



Tomorrow's Doctors, Tomorrow's Cures

Updates & Reflections

GFP Symposium October 4, 2008

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Learn

Serve

Lead



Association of
American Medical Colleges

*Select Legislative, Regulatory and
Policy Updates*

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- President's Budget – Medicare

Select Legislative, Regulatory and Policy Updates

- **President's Budget – Medicare**
 - Inpatient and Outpatient Hospital Updates
 - 0% 2009-2011
 - .65% reduction thereafter
 - Medicare DSH Payments
 - 30% reduction over 2 years
 - Medicare Bad Debt Reimbursement
 - Phase out over 4 years (\$8.46B/5years)
 - Hospital Capital Payments
 - 5% reduction in 2009 (\$3b/5 years)
 - Never Events
 - Value Based Purchasing (\$1.65/5 years)
 - Physician Fees (No provision)
 - Medicare Advantage (No cuts)
 - IME
 - Cut double payments by cutting hospitals and not MA
 - reduce add-on from 5.5 to 2.2
 - Capital IME

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- President's Budget – Medicare
- President's Budget – Medicaid
 - IGT, GME +

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President's FY 2009 Budget: SCHIP

Assumes nearly \$20 billion in new spending on the State Children's Health Insurance Program (SCHIP).

- Reauthorizes SCHIP through FY 2013
 - Limits eligibility to children at or below 200 percent of the federal poverty level, as the program “originally intended”
 - Costs \$19.7 billion/5 years
 - Clarifies what counts as “income” when determining eligibility
- Establishes outreach grants to support enrollment initiatives
 - FY 2009: \$50 million
 - In each of FYs 2010 – 2013: \$100 million

President's FY 2009 Budget: Healthcare Reform Proposal

- Eliminate the tax exclusion for employer-sponsored insurance and implement a standard health insurance tax deduction (\$7,500 for individuals; \$15,000 for families)
- Restructure the health insurance market (eg, association health plans)
- Redirect “a portion” of certain provider “subsidies and payments” for uncompensated care (eg, DSH payments) to state-based coverage initiatives
- State High-Risk Pools
 - Assumes a \$75 million increase in both FY 2009 and FY 2010
- Medical liability reform

FY 2009 AAMC Priorities – HHS

	FY 2008 Comp.	07-08 Δ	FY 2009 Pres. Budget	08-09 Δ
NIH *	\$29.23 B	1.1%	\$29.23 B	0%
Title VII	\$194.0 M	5.0%	\$0	- 100%
Title VIII	\$156.0 M	4.0%	\$110.0 M	- 30%
AHRQ	\$335.0 M	5.0%	\$326.0 M	- 2.7%
Children's GME	\$302 M	1.7%	\$0	- 100%
NHSC	\$124.0 M	- 1.7%	\$121.0 M	- 2.4%
CDC	\$6.376 B	1.8%	\$5.691 B	- 10.7%

* NIH totals include funds to be transferred to Global AIDS Fund.

**The President's Medicare
proposals are dead on arrival,
but . . .**

AAMC Legislative Agenda Also Includes:

- Closed Hospital GME slots
- Didactic and research time spent by residents
- Voluntary supervision of residents in non-hospital settings
- Medicare GME slots (Caps)

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- “Stand in the shoes” provision in the Stark regulation

The Election

Health Care Reform

The Upcoming Health Care Reform Debate

The Realistic Prospects

**How can the academic clinical enterprise
position itself for health care reform:**

**Questions institutions should ask
themselves**

Positioning Questions

- Do you have mission alignment?
- Can the academic clinical enterprise function effectively as a unified organization?
- What are you clinically?
- Are you really the best?
- How will you position yourself economically?

What are some key factors to monitor?

- Can the ideological divide be resolved?
- Viability of Medicare and Medicaid: may be the primary driver of change
- Status of overall economy/the war
- Where is science and technology going? Do you know what your faculty are doing? Do these activities portend big change in delivery?
- Does your polling say that you are viewed as leaders for change? Are you?
- Are we educating future physicians to lead change in quality, resource use, consumer self determination, etc.?

Some Reflections

