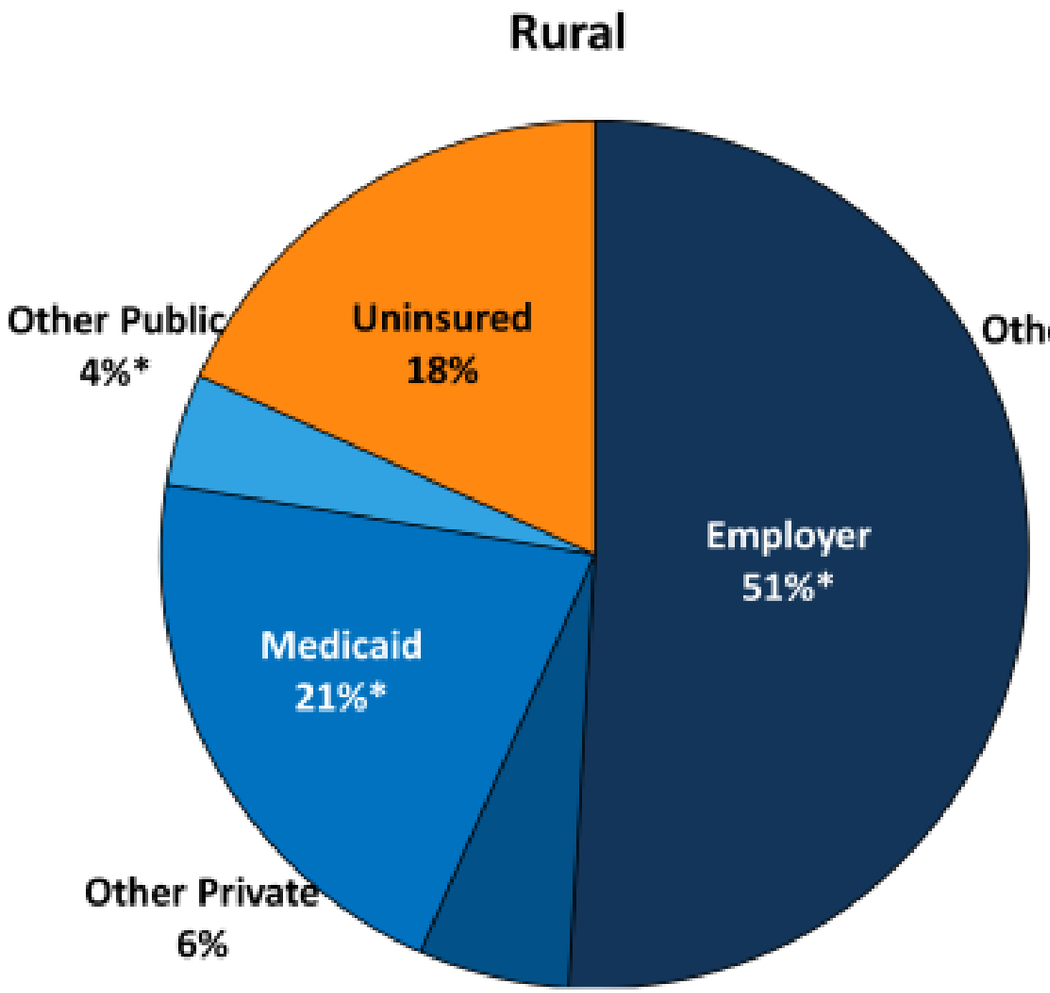
SOURCE: Kaiser Family Foundation analysis based on 2014 Medicaid eligibility levels and 2012-2013 Current Population Survey. See Methods for more details.

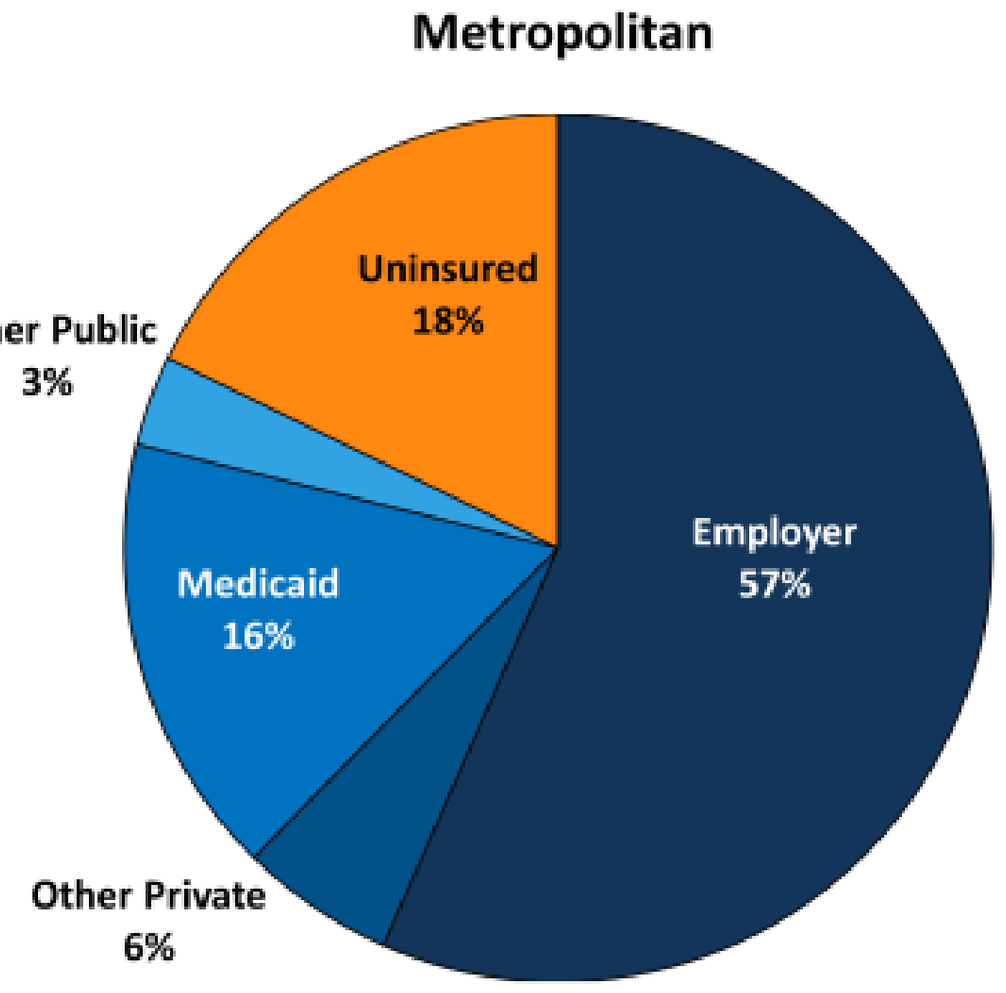
THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: rural areas

Figure 2

Rural residents were more likely to have public coverage and less likely to have ESI than metropolitan residents





SOURCE: Kaiser Family Foundation analysis based on 2014 Medicaid eligibility levels and 2012-2013 Current Population Survey. See Methods for more details.

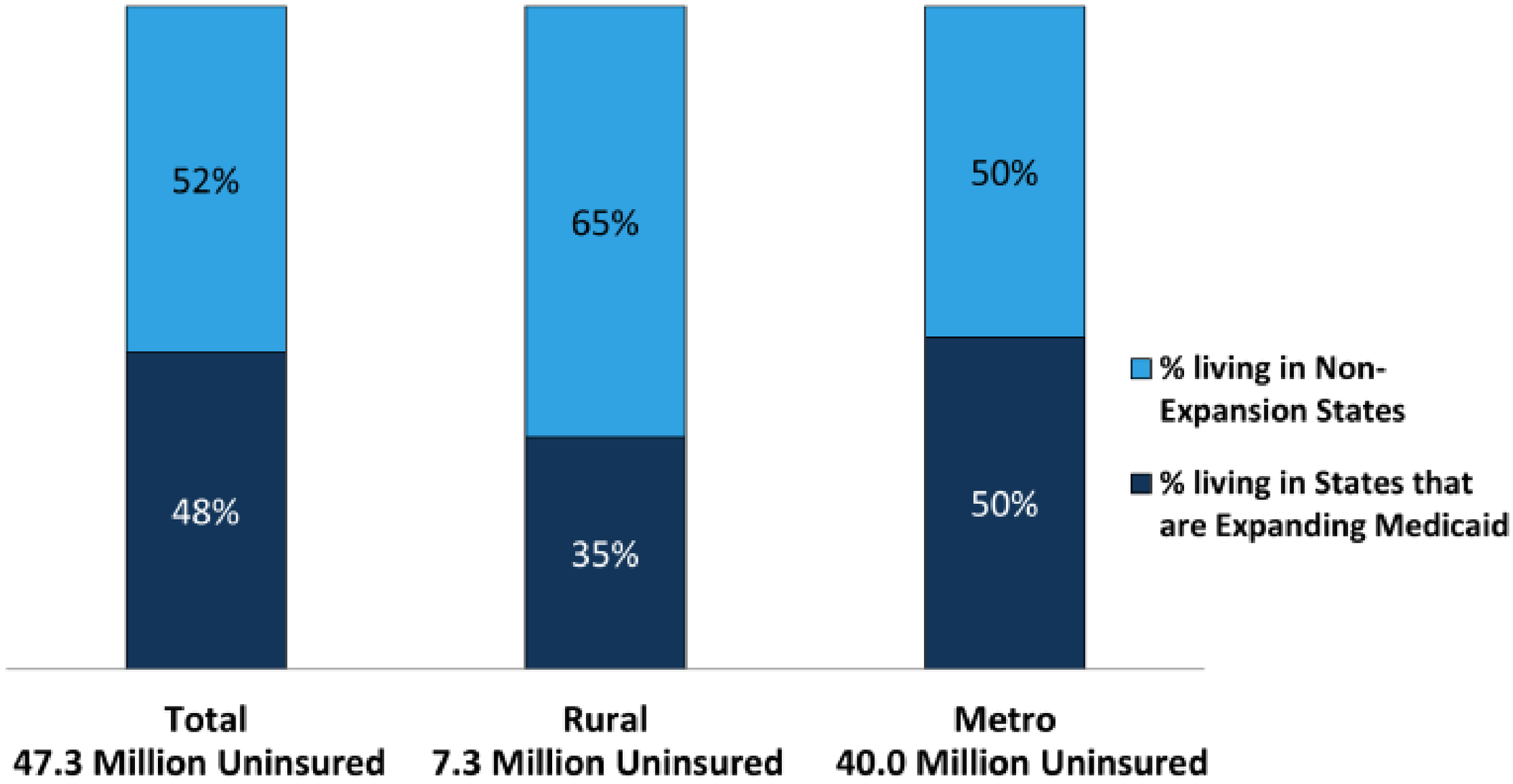
*-the difference between rural and metropolitan groups is significant at the 0.05 level for this coverage category

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: rural areas

Figure 3

Uninsured individuals in rural areas are disproportionately likely to live in states that are not expanding Medicaid



SOURCE: Kaiser Family Foundation analysis of 2013 Current Population Survey. KFF State Health Facts Analysis of State Medicaid Decisions, 2014. Data are for nonelderly individuals under 65 years of age.
NOTE: "States expanding Medicaid" includes the 25 states and the District of Columbia expanding Medicaid as of March 1. "States not Expanding" includes 25 states that are not expanding as of March 1, some of which may be considering expansion in the future

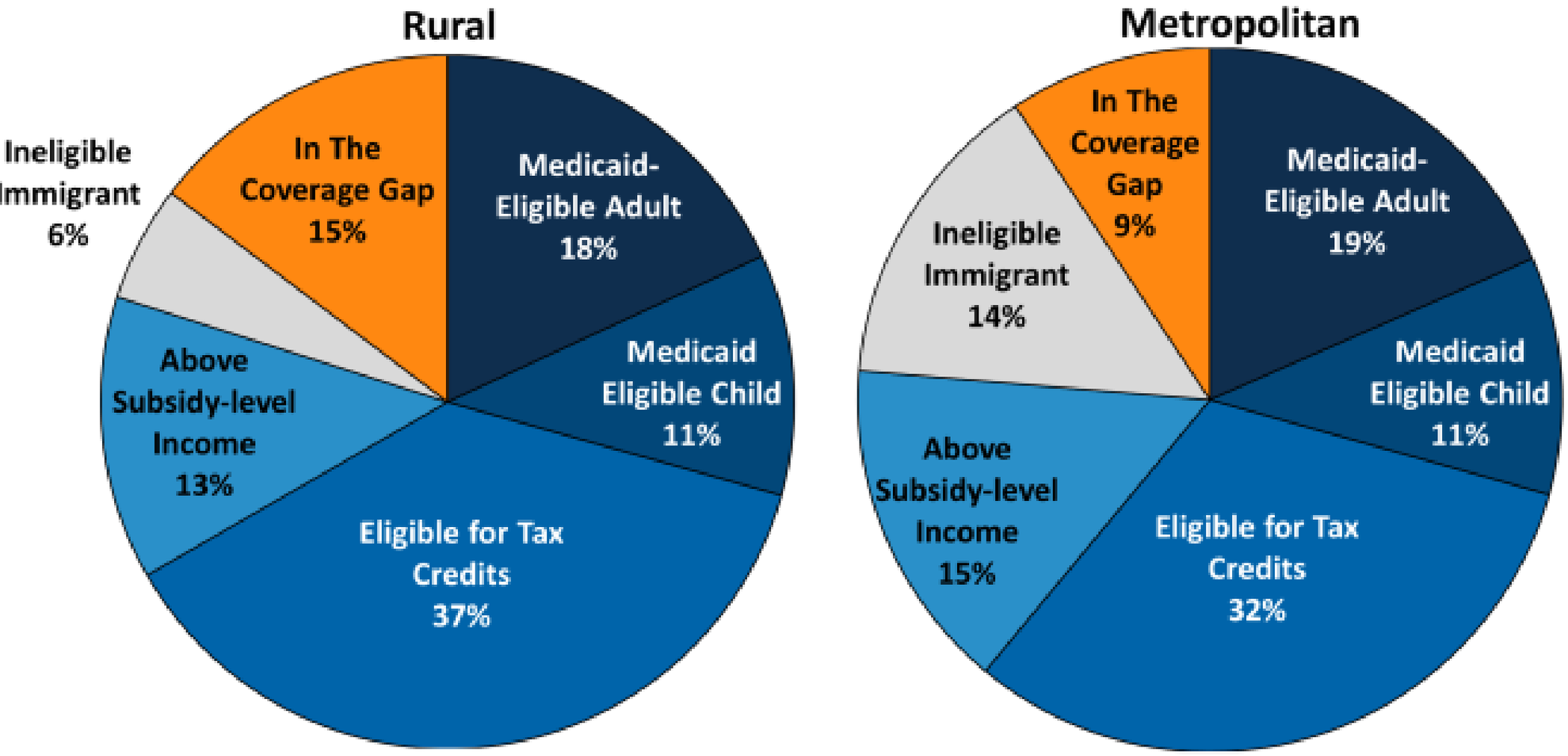
THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?
Access: rural areas

Figure 4

Uninsured rural residents are more likely than metropolitan residents to fall into the "coverage gap"

