Financial Impact of the ACA to Date & in the Future: What will it Mean to Vascular Surgeons

VEITH
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ACA Memorable Quotes

"IF YOU LIKE YOUR DOCTOR, YOU CAN KEEP YOUR DOCTOR."
"IF YOU LIKE YOUR HEALTH PLAN, YOU CAN KEEP YOUR HEALTH PLAN."
"THE AFFORDABLE CARE ACT WILL ENSURE 40 MILLION MORE AMERICANS AND WILL BEND THE HEALTH CARE COST CURVE."

The Secretary of HHS is an Economist

- Marching Orders – Control Healthcare costs before Healthcare sinks the Ship of State
- Aggressive new approaches to save money

Medicare Has Cut Cost Per Patient

Federal Deficit Slightly Lower 2015-2019

Source: Congressional Budget Office, August 2015
Recent TCD Research

- ACA Health Exchanges Save $16 billion
- MACRA – Increase $124 billion - Medicare
  Increase $15 billion - CHIP
- Medicaid – Increase $3 billion
- Net Increase $126 Billion

Source: Congressional Budget Office, August 2015

ACA Savings May be Accounting Tricks
“Hospital Productivity Adjustments”

Source: Capretta, Mercatus Institute, Oct 2015

ACA taxes the “the rich”
Are More Americans getting “rich”?

Source: Capretta, Mercatus Institute, Oct 2015

Has ACA Reduced Health Care Costs

By Cutting Malpractice Costs?

By Pulling the Plug on Granny?

Source: Newsweek

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By Starving Hospitals?

CMS Loves Bundling
- Lower Ext Intervention bundle 10-20% cut.
- IVC filter complete bundle 70% pay cut
- Coronary Stent Bundle major cut in 2013
- Coming in 2018, EVAR bundle

Hospital + Physician Payment Bundling
- ACA mandated pilot projects.
- Incent us to reduce hospital costs by funneling professional pay through hospital.
- We minimize consultations.
- We minimize blood tests, imaging.
- We minimize implant & drug expense.
- We minimize hospital Length of Stay.
- We spar with the hospital for fair payment.

Has the ACA Reduced Health Care Costs
- By saying “NO” to expensive treatments?
- By saying “NO” to expensive drugs?
- By cutting device costs?
- By cutting drug costs?
- By cutting physician RVU payments?

What Medicare Pays You for Each RVU
- Value of 1 RVU in year of payment
- Value of 1 RVU inflation-adjusted to 1992 when RBRVS started
Payment for Each Professional RVU Is Half of what we were Paid in 1992

What to do?

- Medicare does not negotiate for device cost.
- Office-based Medicare payments include device & supply costs
- Smart shoppers take risk but can make a profit on supplies, implants and equipment.

**Discovery: Medicare Does not Discount Medical Device & Supply Costs**

Medicare Does Not Discount Payments for implants, supplies & equipment

- Supplement Professional RVUs with Technical RVUs by doing Procedures in the Office.

**Medicare Does Not Discount Payments for implants, supplies & equipment**

What to Conclude?

- ACA legislation saves money thru accounting tricks. MACRA is a major Coster.
- Medicare program under the gun to cut costs.
- Physicians, primarily proceduralists, are donors.
- Office-based procedures provide opportunity but we must use appropriate indications & ensure quality.
- Vascular Surgeons are crucial to hospital safe function and therefore negotiating strength.