

Obama's Healthcare Proposal May Face Challenges

The Obama White House and Democratic-majority Congress are expected to address healthcare issues immediately after the Inauguration, including significant elements of the healthcare reform package introduced during the campaign. Revamping the U.S. healthcare system has been a cornerstone of Obama's presidential campaign, but now, in the midst of a nationwide financial crisis, making significant changes may prove extremely difficult. Further, although the re-election of Saxby Chambliss (R-GA) to the U.S. Senate does not mean that President-Elect Obama will find getting a healthcare reform package through Congress to be impossible, it does mean that the Republicans in the Senate will be able to filibuster on issues and block certain bills from getting to a vote.

The Obama-Biden healthcare plan proposes to improve efficiency and lower costs in the healthcare system by: (1) adopting state-of-the-art health information technology systems; (2) ensuring that patients receive, and providers deliver, the best possible care, including disease prevention and chronic disease management services; (3) reforming the market structure to increase



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competition; and (4) offering federal reinsurance to employers to help ensure that unexpected or catastrophic illnesses do not make health insurance unaffordable or out of reach for businesses and their employees.

Invest in Electronic Health Information Technology Systems.

Obama's proposal is to invest \$10 billion a year over the next five years to move the U.S. healthcare system to a broad adoption of standards-based electronic health information systems, including electronic health records. As a part of this, he proposes requirements for full implementation of health IT and necessary federal resources to make this happen.

Improve Access to Prevention and Proven Disease Management Programs.

The Obama-Biden plan will ensure that providers who see patients enrolled in the new public plan, Medicare or the Federal Employee Health Benefits Program (FEHBP), will be rewarded for achieving performance thresholds on physician-validated outcome measures.

Coordinate and Integrate Care.

Providers will be encouraged to put in place care management programs and encourage team care through the implementation of medical home type models that will improve coordination and integration of care for those with chronic conditions.

Require full transparency regarding quality and costs.

Hospitals and providers will be required to collect and publicly report measures of healthcare costs and quality, including data on preventable medical errors, nurse staffing ratios, hospital-acquired infections, and disparities in care and costs.

Ensure Providers Deliver Quality Care.

Providers will be required to report preventable medical errors, as well as, support hospital and physician quality improvement to prevent future errors.

Comparative Effectiveness Reviews and Research.

The Obama-Biden plan calls for an independent institute to guide reviews and research on comparative effectiveness so that Americans will have accurate and objective information regarding decisions for their health and well-being.

Tackle Disparities in Healthcare.

Medical systems will be challenged to eliminate inequities in healthcare by requiring hospitals and health plans to collect, analyze and report healthcare quality for disparity populations and held accountable for any differences found; diversifying the workforce to ensure culturally effective care; implementing and funding evidence-based interventions, such as patient navigator programs; and supporting and expanding the capacity of safety-net institutions.

Reform Medical Malpractice While Preserving Patient Rights.

Antitrust laws will be strengthened to prevent insurers from overcharging physicians for their malpractice insurance.

Lower Costs by Taking on Anticompetitive Actions in the Drug and Insurance Companies.

The Obama-Biden plan proposes to tackle waste and spiraling costs by increasing competition in the insurance and drug markets. In markets where the insurance business is not competitive, their plan will force insurers to pay out a reasonable share of their premiums for patient care.

Prevent Private Insurance Waste and Abuse in Medicare.

Excessive subsidies to Medicare Advantage plans would be eliminated, and those plans would be paid the same amount it would cost to treat the same patients under regular Medicare.

Prescription Drug Reform.

Americans would be allowed to buy their medicines from other developed countries if the drugs are safe and prices are lower outside the U.S. In addition, the ban on direct negotiation with drug companies would be repealed, and the resulting savings would be used to further invest in improving healthcare coverage and quality.

Reduce Costs of Catastrophic Illnesses for Employers and Their Employees.

Employer health plans would be reimbursed for a portion of the catastrophic costs they incur above a threshold if they guarantee such savings are used to reduce the cost of workers' premiums.

Require Coverage of Children.

The Obama-Biden plan would allow young people up to age 25 to continue coverage through their parents' plans.

The first one hundred days of the Obama Administration should give hospital administrators a much better indication of which of these proposals make the transition from campaign promise to legislative proposal.

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