Coverage eligibility levels among nonelderly uninsured residents



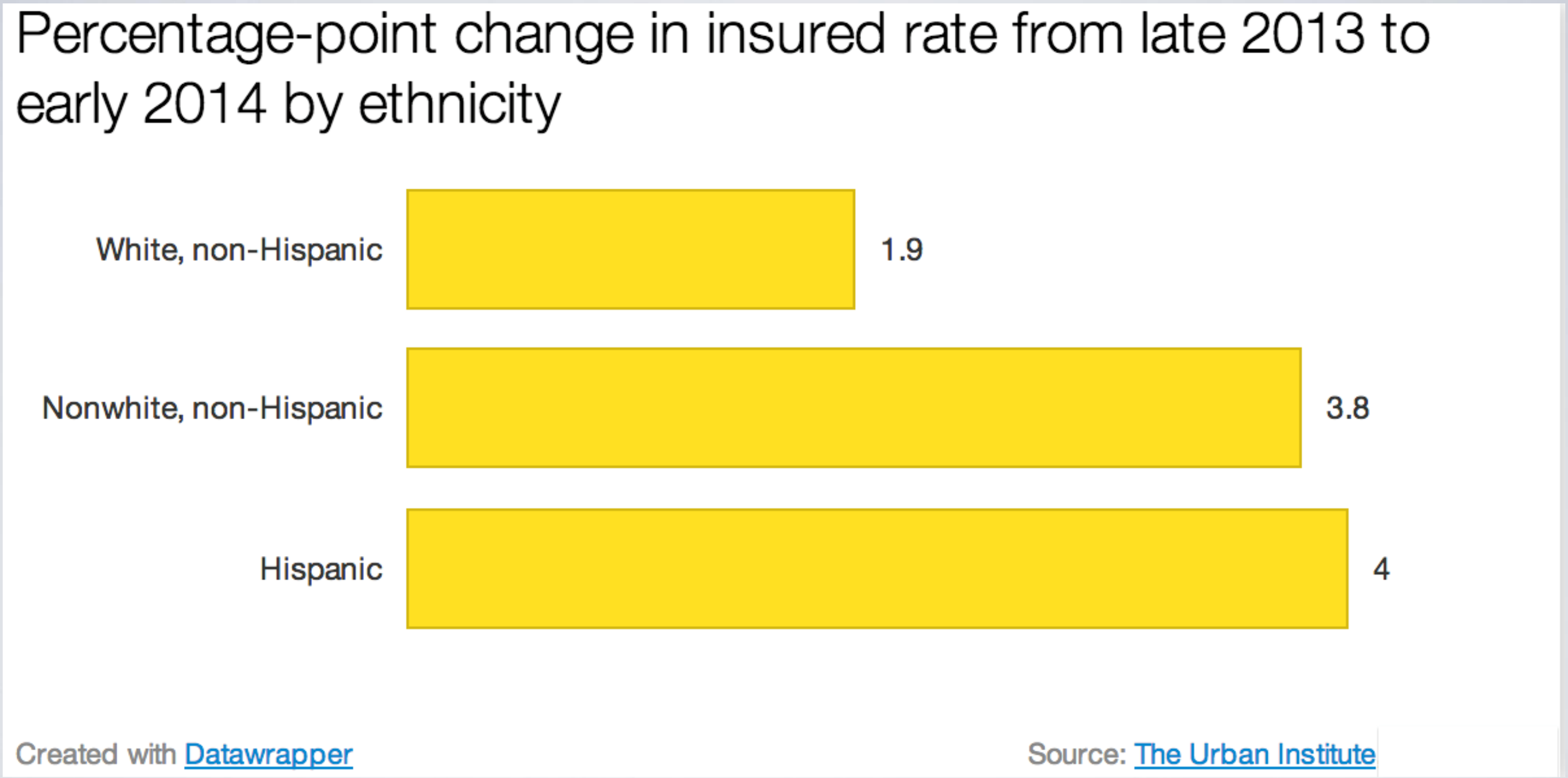
7.4 million uninsured Non-MSA residents

40.2 million uninsured MSA residents

SOURCE: Kaiser Family Foundation analysis based on 2014 Medicaid eligibility levels and 2012-2013 Current Population Survey. See Methods for more details. Tax credit eligibility does not account for offers of ESI.

THE HENRY J. KAISER FAMILY FOUNDATION

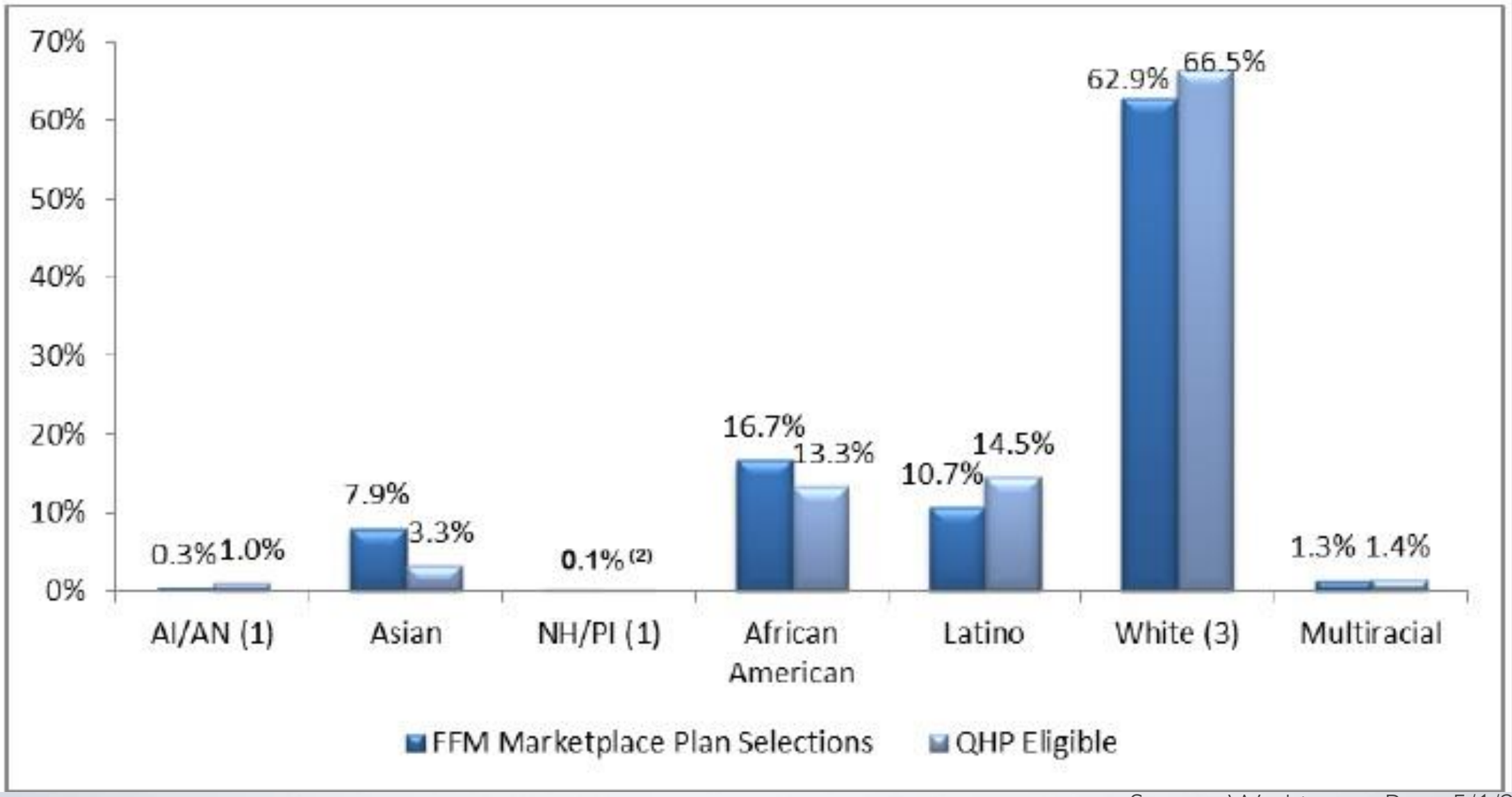
Is the ACA helping?
Access: insured change by ethnicity



Is the ACA helping?
Access: Latinos lag in marketplace

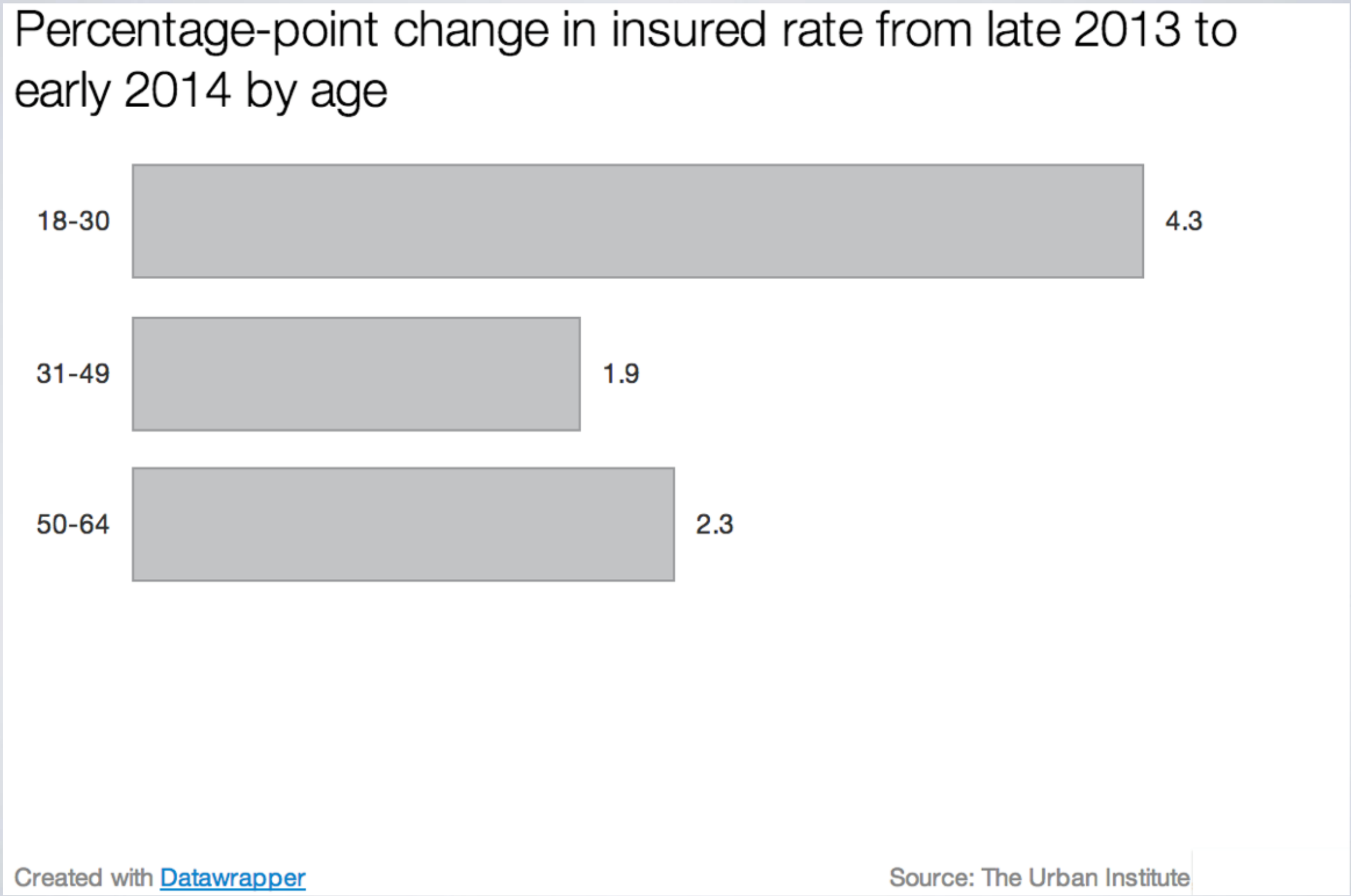
(comparing actual vs eligible)

Figure C2. Distribution by Race/Ethnicity of Marketplace Plan Selections and the QHP Eligible Population in the 36 FFM States, Where Race/Ethnicity Is Reported (Unknown/Other Category Is Excluded), 10-1-2013 to 3-31-2014, including Additional SEP Activity through 4-19-14

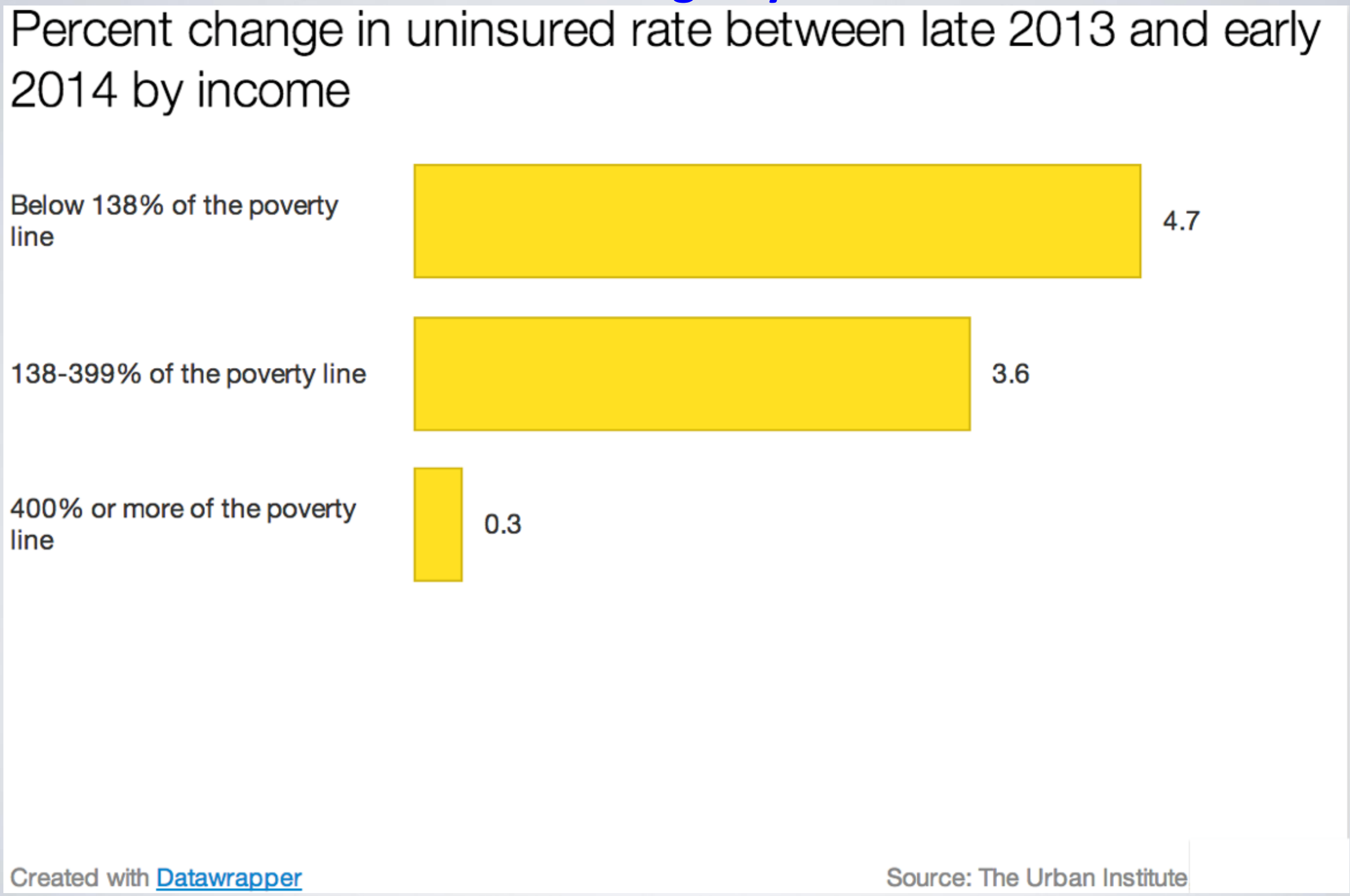


Source: Washington Post, 5/1/2014

Is the ACA helping?
Access:
insured change by age



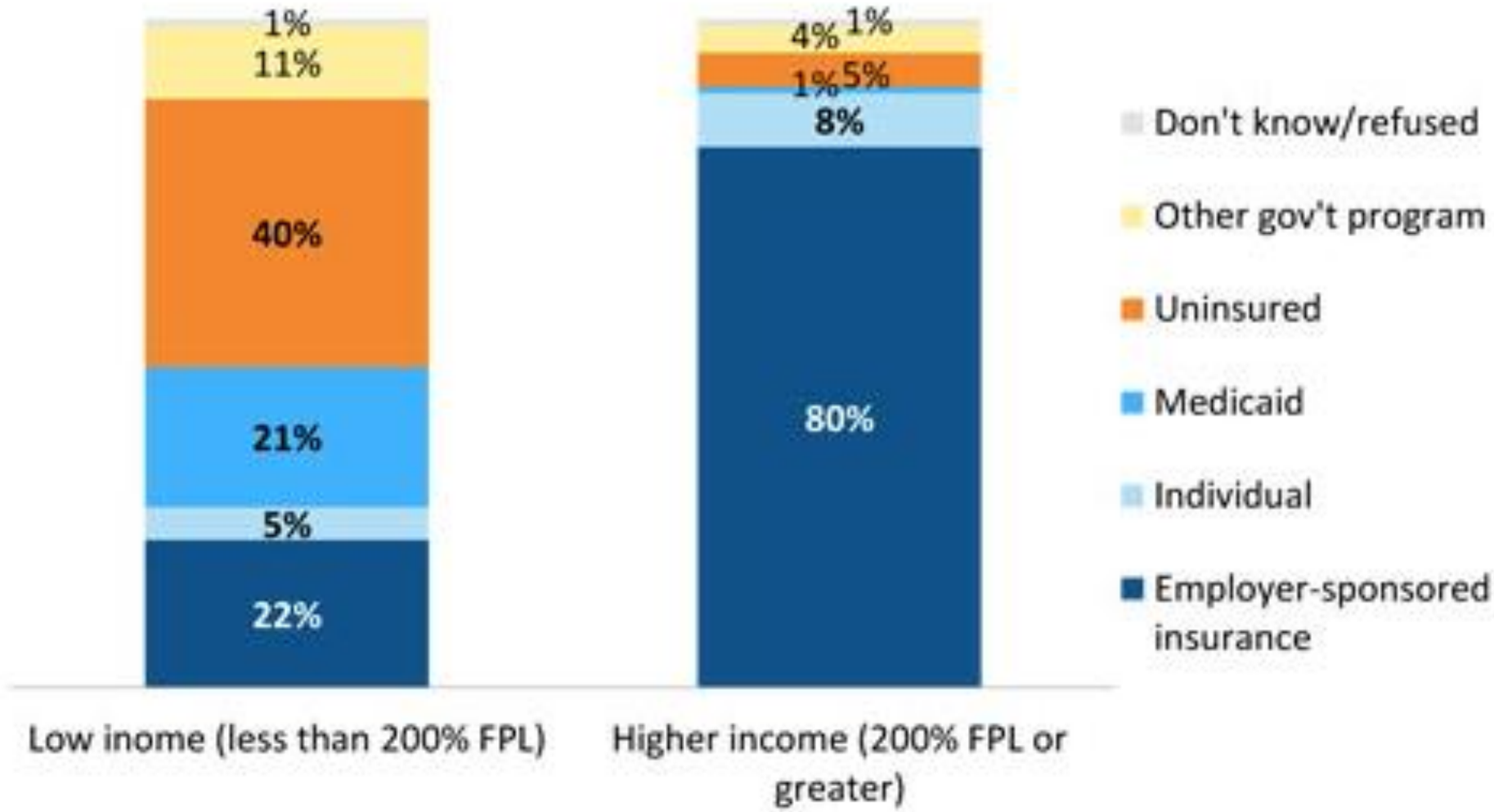
Is the ACA helping?
Access:
insured change by income



