Will ACA changes curb Rhode Island's progress?

TEAM APPROACH: Dr. Peter Hollmann, center, chief medical officer for University Medicine, speaks at the Feb. 16 PBN Health Care Summit in Warwick. Behind him is Zachary Sherman, executive director of HealthSource RI. Hollmann discussed how care is shifting to a team approach focused on groups of patients.

PBN PHOTO/RUPERT WHITELEY

Tangible results of the 2010 Affordable Care Act in Rhode Island – health insurance for
tens of thousands of additional people and strengthening of improvements in medical care — combined with popular elements of the act could buffer shocks from a promised rollback of the ACA by Republicans in Washington.

Health insurers, doctors and businesspeople who gathered at the Providence Business News Health Care Summit in Warwick Feb. 16 did not seem overly panicked about promises from politicians to repeal and replace the ACA, also called Obamacare.

But panel members at the summit were concerned about where the money for health insurance subsidies and coverage improvements will come from if the federal spigot closes.

The summit coincided with House Republicans’ unveiling of the outlines of a plan to replace the ACA, which has helped extend insurance coverage to 20 million Americans.

The New York Times reported on Feb. 16 that under the plan tax credits would replace ACA subsidies to help poor people buy insurance policies, and federal money to the 31 states (including Rhode Island) that expanded Medicaid eligibility under the ACA would be reduced and offered as a sum per beneficiary or a block grant to states.

The proposal would eliminate tax penalties for people who don’t have insurance, and wipe out taxes and fees that help pay for the coverage under the ACA. The plan would make it easier to buy insurance across state lines, and extend grants to states to defray costs for individuals or to establish high-risk pools for chronically ill people.

The draft proposal faces challenges from critics and the more moderate Senate.

“There is not going to be an outright repeal and replacement,” said panel member Monica Neronha, who leads implementation of the ACA for Blue Cross & Blue Shield of Rhode Island. She said popular elements of the law, such as coverage for pre-existing conditions and for young adults under their parents’ plans, are not likely to get axed. Other panelists echoed this view.

She said the law’s individual mandate, requiring all people to have insurance and thus ensuring that healthier people will help support the care of sicker people, is more likely to be eliminated.

“Rhode Island has pretty advanced laws,” Neronha said. “We had a lot in place [before the ACA was passed], and we can continue.”

Significantly, she added, “The funding mechanism that goes along with this is critical.”

Al Charbonneau, a retired hospital executive and head of the Rhode Island Business Group on Health, said the state is poised to suffer if federal dollars for insurance subsidies stop. He cited a January 2017 report from the Economic Policy Institute, in
Washington, D.C., that placed Rhode Island among the top 15 job-losing states if the ACA is repealed. The same institute named Rhode Island on a list of 25 states that “would bear a higher relative burden” in the case of repeal.

Charbonneau said the ACA has made valuable changes in Rhode Island, but it has been too costly. “A lot of good has happened because of the ACA,” he said, “but it had few cost-containment features. Primarily, it was a program to expand coverage. It was a very expensive way to accomplish that.”

From 2006 to 2015, he said, family premiums as a percent of median family income in Rhode Island rose from 16 percent to 22 percent, according to the Business Group on Health.

Charbonneau said from 2010 to 2015, half of the increase in health insurance premiums in the state was attributable to hospital costs, and half of the hospital costs are attributable to overhead, such as employee benefits, medical records and administration.

Charbonneau said businesspeople are not comfortable talking about clinical topics, but they understand how to bring greater efficiencies to hospital management. “Businesspeople … need to ramp up pressure on the health care system for better performance from a cost point of view,” he said.

Rhode Island has reaped a lot of benefits from the ACA and the state’s health insurance exchange. With help from subsidized insurance policies through HealthSource RI and expansion of Medicaid, more than 110,000 people in the state have health insurance today than did in 2012, according to the state. In all, 20,000 Rhode Island residents received health care subsidies of some kind.

