

# The Impact of Health Reform on Employers

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President

**MyHealthGuide** Newsletter

**CareHere!** On-site Medical Clinics

Presented by



# Healthcare Reform Provisions

- CBO Cost: \$940 billion over 10 years
- Extend coverage to 32 of 46 million uninsured U.S. residents
- Reduction over time in the amount of uncompensated care.



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## Employer Who Fail to Reduce Costs

- 40% federal excise tax on health insurance premiums that exceeding
  - \$8,500 for single coverage
  - \$23,000 for family coverage
- Face assessments of \$3,000 a year per employee

## Most Affected

- Lower-wage work forces paying premiums that exceed what the legislation defines as affordable

# Medicare D

- Starting in 2013, tax break would erode for employers that offer prescription drug coverage to their Medicare-eligible retirees, decreasing the likelihood that employers will continue to provide that coverage
- Present worth is tens of millions of dollars each year to some major corporations, experts say.

# Flexible Spending Accounts

- In 2013, the value of FSAs be cut when a new \$2,500 annual limit would kick in on the maximum pretax contributions employees can make to the accounts.

# Children Covered to Age 26

- Coverage to employees' adult children up to age 26 so long as those individuals do not have access to other group coverage (6 months from now)

# Health Care Update: *'Bad News For Tennesseans'*

- Marsha Blackburn
  - Transfers up to \$1.5 billion in new TennCare costs to state taxpayers and overcharges more than 200,000 Tennessee students on their loans to help pay for the health care bill.
- Governor Bredesen
  - Senate health care bill will add \$1 Billion in costs to TennCare over five years.



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# Consumer Protections *Prohibitions*

- Lifetime limits and Annual limits
- Rescinding coverage except in instances of fraud or misrepresentation.
- Preexisting conditions
- Discrimination based on health status, experience, genetic information or EOI
- Waiting periods that exceed 60 days.



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# Allowable Prevention and Wellness Incentives

- Allows employers to discount up to 30% of the premium or cost-sharing requirements for participants in a workplace wellness program
- Provides discretion to HHS to permit discounts up to 50%

# Reporting Requirements for Employer (200+):

- Whether it offers employees (and depts) the opportunity to enroll in minimum essential coverage:
  - The length of any applicable waiting period
  - The lowest cost option
  - The employer's share of the total allowed costs
  - The number and names of full-time employees receiving coverage

## Fees on Self-Insured Plans:

- In 2013, the plan sponsor of a self-insured plan is required to pay \$2 multiplied by the average number of covered lives
- From 2013-2019 the previous year's fee is multiplied by projected per-capita amount of National Health Expenditures
- Plans are not required to pay fees beyond 2019



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# Annual Report on Self-Insured Plans:

- Requires the Secretary of DOL to prepare an annual report to include:
  - Plan type
  - Number of participants
  - Benefits offered
  - Funding arrangements
  - Benefit arrangements



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# Annual Report on Self-Insured Plans (Con't)

- Data from the financial filings including:
  - Information on assets
  - Liabilities
  - Contributions
  - Investments
  - Expenses