is the ACA helping?
Access:
women Pre-ACA

Figure 9

Many low-income women are uninsured



NOTE: Among women ages 18-64. The Federal Poverty Level (FPL) was $19,530 for a family of three in 2013.
SOURCE: Kaiser Family Foundation, *2013 Kaiser Women's Health Survey.*

Cost Control

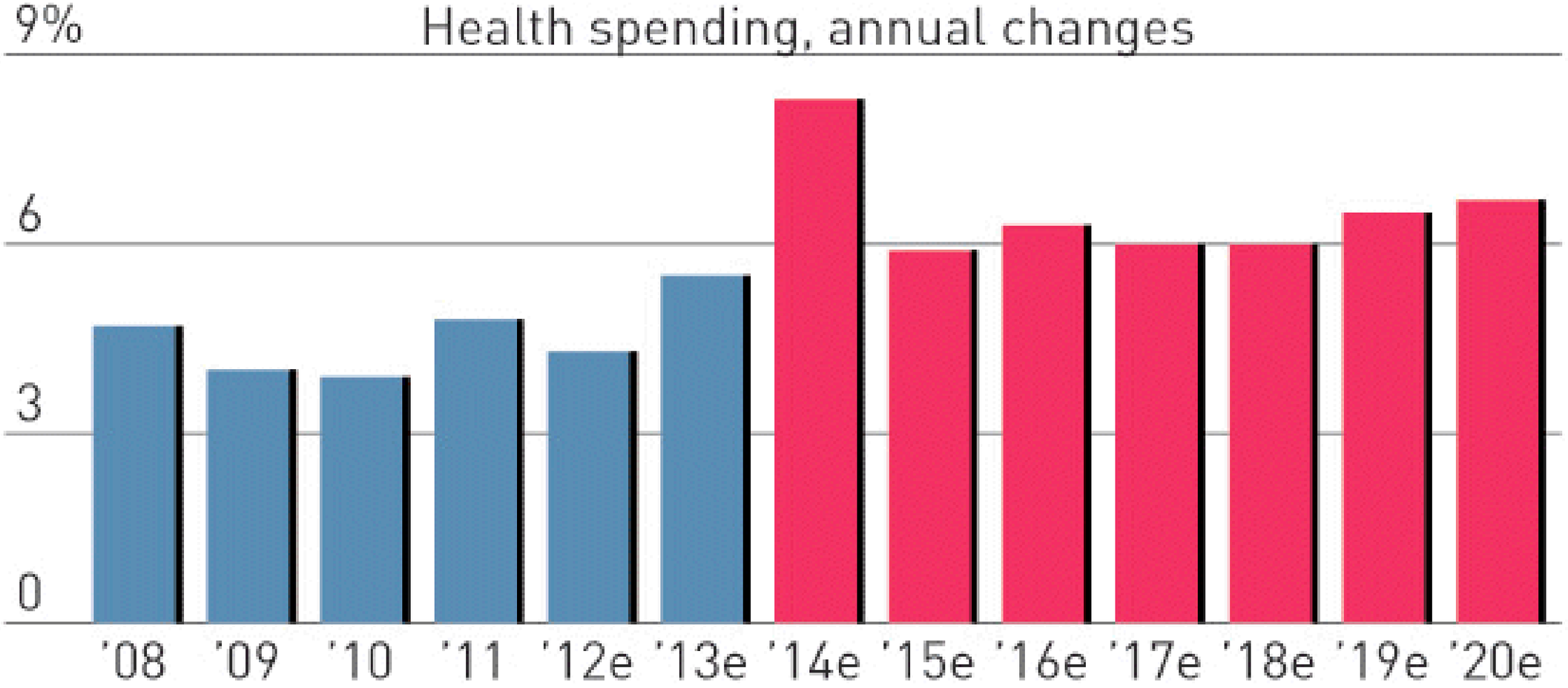
Is the ACA helping?

Cost control:

Some only see Health care costs as rising...

Bending The Cost Curve Up

Health care spending will shoot up in 2014, when ObamaCare kicks in, and climb at a faster rate than prior years



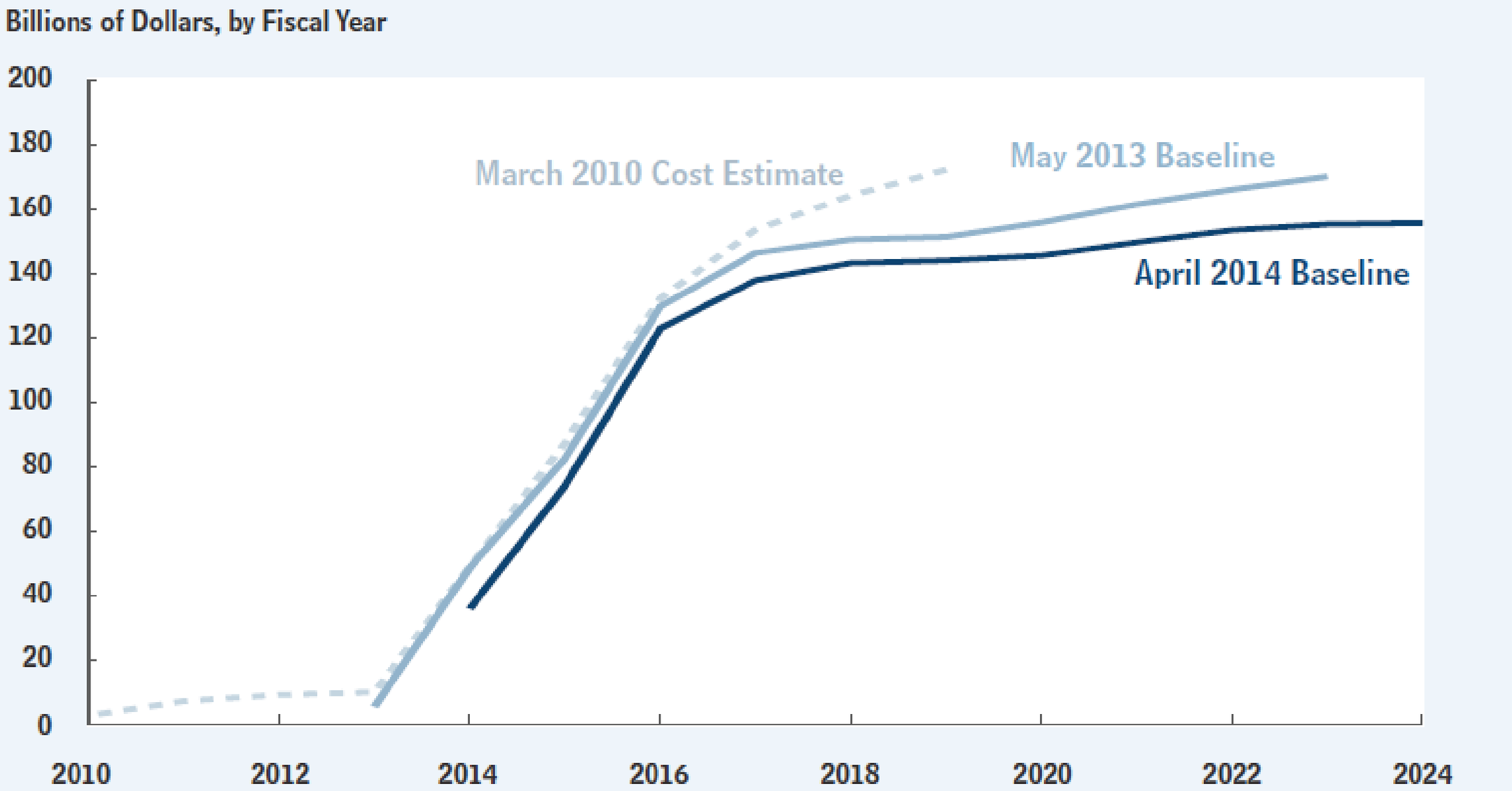
Sources: Centers for Medicare and Medicaid Services, Office of the Actuary

Is the ACA helping?

Cost control:

...while others see it this way

cbo estimates relative decline in costs over next10 years due to aca



Comparison of CBO's Estimates of the Net Budgetary Effects of the Coverage Provisions of the Affordable Care Act

SOURCE: CBO 4-2014

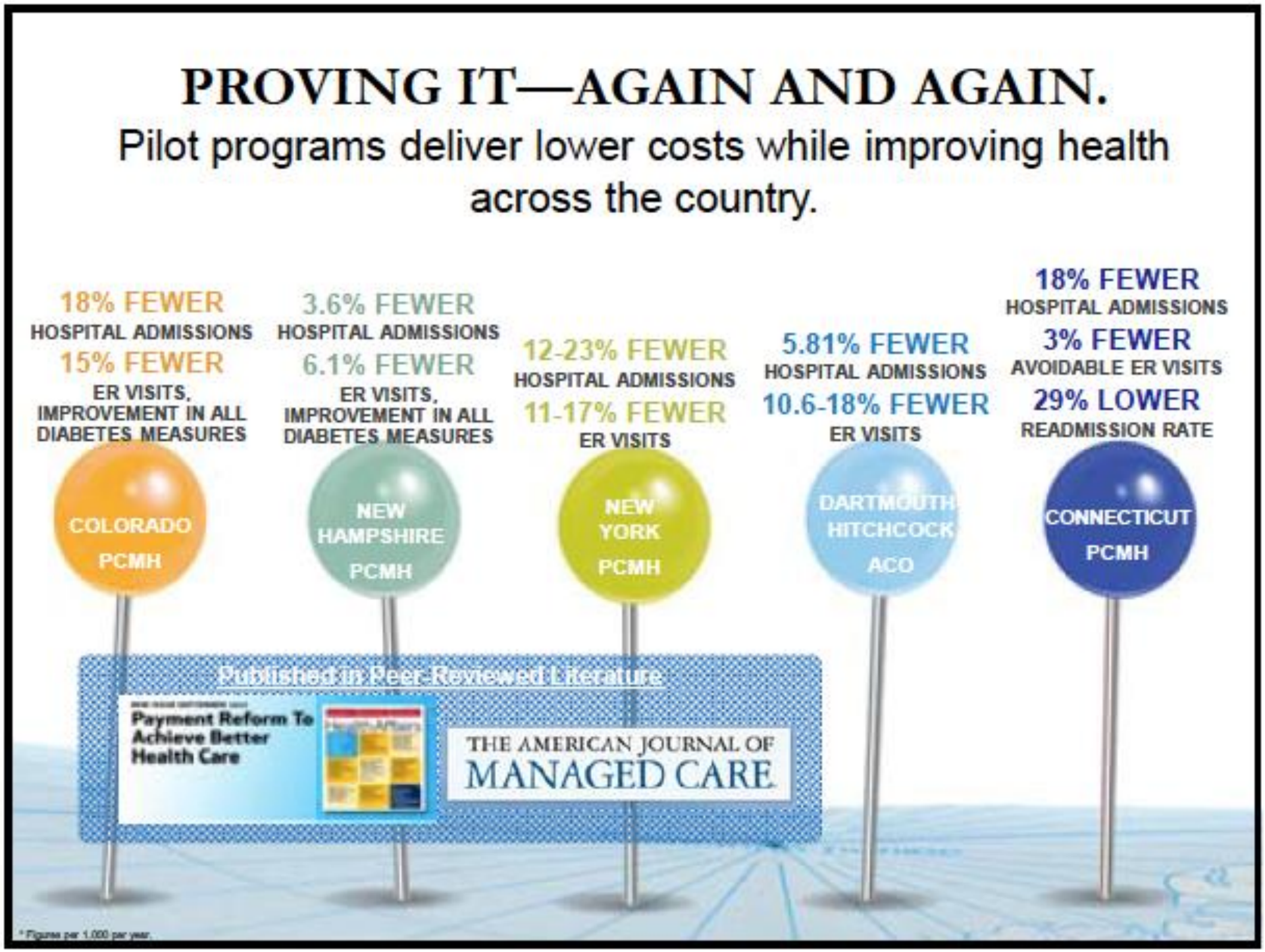
Is the ACA helping?
Cost control: reducing payments

- **Reduced and targeted DSH payments to hospitals**
- **Tighter control on DME costs**
- **Reduced payment to Medicare Advantage, with increased bonuses for quality**
- **Medicare Part D drug donut hole phased out by 2020, pharma must cover 50% of costs in donut hole till then for brand drugs**
- **40% cadillac tax on premium plans starting 2018, but already putting price pressure on them**
- **Risk adjustment across insurance companies, $$ transferred to support chronic disease mgmt**

Is the ACA helping?
Cost control:
Reducing volume

- **Accountable Care Organizations**
- **Bundled payments**
- **Readmissions and hospital acquired condition penalties**
- **Center for Medicare/Medicaid Innovation (CMMI) to enhance quality and reduce cost, e.g. Comprehensive Primary Care Initiative (4yrs thru 2016, pvt + govt payers, 7 sites, 2347 physicians, 315,000 patients, pay primary care for results, avg $20 pmpm care mgmt payment)**

Is the ACA helping?
Cost control: Pilots of PCMH & ACO



Is the ACA helping?
Cost control:
The IPAB (independent payment advisory board)

- **Purpose of IPAB: recommend measures to limit Medicare growth according to a formula; Congress would have to actively override.**

- **18 members: none yet appointed due to opposition in Congress to concept of IPAB, seen as "death panel" (though law allows no rationing)**

- **Was to begin 2013: Medicare expenditures have not grown enough to trigger IPAB; IPAB not yet funded by Congress, future in doubt**

Is the ACA helping?

cost control:

federal budget effects

FIGURE 8.9 Budgetary effects of the ACA's insurance coverage provisions (in billions of dollars)

