

The Future of Health Care

Medical, Legal & Legislative Concerns For The
21st Century Clinician

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2010

Congressional Health Reform 2010 & Beyond

The Politics of Health Care

The Ideological Divide in
Health System Reform

- The Republican Plan: 100 Billion Dollars
- The Democrat Plan: One Trillion Dollars

Seminal Components of Health System Reform

- Investment in Health Information Technology
 - \$32.0 Billion
 - “Meaningful Use”
 - Clinical Incentives and achievability
 - “All or nothing” Concept
- The Patient Centered Medical Home
 - Cardiology care and congestive heart failure
- The Accountable Care Organization
 - Specialty care
 - Primary care
 - Hospital collaboration

HITECH Act

- **Medicare & Medicaid EHR Incentive Program Final Rule**
- *Implementing the American Recovery & Reinvestment Act of 2009*

Who is a Medicare Eligible Provider?

- **Eligible Professionals (EPs)**
- Doctor of Medicine or Osteopathy
- Doctor of Dental Surgery or Dental Medicine
- Doctor of Podiatric Medicine
- Doctor of Optometry
- Chiropractor
- **Eligible Hospitals**
- Acute Care Hospitals*
- Critical Access Hospitals (CAHs)

Who is a Medicaid Eligible Provider? Eligible Providers in Medicaid

- **Eligible Professionals (EPs)**
- Physicians
- Nurse Practitioners (NPs)
- Certified Nurse-Midwives (CNMs)
- Dentists
- Physician Assistants (PAs) working in a Federally Qualified Health Center (FQHC) or rural health clinic (RHC) that is so led by a PA
- **Eligible Hospitals**
- Acute Care Hospitals (now including CAHs)
- Children's Hospitals

Meaningful Use: Core Set Objectives

- **EPs –15 Core Objectives**Computerized physician order entry (CPOE)
- E-Prescribing (eRx)
- Report ambulatory clinical quality measures to CMS/States
- Implement one clinical decision support rule
- Provide patients with an electronic copy of their health information, upon request
- Provide clinical summaries for patients for each office visit
- Drug-drug and drug-allergy interaction checks
- Record demographics
- Maintain an up-to-date problem list of current and active diagnoses
- Maintain active medication list
- Maintain active medication allergy list
- Record and chart changes in vital signs
- Record smoking status for patients 13 years or older
- Capability to exchange key clinical information among providers of care and patient-authorized entities electronically
- Protect electronic health information

Meaningful Use: Core Set Objectives

- **Eligible Hospitals –14 Core ObjectivesCPOE**
- Drug-drug and drug-allergy interaction checks
- Record demographics
- Implement one clinical decision support rule
- Maintain up-to-date problem list of current and active diagnoses
- Maintain active medication list
- Maintain active medication allergy list
- Record and chart changes in vital signs
- Record smoking status for patients 13 years or older
- Report hospital clinical quality measures to CMS or States
- Provide patients with an electronic copy of their health information, upon request
- Provide patients with an electronic copy of their discharge instructions at time of discharge, upon request
- Capability to exchange key clinical information among providers of care and patient-authorized entities electronically
- Protect electronic health information

Meaningful Use: Menu Set Objectives

- Eligible Professionals Drug-formulary checks
 - Incorporate clinical lab test results as structured data
 - Generate lists of patients by specific conditions
 - Send reminders to patients per patient preference for preventive/follow up care
 - Provide patients with timely electronic access to their health information
 - Use certified EHR technology to identify patient-specific education resources and provide to patient, if appropriate
 - Medication reconciliation
 - Summary of care record for each transition of care/referrals
 - Capability to submit electronic data to immunization registries/systems*
 - Capability to provide electronic syndromic surveillance data to public health agencies*
- *At least 1 public health objective must be selected 25

Meaningful Use: Menu Set Objectives*

- Eligible Hospitals Drug-formulary checks
 - Record advanced directives for patients 65 years or older
 - Incorporate clinical lab test results as structured data
 - Generate lists of patients by specific conditions
 - Use certified EHR technology to identify patient-specific education resources and provide to patient, if appropriate
 - Medication reconciliation
 - Summary of care record for each transition of care/referrals
 - Capability to submit electronic data to immunization registries/systems*
 - Capability to provide electronic submission of reportable lab results to public health agencies*
 - Capability to provide electronic syndromic surveillance data to public health agencies*
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- *At least 1 public health objective must be selected 26

