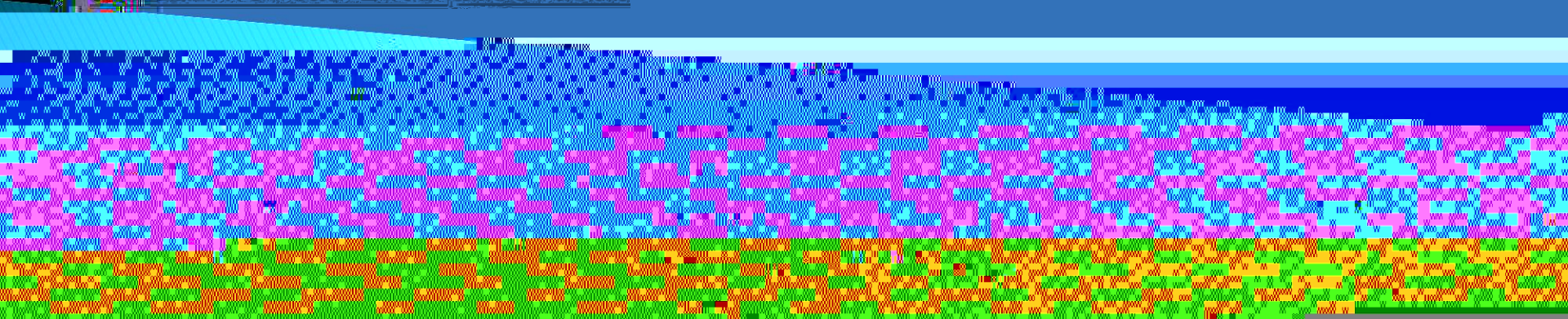


The ACA and health reform.

Joseph P. Antos, Ph.D.

Wilson H. Taylor Scholar in Health Care

Health Care Reform



Major issues

Medicaid expansion

Who gets covered?

What happens to uncompensated care?

What does it cost?

Can Florida make additional reforms?

Insurance exchange

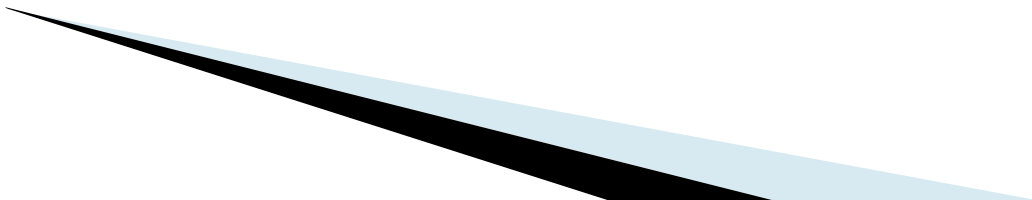
What can a state exchange do that the federal exchange cannot?

Who pays for it?

Is it too late to start?