# What will help lower costs?

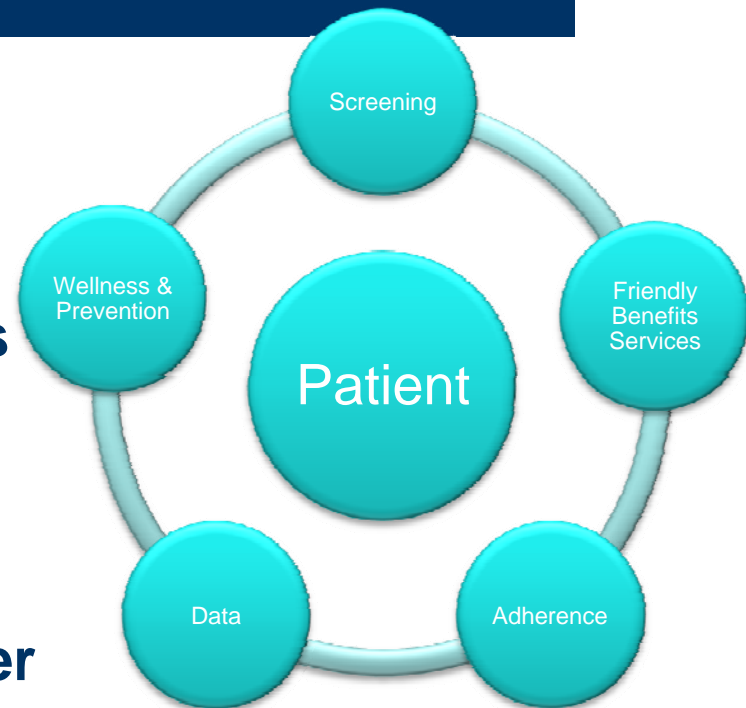


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# Patient-Centered Medical Home

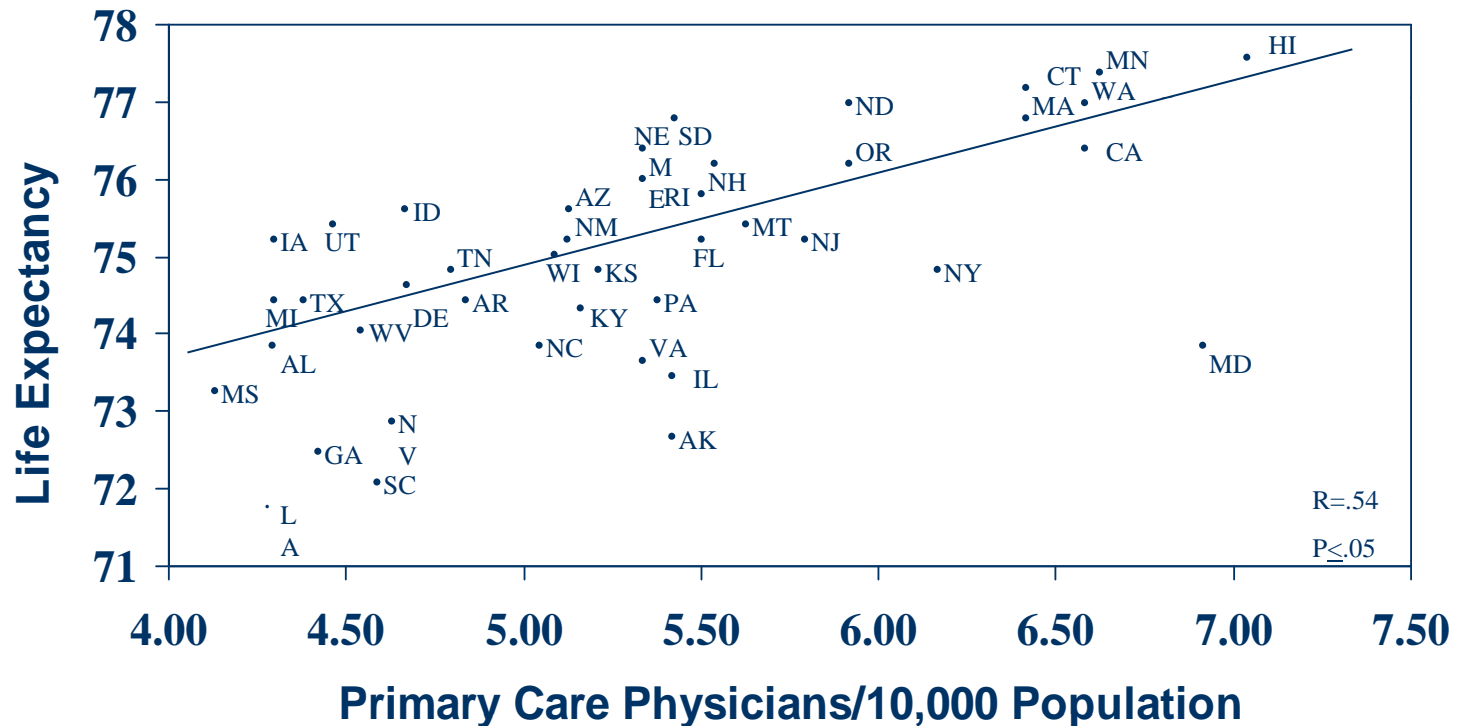
- **Model: On-site Medical Clinics**
- **Coordinated Care**
- **Electronic Medical Records**
- **Reliance on *Primary Care* physician**
- **Evidence Based Medicine**
- **Impact to Self-Funded Payer**

