The Perils of the ACA for Patients

Health Care Exchanges or Short Changes

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VEITH
November 18, 2015

Objectives

• Reveal early patient reports of frustration with Affordable Care Act (ACA).

• Research into the effects of High Deductible Health Plans on new enrollees.

Prologue to the ACA

• Fundamental assertion: higher health care spending does not equate with better outcomes.

• December 2008, CBO publishes 236p document:
  – 115 options for reform
  – Double the # options over 2006
  – +/- effect on deficit.

“Failure to Launch”: the Exchanges

• Collapse of IT support led to major delays in implementation of the “individual mandate”.

• Not a surprise: only 6% of IT contracts issued by government are successfully executed ($2.6 B)

Exchange Offerings

• Essentially a market-driven vehicle for health-care reform.

• ACA will drive major expansion of high deductible insurance

• 25% of the USA will be on HDHP by 2020.
HDHP: “Market Driven Reform”

- Premise of HDHP is patients will choose quality care.
- Premise of HDHP is patients will spend more wisely on health care services.

Lee, NEJM, 2008

HDHP: “Market Avoidance”

- Less than 50% of HDHP enrollees are satisfied with out of pocket expenses (vs. 70%).
- Tremendous variability in costs from state to state built into deployment
  - Hawaii spent 21 X California to roll out the HDHP market.

Lee, NEJM, 2008

HDHP: The Harvard Pilgrim Study

- Deductibles of $2000/4000 before coverage.
- Three tiers of drug coverage with co pays:
  - Generic $5-15
  - Preferred $10-30
  - Non-formulary $20-50

The Harvard Pilgrim Study: Forgone Care

- For All Enrollees:
  - Income < FPL (OR 4.17)
  - HDHP (OR 4.40)
- The poorest patients (<400% of FPL) in the study had highest rate of FC:

ACA Notables….Summary

- Regardless of party, all lawmakers agree to move from volume-based to value-based payment.
- HDHP are here to stay with current risk to defer care
- Lawmakers should maintain full coverage of effective preventative services
  - Diabetes, hypertension, cholesterol

Thank you