November 30 and beyond







“Cheap” is not free

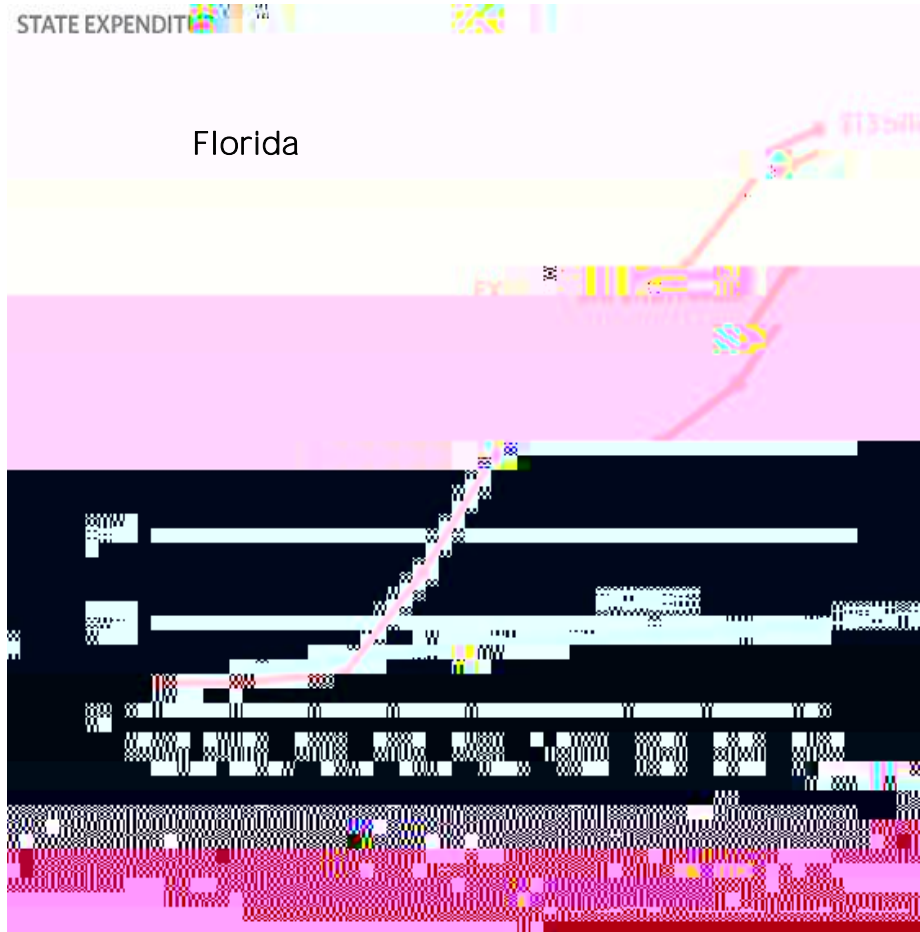
Lower federal payment for enrollees out of the
“woodwork”

The uninsured remain with us—and DSH is cut

Coverage appropriate care

A deal is not necessarily a deal

10-Year Spending - \$4.1 B



Promote a sense of ownership and responsibility,
not dependency

- Healthy Indiana, cash and counseling

- Wider use of cost-sharing, other financial incentives

Allow Medicaid to provide bridge financing for
those who are temporarily uninsured

