



Health Care Reform 101

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*Disclaimer: Nothing to report
Statistics derived from published Federal data

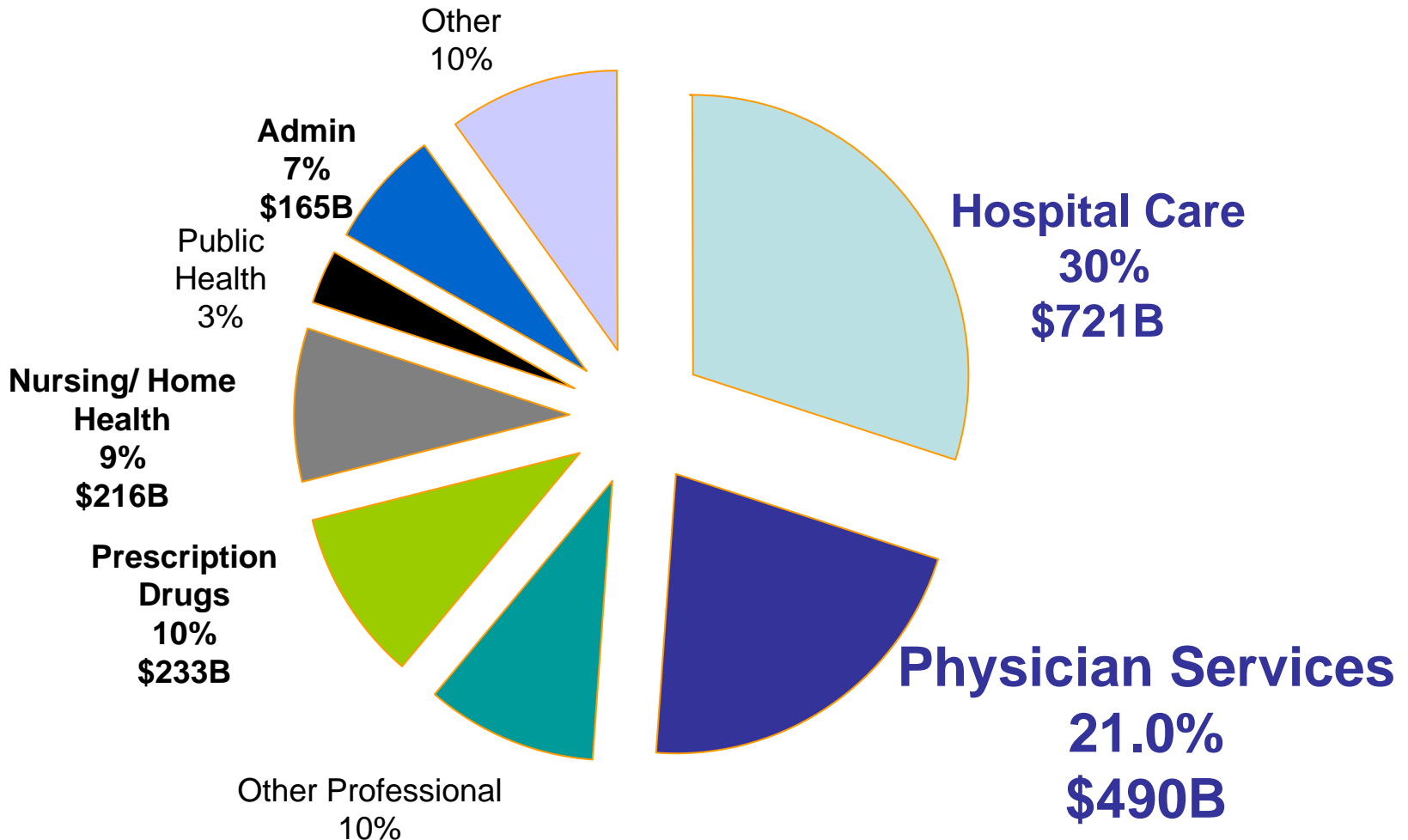
Sobering Statistics

- Health care consumes >16% of our GNP
- We spend 50% more per person on health care than the average developed country—more than for food or housing
- GM spends more on healthcare than steel:
 - \$1,525 per vehicle
 - \$1,400 more than Toyota/vehicle
- As many as 50 million Americans are uninsured

Sobering Statistics

- Annually >1 million people are bankrupted by health care costs
- On our current path by 2040, health care will consume 34% of the GNP and an estimated 72 million will be uninsured
- Even though we spend more we are not healthier. Only 3 developed countries have higher infant mortality rates and we rank 24th in life expectancy among developed countries

