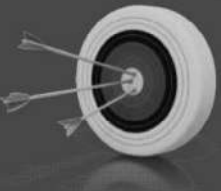


Triple Aim

- Better health outcomes
- Better patient experience
- Lower cost



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QUALITY & SAVINGS

Federal programs

- Accountable Care Organizations
- Patient Centered Medical Home
- Primary Care Raises
- Center for Medicaid & Medicare Innovation
 - ❑ Hospital value-based Purchasing Program
 - ❑ Bundled Payments
- Independent Payment Advisory Board
- Pay for Performance
- Independence at Home
- Patient-Centered Outcomes Research Institute (PCORI)
 - ❑ Comparative Effectiveness Research
- Medical Malpractice Reform
- Financial Disclosure Requirements
- National Strategy for Prevention & Wellness
- Nutritional Information Labeling Requirements

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QUALITY & SAVINGS

Specific goals

- Reduce federal budget by \$143 Billion over 10 years
- Reduce health care spending from 17% to 6% of GDP

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QUALITY & SAVINGS

Individual Mandate

INSURE UNINSURED

- Every U.S. citizen must have health insurance
- ✓ Penalty for those without insurance




2014	2015	2016
\$95 per adult	\$325 per adult	\$695 per adult
or	or	or
1% of family income	2% of family income	2.5% of family income

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Individual Mandate

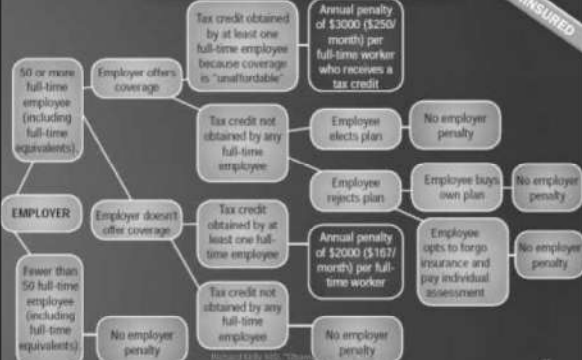
INSURE UNINSURED



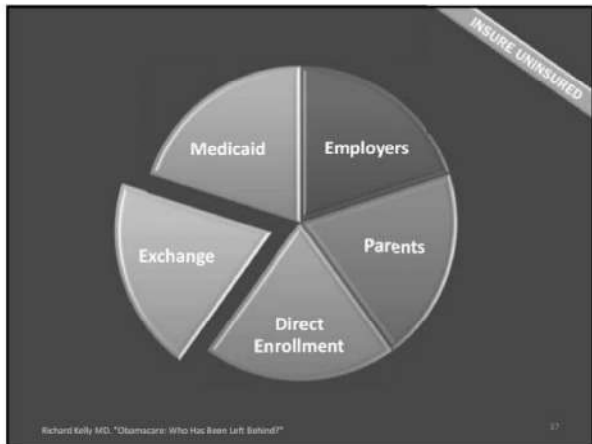
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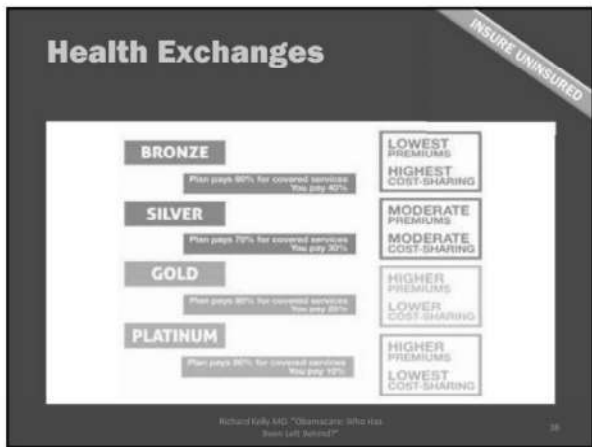
THE EMPLOYER MANDATE

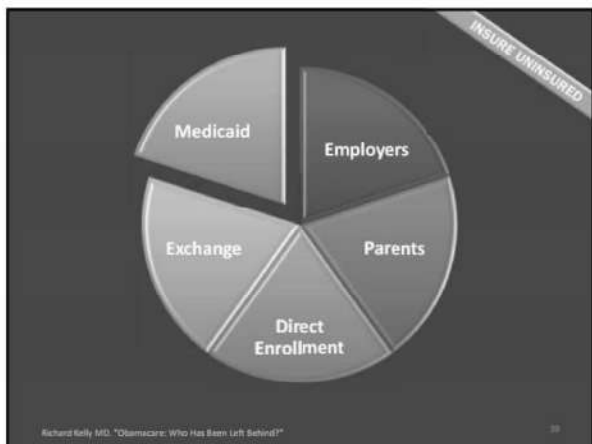
INSURE UNINSURED



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INSURE UNINSURED

State Medicaid expansion

- Expand health coverage to the poor
 - Intended to add 24 million beneficiaries to Medicaid
 - Through health insurance "exchanges"
 - Sliding scale premium subsidy or tax credit
 - Benchmarked against the second lowest cost health plan (Silver) in the Exchange