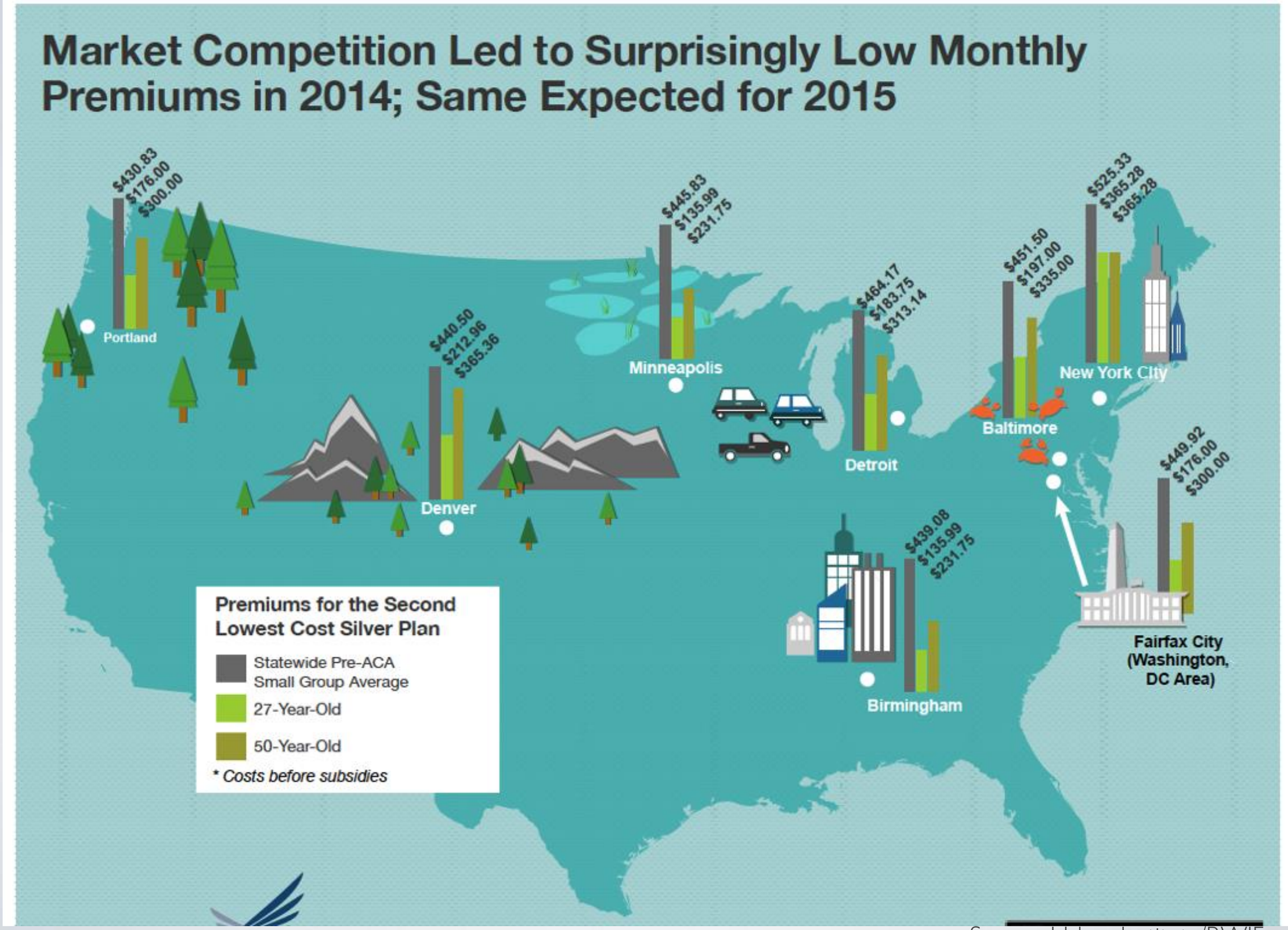
EFFECTS ON THE FEDERAL DEFICIT		2013	2014	2015	2016	2017	2018	2019	2020	2013–2020
Costs	New Medicaid and CHIP costs	1	21	41	62	70	76	80	83	434
	Exchange subsidy costs	4	26	51	87	108	118	123	129	646
	Small employer subsidies	1	1	2	1	1	1	1	1	9
	Gross cost of coverage provisions	6	48	94	151	179	195	205	214	1,092
Revenue	Individual penalty payments	0	0	-2	-4	-5	-5	-5	-5	-26
	Employer penalty payments	0	0	-10	-11	-14	-15	-16	-17	-83
	Cadillac tax	0	0	0	0	0	-5	-9	-11	-25
	Other revenue	0	1	1	-6	-14	-20	-23	-24	-85
Net cost of coverage provisions		**6**	**49**	**83**	**130**	**146**	**151**	**151**	**156**	**872**

Note: Numbers may not add up to totals because of rounding. Does not include savings from Medicare or Medicaid.

Source: Congressional Budget Office.

Is the ACA helping?

Cost Control: insurance competition



- Source: Urban Institute/RWJF

Is the ACA helping?
cost control:
competition

- **Incentive for insurers, doctors and hospitals to compete on customer service, quality and cost, including in the low cost insurance plans**

- **Likely to cause insurers to narrow their networks of doctors and hospitals, tighten drug formularies**

- **Incentive for hospitals to acquire other hospitals regionally to avoid exclusion from insurance contracts; anti-trust issues**

- **Expensive hospitals, especially brand name and academic, will feel the pressure to prove higher value, i.e. higher quality for lower price**

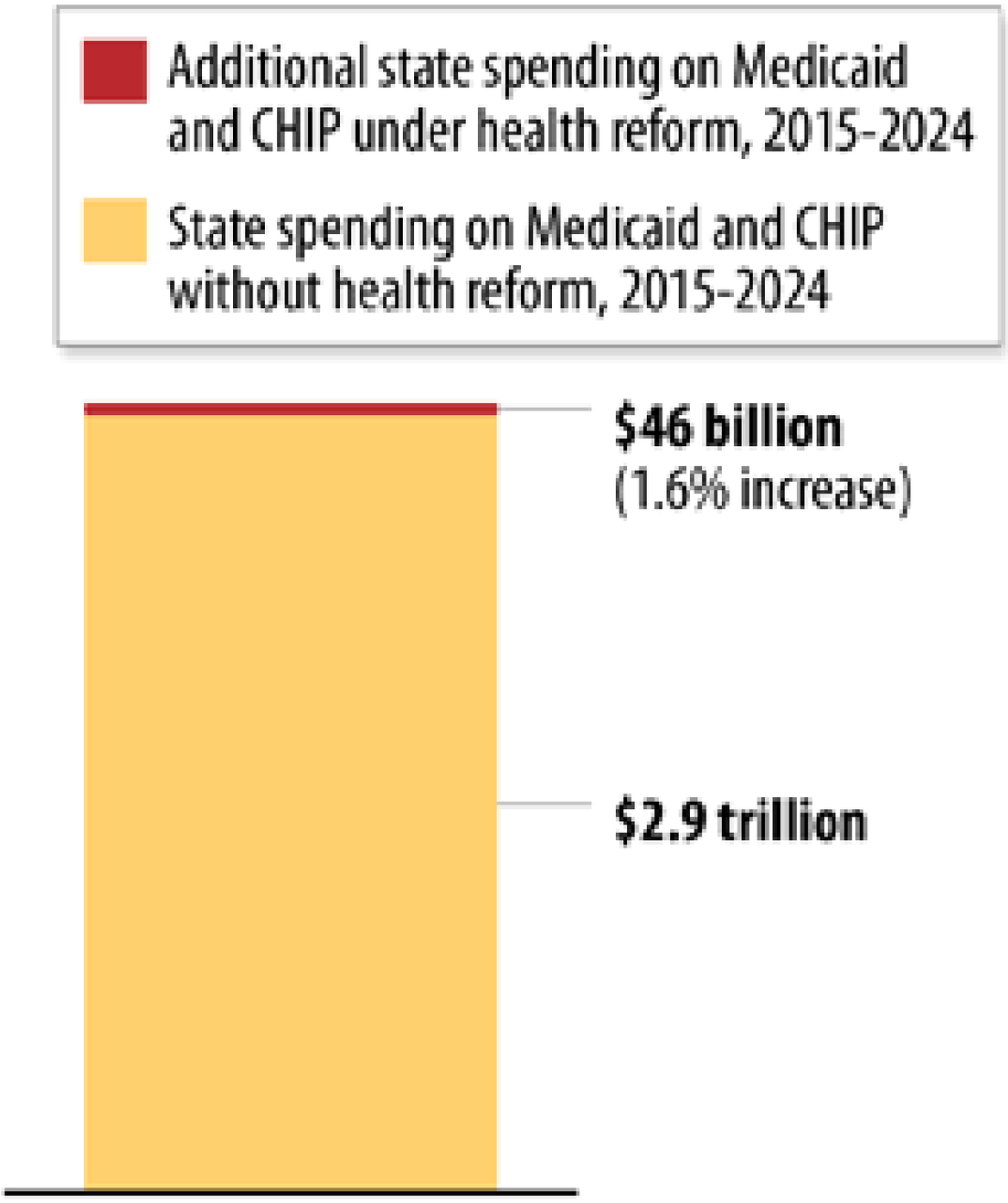
Is the ACA helping?

Cost Control:

Medicaid cost to states

Figure 1

Medicaid Expansion Raises State Medicaid and CHIP* Spending by Only 1.6 Percent



*CHIP=Children's Health Insurance Program

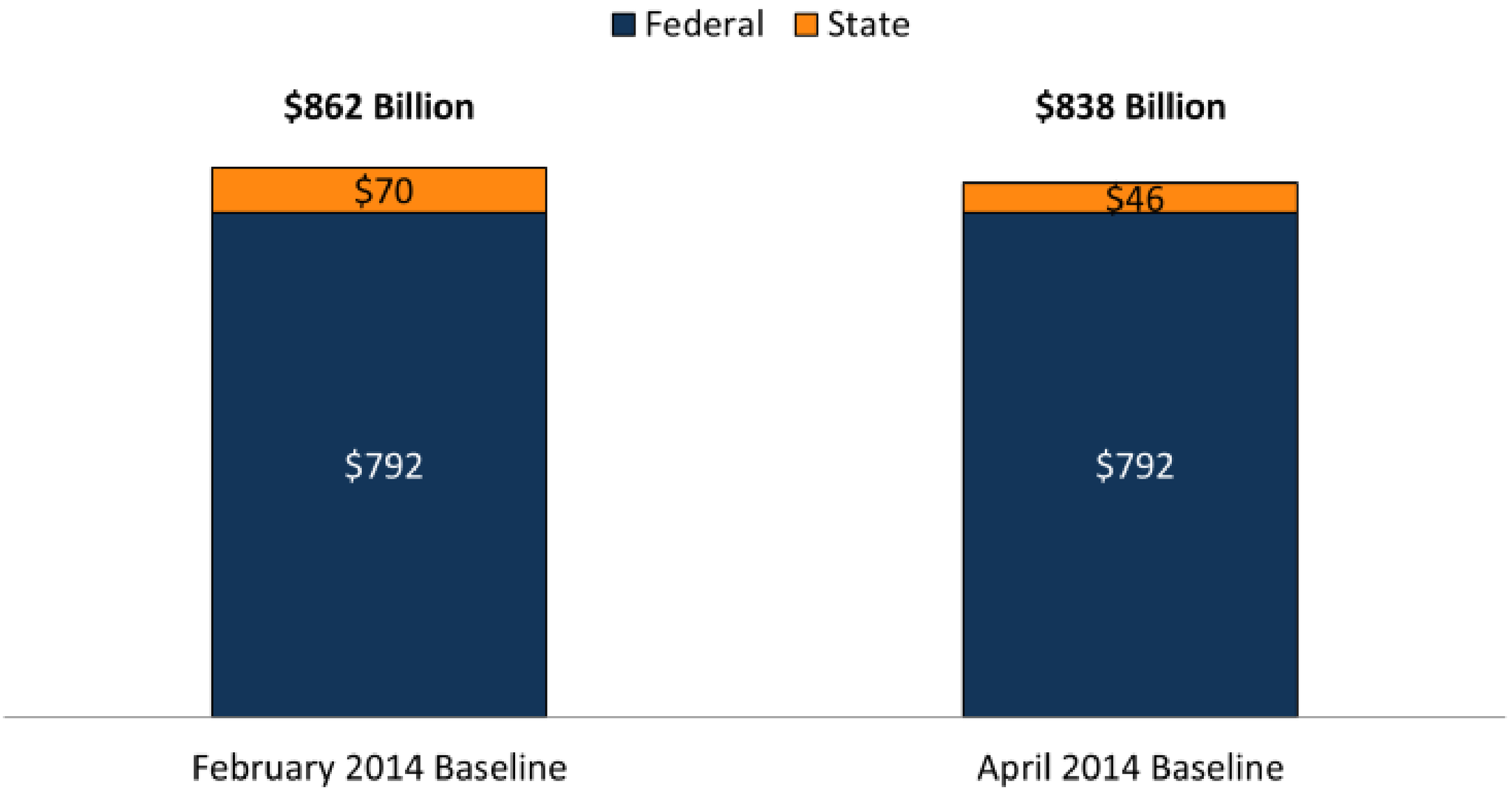
Source: CBPP analysis of the Congressional Budget Office's April 2014 Medicaid and CHIP baselines.

Center on Budget and Policy Priorities | cbpp.org

Is the ACA helping?
Cost control:
Medicaid cost to states

Figure 9

CBO's latest estimates show a drop in state spending for Medicaid and CHIP from 2015-2024 due to the coverage provisions in the ACA.



SOURCE: Congressional Budget Office, Effects on the Deficit of the Insurance Coverage Provisions of the Affordable Care Act, April 2014

THE HENRY J. KAISER FAMILY FOUNDATION

Is the ACA helping?

Cost Control: state Medicaid savings

FIGURE 8.4 Projected state savings by adopting Medicaid expansion

STATE	SPENDING ON EXISTING HEALTH PROGRAMS FOR UNINSURED ($ MILLIONS)	HIDDEN TAX ON STATE EMPLOYEE HEALTH INSURANCE PREMIUMS	ESTIMATED STATE COST FOR UNCOMPENSATED CARE	STATE COST OF MEDICAID EXPANSION AT 90% FEDERAL PAYMENT, POST-ACA	NET STATE SAVINGS WITH 90% OF FEDERAL PAYMENT, POST-ACA
Arkansas	$6.2	$17.2	$23.4	–$20.4	$3.0
California	$1,934.0	$210.0	$2,144.0	–$195.0	$1,949.00
Florida	$275.3	$102.0	$377.3	–$251.6	$125.7
Idaho	$38.9	$8.3	$47.2	–$25.8	$21.4
Indiana	$308.0	$29.5	$337.5	–$62.3	$275.2
Iowa	$33.6	$11.2	$44.8	–$20.0	$24.8
Maine	$45.7	$5.1	$50.8	–$15.3	$35.5
Michigan	$168.4	$43.5	$211.9	–$68.1	$143.8
Minnesota	$281.0	$13.6	$294.6	–$31.7	$262.9
Montana	$22.8	$7.0	$29.8	–$20.8	$9.0
Nebraska	$27.0	$8.6	$35.6	–$17.8	$17.8
North Carolina	$150.7	$58.6	$209.3	–$188.3	$21.0
Oregon	$116.0	$22.3	$138.3	–$59.3	$79.0
Pennsylvania	$171.8	$43.1	$214.9	–$149.7	$65.2
Vermont	$17.5	$3.3	$20.8	–$6.8	$14.0
Wyoming	$6.9	$4.5	$11.4	–$10.6	$0.8
Total	$3,603.8	$587.8	$4,191.6	–$1,143.5	$3,048.1

Source: White House Council of Economic Advisers, "The Impact of Health Insurance Reform on State and Local Government," September 15, 2009, www.whitehouse.gov/assets/documents/cea-statelocal-sept15-final.pdf.

Is the ACA helping?
Cost control:
What could go wrong?

