



Healthcare Reform, An Overview of the Patient Protection & Affordable Care Act

Georgia Rural Health Association
Rural Health Center Workshop

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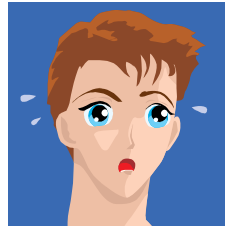
Presentation Outline

- I. References to RHCs in PPACA
- II. Overview of the Law
- III. The Positive Aspects
- IV. The Challenges



2,700 pages of new laws which will create, exponentially more new laws

Few Provisions in the Health Reform Bill that Directly Refer to RHCs



This does not mean that health reform will have no impact on RHCs.

Direct References to RHCs

SEC. 4202 EVALUATION OF COMMUNITY-BASED PREVENTION AND WELLNESS PROGRAMS...

Provides grants to state & local health depts. To fund public health interventions; requires health depts. To contract with RHCs where avail.

SEC. 4301 TRAINING IN FAMILY MEDICINE, GENERAL INTERNAL MEDICINE, GENERAL PEDIATRICS, AND PHYSICIAN ASSISTANTSHIP

Provides grants to hosp. & med schools to support training for primary care professionals; requires a relationship with an RHC where avail.

Direct References to RHCs

SEC. 5403 **Loan repayments to rural, primary health professionals through AHEC's administration;**
requires service collaboration with RHCs

SEC. 5508 **TEACHING HEALTH CENTER
DEVELOPMENT GRANT**

Provides grant funds to develop training programs in rural ambulatory care settings including RHCs.

SEC. 5601 **FQHC FUNDING PROVISION**

Clarifies that FQHCs can contract with RHCs for services subsidized by Fed. Grants.

Overview of the Bill

▶ Health **Insurance** Mandates

- Employers
 - Less than 50 employees = no mandate
 - Greater than 50 employees = mandate; *pay or play*
- Individuals
 - Pay \$95 ('14, to \$695 in '16) or buy individual insurance via *exchange*

▶ Healthcare **Reimbursement** Reforms

- Value NOT Volume ; the quality / cost index
- Provider Performance based on Relativity
- Provider Payment based on Lowest Cost Providers
- Gain-sharing

Overview of the Bill

- ▶ Healthcare **Delivery** Reforms
 - Continued focus on services outside of hosp.
 - Ex. FQHC funding \$3 billion to \$8 billion
 - Provider Integration
 - Bundled Payments – *airline ticket example*
 - Accountable Care Organizations
 - Evidence Based Medicine
 - Increased Provider Accountability = change in delivery from episodic to case management

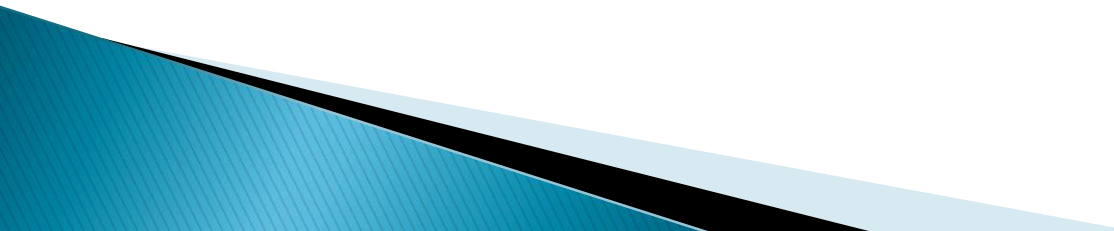
Overview of the Bill

How is it being paid for?

1. M'care/M'caid Cuts to Providers (in the form of rate cuts & subsidies for uninsured)
2. Increase Taxes
 - Investment Income Tax – Households > \$250,000
 - Tax on Insurance companies
 - Tax on medical equipment
 - Medicare Tax Raised from 2.9% to 3.8%

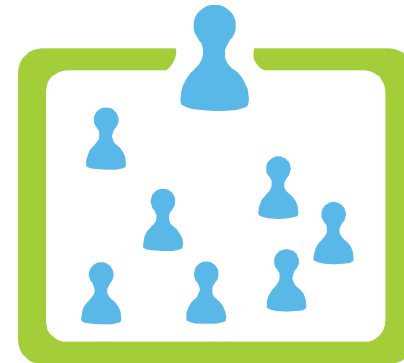
Overview of the Bill

How is it being paid for? (cont.)

3. Recoupment of Provider Payments
 4. Individual Contribution – Insurance Exchanges
 5. Employer Penalties
 6. Individual Penalties
 7. *States Figure Out the Rest*
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The Positive Aspects

- ▶ Reward system is more logical and aimed at efficiency and improved quality
- ▶ Expanded Medicare Benefits
- ▶ Expanded Resources for Primary Care
- ▶ Consolidation = standardization = efficiency/quality
- ▶ (More Insured Patients)



The Challenges – *for RHCs per se*

▶ Compliance

- Mandatory Compliance Programs imminent –*ref. SEC. 6401 PPACA*
- Fraud & Abuse Standards Lowered – removal of “*specific intent*” as the legal standard; *ref. SEC. 6401 PPACA*
- Recovery Audit Contractors – “open season” on M’caid Providers; *ref. SEC. 6411 PPACA*

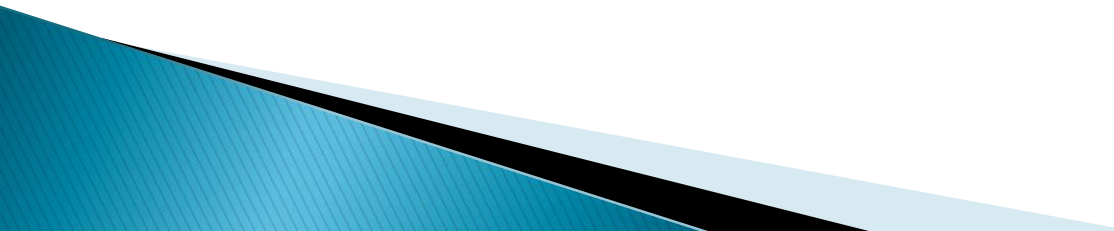
▶ Integrating w/ Other Providers

- Standards & clinical protocols
- Data & information sharing
- ACOs

Is this whole thing going to be repealed?

- ▶ Supreme Court likely to Rule on the Constitutionality of the Insurance Mandate Fall '12
- ▶ Divided Congress will not make wholesale changes until Jan. '13 (after the Nov. '12 elections)
- ▶ Republicans & Democrats Agree that *'something has got to give'*

One Way or the Other, Here is Where Health Care is Most Likely Going

- ▶ Market Consolidation / Integration
 - ▶ Emphasis on Value, not Volume
 - ▶ Transparency
 - ▶ Clinical Care Administration via Protocols
 - ▶ Data Sharing
 - ▶ Provider Accountability for Performance Relative to Low Cost, High Quality Providers (i.e. REDISTRIBUTION)
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“The best thing about the future is that it comes only one day at a time”.

– Abraham Lincoln



Questions ?

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