

Impact of Healthcare Reform on Pediatric Gastroenterology: The National Perspective

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Disclosure

- In the past 12 months, I have had no relevant financial relationships with the manufacturer(s) of any commercial product(s) and/or provider(s) of commercial services discussed in this CME activity.

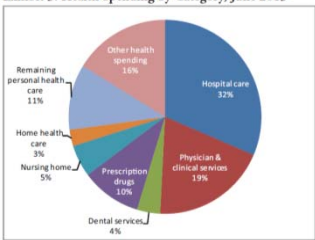


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The Rate of Health Cost Growth has Slowed


- The health spending share of GDP was 17.5% in June. Prior to recent "benchmark" revisions to the underlying government data, the Altarum Institute had been reporting this share at roughly 18%.
- Growing consensus that while much of decrease in the rate of increase is due to the "Great Recession," structural changes in the health sector are also driving the slow down in cost growth.
- These structural changes have huge implications for US debt in the future and whether other investments – for children and other populations – get made.

Exhibit 3. Health Spending by Category, June 2013

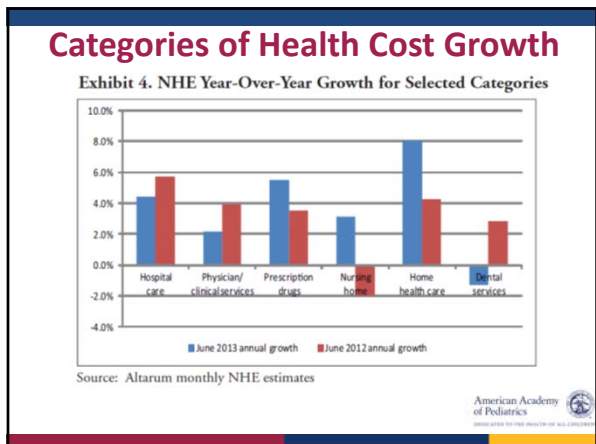


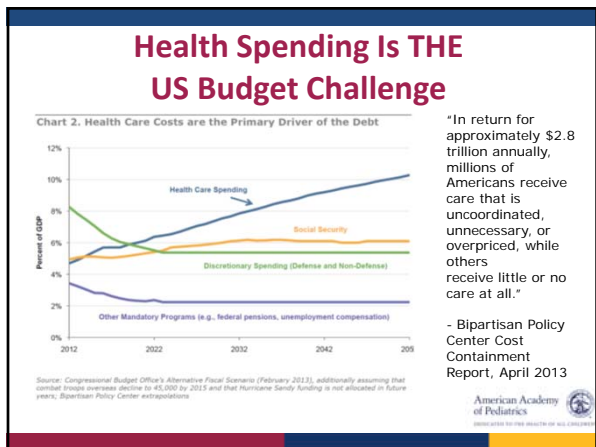
Category	Percentage
Hospital care	32%
Physician & clinical services	19%
Prescription drugs	10%
Remaining personal health care	11%
Other health spending	16%
Nursing home	5%
Home health care	3%
Dental services	4%

