



# **Patient Protection and Affordability Care Act**

*What you will be  
afraid to know*

**Nicholas Pandelidis, MD**

**Docs4**  
PATIENT CARE

# Unfunded Liabilities Triple

- 13% of Federal tax revenues now spent to cover the Medicare and Social Security shortfalls
- That percentage is projected to grow to 27% by 2020 and 49% by 2030.



# Health Care Becomes Insolvent

## Medicare

- \$38 Trillion unfunded liability currently
- Will become insolvent in 2024

## Medicaid

- \$400.7 Billion in 2010
- Among top 3 state budget items



# Why is health care so expensive?

1. 3<sup>rd</sup> party payer system
2. Federal tax policy mandates
3. Unwise insurance regulation
4. Medical malpractice costs



# 3<sup>rd</sup> Party Payer System

- Disconnects consumers from providers costs
- Effectively creates unlimited demand for health care services



# 3rd Party Payer System

- Engenders little consumer demand for transparency or accountability regarding cost, quality, or appropriateness of service

# Unwise Insurance Regulation

- State legislated coverage mandates directly drive up costs
- Restriction of interstate sales, group association, etc. increase cost and decrease service



# Federal Tax Policy

- Employer provided health insurance – fully tax free benefit
- Not so for individually purchased
- Discourages individual ownership of policies



# Medical Malpractice Costs

A blue stethoscope is positioned in the top right corner of the slide, partially overlapping the dark blue header and the white content area.

## **CBO Study (2009) estimated:**

- Direct medical malpractice expense - “only” \$35 billion annually
- Cost of “defensive medicine – between \$190 to \$239 billion
- Package of tort reform including cap on non-economic damages would decrease Federal HC outlay by \$54 billion over 10 years

# ObamaCare – Health Care Reform?

- Increases public and private health care costs
- Expands 3<sup>rd</sup> party payer system
- More mandates, more regulation
- No change in Federal tax treatment of health-care benefit
- No provision for substantive tort reform





# PPACA – What is it?

- Largest expansion of federal bureaucracy in US history
- 3256 pages of regulations and taxes
- 159 new federal commissions, boards, agencies, panels and committees
- “Incalculable” number of new federal employees
- Over 4000 new health care regulations



# PPACA – What we have been told

- \$1 trillion cost over 10 years assumes:
  - 10 yrs of new taxes and 6 yrs of new benefit
  - 16 million more persons in Medicaid
  - 19 million persons into new health care insurance exchanges



# PPACA – What we have been told

- Paid for by:

- \$500 billion in new taxes



- \$575 billion “savings” e.g. cuts from Medicare
  - \$575 billion “savings” e.g. cuts from Medicare

# PPACA – Reality

- Fully implemented 10 year cost with 1 year of taxes for 1 year of program – \$2.3 trillion.
- Enrollment is expected to increase by 26 million more persons by the end of decade
- As many as 90 million persons may enter the health insurance exchanges

# PPACA – Reality

- PPACA creates a new unfunded federal entitlement program that will cost \$ trillions



# PPACA – Government takeover of Health Care



- Federal Government will determine “essential” health-care benefits
- Doctors and hospitals: 100’s of new reporting rules to meet the government’s definition of “quality care.”
- Legislation creates over 150 boards and programs that will control virtually every aspect of the health care
- Creates the infrastructure for public plans by requiring a federal agency to sponsor at least two national health plans

# PPACA – Government takeover of Health Care

- Starting in 2015, a “qualified health plan” is allowed to contract with medical providers “only if such provider implements such mechanisms to improve health care quality as the Secretary may by regulation require.”

# PPACA – Government takeover of Health Care



## Independent Payment Advisory Board

- Fifteen members appointed by the President
- Job is to enforce a limit on how much the government spends on Medicare each year
- Can do so only by recommending providers get paid less or reduce payment for specific items or services.



# RomneyCare in Massachusetts

- Implemented in 2006
- Template for ObamaCare
- A glimpse into the future



# RomneyCare – The Fallout

- Highest health insurance premiums in the country
- Longer wait times for specialists
  - Boston has the longest wait times in the USA
    - OBGYN: was 45 days, now 70
    - Orthopaedics: was 24 days, now 40
  - Increasing use of emergency rooms due to fewer primary care providers
- Program costs have exploded
  - \$133 million in 2007 to \$880 million in 2010

# RomneyCare – The Fallout

*“Instituting the Massachusetts health insurance reform nationwide will threaten to wipe out the American economy within four years. Our experiment has nearly bankrupted Massachusetts. Only federal aid is sustaining our law. We’re being propped up so that [President] Obama can drive a similar plan through Congress.”*

Democrat Timothy Cahill,  
Massachusetts State Treasurer

# “Physician” Endorsed?

## AMA endorsed PPACA

- At the time only 17% of physicians were members.
  - Membership has since fallen to 11% of all docs
- AMA has a blatant **conflict of interest** – exclusive publishing rights for billing code books
  - Code books generate \$111M
  - member dues/fees only \$20M
- AMA “sold us out” by endorsing ObamaCare

