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The Decision Is In - Now What?

David B. Nash MD, MBA

Jefferson School of Population Health

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Prescriptions for Excellence in HEALTH CARE

A COLLABORATION BETWEEN JEFFERSON SCHOOL OF POPULATION HEALTH AND LILLY USA, LLC

Editor-in-Chief: David B. Nash, MD, MBA • Managing Editor: Janice L. Clarke, RN, BBA • Editorial Staff: Dorah C. Meiris, Alexis Skoufalos, EdD

Editorial

The Decision Is In - Now What?

By David B. Nash, MD, MBA

Editor-in-Chief

Because this is the final issue in our series featuring multistakeholder viewpoints on health care reform, it is only fitting that I devote my editorial to the singular event that colored every article - the Supreme Court decision regarding the constitutionality of the Patient Protection and Affordable Care Act (ACA).

Of all the commentary I read on the topic, *Time Magazine's* "Special Report: The Health Care Decision" struck me as the most balanced and comprehensive. Lead author David Von Drehle's analysis of the legal gymnastics that turned a potential zero-sum game into a win-win situation was fascinating, as was his profile of the man behind the decision, Chief Justice John Roberts.¹

Controversies will continue to foment, but 2 things are certain: (1) Health care reform as laid out in the contentious ACA is constitutional, and (2) Congress "may not hold states hostage to its every whim," (ie, the federal government cannot force states to adopt the Medicaid expansion provision, a key element in the pursuit of universal coverage).

So, what does this mean for the average American beginning in 2014?

For the first time in our history, almost everyone will be required to have health insurance. The most notable exceptions are those for whom available coverage options would exceed 8% of their income. Insurers will be required to price and sell policies to everyone, regardless of their health status. For young adults older than age 26, it means paying a financial penalty for being uninsured. For low- to middle-income earners, it means the possibility of qualifying for state Medicaid programs or federal subsidies to help pay for health insurance. For those with "preexisting conditions," it means that insurance companies will be prohibited from denying insurance and charging higher prices. Because insurers will be barred from setting premiums based on risk, it is likely that we all will pay a little more for our health coverage.

The law includes some taxes on industries that are expected to gain from it (eg, medical device makers, pharmaceutical companies). It raises the Medicare tax rate for families earning more than \$250,000 a year and cuts some Medicare spending

(eg, reduced reimbursement for the costlier than estimated Medicare Advantage program). Although such taxes and cuts are never popular, they are good policy.

Whether in the government or private sector, those of us who are engaged in health care administration and delivery will continue to work to implement the ACA's ambitious, broad-reaching reforms. Some entities will almost certainly continue to undermine reform efforts; for example, will the 26 states that challenged the Medicaid expansion provision of the ACA now opt out and, if so, how many millions will remain without coverage? The decision likely will have its most intense effect in the political arena, the upcoming presidential election in particular.

The health economic piece may prove to be the biggest challenge. As economics professor Christina D. Romer observed in her *New York Times* article, "Only the First Step in Containing Health Costs,"² serious discussion of additional cost-saving measures may be a long way off. The reason: Instead of focusing on ways to make the entire health care system more efficient, Republicans

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seem more interested in limiting the government's share of health care expenditures and Democrats seem more interested in preserving existing government programs.

Given the foregoing "backdrop," I think that the 3 articles in this issue wrap up the series perfectly. The first, "The Supreme Court and Health Reform: A Practical Perspective," is a very timely and comprehensive discussion of the ACA - from its passage, to the Supreme Court decision, to its

implications for all stakeholders. "A Perspective: Through the Eye of the Beholder - Gauging Health Care Value" makes a compelling case for understanding the core components of "value," with particular emphasis on the often overlooked patient/consumer perspective. At first glance, the final article, "A Black Swan Comes to Philadelphia," may seem like mere whimsical exaggeration. But, without the kind of health care system reforms initiated by the ACA, it may become a painful reality.

As always, I welcome comments, suggestions, and questions from our readers. I can be reached at: david.nash@jefferson.edu

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