- Protection against catastrophic expenses

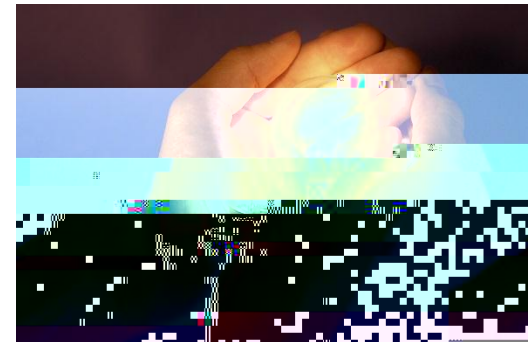
Promote main-stream coverage

- Premium assistance for employer-sponsored insurance

Promote state innovation

- Super waiver

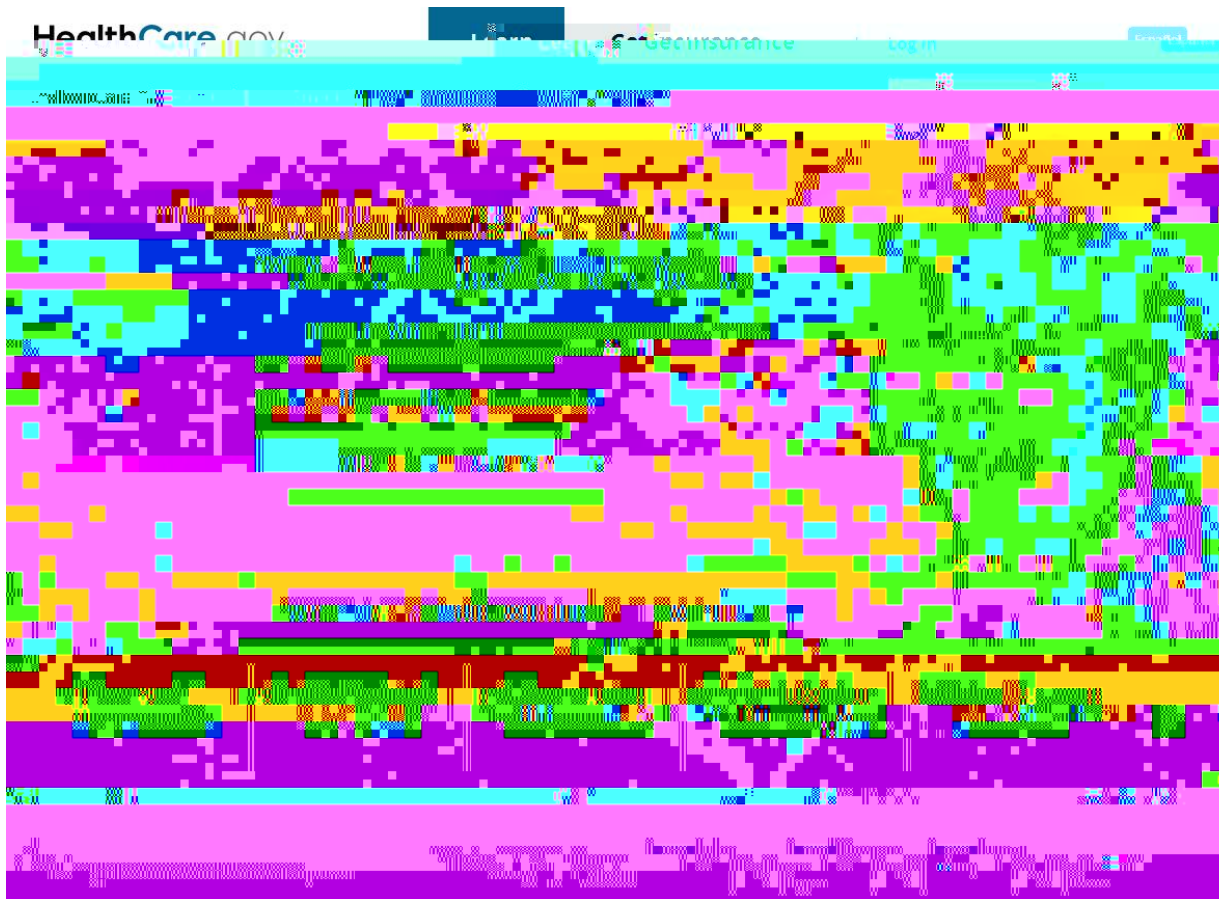
- Block grant



Organized market...