Zachary Sherman, executive director of HealthSource RI, said on average the state has received about $100 million via insurance premium subsidies under the ACA. Further, he said, 90 percent of HealthSource customers received federal subsidies and 70 percent of claims are covered by taxpayer money.

Two panelists who have close contact with actual patients, Dr. Peter Hollmann, chief medical officer of University Medicine, and Peter Marino, president and CEO of Neighborhood Health Plan of Rhode Island, hammered at a crucial issue that the ACA has addressed: entirely new ways of delivering care to people.

Hollmann said the old way is a one-to-one doctor-patient relationship. Increasingly, the relationship is a team of doctors, nurses and others caring for a group of patients, with an emphasis on primary care and preventing illness, and with payment tagged less to quantity of care and more to health outcomes.

Marino also emphasized the size of the federal contribution made to Rhode Island thanks to the expansion of Medicaid, roughly half a billion dollars in 2016. If premium subsidies and the method of paying for Medicaid are dramatically altered, he said, the state stands to lose $600 million in federal funding. The resulting potential decline in the number of people with health insurance would surely increase the cost of uncompensated care, since people will still seek treatment, often at the most expensive provider – hospital emergency departments. That in turn will put more financial pressure on already beleaguered hospitals.

Panelist Jay Raiola, who is a certified financial planner and business adviser to HealthSource RI, indicated that health insurance coverage through larger workplaces is
solid in Rhode Island.

Smaller employers and those with part-time workers, such as restaurants, hotels and temp agencies, found the coverage mandates so weak that their workers tended, he said, to look beyond HealthSource RI for coverage.

Keywords
Affordable Care Act (/search_mode/keyword/browse.html?search_filter=Affordable Care Act), Monica Neronha (/search_mode/keyword/browse.html?search_filter= Monica Neronha), Blue Cross & Blue Shield of Rhode Island (/search_mode/keyword/browse.html?search_filter= Blue Cross & Blue Shield of Rhode Island), Al Charbonneau (/search_mode/keyword/browse.html?search_filter= Al Charbonneau), Rhode Island Business Group on Health (/search_mode/keyword/browse.html?search_filter= Rhode Island Business Group on Health), HealthSource RI (/search_mode/keyword/browse.html?search_filter= HealthSource RI), Dr. Peter Hollmann (/search_mode/keyword/browse.html?search_filter= Dr. Peter Hollmann), University Medicine (/search_mode/keyword/browse.html?search_filter= University Medicine), Peter Marino (/search_mode/keyword/browse.html?search_filter= Peter Marino), Neighborhood Health Plan of Rhode Island (/search_mode/keyword/browse.html?search_filter= Neighborhood Health Plan of Rhode Island), Zachary Sherman (/search_mode/keyword/browse.html?search_filter= Zachary Sherman), Jay Raiola (/search_mode/keyword/browse.html?search_filter= Jay Raiola), premiums (/search_mode/keyword/browse.html?search_filter= premiums), summit (/search_mode/keyword/browse.html?search_filter= summit), Obamacare (/search_mode/keyword/browse.html?search_filter= Obamacare), 31-48 (/search_mode/keyword/browse.html?search_filter= 31-48), Health care (/search_mode/keyword/browse.html?search_filter= Health care)
5. Norwegian Airlines starting service to Ireland and Scotland this summer from T.F. Green (/Norwegian-Airlines-starting-service-to-Ireland-this-summer-from-TF-Green,120623)

4 DAYS AGO

- Mattiello calls Raimondo ‘tone deaf’ on car tax (/Mattiello-calls-Raimondo-tone-deaf-on-car-tax,120698) 3 DAYS AGO
- Passenger traffic drops 1% in January at T.F. Green (/Passenger-traffic-drops-1-in-January-at-TF-Green,120696) 3 DAYS AGO

More Local News » (/category/local /browse.html)
Will ACA changes curb Rhode Island's progress? - Providence Business...