– Source: Patient Centered Primary Care Collaborative  
([www.pcpcc.net](http://www.pcpcc.net))



# Primary Care = Better Outcomes

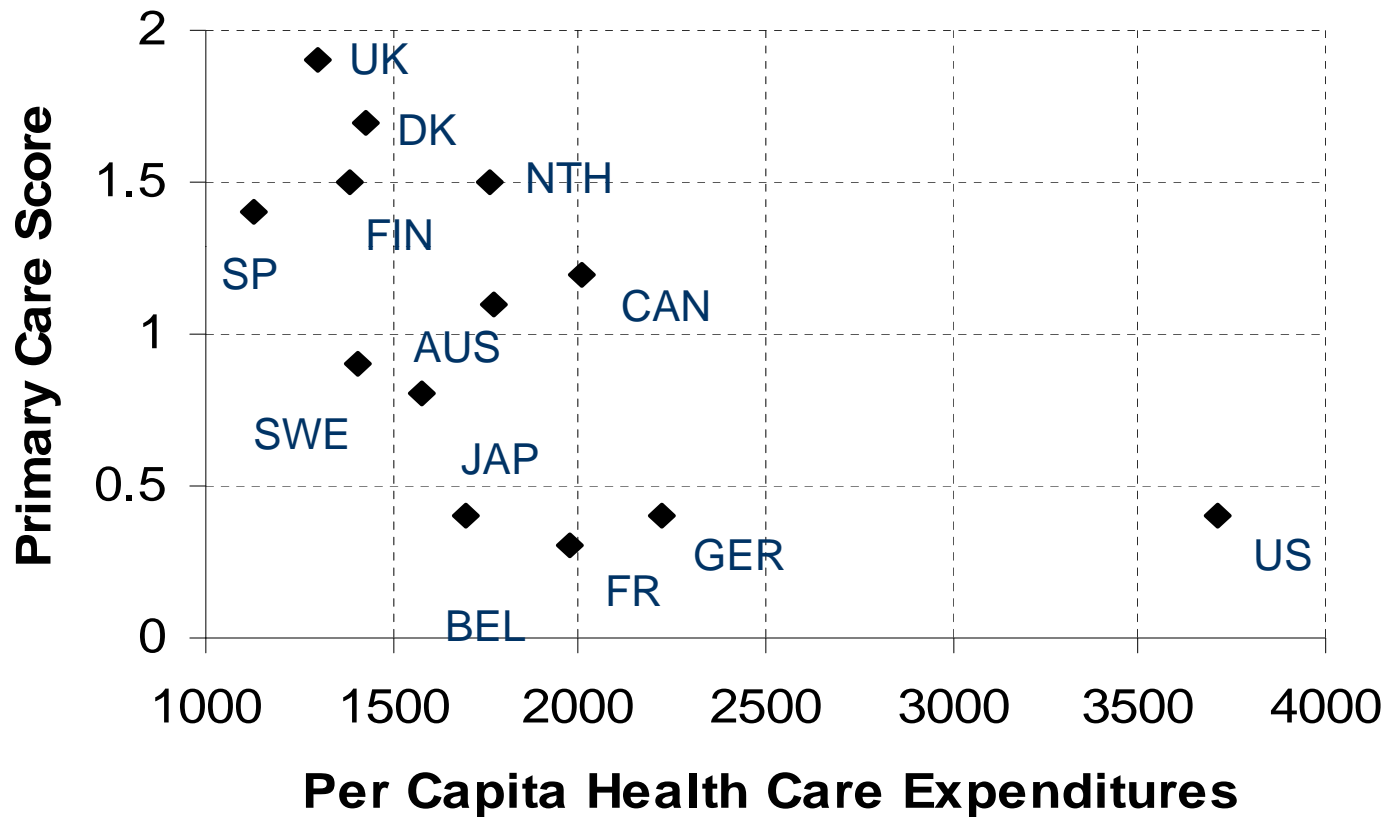
## U.S. State Level Analysis: Primary Care and Life Expectancy



