

- 1 **The Affordable Care Act: Essential Architecture and Quality Innovations**
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- 2 **Premiums for Family Coverage, by State, 2009**
- 3 **Employer Premiums as % of Median Population, '03 and '09 Household Income for Under-65**
- 4 **The ACA's Ten Titles**
 - I. Affordable and Available Coverage
 - II. Medicaid and CHIP
 - III. Delivery System Reform – Medicare plus
 - IV. Prevention and Wellness
 - V. Workforce Initiatives
 - VI. Fraud, Abuse, Transparency, Elder Justice +
 - VII. Pathway for Biological Similar
 - VIII. CLASS – Community Living Assistance Services & Supports
 - IX. Revenue Measures
 - X. Harry Reid's Manager's Amendment
 - I. And the "Reconciliation Sidecar"
- 5 **ACA's People & Money Flows**
- 6 **Key ACA Spending Innovations**
- 7 **Other ACA Quality Innovations**
 - ▶ National Pilot on Payment Bundling (3023)
 - ▶ Hospital Value-Based Purchasing (3001)
 - ▶ National Quality Improvement Strategy (3011)
 - ▶ Interagency Working Group on Quality (3012)
 - ▶ Community Based Care Transitions Program (3026) (+\$500M)
 - ▶ Reduce Drug Waste in LTC facilities (3310)
 - ▶ Medicaid adult quality measures (2701)
 - ▶ Medicaid "health homes" for chronically ill (2703)
 - ▶ CMS Coordinated Health Care Office (2602)
- 8 **Understanding CBO Scoring**

- ▶ CBO's health care numbers often don't add up
- ▶ Three major health reform laws since 1975
 - 1983 – creation of PPS/DRG system
 - 1997 – passage of Balanced Budget Act
 - 2003 – Medicare Modernization Act and Part D
- ▶ In each case, CBO off by a lot
- ▶ In each case, in the same directions
 - Underestimating savings/revenues, overestimating costs
- ▶ CBO relies heavily on published RCT research
- ▶ Better than the alternative – may be good news

9  **Two Newer Developments**

- ▶ Medicare's rate of spending growth is down
 - 2000-2009 – 9.7% rate of growth
 - 2010-2011 – ~4% rate of growth
 - 12 months ending May 2011 – hospitals at 1%
 - Good evidence this is supply – not demand -- driven
- ▶ *Why are you hiding the good news?????*
- ▶ Paying for Outcomes as a new alternative
 - Potentially Preventable Events – readmissions, admissions, ER visits, complications, outpatient
 - 3M modeling suggests 10 year savings ~ \$120B
 - Elements embedded in ACA – HAI and readmissions
 - Meaningful alternative to cuts – if providers embrace

10  **Essential ACA Resources**

- ▶ Bill Text and Section-by-Section Summary
 - <http://democrats.senate.gov/reform/patient-protection-affordable-care-act-as-passed.pdf>
- ▶ Congressional Budget Office: cbo.gov
- ▶ Joint Tax Committee: jtc.gov
- ▶ Obama Administration Site: healthcare.gov
- ▶ Commonwealth Fund: cmwf.org
- ▶ Kaiser Family Foundation: kff.org
- ▶ Health Reform GPS: healthreformgps.org
- ▶ Politico's PULSE: www.politico.com/politicopulse/