HITECH Act Reimbursement Plan to Achieve Meaningful HER Use

	Adopt EHR in 2011	Adopt EHR in 2012	Adopt EHR in 2013	Adopt EHR in 2014
2011	\$18,000	---	---	---
2012	\$12,000	\$18,000	---	---
2013	\$8,000	\$12,000	\$15,000	---
2014	\$4,000	\$8,000	\$12,000	\$15,000
2015	\$2,000	\$4,000	\$8,000	\$12,000
2016	---	\$2,000	\$4,000	\$8,000
Total	\$44,000	\$44,000	\$39,000	\$35,000

Seminal Components of Health System Reform

- The Patient Centered Medical Home
 - Cardiology care and congestive heart failure
- The Accountable Care Organization
 - Specialty care
 - Primary care
 - Hospital collaboration

Seminal Components of Health System Reform

- New Horizons for Specialists Payment
 - Bundling payments: The new P 4 P
 - Participation in Federal demonstration projects
 - The economic theory of bundling
 - An example of bundling
 - Questions to be answered
- The Importance of Physician Collaboration
 - SCALABILITY

The Anatomy of the Bundle

- In 2006, Geisinger Health System (GHS) implemented PROVEN CARE, a bundled payment system for all non-emergency CARG procedures.
- The price of the bundle included the estimated cost of a typical hospitalization, plus half of the average cost of post-acute care for the 90 day period following surgery.
- Casale A, Doll MC et Al; “Proven Care: A provider driven pay for performance (P4P) for Acute Episodic Cardiac Surgical Care”, *Annals of Surgery*, Vol. 246 Nov 4, October 2007, pp. 613-621

Analysis of Spending (Cost Control) of the Bundled Payment

- In the bundled payment approach multiple providers are reimbursed a single sum of money for all services related to the continuum (case rate) of care.
- Bundled payments intended to decrease spending by several mechanisms.
- Decrease number of unnecessary physician services during hospitalization.
- More judicious use of health care resources (generics) during the hospital stay.
- Reduction in post discharge costs.

The Policy of the Bundle

- If the costs of the continuum of care are less than the bundled payment amount, the providers can keep the difference.
- If the costs of care exceed the bundled payment, the providers bear the financial liability.
- Bundled payment systems can yield savings for payers if a discounted rate is negotiated at the outset or if payment amounts are adjusted downward to reflect the efficiencies achieved after the system is in place.

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The Politics of Health Care

THE SWEET

- The Teenager Provision
- The Adolescent Provision
- The Small Business Provision
- Closing the Doughnut Hole

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THE BITTER

- Major provisions would take effect in 2014; enforcement in doubt
 - Until 2014, insurance companies could continue to deny coverage or charge higher premiums based on medical histories.
 - Deferred until 2014 would be a federal mandate that everyone buy insurance subsidies to help people with lower incomes pay for it, and the creation of insurance exchanges for individuals and small businesses.

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THE BITTER

- The Accountable Care Law Pay For
 - Taxes on “Cadillac Insurance Policies”
- The Small Business Provision and Tax Credits

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The Politics of Health Care

WHO PAYS?

- The Hospitals \$160 Billion
- Pharma \$80 Billion
- The Insurance Industry \$60 Billion
- The Device Corporations \$20 Billion
- The Doctors \$1 - \$2 Billion

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The Politics of Health Care

The Doctor Fix

- The Balance Budget Amendment
- The Sustainable Growth Rate Formula
- Senatorial Leadership
- The Obama Solution

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The Doctor Fix

- Pending Legislation
 - The Democrats solution
 - Max Baucus and Sander Levin
 - The Republicans solution

Impact on Industry

- Taxes Taxes Taxes: Their consequence
- Impact on INNOVATION
- The Societal Benefit from INNOVATION

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The End!

Q&A

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