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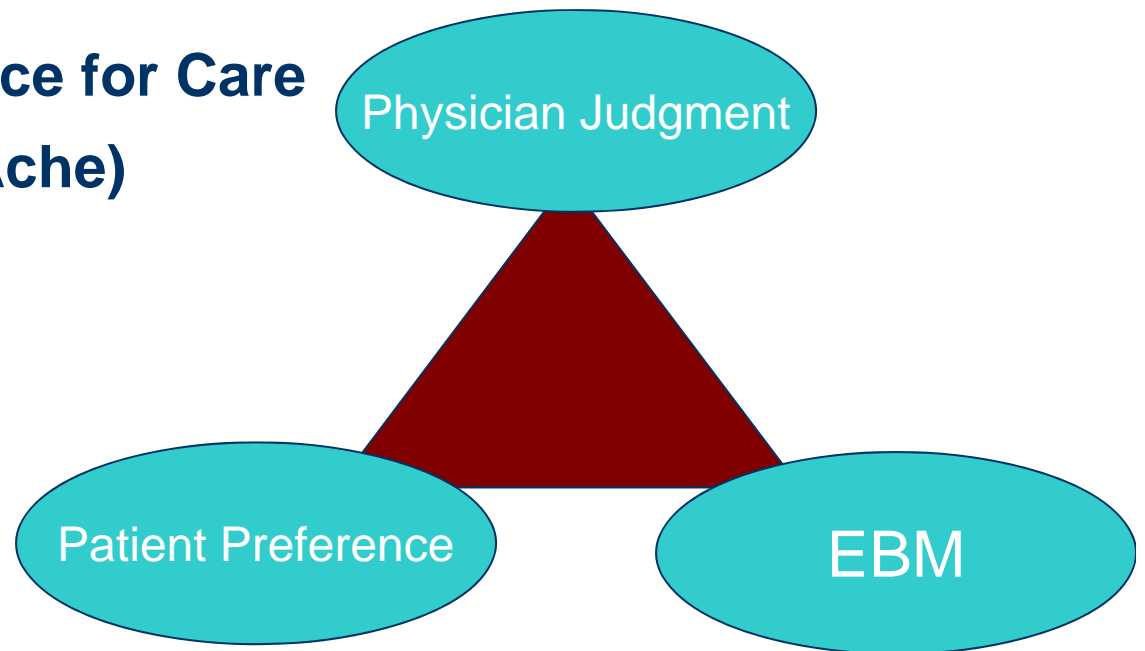
# Primary Care = Lower Costs

## Score vs. Health Care Expenditures, 1997



# Evidence-Based Medicine (EBM)

- Using Best Evidence for Care
- Otitis Media (Ear Ache)  
Example
- Grading EBM
- Impact to  
Self-Funded  
Payers



# Electronic Medical Records

- Google Health
- Microsoft Health Vault
- Fear from Vendors
- Current Experience
- Smart Phones as EMR
- Impact to Self-Funded Payers

The screenshot displays the CareHere/MyHealthGuide EMR interface. The browser window title is "CareHere/MyHealthGuide EMR - Microsoft Internet Explorer". The address bar shows "https://www.myhealthguide.com/ba/req2/env2.asp".

**Patient Contact Data**

Address: 567 Midway Circle, SSN: 444556666, Sex: M, F, DOB: 4/1/1962, Covered: Yes, No  
City: Brentwood, State: Tennessee, Zip: 37027, Relationship: Relationship  
Home Ph: 615999999, Work Ph: , Cell Phone: , Email: Medical@MyHealthGuide.com  
Username: democh, Password: democh

**Today's Visit**

Date: 7/27/2005, Time: 7:27 PM  
No Vitals entered for today.  
Required Procedures Per Visit:  
New Patient - Level: 1 Office Visit 99201, 2 Expanded Visit 99202, 3 Low Complexity 99213, 4 Med Complexity 99204, 5 High Complexity 99205  
Established Patient - Level: 1 Office Visit 99211, 2 Expanded Visit 99212, 3 Low Complexity 99213, 4 Med Complexity 99214, 5 High Complexity 99215, Injection 20562, Blood Draw 36415, Lab Work 99000, DOT Physical 99395

**History**

Date	Time	Type	Item	OnDuty	Clinic	Action
7/15/2005	8:20 AM	Appt	Sore throat			
7/15/2005	8:00 AM	Appt	Back hurts			



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