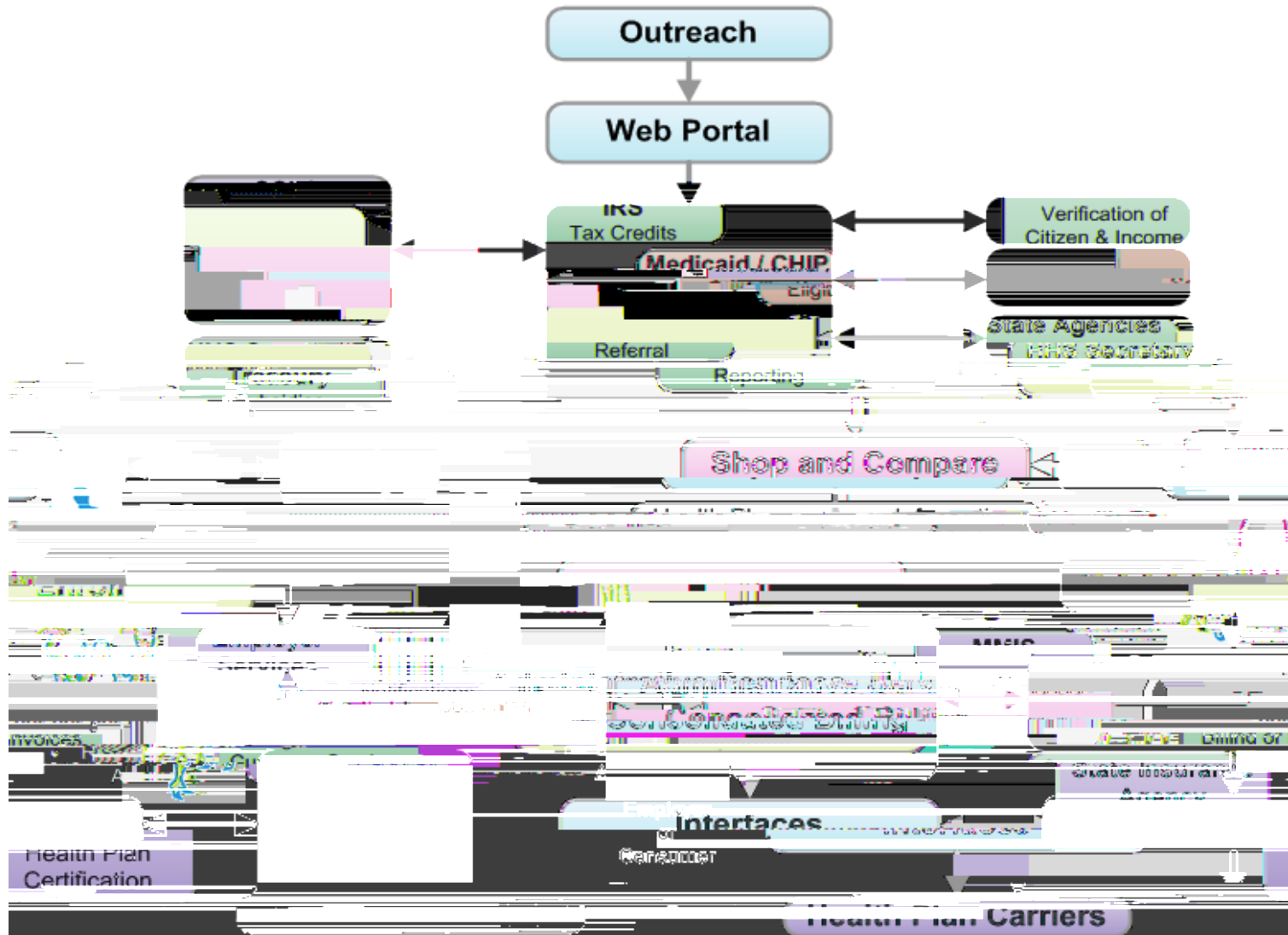


- Rates plans for both **group** and **individual** out-of-pocket costs
- Includes plan-by-plan customer satisfaction ratings of fee-for-service and HMO plans
- Rates plans for retirees with and without Medicare
- Rates plans for temporary and former employees, former spouses, age 22 children, and many DC employees
- Shows cost savings of more than \$2000



... or dysfunctional mess

A simplified diagram





Regulatory authority

Limited authority: select insurers, increase covered benefits

Money

\$1 M planning grant - 49 states (excludes Alaska) + DC

Florida returned the money

Exchange establishment grants - \$3.6 B to 35 states + DC

Applications due 10/15/14

Ongoing cost

Fed 3.5% premium surcharge; states similar

Competence

Could any state do worse?

State exchanges remain tied to federal systems

Can federal exchange distribute subsidies?

Plan B

November 30 deadline unachievable and irrelevant

2 huge problems

- Millions lost coverage, offered more expensive plans

- Millions had no coverage, Healthcare.gov prevents purchase

4 bad ideas

- Paper enrollment

- Extend existing plans 3 months or 1 year

- Require plans to offer early renewal

- Fully subsidize those forced into more expensive plans

Will 2.7 million healthy people sign up now?





The new norms

Informed choice of health plans

Wider acceptance of fixed subsidies, aka premium support

Shift away from Cadillac plans

Tighter networks, new incentives

Non-physician practitioners, telemedicine, retail outlets

Smarter prevention, not more of it

The old standbys

Employer coverage remains dominant

Medicaid reform depends on states, not feds

Medicare continues to struggle with the new reality