# Docs 4 Patient Care



**Docs4**  
PATIENT CARE

By Doctors...  
...For Patients

501(c)6 physician  
Membership  
organization

**Docs4**  
PATIENT CARE  

---

ALLIANCE

A 527 political advocacy  
group of non-physicians  
health care professionals  
and others

**Docs4**  
PATIENTS PAC  

---

POLITICAL  
ACTION  
COMMITTEE 

Doctors For Patients  
Political Action  
Committee

**Docs4**  
PATIENT CARE

# Docs 4 Patient Care

- Founded by Dr. Hal Scherz, a pediatric urologist from Atlanta and 40 other physicians in May 2009
- Short term: Repealing PPACA and replacing with sustainable market based reforms
- Long term: The “physician’s voice” that truly represent physicians, patients, and American health care



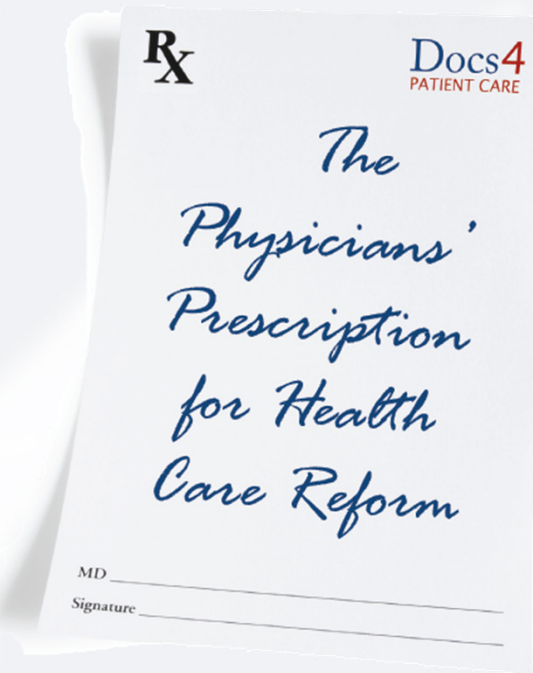
# Docs 4 Patient Care

- Committed to preserving the sanctity of the doctor patient relationship
- Supports patient-centered health care reform that preserve the autonomy of patients and physicians in all health care decision making
- Believes that doctors and patients are capable of making the most informed, personal and accurate decisions – not the federal or state government or other third parties



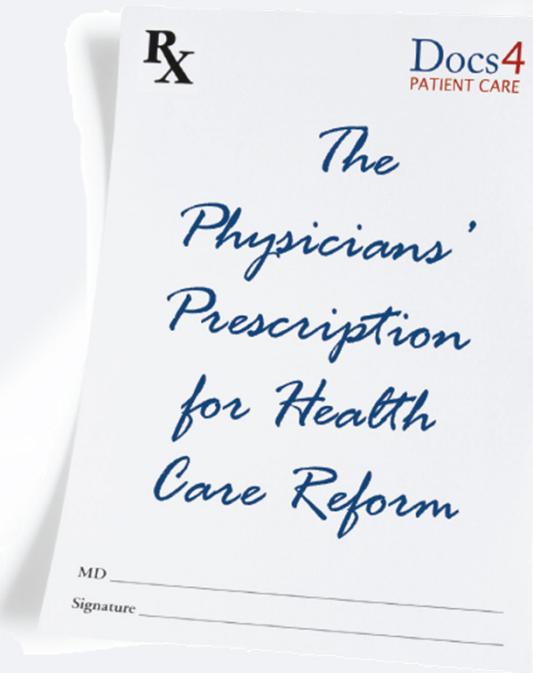
# Components for True Reform

1. Increase competition by allowing individuals to purchase health insurance across state lines.'
2. Give the same tax breaks to individuals as employers currently get
3. Encourage the Health Savings Account qualified High Deductible Health Plan (HSA qualified HDHP)
4. Promote transparency in medical costs



# Components for True Reform

5. Medical liability/Tort reform
6. Transform Medicare into a defined contribution program
7. Restructure Medicaid to assist low-income families to purchase health insurance.
8. Encourage high-risk pooling for individuals with pre-existing conditions



# What Now?

Patients can make the difference!

- Join Docs 4 Patient Care
- Help Recruit Others
- Tell your doctor about Doc4pc and encourage them to join

*[www.Docs4PatientCare.org](http://www.Docs4PatientCare.org)*

*We need to work together to get health insurance reform right.*



# What Now?

Physicians can make the difference!

- Join Docs 4 Patient Care
- Help Recruit Others
- Educate your patients and encourage them to join

*[www.Docs4PatientCare.org](http://www.Docs4PatientCare.org)*

*We need to work together to get health insurance reform right.*