- **If insurers don't stay in marketplace, competition declines, prices increase. (Already seeing more coming into marketplace).**

- **If patients don't shop for the best premiums, competition not fully operational and prices do not decline.**

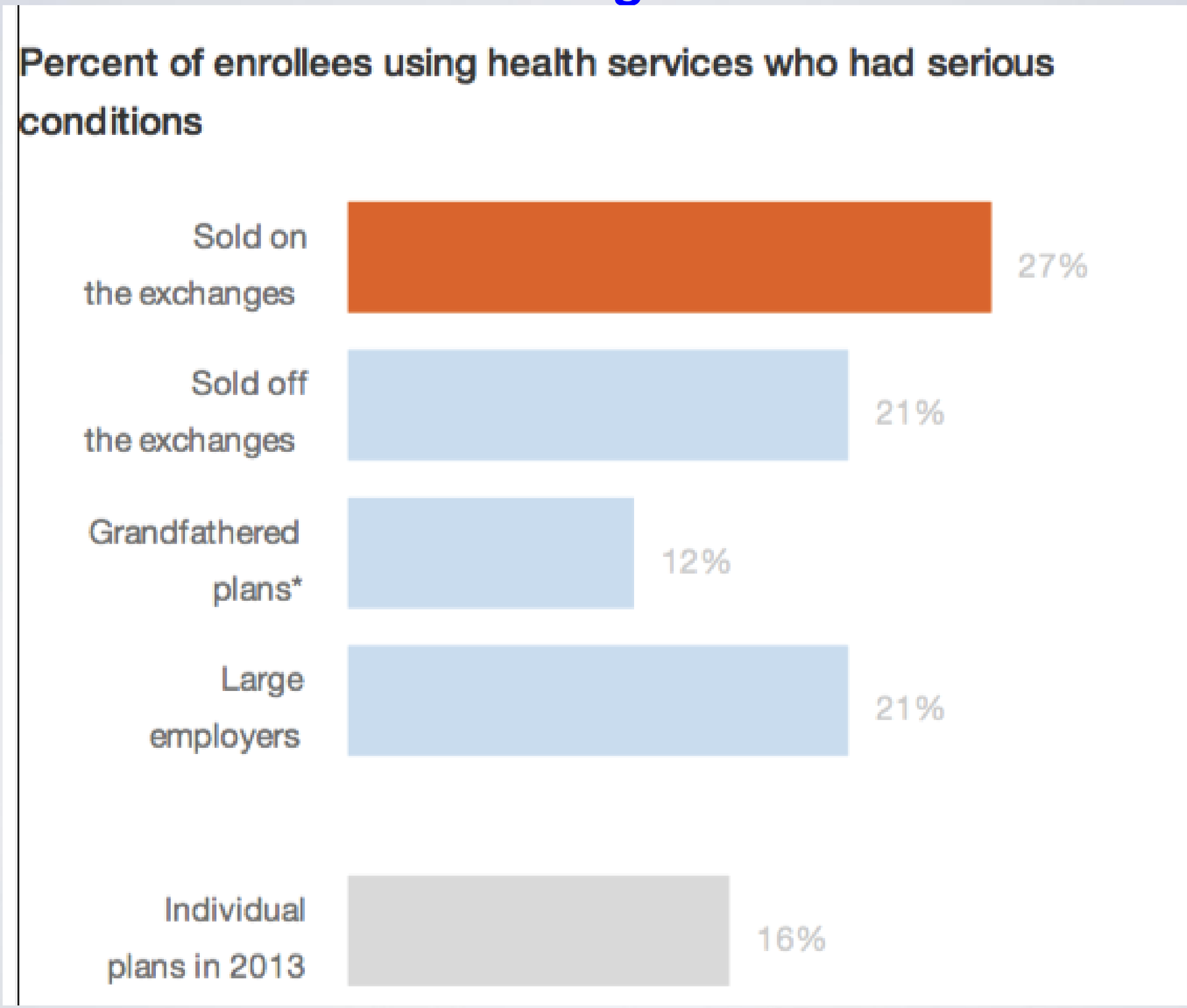
- **If focus on price of insurance alone, costs drop but customer service and care quality suffer. (We will know by October 2014).**

- **If focus on quality without mechanisms to improve efficiency, price of insurance goes up. (Information on quality slower in coming).**

- **If fee-for-service remains too dominant, incentives to improve quality at lower cost will be hampered.**

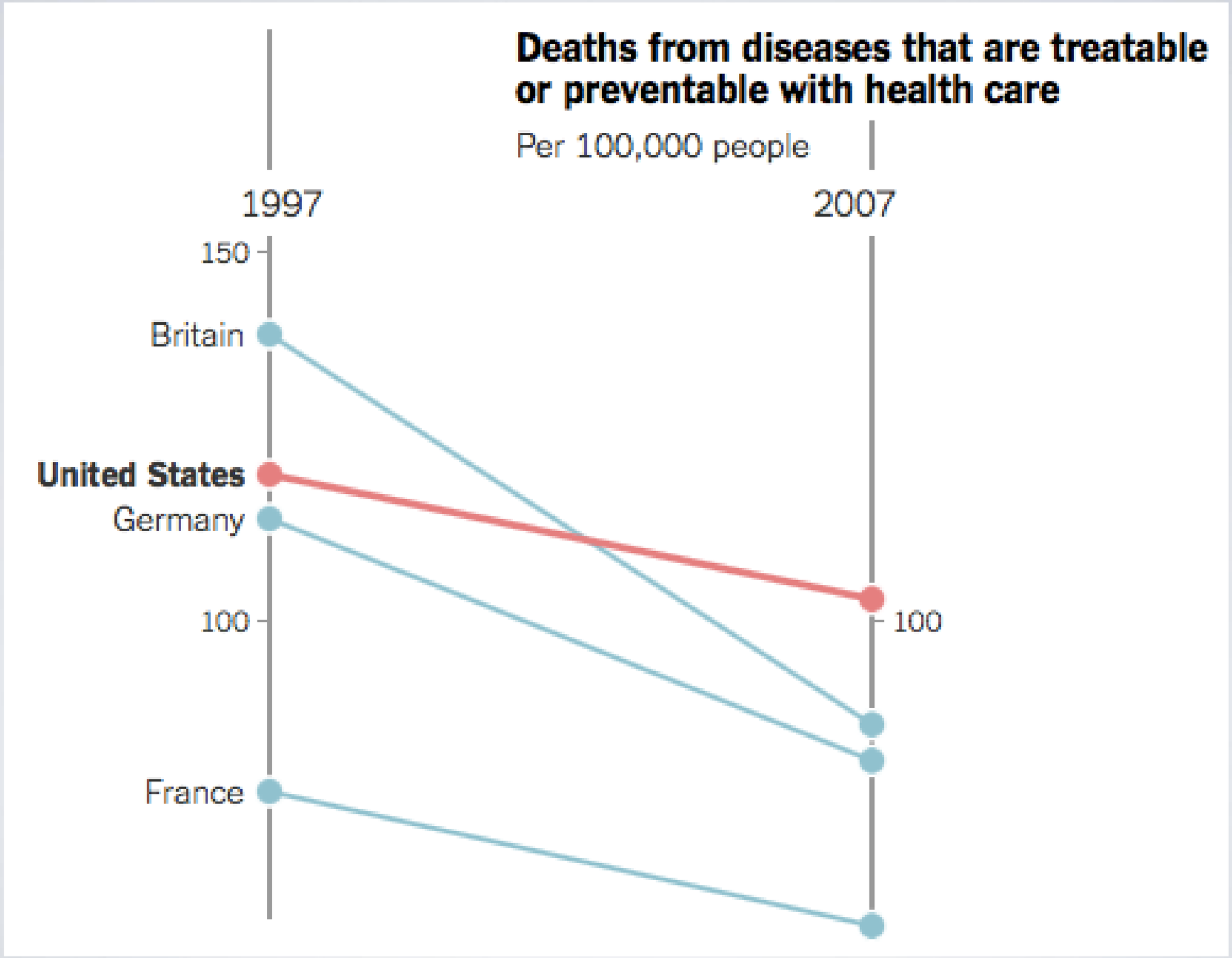
Quality Improvement

Is the ACA helping?
Quality improvement:
Sicker exchange enrollees



Source: Inovalon/WSJ analysis 6-2014

Is the ACA helping?
Quality improvement



Source: NY Times 5-21-2014

Is the ACA helping?
Quality improvement

- **Hospital-acquired conditions: central line infxns down by 50%, urinary catheter and surgical site infxns down by 25% between 2010-2014**

- **Hospital readmissions (for same diagnosis) down from 19.5% in 2009 to 18.4% in 2012**

- **EMRs (actually part of the ARRA of 2009)**

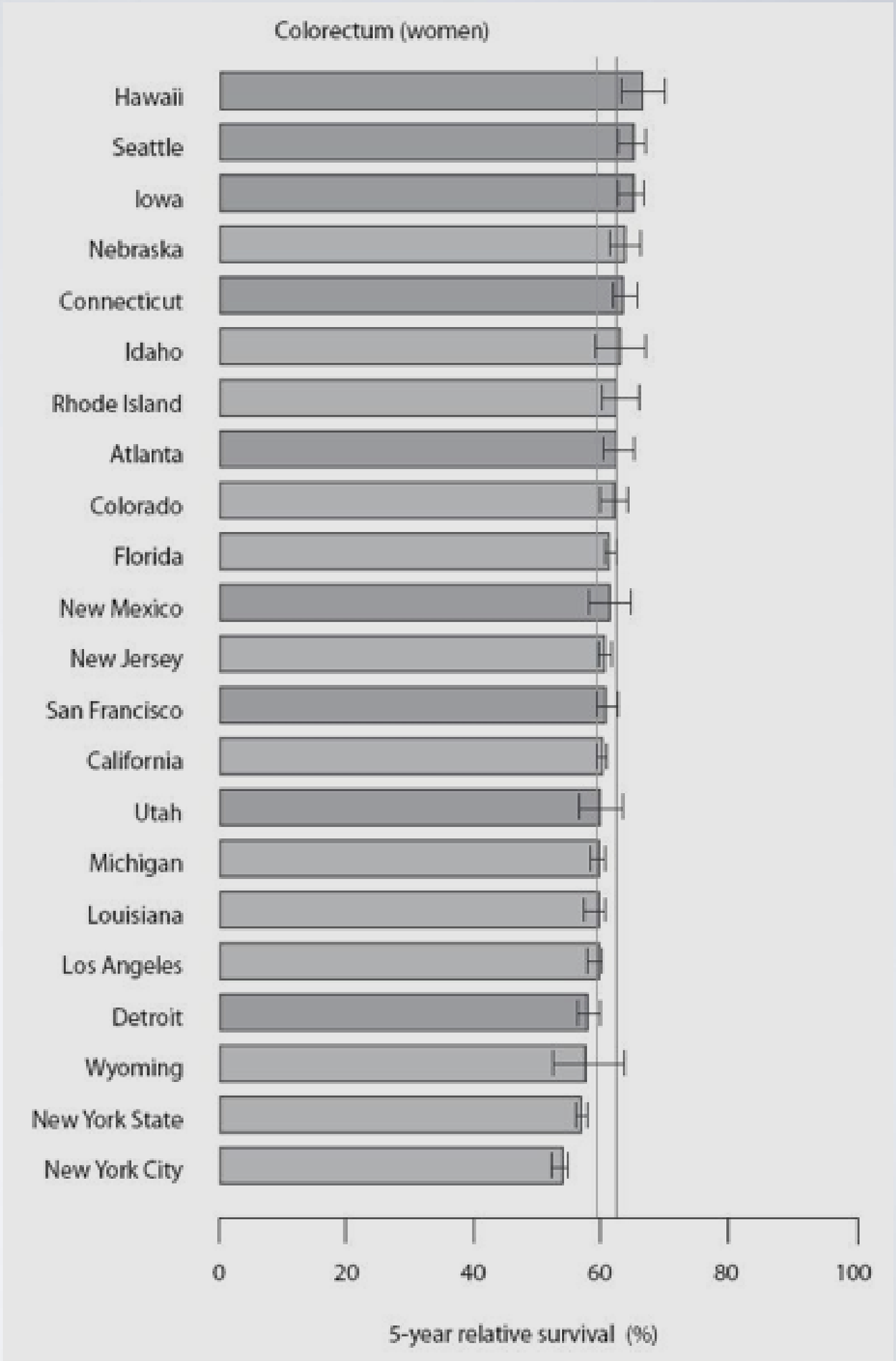
- **Quality reporting (carrot becomes stick in 2015)**

- **Value based purchasing (rewards quality)**

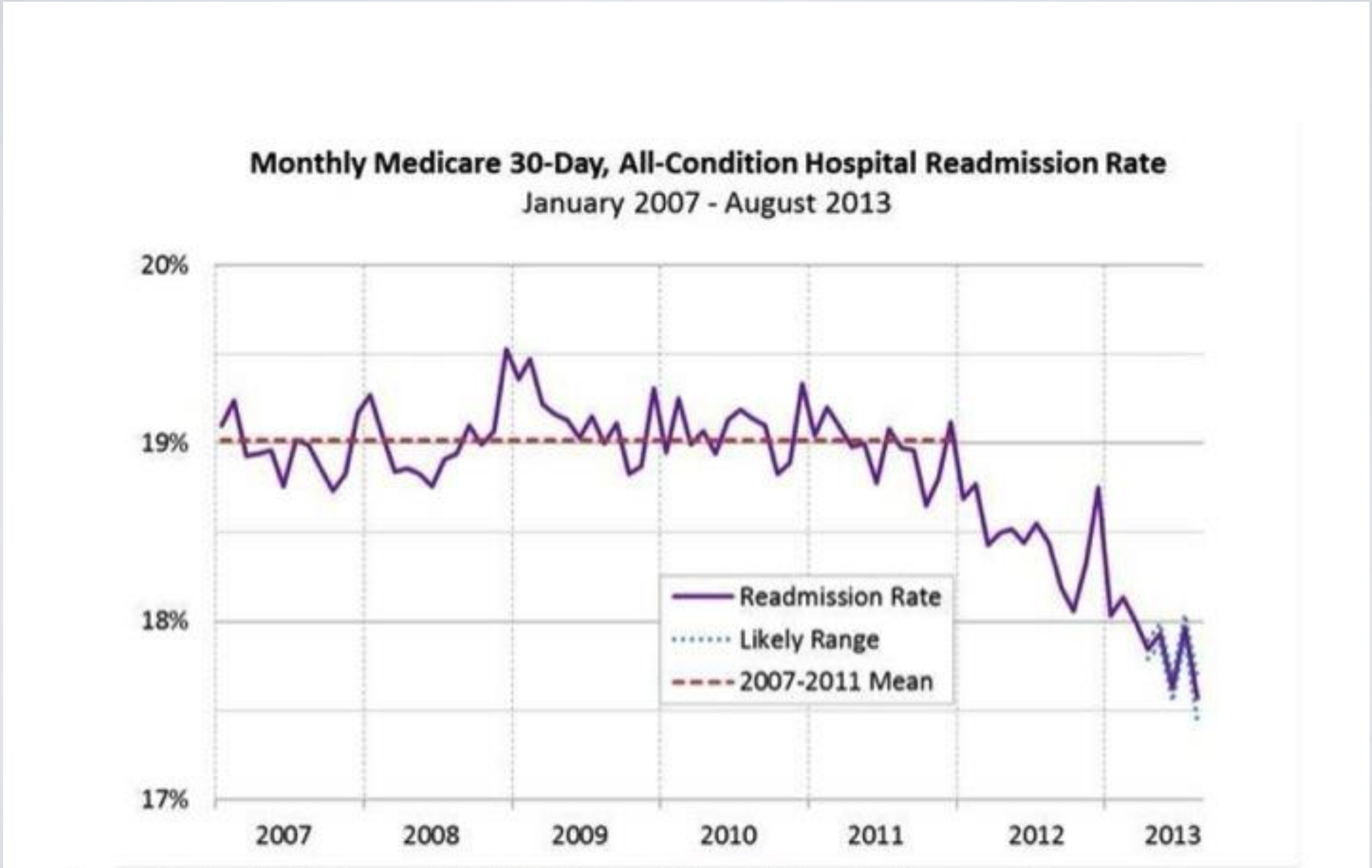
- **Patient-Centered Outcomes Research Institute (PCORI), non-govt, private + public funding** (but not allowed to determine cost effectiveness of interventions!!)

Is the ACA helping?
Quality improvement:

Variation in colorectal cancer survival: Hawaii vs NY



Is the ACA helping?
Quality improvement:
HOSPITAL READMISSION RATES INITIATIVES



Source: Centers for Medicare and Medicaid Services, Offices of Enterprise Management.

