Presentation Objectives

- Historical context of the Patient Protection and Affordable Care Act (ACA)
- Describe the rationale for the policy
- Describe the major components of the ACA
- Discuss the Supreme Court decision on ACA

History of Healthcare Reform

- Theodore Roosevelt (P) 1912
  - Campaign pledge
- Franklin D. Roosevelt (D) (1932-1945)
  - Social Security Act of 1935
- Harry S. Truman (D) (1945-1953)
  - First president to propose national health insurance
- Dwight D. Eisenhower (R) (1953-1961)
  - Federal Employees Health Benefits Program
  - Tax break for employer-sponsored insurance

History of Healthcare Reform

- John F. Kennedy (D) (1961-1963)
  - Medicare bill was defeated
- Lyndon B. Johnson (D) (1963-1969)
  - Social Security Act Amendments, 1965
  - Contributed to the debate
  - His Democratic rival, Ted Kennedy’s, cause

History of Healthcare Reform

  - Expanded Medicare
- Bill Clinton (D) (1993-2001)
  - Universal Health Care
- George W. Bush (R) (2001-2009)
  - Medicare Modernization Act of 2003
- Barack Obama (D) (2009-)
  - Patient Protection and Affordable Care Act, 2010

Problem: Uninsured

![Number of Uninsured Children and Nonelderly Adults, 2007-2009](chart.png)
Who are the Uninsured?

- Characteristics of the Nonelderly Uninsured, 2016
- Total = 27.5 Million Nonelderly Uninsured

Impact of No Insurance

- Barriers to Health Care Among Nonelderly Adults, by Insurance Status, 2009
- Percent of adults ages 18-64 reporting:
  - No Local Source of Care: 59%
  - Inadequate/Sick Care Due to Cost: 37%
  - Worry About Health Care Cost: 28%

Adverse Selection

- The sick buy health insurance
- Healthy don’t buy insurance
- These lead to increasing health insurance costs
- Costs spiral out of control

Political Circumstance

- Democratic majority
- Strong support from liberal special interests
- Benefits in the short-term (phase 1); sacrifices in the long-term (phase 2)
- Passed without a single Republican vote

Yes, Mr. Biden, it’s a big deal.

Major Components of ACA

- Consumer protections
- Lowering costs of care and health insurance
- Improving quality
- Increasing access to care
### Consumer Protections
- Prohibits pre-existing condition exclusions
- Prohibits insurance companies from dropping coverage
- Eliminates lifetime limits
- State insurance regulations to prevent unreasonably high insurance rate hikes
- Minimum spent on medical care – medical loss ratio

### Lowering Costs of Health Insurance
- Health insurance exchanges (marketplaces)
  - Began in 2014
  - State-run and federally-run
- Individual mandate (subsidies)
- Employer mandate (tax credits)
- Standardized benefit levels


### Lowering Cost of Care
- Center for Medicare and Medicaid Innovation
- Accountable Care Organizations
  - Medicare program that encourages cooperation among providers and hospitals
  - Incentives to constrain cost growth and improve quality, called “Shared Savings Program”
- Independent Payment Advisory Board

### Obama’s Death Panels
“...my baby with Down Syndrome will have to stand in front of Obama’s ‘death panel’ so his bureaucrats can decide, based on a subjective judgment of their ‘level of productivity in society,’ whether they are worthy of health care. Such a system is downright evil.”

- Sarah Palin on Friday, August 7, 2009 at 4:26pm

### Lowering Costs of Care
- Gradually close the Medicare ‘donut hole’

### Improving Quality
- Preventive care provisions
- Prevention and Public Health Fund
- Strengthen the primary care workforce
- STARS Medicare Advantage P4P
- Comparative Effectiveness Research
**Increasing Access to Care**

- Extension of dependent coverage to adult children up to 26 years old
- Medicaid expansion
  - Medicaid eligibility expanded to all adults with income below 133% FPL (~$33,500 for a family of four)

**Medicaid Expansion**

- Status of State Medicaid Expansion Decisions

- [Link](https://www.kff.org/health-reform/slides/current-status-of-the-medicaid-expansion-decision/)

**Supreme Court Challenges**

- Individual mandate
  - Yes, it’s constitutional
  - Tax – not a penalty
- Medicaid expansion
  - No, it’s not constitutional
  - Federal government exerted too much power

**How ACA is Funded**

- [Diagram](https://www.kff.org/health-reform/images/federal-financing-of-the-health-care-reform-act/)

**Impact of ACA: More Insured**

- [Chart](https://www.kff.org/uninsured/chart/changes-in-uninsured-rate-since-aca-passage/)

**Impact of ACA: More Adults, More Rural**

- Kaiser literature review on the effects of ACA Medicaid expansion: [Click here.](https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-findings-from-a-literature-review/)

**Impact of ACA: More Adults, More Rural**

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Impact of ACA: Enabling Early Interventions

- Study of Kentucky Medicaid found a significantly greater increases in early-stage breast cancer diagnosis rates, despite stable disease incidence
- Increase in the probability of early uncomplicated presentation for patients getting one of five common surgeries


Impact of ACA: More Preventive Care

- Increase in number of people with “usual source of care” (41%)
- Reduction in out-of-pocket spending ($331/yr. on average)
- Increases in preventive healthcare visits
- Among adults with chronic conditions:
  - More regular care
  - Better self-reported health


Summary of ACA

- Expanding access to health insurance
- Making coverage more affordable
- Improving comprehensiveness of coverage
- Improving coordination of care
- Controlling the growth in costs