

The Future of Health Reform: The Supreme Court has Ruled Now What?

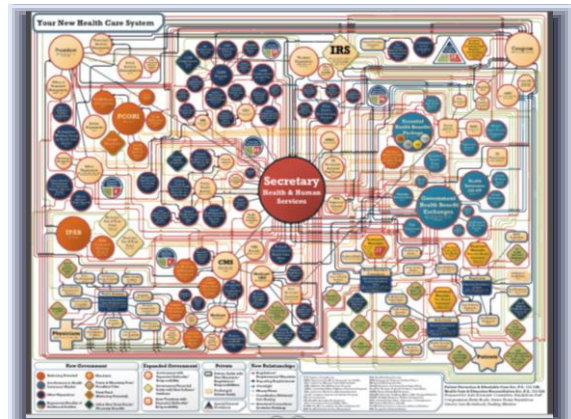


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Neurosurgery's Health Reform Principles

Principle		Principle	
Cover the uninsured	✗	Proven medical liability reform	✗
Lower Healthcare costs	✗	Repeal SGR	✗
No single payer	✓	No add'l regulation of GME	✗
Eliminate denials for pre-existing conditions	✓	No IPAB or shadow RUC	✗
No interference w/doctor-patient relationship	✗	Quality of care determined by the profession	✗
Ensure direct access to specialists	✗	Allow MD ownership of ancillary services	✗



Neurosurgery's #1 Legislative Priority:

Repeal Affordable Care Act

But if not...

Modify Health Reform Law

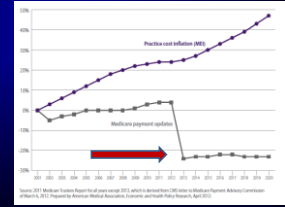
- Repeal IPAB
- Repeal PQRS, eRx, EHR penalties
- Repeal valued based payment modifier
- Repeal SGR
- Adopt Medicare private contracting
- Adopt federal medical liability reform

Progress to Date

- House repealed ObamaCare...
→ STALLED in Senate 
- House repealed IPAB...
→ STALLED in Senate 
- House passed medical liability reform...
→ STALLED in Senate 

Progress to Date

- House/Senate continue w/short-term “patches” to fix Medicare’s sustainable growth rate (SGR)
- 30% pay cut on Jan. 1, 2013
- Cost of Repeal = \$300+ billion



Progress to Date



Progress to Date

Options for SGR Reform “very” appealing:

- **MedPAC**
 - 10 yr pay freeze for PCPs; 18% pay cut for specialists + 7 yr pay freeze
 - RVUs based on efficient practice
 - Reduce overpriced procedures for 5 yrs; give \$ to PCPs
 - Accelerate ACOs, bundled payments, etc.
- **Rep. Allyson Schwartz (D-PA)**
 - Eliminate fee-for-service
 - Force docs into ACOs other large systems



Progress to Date

- House/Senate introduced Medicare Patient Empowerment Act (MPEA) – H.R. 1700/S. 1042

- Allows docs and patients to privately contract on case-by-case basis
- No Medicare opt-out
- Hospital other fees still paid



www.MyMedicare-MyChoice.org

Sign the Petition

www.MyMedicare-MyChoice.org

Contact Congress

<http://capwiz.com/noc/>

The Penalties are Coming!
The Penalties are Coming!

2015

BUT CMS will start the clock in 2013!

PQRS, eRx, EHR Oh My!

Future cuts phased-in to:

- PQRS = 2% (2016-beyond)
- eRx = 2% (2014)
- EHR = 5% (2019-beyond)
- *Budget Neutral* Value-based Payment Modifier = ????(some does 2015; all 2017-beyond)



And of course this is on top of SGR and IPAB cuts

Under Scrutiny: Resource Reports

Part 1. Quality of Care

Quality Measures Derived from Medicare Claims

Exhibit 1 shows how many of (a) Medicare patients for whom you filed at least one claim in 2010 received specific recommended clinical services, based on all Medicare claims from all providers treating these beneficiaries you. If the number of patients is small (lower than 10), please use caution in making comparisons.

Exhibit 1. Physician Performance on Medicare Claims-Based Quality Measures for All Patients for Whom the Physician Filed at Least One Medicare Claim in 2010

Clinical Condition and Measure	Physician Performance for All Medicare Patients		Physician
	Number of Patients	Percentage of Recommended Services	
Acute Myocardial Infarction (AMI) - 30-day mortality	10	100%	Dr. [Name]
Acute Myocardial Infarction (AMI) - 30-day mortality	10	100%	Dr. [Name]
Acute Myocardial Infarction (AMI) - 30-day mortality	10	100%	Dr. [Name]

Specifications for these clinical measures are posted at: [http://www.cms.gov/medicare/quality/quality-measures/quality-measures-2010.html](#)

Exhibit 2. Identification of the 2011 Total Per Capita Costs of Patients Whose Care Was Directed by Physicians in Your Specialty in Iowa, Kansas, Missouri, and Nebraska

CMS will be using non-risk adjusted claims data to determine quality.

