POSTS MADE IN JULY 2013

WHAT'S GOING TO HAPPEN TO HEALTH CARE REFORM, AND WHY SHOULD WE CARE?

1 Reply

Last week the Treasury Department announced that employers with more than 50 employees would be granted a one-year reprieve (December, 2015), to meet the requirement of the Affordable Care Act (ACA known as Obamacare) that mandates they must provide health coverage for their workers or pay penalties.

While this may be viewed as a setback for Obamacare, in fact, according to a survey released in 2012 by the Kaiser Foundation, 61 percent, of employers with three to 99 employees currently provide employee healthcare coverage; 94 percent of companies with 100 to 199 workers, and 98 percent of those with 200 or more, also currently cover their workers.

The Kaiser Foundation annual survey of employers is a detailed look at trends in employer-sponsored health coverage, including premiums, employee contributions, cost-sharing provisions, and other relevant information. The 2012 survey included 3,326 randomly selected public and private firms with three or more employees. There were 2,121 companies that responded to the full survey and 1,205 who responded to an additional question about offering coverage.

The recently announced postponement raises questions about what will happen to the establishment of state-based health insurance marketplaces (exchanges) where uninsured Americans can shop for a health insurance policy. These exchanges are intended to help lower and middle-income people who qualify with insurance subsidies. The deadline for the states' implementation of these exchanges was not delayed. Since the subsidies are integrated with what an employer offers workers and what it does not, delaying the requirement for businesses to provide insurance to all employees creates confusion as to who qualifies for the insurance exchanges and who does not,

The significance of this is two-fold. Postponing the requirement for employers sends a message to them that it may be more cost-effective and acceptable to drop coverage and pay the penalty. If that happens, a lot of smaller company employees will be pushed into the health insurance exchanges, requiring these exchanges to handle far more individuals than was intended in the law and throwing the whole system into chaos.

Another blow to Obamacare surfaced this week when several hospitals in a Medicare Pioneer program, (called Accountable Care Organizations), which is aimed at changing the way medical providers are paid, announced that they may pull out. The program is designed to reduce health care expenses by requiring clinicians to forgo fee for service payments and agree to a monthly stipend for the care of patients who have chronic diseases. When certain criteria are met (determined by Medicare) the ACO hospitals receive bonus payments. The intent is to reward good care while executing a cost-containment approach to care. With this system, clinicians are responsible for controlling costs for the populations of Medicare patients assigned to them. However, their ability to manage these patients' care is limited. For these reasons ACO institutions are re-evaluating their commitment to this program that is intended to change the way healthcare providers are reimbursed and reduce the large healthcare expenditures we experience as a nation.

There is one positive outcome of the Obamacare regulations. According to Thomas Friedman (The New York Times, May 25, 2013) "Incentives in the recovery act for doctors and hospitals to shift to electronic records, is creating a new marketplace and platform for innovation that has the potential to create better outcomes at lower costs by changing how health data are stored, shared and mined." Undoubtedly , implementations of electronic health records by clinicians has increased significantly following the passage of legislation that mandates that physicians must have electronic data and communicate with patients to meet the criteria of Meaningful Use Stage 2 which also goes into effect by the end of 2014.. Although

71% of physicians had a basic EHR by the end of 2012 compared to just 25% at the end of 2010), we are a long way from achieving the results that must be in place including:

Providing a summary of the care record for 50% of transitions of care during referral or transfer of patient care settings.

Providing patient-specific education resources identified by Certified EHR technology to more than 10% of patients.

Engaging in secure messaging to communicate with patients on relevant health information.

Making available all imaging results through certified EHR technology.

Providing clinical summaries to more than 50% of patients within one business day.

It is essential that patients care about, and pay attention to these issues because they impact our ability to communicate with our providers, engage more directly in our health care and enable us to find viable health insurance options. All of this will impact the quality of our care, make the health care system more efficient and hopefully reduce costs.

While we all agree that there is a serious need for health care reform, it would appear that executing these new programs in our complex health care system is more difficult than the architects of the ACA anticipated.