Is the ACA helping?
Quality improvement:
A few prominent examples of more that needs to be done

- **Behavioral health: improve access, quality**
- **End of life care measures**
- **Infant mortality**
- **Obesity**
- **Chronic disease endpoints**

Prevention

Is the ACA helping?
Prevention

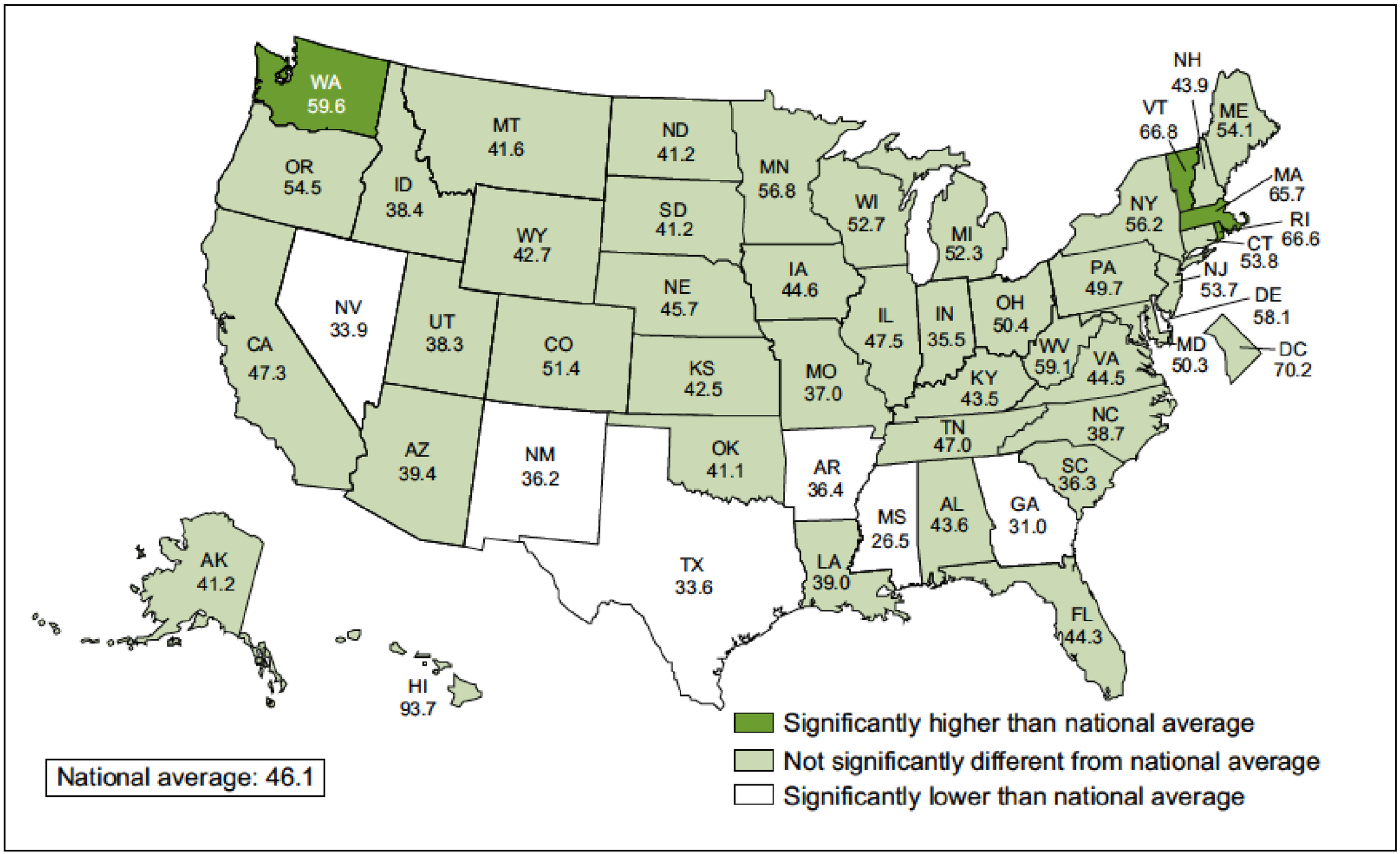
- **Screening tests first dollar coverage (USPSTF list)**
- **Birth control to prevent unwanted pregnancy (Danger: controversy!)**
- **Insurance plan incentives for wellness**
- **Menu nutrition labeling**
- **Medicare Annual Wellness Visit**
- **Public Health & Prevention Fund grants (reduced from $15B to $5B)**

Workforce

Is the ACA helping?

Workforce: UNITED STATES Primary care 2012

Figure 2. Number of primary care physicians per 100,000 population: United States, 2012



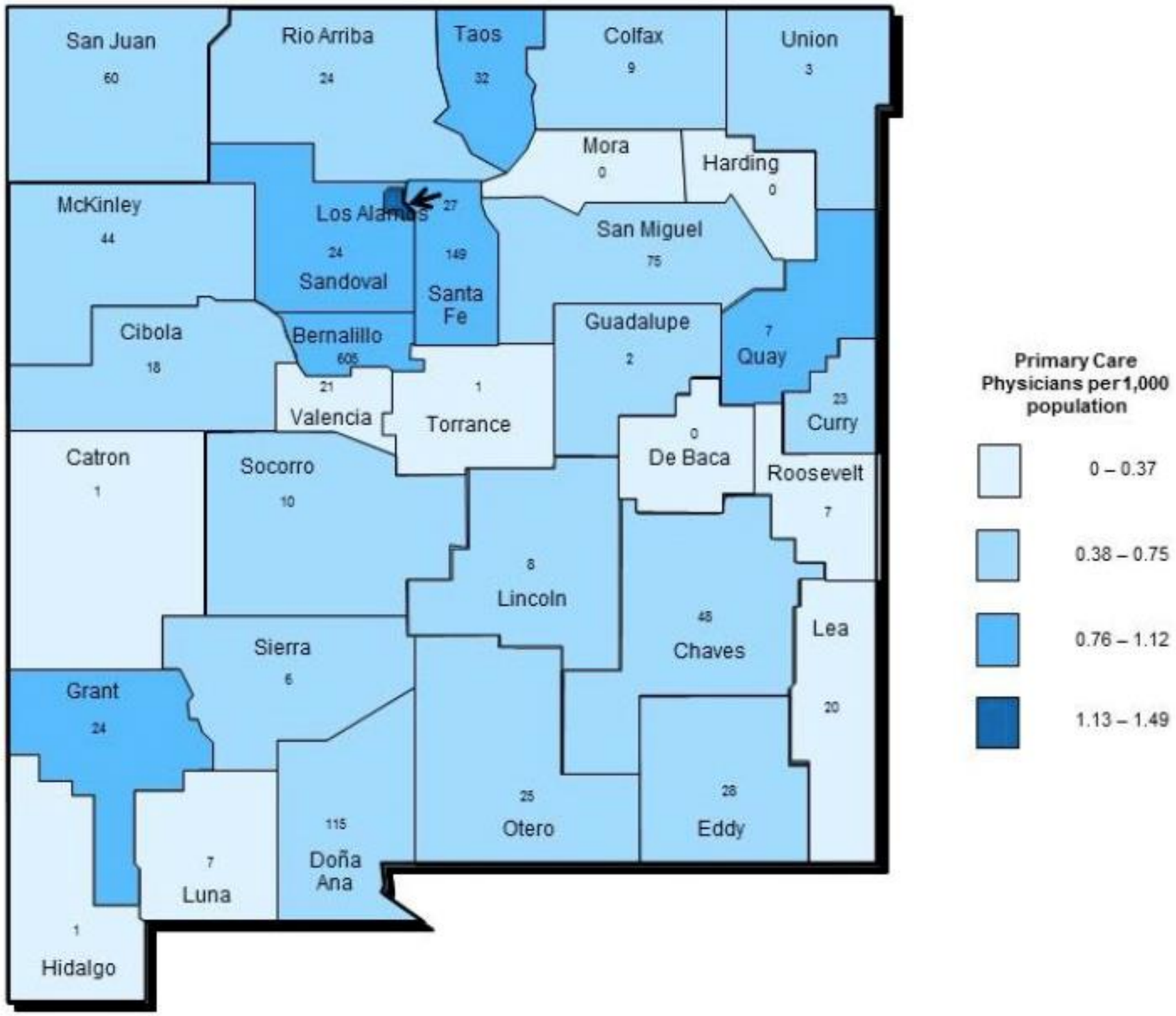
NOTES: Primary care physicians include those in family and general practice, internal medicine, geriatrics, and pediatrics. Significance was tested at the $p < 0.05$ level.

SOURCE: CDC/NCHS, National Ambulatory Medical Care Survey, Electronic Health Records Survey.

Is the ACA helping?

Workforce: NM primary care physicians 2013

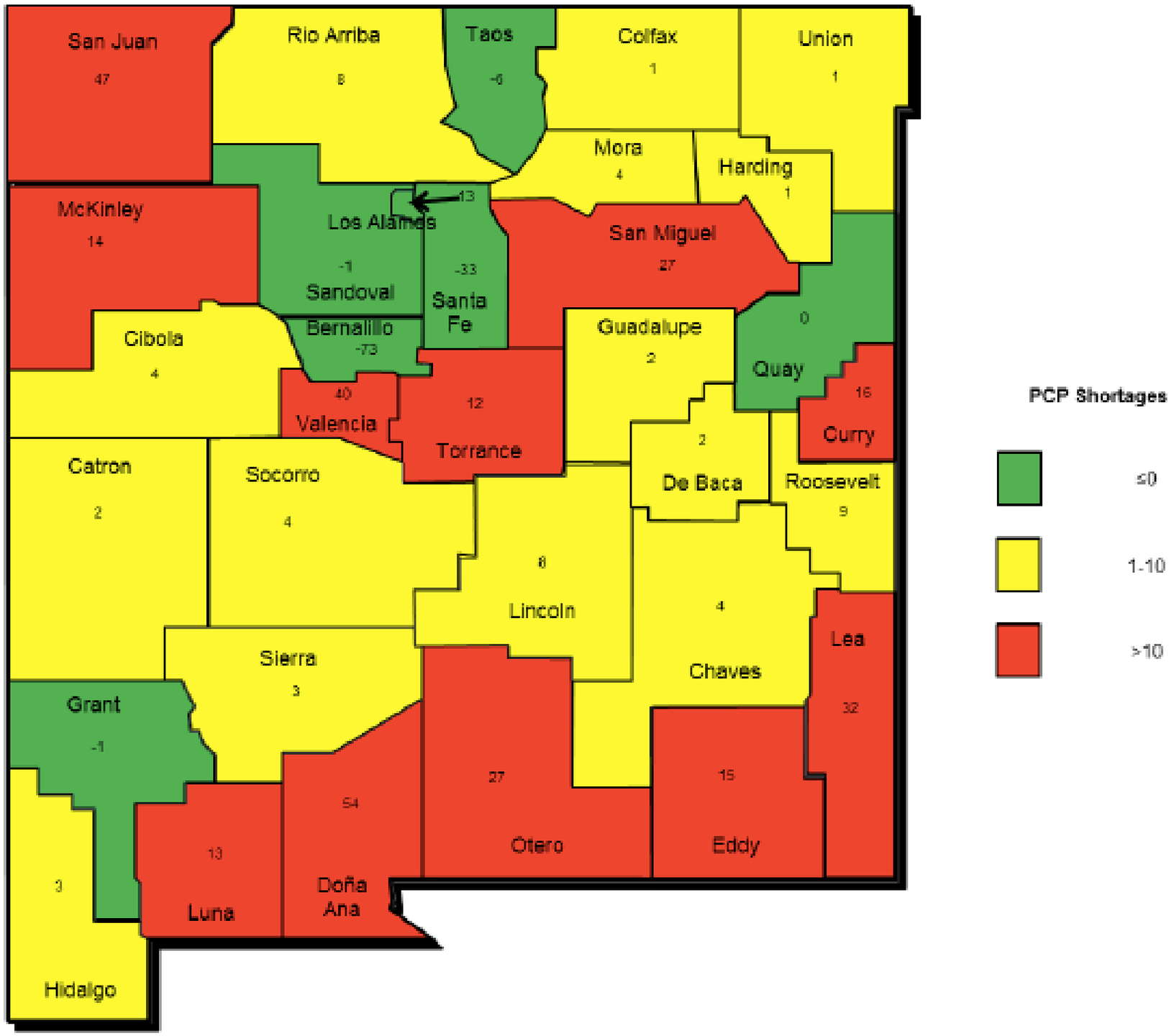
Figure 9. New Mexico Primary Care Physicians by County of Practice



Source: 2013 NM Health Workforce Committee Annual Report

Is the ACA helping?
workforce:
NM Primary Care physician shortage 2013

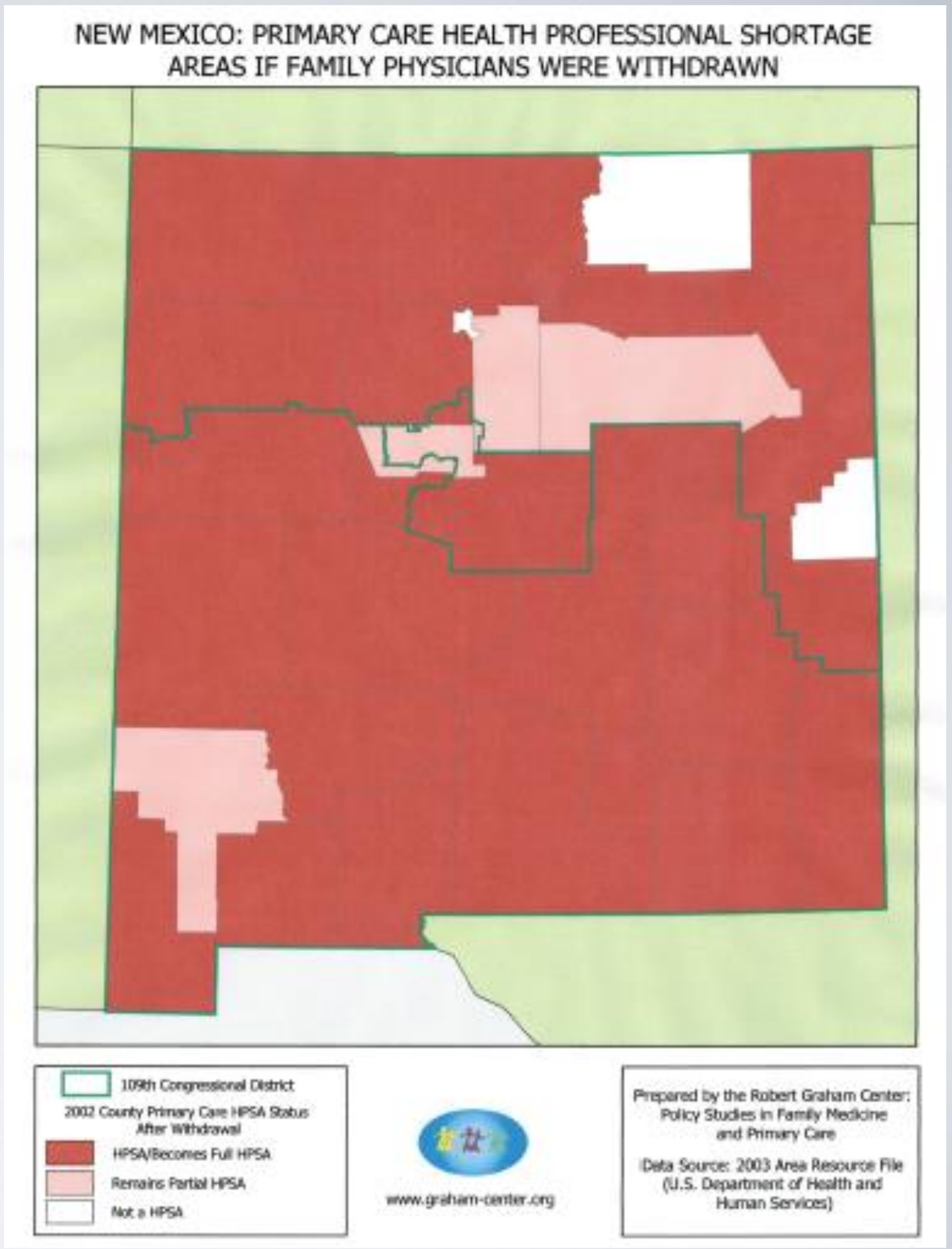
Gap Analysis
Figure 10.



