Health Reform: A Rationale for a Policy Change

Health Reform – Affordable Care Act Forum
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Mayville State University

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Three Key Objectives

• Factors leading to health reform – Why the need for reform?
• Where are we now? What has been implemented?
• What are the overarching themes in health reform?
What are the “drivers” for health reform – Why the need for reform?

• **Number of people uninsured**
  - Significant number of people without access and now a small decline
  - Relationship with income level
  - Most with insurance have it from employer but trend is downward

• **Costs of U.S. health system**
  - U.S. spends more than any other country
  - Growing part of economy
  - Currently, costs going up at much slower rate

• **Health status of the population**
  - Does not compare well with other countries

Where are we now? What has been implemented?

• **Affordability of prescription drugs for seniors**
  - Over 9,000 ND Medicare recipients saved $6 m
  - “Donut hole” gradually being filled – 50% discount on brand name – over 4,000 North Dakotans

• **Senior preventive services with no co-pay or deductible** – over 71,000 North Dakotans

• **Preventive services – private plans** – no co-pay or deductible

• **Young adults now covered under parents plan**
  - Up to age 26 can be on plan – 5,000 young adults in ND

• **Ending pre-existing conditions**
  - Children in September 2013 – about 34,000 ND children
  - Adults in January 2014 – about 240,000 ND adults
Where are we now? What has been implemented?

- **Removing lifetime limits on health benefits**
  - Impacts 253,000 North Dakotans

- **Medicaid Expansion**
  - Covers up to 133% of federal poverty level (1=$15,282; 4=$31,322)
  - About 20-30,000 North Dakotans

- **Small Business Tax credits**
  - 17,700 ND business could benefit

- **Accountable Care Organizations**
  - Over 400 operating nationally cover about 31 million Americans
  - 5 in North Dakota
    - 4 BCBSND called Total Cost of Care contracts
    - 1 Essentia Medicare Shared Savings ACO

What are the overarching themes in health reform?

- **Changing and restructuring our health delivery system** in effort to improve quality of care and to “bend the cost curve”
  - Improving health via emphasis on more individual responsibility, health promotion, disease prevention and better disease management, better coordination of care, improving health workforce supply, different payment structures and delivery.

- **Improving access to care**
  - Health Insurance Marketplace
  - Medicaid expansion
  - Tax credits for individuals and businesses
  - Individual responsibility to limit cost shifting
  - Increasing health workforce supply

- **Controlling and bending the cost curve**
  - Linking quality and outcome to reimbursement
Contact us for more information!

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