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INSURE UNINSURED

Individual Premium Limits Benchmark Silver Plan 2015

Monthly Income	Income as % of 2014 FPL	Premium Cap as % of Income	Monthly Premium *	Subsidy or Tax Credit
\$973	100%	0%	\$0	\$265
\$1,293	133%	2.01%	\$25.99	\$239.01
\$1,459	150%	4.02%	\$58.64	\$206.36
\$1,945	200%	6.34%	\$123.31	\$141.69
\$2,431	250%	8.10%	\$196.93	\$68.07
\$2,918	300%	9.56%	\$265.00	\$0
\$3,890	400%	9.56%	\$265.00	\$0
>\$3,890	>400%	No Cap	\$265	\$0

Notes: Under the ACA, individuals making up to 400% FPL may be eligible for subsidies in the form of premium tax credits. The amount of tax credit the enrollee receives varies with income such that the premium a person would have to pay for the second-lowest cost ("benchmark") silver plan would not exceed a specified percentage of their income. The 2014 table indicates the premium cap of an individual within different income brackets. Source: Kaiser Family Foundation, 8/20/14, KFF.org/aca

INSURE UNINSURED

Medicaid expansion

Medicaid Eligibility Prior to the ACA
Limited to Specific Low-Income Groups

Medicaid Eligibility in 2014
Extends to Adults ≤ 138% FPL

24 Million people

Pregnant Women

Elderly and Persons with Disabilities **Children** **Parents** **Adults**

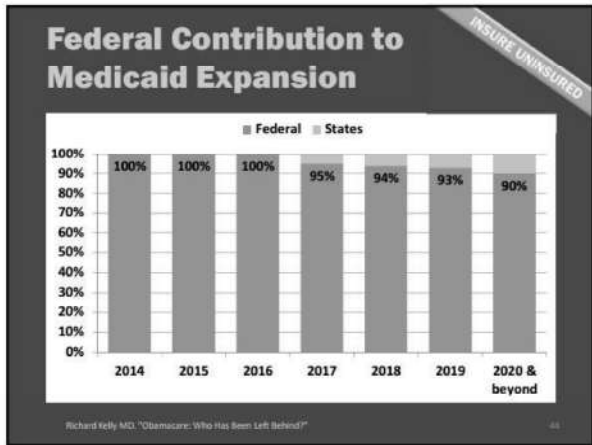
NOTE: The June 2012 Supreme Court decision in *National Federation of Independent Business v. Sebelius* maintained the Medicaid expansion, but limited the Secretary's authority to enforce it, effectively making the expansion optional for states. 138% FPL = \$16,424 for an individual and \$27,724 for a family of three in 2015.

Medicaid expansion

Federal Funds + **State Funds** → **Medicaid Expansion**

- Reduces Number of Uninsured
- Increases Provider Revenue
- Increases State Savings
 - ↓ Uncompensated Costs
 - ↓ State-funded health programs
- Increases State Economic Activity
 - ↑ Jobs and Revenues

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NFIB v. Sebelius
(June 28, 2012)

- Upheld constitutionality of the Individual Mandate: Maintain health insurance or pay IRS (it's a tax)
- Ruled Medicaid expansion constitutional as a VOLUNTARY option for States

SUPREME COURT OF THE UNITED STATES

Syllabus

NATIONAL FEDERATION OF INDEPENDENT BUSINESS ET AL., v. SEBELIUS, SECRETARY OF HEALTH AND HUMAN SERVICES, ET AL.

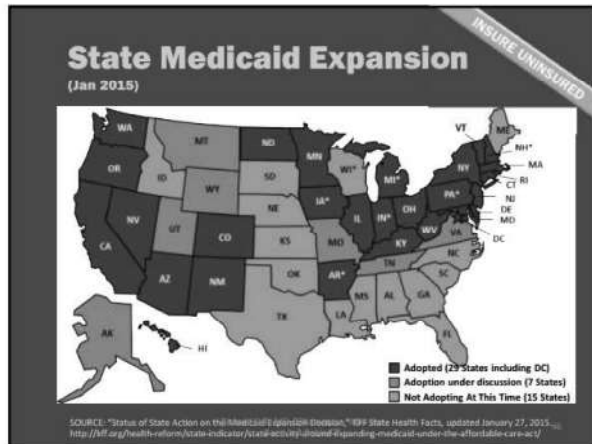
CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE ELEVENTH CIRCUIT.