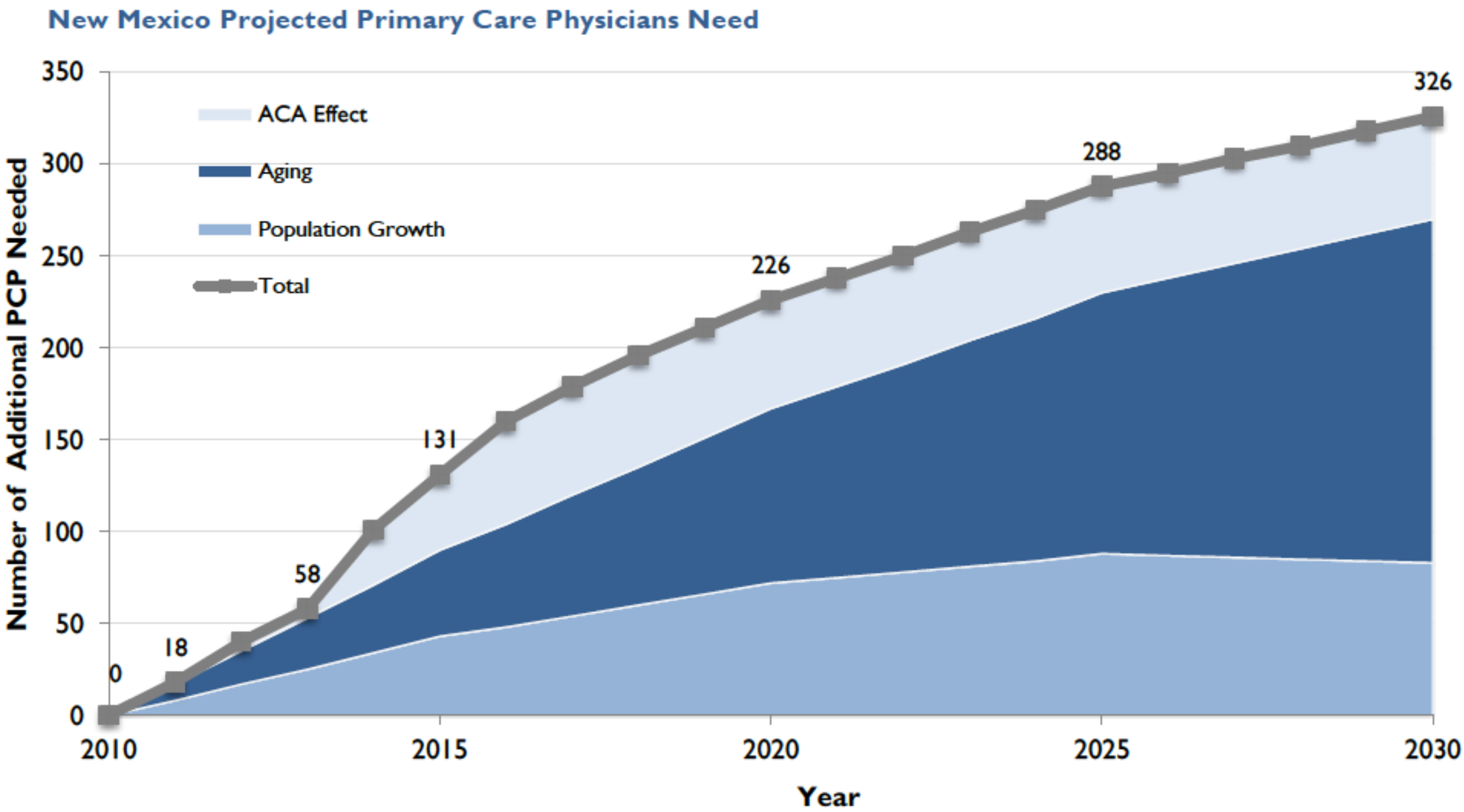
Source: 2013 NM Health Workforce Committee Annual Report

Is the ACA helping?
Workforce:

New Mexico Primary Care shortage if Family Physicians were withdrawn



Is the ACA helping?
Workforce:
NEW MEXICO projected primary care need



- Source: Robt Graham Center, AAFP, Sept 2013

Is the ACA helping?
Workforce: ACA's Medicare Primary Care incentive payment

- **Medicare primary care incentive (10% increase to practices that have >60% of Medicare billings as primary care codes, i.e. office visit codes) to expire end of 2015 (4 year duration)**

- **But even that is a modest boost, average $3938 per eligible practitioner in 2012**

- **MedPAC to recommend extension beyond 2015, but modified to "per beneficiary payment"**

Is the ACA helping?
Workforce: ACA's Medicaid parity with Medicare payment

- **Medicaid parity with Medicare payment to primary care physicians for primary care services set to expire end of 2014 (2 year duration)**
- **This is a big boost in some states where Medicaid payment was low (many <75% of Medicare)**

Is the ACA helping?
workforce:
POTENTIAL threats to Primary care access as a result of the ACA

MGMA Survey April 2014

- **40,000 practices nationwide (all specialties)**
- **Not yet overwhelmed by patient demand**
- **Difficult to verify eligibility, obtain cost sharing info, obtain network info; patients don't know**
- **20% excluded from narrow network; narrow network is a barrier to adequate hospital and specialist care**

Is the ACA helping?
workforce:
POTENTIAL threats to Primary care access as a result of the ACA

- **Newly insured patients create increased demand for primary care --->**

- **Primary care practices must have a viable business model --->**

- **Because most primary care practices have <12 physicians, they may be challenged by new patients who have limited ability to pay out-of-pocket costs**

- **And because Medicaid parity with Medicare, and Medicare primary care incentive pay are of limited duration, what happens to the business model when they run out?**

- **More pressure on the business: quality improvement reporting becomes mandatory in 2015, penalties begin**

Is the ACA helping?

Workforce:

HELPING PATIENTS WITH PAYMENT IN THE OFFICE

THE NEW NORMAL:
Helping Patients Navigate the Changing Insurance Landscape

HEALTH CARE REFORM AND THE SPREAD OF HIGH-DEDUCTIBLE PLANS CAN MEAN CONFUSION FOR PATIENTS – AND UNCERTAINTY FOR YOUR PRACTICE.

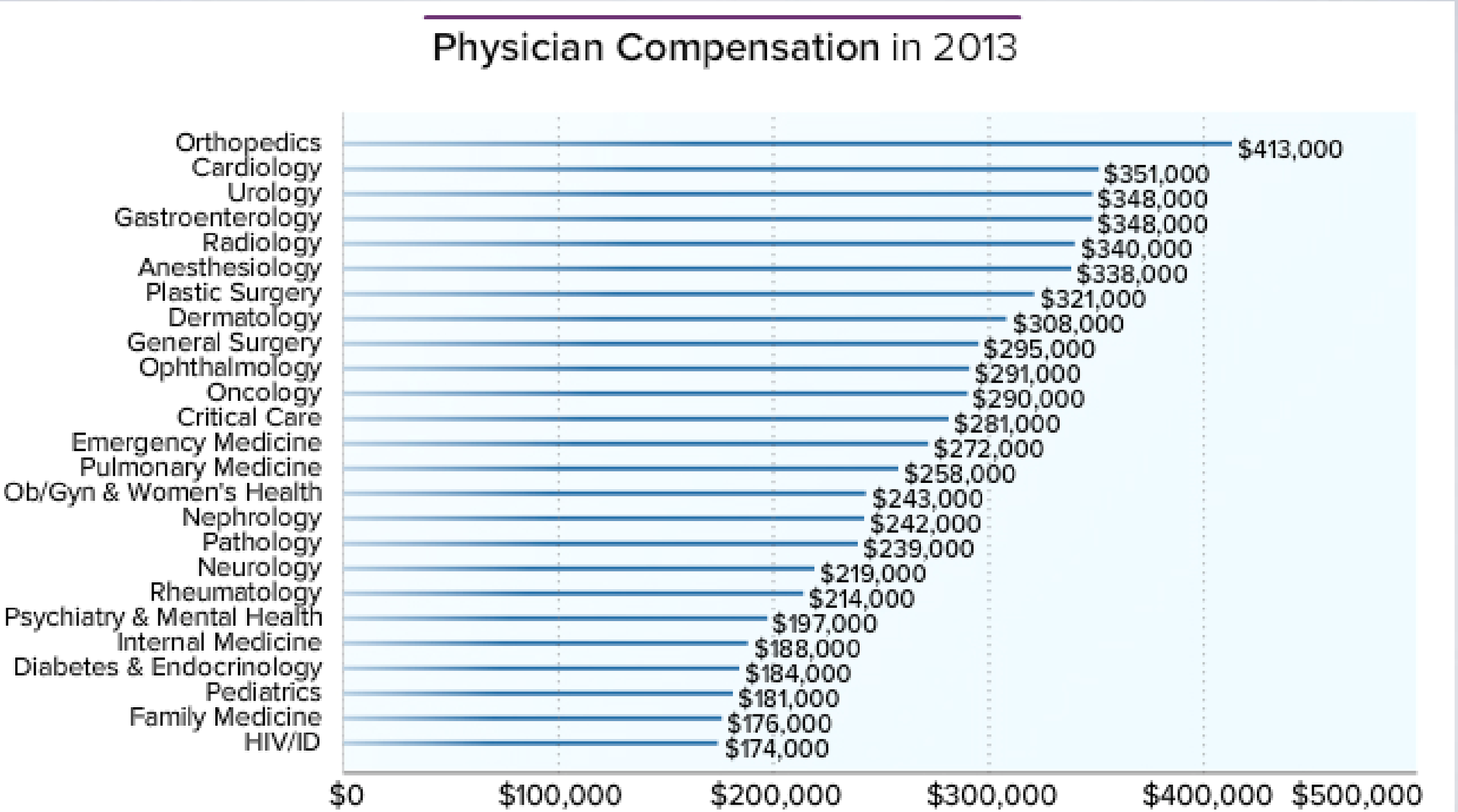
Maria V. Ciletti, RN

Our practice has recently seen a major increase of patients coming into our office with new health care coverage purchased through the insurance exchanges or revamped policies provided by their employers. Many of these plans have high deductibles and large out-of-pocket costs. High-deductible health plans (HDHPs) are nothing new; small employers and individuals have used HDHPs as safety net coverage for years, often paired with a health savings account. With the Affordable Care Act (ACA) now in full swing, however, HDHPs have become more common because they provide the minimum required health care benefits but at a low-cost premium.

About the Author

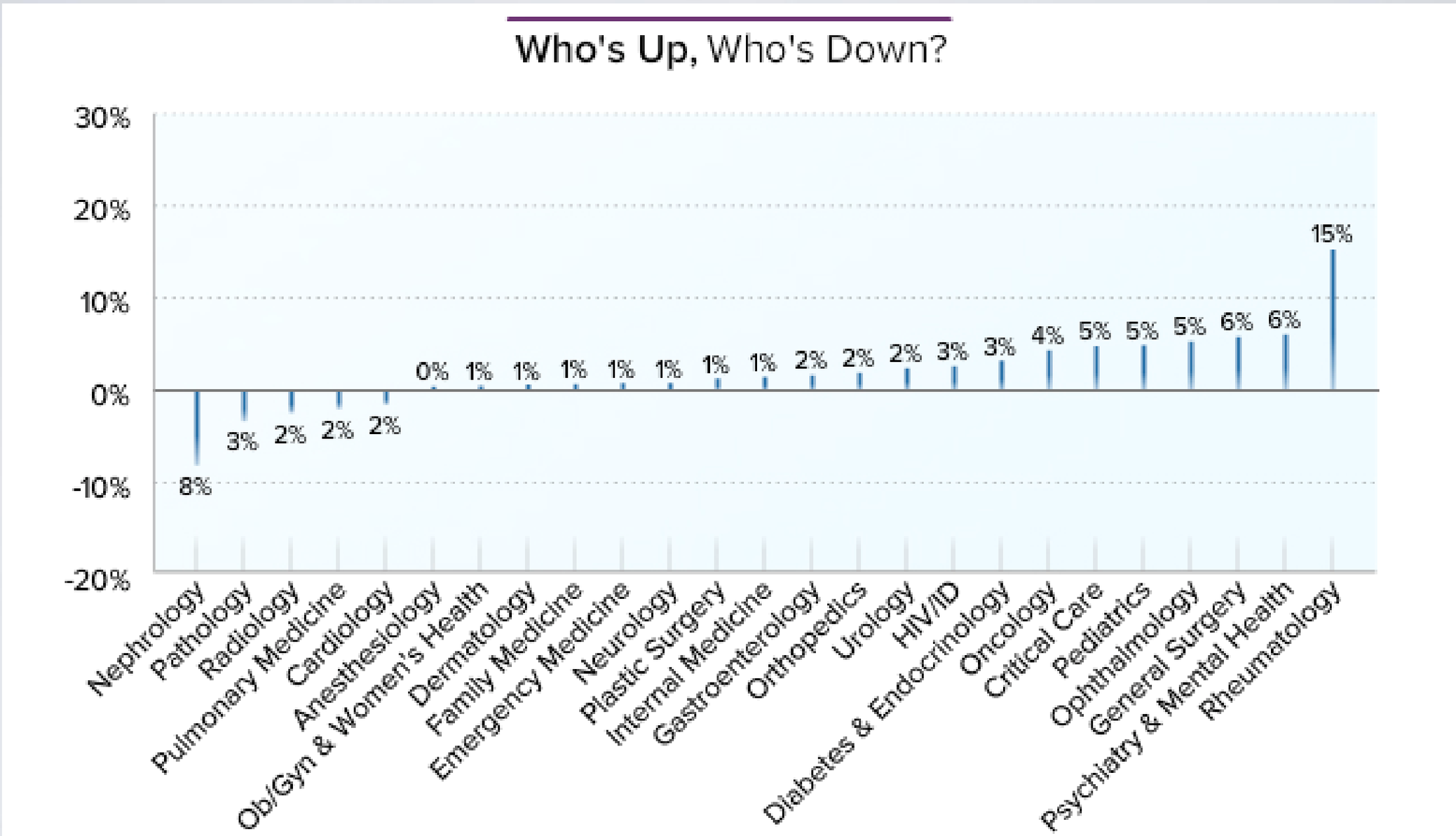
Maria Ciletti is a registered nurse and practice administrator in Niles, Ohio. Author disclosure: no relevant financial affiliations disclosed.

Is the ACA helping?
Workforce:
PHYSICIAN INCOME ACROSS SPECIALTIES



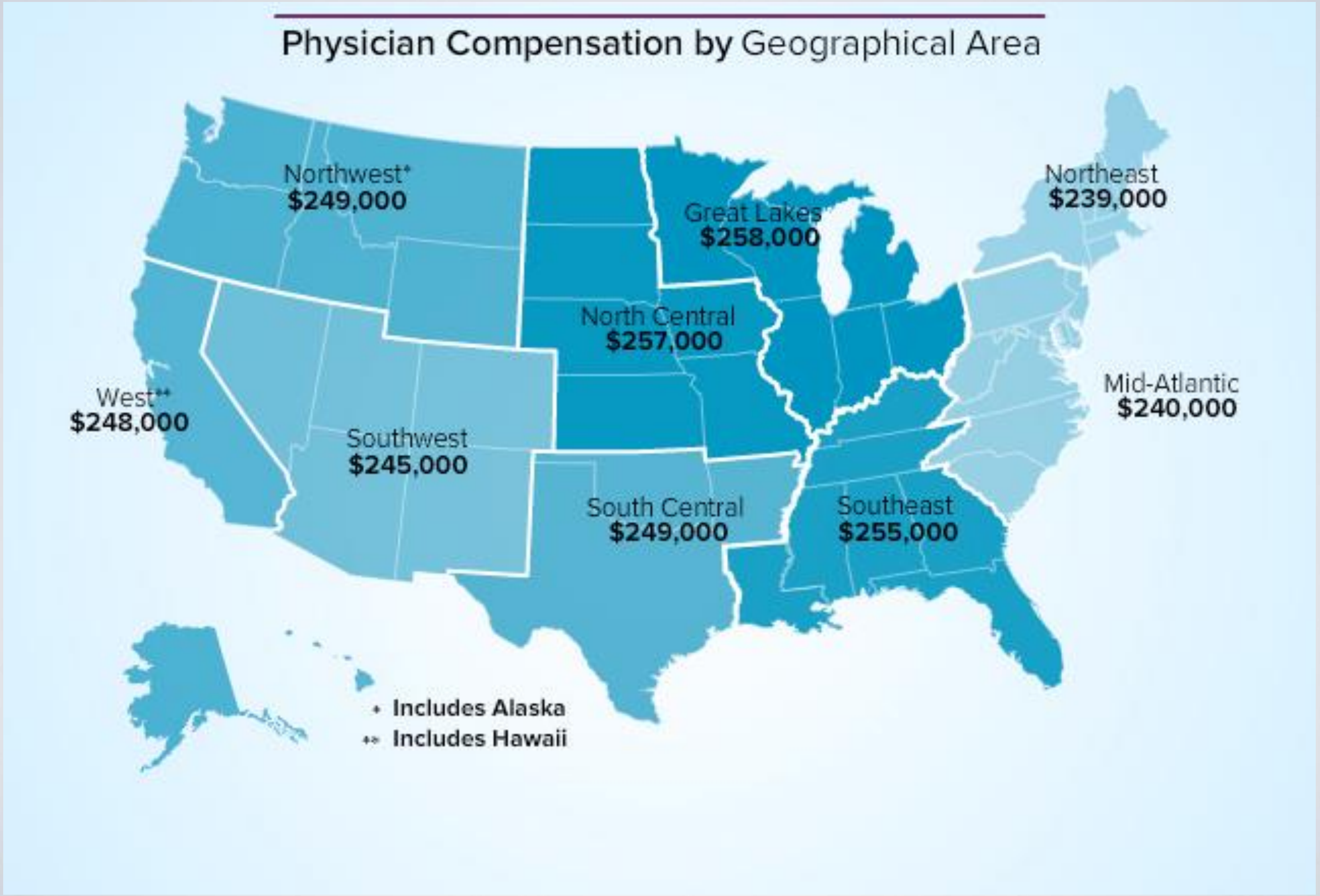
Source: Medscape PhysicianCompensation Survey 4--15-2014

