

## HFMA Analysis: Healthcare Reform Legislation March 2010

	Senate Bill (HR 3590)	Reconciliation Bill (HR 4872) Modifying Senate Bill
<b>Status</b>	Passed both House and Senate	Passed House
<b>Cost</b>	~ \$871 B	Increases cost by ~ \$70B, \$940B total
<b>Coverage</b>	+ 31 million	Increases coverage by ~ 1M, 32M total
<b>Key Provisions</b>		
<b>Cost Cutting</b>	<ul style="list-style-type: none"> <li>- Market basket update adjustments for productivity reduce reimbursement by \$103B over 10 years starting in 2010</li> <li>- Medicare and Medicaid DSH payments are reduced by \$44B over 10 years starting in 2015</li> </ul>	<ul style="list-style-type: none"> <li>- Increases productivity adjustments, reducing reimbursement by an additional \$9.9B over 10 years</li> <li>- Pulls Medicare and Medicaid DSH reductions forward to 2014, but reduces the amount over 10 years by \$3B and \$4.1B respectively</li> </ul>
<b>Delivery System Reforms</b>	<ul style="list-style-type: none"> <li>- Implements value-based purchasing, reduced payments for high volumes of HACs and readmissions, and pilot programs to test bundled payments, ACOs, and Medical Homes, saves \$13.5B over 10 years</li> </ul>	<ul style="list-style-type: none"> <li>- No significant change</li> </ul>
<b>Independent Payment Advisory Board</b>	<ul style="list-style-type: none"> <li>- Starting in 2015 creates a MedPAC like commission that has Medicare rate setting authority. Not applicable to hospitals until 2019, saves \$23.4B over ten years</li> </ul>	<ul style="list-style-type: none"> <li>- No significant change to the Commission, however estimated savings is reduced by \$14.7B due to changes in funding for Medicare Advantage plans</li> </ul>
<b>Medicaid</b>	<ul style="list-style-type: none"> <li>- Expands Medicaid to 133% FPL, covers 15M</li> </ul>	<ul style="list-style-type: none"> <li>- Expands Medicaid to 133% of FPL, uses a revised definition of income, covers 16M</li> </ul>
<b>Tax Exempt Status</b>	<ul style="list-style-type: none"> <li>- Includes four new criteria providers must satisfy to retain not-for-profit status</li> <li>- Conduct community needs assessment and execute against it</li> <li>- Develop, implement and communicate a charity care policy</li> <li>- Use aggressive collection efforts only after attempts to determine charity care status and other collection activities have been exhausted</li> <li>- Bill patients who qualify for assistance no more than amount billed to insured patients</li> </ul>	<ul style="list-style-type: none"> <li>- No significant change</li> </ul>
<b>Mandates</b>	<ul style="list-style-type: none"> <li>- Individual: Penalizes those w/o insurance the greater of \$750 per uninsured adult by 2016 or 2% of income capped at the national average "bronze" plan premium</li> <li>- Provides sliding scale subsidies up to 400% of the FPL</li> <li>- Business: Those with more than 50 FTEs are required to pay a flat fee of \$750 for any employee receiving eligibility subsidies</li> </ul>	<ul style="list-style-type: none"> <li>- Individual: Lowers the flat payment to \$695 in 2016 and increases the percent of income to 2.5%</li> <li>- Business: Increases the flat fee to \$2000 per uncovered FTE but allows the first 30 uncovered to be subtracted out</li> </ul>