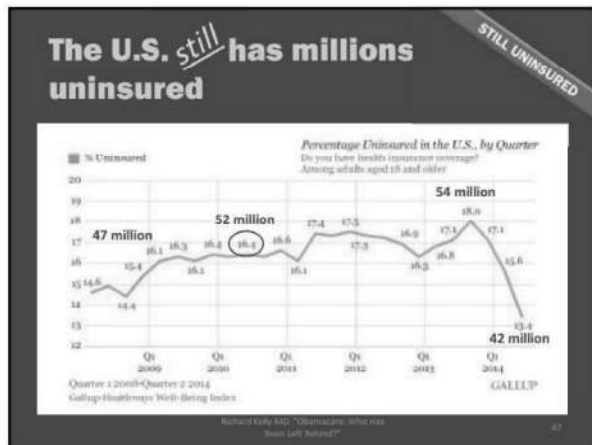
No. 11–301. Argued March 26, 27, 28, 2012—Decided June 28, 2012*

In 2010, Congress enacted the Patient Protection and Affordable Care Act in order to increase the number of Americans covered by health insurance and decrease the cost of health care. One key provision is the individual mandate, which requires most Americans to maintain “minimum essential” health insurance coverage. 26 U.S.C. §3605A. For individuals who are not exempt, and who do not receive health insurance through an employer or government program, the means of satisfying the requirement is to purchase insurance from a private company. Beginning in 2014, those who do not comply with the mandate must make a “financial responsibility payment” to the Federal Government. §3605A(b)(1). The Act provides that this “penalty” will be paid to the Internal Revenue Service with an individual’s taxes, and “shall be assessed and collected in the same manner” as tax penalties. §5000A(o), (g)(1).

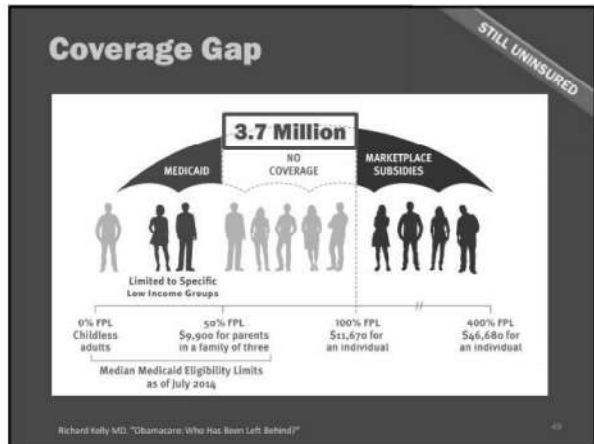
Another key provision of the Act is the Medicaid expansion. The current Medicaid program offers federal funding to States to assist pregnant women, children, needy families, the blind, the elderly, and the disabled in obtaining medical care. 42 U.S.C. §1396kk(a). The Affordable Care Act expands the scope of the Medicaid program and increases the number of individuals the States must cover. See, e.g.,

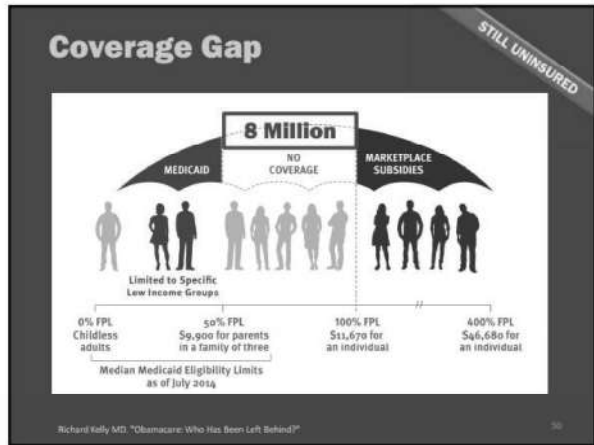
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- ### Who's been left behind?
- STILL UNINSURED**
- The "Coverage Gap"
 - The "Family Glitch"
 - Undocumented Immigrants
- Richard Kelly MD, "Obamacare: Who Has Been Left Behind?"







The "Family Glitch"

STILL UNINSURED

10.5 Million

A glitch in the ACA can leave some employees without affordable options to insure their family members.



health.org

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Undocumented immigrants

STILL UNINSURED

11 Million



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Undocumented immigrants

STILL UNINSURED

33 Million



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Forecast for the Future

- Expect some limited help for those who have been left behind but not for illegal immigrants
- Medicare and Medicaid will continue to have revenue problems
- States that have expanded Medicaid may face a similar revenue problem

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Forecast for the Future

- At some point in the future, the federal government will not have enough money to sustain the Medicare program
- Expect an even larger government role in health care delivery
- Significant provider cuts likely will be needed to reduce \$500 Billion from Medicare

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