High volume = bad quality

AND if all this isn't bad enough...

- New Bundled/ Revalued CPT Codes = ↓ \$
- Coverage Policies = ↓ \$
- Out-of-Network = ↓ \$

So What's a Struggling NS to do?



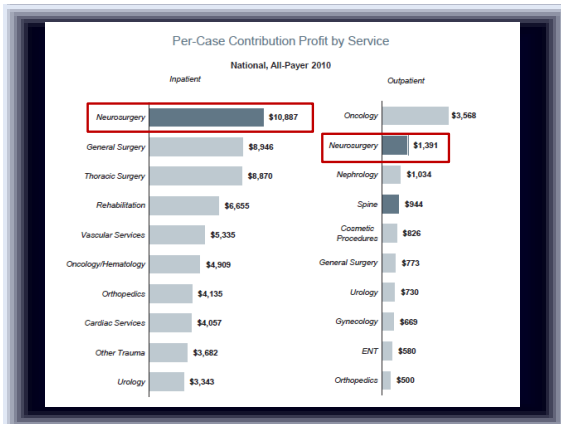
It's not all Gloom and Doom



Some Options Include

- Get some Part A \$:
 - ACOs, bundling, gainsharing, on-call stipends
 - Hospital employment
- Get more Part B Ancillary \$:
 - Imaging, ASCs
- Get some Patient \$:
 - Opt out of Medicare & 3rd party payor contracts
- Job Retraining?





Will Supreme Court Fix Our Problems?

Summary of the Questions:

- Is the penalty a tax?
- Is the health insurance mandate constitutional under commerce clause?
- If not, is mandate provision "severable" from rest of the law?
- Is Medicaid mandate coercion?

Key Issues

Handicapping SCOTUS Decision

- Not a tax: odds 90%+
- Mandate unconstitutional: odds ≥ 50%
- If mandate unconstitutional, entire law goes down: odds ≤ 50%
- Medicaid expansion unconstitutional: odds ≤ 50%

Bottom-Line: Ball Will be Back in Congress' Court

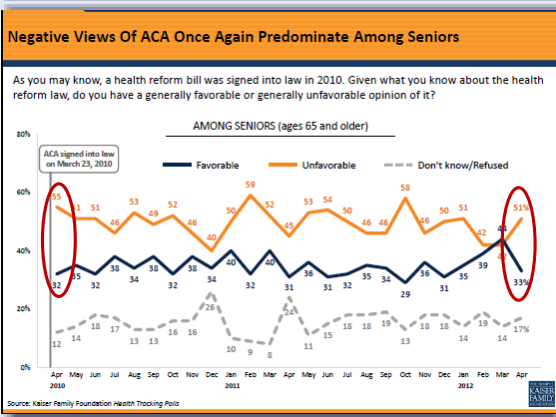
Your Government at Work

So Then What?

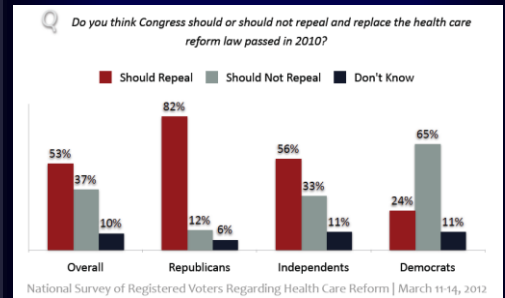
Driving Reform of the Reform

- Stakeholder Interests
- Public Opinion
- Elections

Parade of Stakeholders



Public Opinion of Health Reform



Health Reform Part 2 = 2012 Elections
Senate May "Flip"... but what about White House?



versus
???



The Rust and the Sun

Here's Where the Election Will Be Won or Lost

Swing State Segments

Rust Belt: ■
Sun Belt: ■

Swing State Characteristics

BIG TEN CONFERENCE

- Older
- Predominantly White
- Declining Population

- Younger
- Diverse
- Growing Population

Handicapping Elections

President Obama Wins Re-Election	Republicans Retain Control of the House	Republicans Win Control of the Senate
Toss-up	75%	50-50
Electoral Votes Obama 227 Romney 210 Toss Up 101	Dem Gain 5-15 (Now: 242 Rs; 193 Ds)	GOP Gain 2-5 (Now: 53 Ds; 47 Rs)

Budget Train Wreck Approaching

- Pay-roll tax holiday *expires*
- So-called Bush tax cuts *expire*
- Unemployment benefit extension *expires*
- 30% SGR physician pay cut
- 1.2% trillion budget cuts/sequestration
 - Medicare, NIH, Public Health

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Thank you!

Questions?