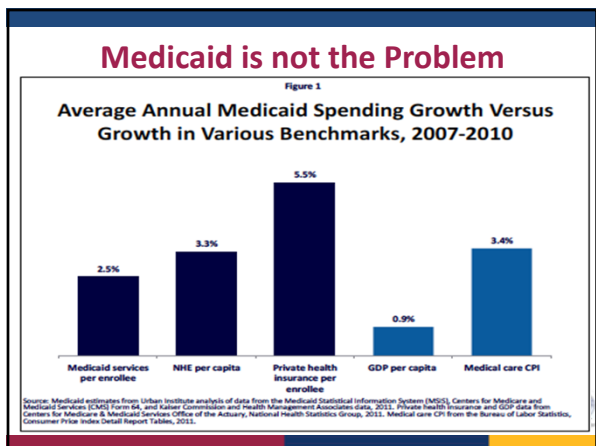
Source: Altarum monthly NHE estimates

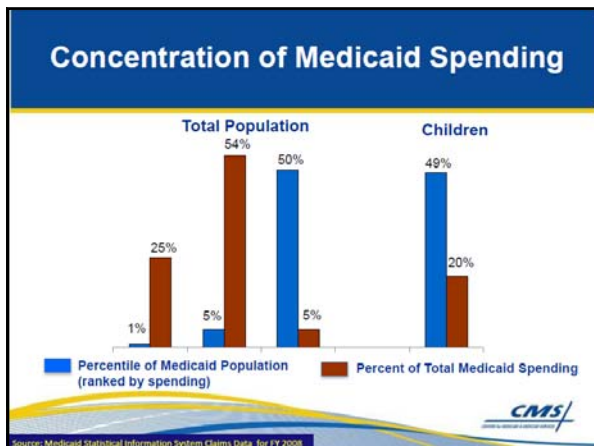


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For Working Families, Health Insurance Still Costs Too Much

- Average gross income in 2011 for families (“household”) = \$50,202
 - Middle quintile of household income is \$38,515 to \$62,434
 - 40% of US households have incomes lower than \$38,515
- More and more middle class wages go to health insurance
 - In 2003, average family insurance cost about \$9,250
 - ~\$15,000 now




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Employers Can't Afford it Either

- Small businesses find it very difficult to afford insurance, even though some do
 - In 2011, 59% of small firms (< 200 employees) offered health coverage compared to 99% of large firms (200 or more employees)
 - Fewer working Americans received health insurance from their employer in 2011— 57%—a rapid decline from a peak of 64.2% in 2000.
- The cost of health insurance remains the primary reason cited by smaller firms for not offering health benefits.



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MSOffice23 Income Source: U.S. Census

<http://www.census.gov/prod/2011pubs/p60-239.pdf>

Cost of health insurance

Data sources: Medical Expenditure Panel Survey–Insurance Component (for 2003 and 2008 premiums); Centers for Medicare and Medicaid Services, Office of the Actuary, National Health Statistics Group, national health expenditures per capita annual growth rate (for premium estimates for 2015 and 2020).

, 2/3/2012

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MSOffice24 Source of data:

Employer Health Benefits 2011 Annual Survey

<http://ehbs.kff.org/pdf/2011/8225.pdf>

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Pediatric Realities

- Only about 7.6 million children are uninsured; this is the best rate ever.
- But health insurance does not equal health.
 - 20.7% of US children live in poverty,
 - 33.1% of Hispanic children, and
 - nearly 39% of African American children.
- Poor children have increased infant mortality; more frequent and severe chronic diseases such as asthma; poorer nutrition and growth; less access to quality health care; lower immunization rates; and increased obesity and its complications.

Children are more likely to be poor than any other age group. Nearly four million more Americans fell into poverty in 2009; nearly 1.5 million were children.

Source: U.S. Department of Commerce, Bureau of Economic Analysis, "Income, Poverty, and Health Insurance Coverage in the United States: 2009." (www.bls.gov/news.release/archives/inpo0909.pdf)

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ACA Impacts on Pediatricians

- Pediatricians practice in a variety of settings
 - Small practices consolidation was occurring before ACA (AMA Surveys show average pediatric practice had 13.5 doctors in 1998, 20.6 in 1999 and 22.3 in 2001)
 - Crushing overhead costs make capturing private pay to balance out inadequate public program payment critical
- Concern for pediatricians is financial viability of pediatric practices and professional needs of AAP membership

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ACA Benefits for Pediatricians

- What does the ACA do for pediatricians?
 - Medicaid payment increase to 100% of Medicare rates for E/M codes; can be applied to Allied Health Professionals supervised by pediatrician
 - Small business tax credits for small pediatric practices to defray employees' insurance cost
 - If a practice does not offer insurance and employs fewer than 50 FTEs, no penalty for not providing ESI
 - Employees can shop for insurance, defrayed by a sliding scale tax credit, in the new Marketplace until end of March, 2014
 - Workforce loan forgiveness authorizations for primary care (NHSC) and pediatric subspecialty (sec. 5203)

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