US Health Reform and Puerto Rico: Challenges and Opportunities Ahead

Dr. John E McDonough, DrPH, MPA
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Bottom Lines for you

Understanding the Affordable Care Act – key components

How ACA implementation looks on the Mainland

How has Puerto Rico been helped since the ACA’s passage in 2010

Puerto Rico health care pre-ACA

Key health status indicators

Challenges and Opportunities ahead
Bottom Lines for You

• Affordable Care Act is an historic opportunity to address unmet health care needs of Puerto Ricans and to improve your health care system
• Not just insurance coverage – improving the quality and effectiveness of medical care, expanding your workforce, addressing prevention, and much more
• Puerto Rico has major consequential decisions ahead of you – big deadline is October, 2013
• In the mainland, business has a seat at the table and plays an important role
• For you to do so will require your time and effort
Understanding the Affordable Care Act

March 23, 2010
Understanding the ACA – Key Elements: I

• The ACA has ten Titles – First five are most important
• **Title I: Expanding Private Insurance Coverage**
  – Insurance Market Reforms – Guaranteed Issue *(yes in PR)*
  – Individual and Employer Mandates *(not in PR)*
  – Premium & cost sharing subsidies *(maybe in PR)*
  – Health Insurance Exchange/Marketplace *(maybe in PR)*
• **Title II: Expanding and Improving Medicaid**
  – Medicaid for all low-income Americans
  – 90-100% federal financing *(55% in PR – but no cap for newly eligibles)*
  – 90% federal financing for system improvements (no cap)
• *Puerto Rico much choose between Title I or Title II*
Title III: Improving the Quality and Efficiency of Care
- National Quality Strategy, Accountable Care Organizations, Medical Homes, Bundled Payment, Value Based Insurance, Penalties for Hospitals with High Readmissions/Infections; closing Medicare prescription drug “donut hole”

Title IV: Public Health, Prevention, and Wellness
- National Prevention Council and Strategy, Community Transformation Grants, Calorie Labeling on chain restaurant menus; Coverage of preventive services

Title V: Improving the Health Care Workforce
- National Workforce Commission; Primary care workforce; Community Health Centers and National Health Service Corps funding
National Quality and Prevention Strategies
ACA Implementation on the Mainland

• ACA has now survived three “near-death” experiences
  – 2010 election of Scott Brown in Massachusetts; 2012 U.S. Supreme Court decision; 2012 U.S. federal elections
• ACA remains an intensely partisan and divisive issue
• Major elements of reform well underway since 2010
  – Insurance market reforms, delivery system reforms, prevention and public health improvements
• No foreseeable roadblocks to major reforms on 1/1/14 – Medicaid and private insurance reforms
• Many ways for Congressional opponents to impede, though implementation of essential parts seems clear
How Has ACA Helped Puerto Rico?

- Huge increases in Medicaid through 2019 – from $3.1B to $9.4B; from $300M to $1B annually
- In addition, $925M ($154M per year ‘14 – ’19) to create your own Insurance Exchange or improve Medicaid
- These are the largest funding increases ever for Puerto Rico
- Also, 45,000 Medicare enrollees saved $138.9M on drugs
- Free preventive services helped 58,993 Medicare enrollees
- $3.2M in grants from Prevention & Public Health Fund
- Community Health Centers grants of $72.8M
- National Health Service Corps – 1 in ‘08; 17 in ’12
- $1.1M for school based health centers;
- $2.5M for Maternal, Infant, Early Childhood Home Visiting
Puerto Rico’s Health System Needs Help

• Current uninsured estimate at 8%, 295,357 persons
• Current underinsured estimate at 15%, 515,538
• Big need for quality improvement – higher mortality and readmissions for hospital care than in the states
• Long wait times for services; no consistent focus on prevention; pressures on primary care
• Health workforce/physician drain and demoralization – severe shortages; insufficient medical education
• Serious shortages of long-term care services & supports; little home care infrastructure
Some Key Health Status Indicators in Puerto Rico Are Good … Others Not

• **GOOD:**
  • Puerto Rican life expectancy is better than in US: 78.5 versus 78.1; 29th versus 33rd in WHO ranking
    – This, despite much lower per capita health spending: $3324 vs. $8,223
  • Major drop in heart disease as leading cause of death between 2000 and 2010
  • 1st in prostate cancer screening/low tobacco use
• **NOT SO GOOD:**
  • 50% of population has some form of chronic disease: especially diabetes, asthma, cancer, HIV
  • Worst in flu shots and colon cancer screening
Looking Ahead

• Educate yourselves and be part of the action
  – In many ways, you are shortchanged:
    – In Medicare, Puerto Rico is only jurisdiction that does not receive 100% of national payment rates (75/25%)
      • Financial loss in 2008 was $24.2M or 7.1%
      • Only jurisdiction without automatic enrollment in Medicare Part B (Pedro Pierluisi – Resident Commissioner)
    – Puerto Rican hospitals excluded from HITECH hospital bonus payments
    – As part of the ACA, may want to consider your own individual and/or employer responsibility provisions
      – Malpractice and Quality Improvement/Triple Aim
      – Many opportunities for improvement

• Most important, Puerto Rico needs to decide soon whether to pursue Medicaid expansion or your own Insurance Exchange as the catalyst for change.
The Agenda Beyond Access*

• Governance Reform
• Workforce Development
• Health Information Technology
• Long Term Care Services and Support
• System Integration and Structural Reform
• Focus on Prevention and Population Wellness

• Planning for Health Care Improvement for the People of Puerto Rico – 2008