Relative Contributions of Different Types of Health Services to Total Growth in National Health Expenditures



The President's Principles for Health Reform

- **Assure universal, affordable, quality health coverage**
- **Maintain coverage when you change or lose your job**
- **End barriers to coverage for people with pre-existing medical conditions**
- **Protect families from bankruptcy or debt due to health care costs**
- **Guarantee choice of doctors and health plans**
- **Reduce long-term growth of health care costs for business and government**
- **Invest in prevention and wellness**
- **Improve patient safety and quality care**

Basic Truths

- Healthcare is a business
- Healthcare is political
- More coverage equals more costs
- To date-healthcare reform has just been about insurance reform
- Healthcare is personnel
- In the end, culture trumps everything

The Stakeholders



The White House



Congress



Health Care Associations:
AMA/AHA/Specialty Societies
AIP/NBGH/PHARMA

Business
Unions (AFSCME)
AARP

ETC

The Basic Issues

- **Covering the uninsured**
- **Paying for reform**
- **Improving quality**

Covering The Uninsured: Proposals

- Individual or employee mandate (play or pay)
- Expand government programs
- Public plan (single payer)
- Non-profit cooperatives or exchanges
- Tax credits



Paying For Reform

\$829B/10 years

- Limit tax exemptions (\$500B)
- More efficiency of Medicare/Medicaid (\$600B)
- Pharmacy paybacks (\$80B)
- Limit on tax deductions (\$325B)
- Penalty taxes
- Luxury taxes
 - “Cadillac”
 - VAT
 - Sugary/alcoholic beverages

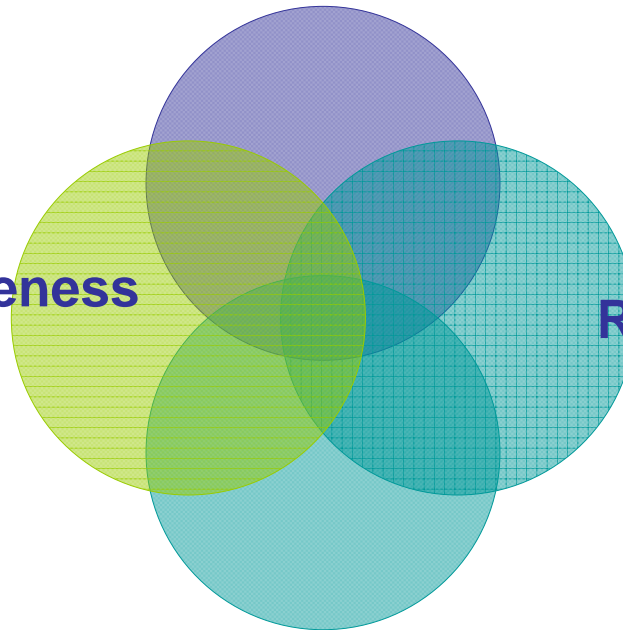
Improving Quality

Support for Primary Care

Comparative Effectiveness
Research

Reduction of Errors

Pay for Performance





THE WALL STREET JOURNAL

October 6, 2009

The War on Specialists

***ObamaCare punishes cardiology
and oncology to finance GPs.***

Newsroom Continued

- **Last Week**
 - **Senate Finance Committee approved budget**
- **This Week**
 - **Tuesday: Basic MC premium will increase by 15% to \$115.50/month**
 - **Wednesday: Senate blocker action on a bill to increase MC payments to doctors**
 - **Yesterday: “Public option may be added”**

What's Next?



For Congress:

- Merge all the different bills in the Senate
- Merge the House and Senate versions
- Bipartisan agreement

Best Guesses of What We'll Get

- **Mandatory coverage by some hybrid model that maintains choice**
 - Keep existing coverage
 - Keep existing providers
- **More consumer protection**
- **More government programs**
- **Several tiers of coverage**
- **Higher premiums for private insurance**
- **Higher taxes**
- **Gradual implementation**

Will it Work?

The Health Care Plan will be written by a committee whose head says he doesn't understand it

Passed by a Congress that hasn't read it and whose members will be exempt from it

Will it Work?

**Signed by a President who
smokes**

**Funded by a Treasury Chief who
did not pay his taxes**

Will it Work?

Overseen by a Surgeon
General who is obese

And financed by a country that
is broke.

*What could
possibly go wrong?*

Like baseball,

*“You can sum up all of health
care reform*

in one word: you never know.”

with poetic license to Yogi Berra