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

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AANS/CNS Washington Office
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May 2012

Neurosurgery’s Health Reform Principles

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

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• House repealed ObamaCare… → STALLED in Senate
• House repealed IPAB… → STALLED in Senate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

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

Sign the Petition

www.MyMedicare-MyChoice.org

Contact Congress

http://capwix.com/noc/
The Penalties are Coming! The Penalties are Coming!

**2015**

*BUT* CMS will start the clock in 2013!

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**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 docs 2015; all 2017-beyond)

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

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**Under Scrutiny: Resource Reports**

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

High volume = bad quality

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**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?

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**It’s not all Gloom and Doom**

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**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?

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

So Then What?

Your Government at Work
Driving Reform of the Reform

- Stakeholder Interests
- Public Opinion
- Elections

Parade of Stakeholders

Negative Views Of ACA Once Again Predominate Among Seniors

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?

Among Seniors (ages 65 and older)

<table>
<thead>
<tr>
<th>Month</th>
<th>Favorable</th>
<th>Unfavorable</th>
<th>Don’t Know/Refused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan 2010</td>
<td>52%</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Feb 2010</td>
<td>54%</td>
<td>35%</td>
<td>11%</td>
</tr>
<tr>
<td>Mar 2010</td>
<td>52%</td>
<td>36%</td>
<td>12%</td>
</tr>
<tr>
<td>Apr 2010</td>
<td>53%</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>May 2010</td>
<td>54%</td>
<td>34%</td>
<td>12%</td>
</tr>
<tr>
<td>Jun 2010</td>
<td>53%</td>
<td>36%</td>
<td>11%</td>
</tr>
<tr>
<td>Jul 2010</td>
<td>52%</td>
<td>37%</td>
<td>11%</td>
</tr>
<tr>
<td>Aug 2010</td>
<td>53%</td>
<td>35%</td>
<td>12%</td>
</tr>
<tr>
<td>Sep 2010</td>
<td>54%</td>
<td>34%</td>
<td>12%</td>
</tr>
<tr>
<td>Oct 2010</td>
<td>53%</td>
<td>36%</td>
<td>11%</td>
</tr>
<tr>
<td>Nov 2010</td>
<td>52%</td>
<td>38%</td>
<td>10%</td>
</tr>
<tr>
<td>Dec 2010</td>
<td>54%</td>
<td>35%</td>
<td>11%</td>
</tr>
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Source: Kaiser Family Foundation, Kaiser Family Foundation

Public Opinion of Health Reform

Do you think Congress should or should not repeal and replace the health care reform law passed in 2010?

<table>
<thead>
<tr>
<th></th>
<th>Overall</th>
<th>Republicans</th>
<th>Independents</th>
<th>Democrats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Should Replace</td>
<td>53%</td>
<td>57%</td>
<td>56%</td>
<td>63%</td>
</tr>
<tr>
<td>Should Not Replace</td>
<td>42%</td>
<td>43%</td>
<td>44%</td>
<td>37%</td>
</tr>
<tr>
<td>Don’t Know</td>
<td>15%</td>
<td>10%</td>
<td>10%</td>
<td>3%</td>
</tr>
</tbody>
</table>

National Survey of Registered Voters Regarding Health Care Reform | March 11-14, 2012

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

Swing State Characteristics

- Older
- Predominantly White
- Declining Population

- Younger
- Diverse
- Growing Population

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Handicapping Elections

<table>
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<th>President Obama Wins Re-Election</th>
<th>Republicans Retain Control of the House</th>
<th>Republicans Win Control of the Senate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Toss-up</strong></td>
<td><strong>75%</strong></td>
<td><strong>50-50</strong></td>
</tr>
</tbody>
</table>

Electoral Votes

- Obama 227
- Romney 210
- Toss Up 101

Toss-Ups

- Dem Gain 5-15
- GOP Gain 2-5

(Rights: Now: 242 Rs; 193 Ds)

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

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Thank you!

Questions?