Is the ACA helping?
Workforce:
PHYSICIAN INCOME GROWTH by specialty 2014



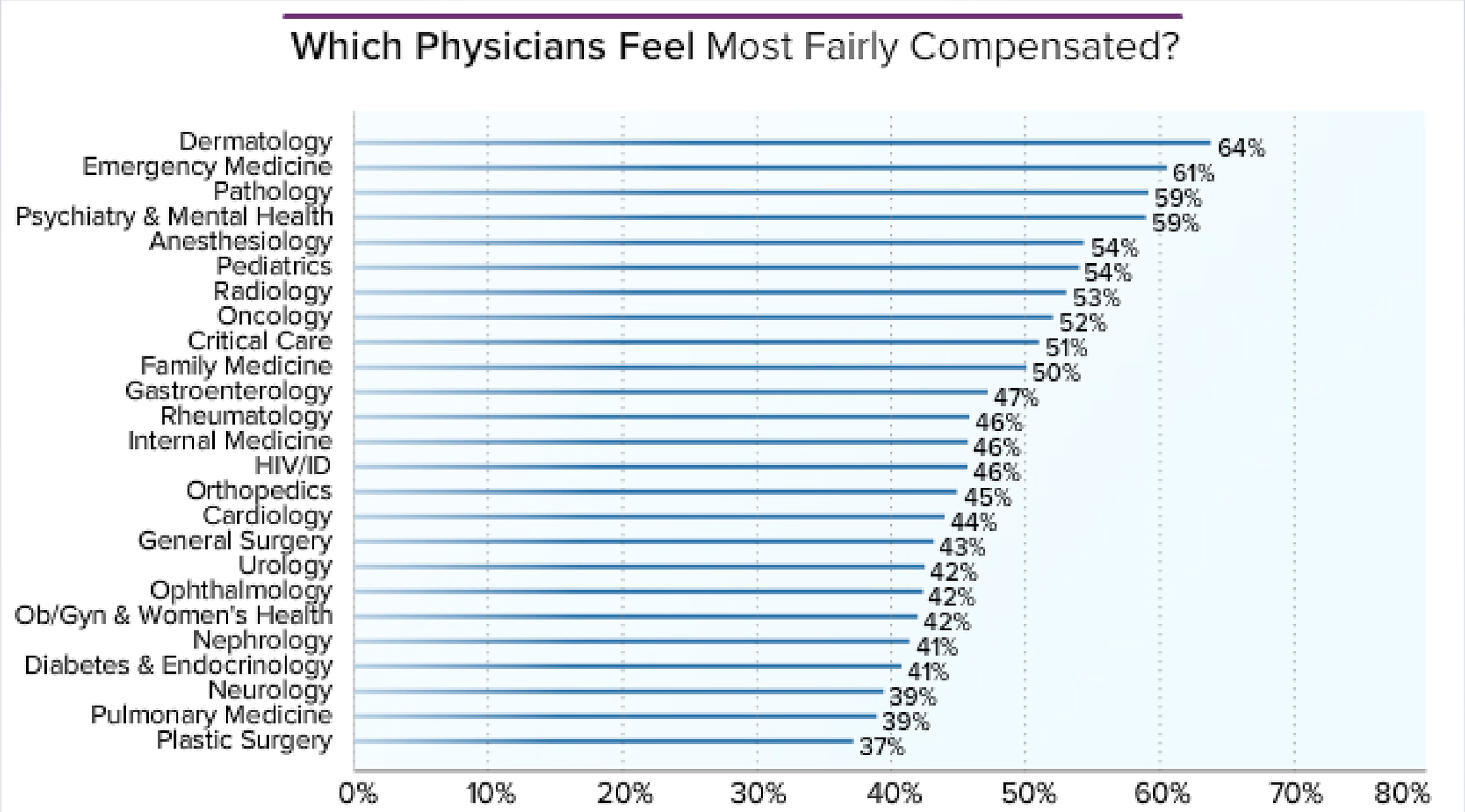
Source: Medscape Physician Compensation Survey 4-15-2014

Is the ACA helping?
Workforce: PHYSICIAN INCOME BY REGION 2014



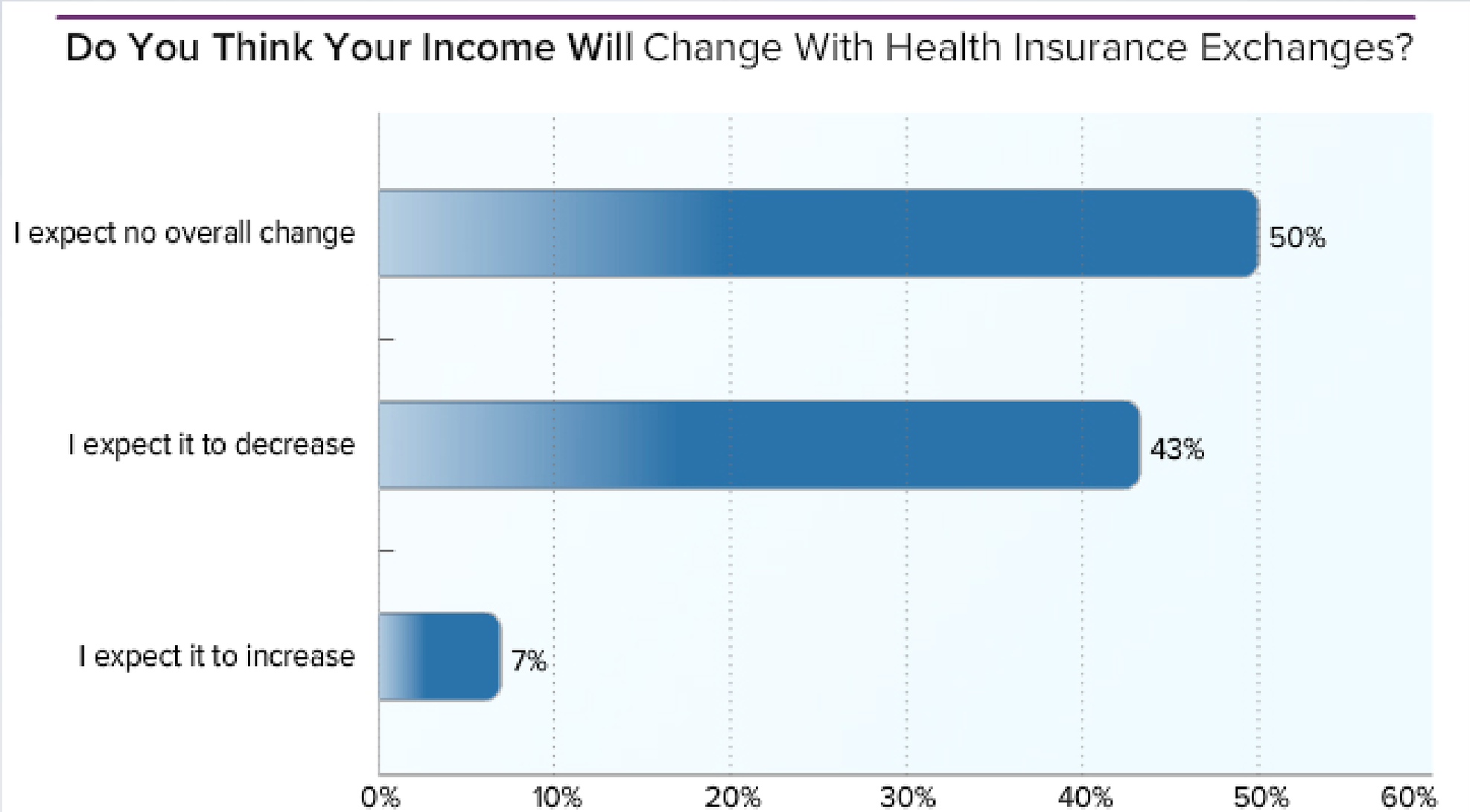
Source: Medscape Physician Compensation Survey 4-15-2014

Is the ACA helping?
Workforce:
PHYSICIAN SATISFACTION WITH INCOME 2014



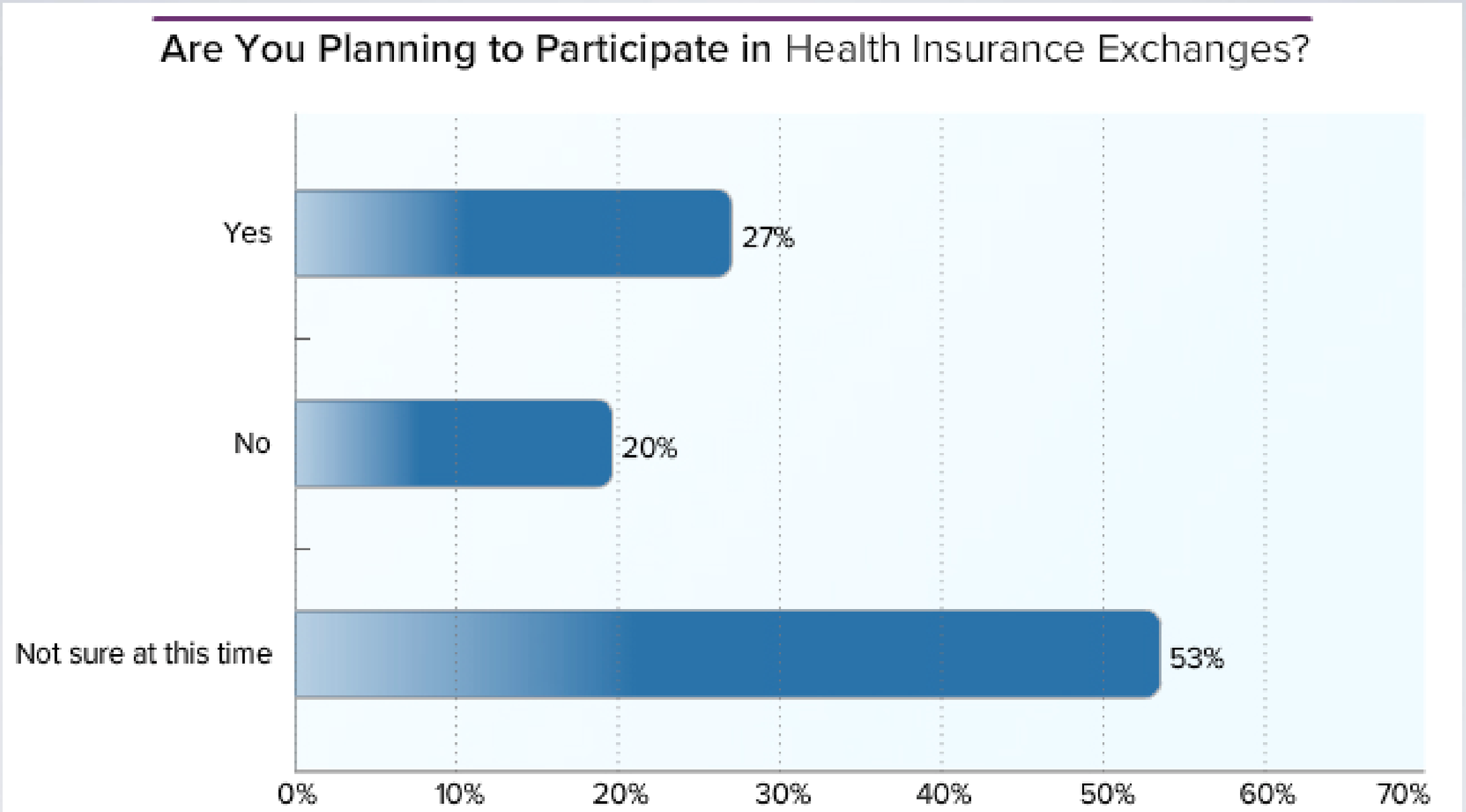
Source: Medscape Physician Compensation Survey 4-15-2014

Is the ACA helping?
Workforce:
physician income expectations re: insurance exchanges 4/2014



Source: Medscape Physician Compensation Survey 4-15-2014

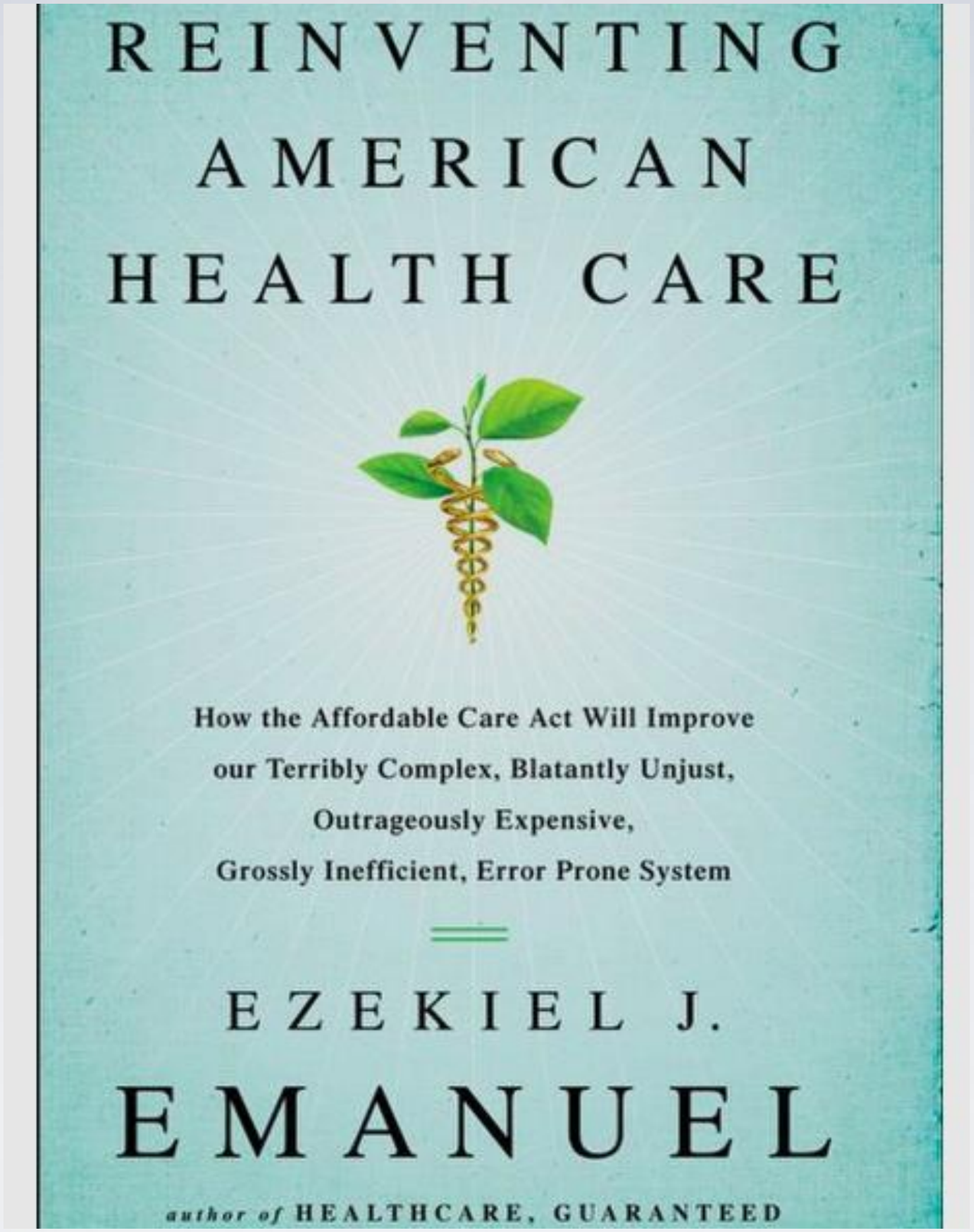
Is the ACA helping?
Workforce:
planning to participate in exchange plans?



Source: Medscape Physician Compensation Survey 4-15-2014

Health care is for everyone

Of course there are Questions!
What are yours?



Affordable Care Act resource, 2014