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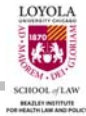
## **Key holdings of National Federation of Independent Business v. Sebelius**



**Does the individual mandate exceed Congress' powers under the Commerce Clause of the U.S. Constitution?**

The Commerce Clause gives broad authority to the Congress on matters of interstate commerce and foreign trade.

**RESULT: The court upheld the individual mandate as constitutional under Congress' Article 1 taxing power.**



**Did Congress unconstitutionally coerce the states into agreeing to substantially expand the Medicaid program by threatening to withhold states' federal Medicaid funding?**

At what point do grant conditions imposed on states by the federal government cross the line or, in the case of Medicaid, involve such a large part of a state's economy that participation in the program and the associated conditions are no longer voluntary.

**RESULT: The court upheld the Medicaid expansion, but makes it a voluntary provision as opposed to a mandatory provision. The court would not permit HHS to penalize states by withholding all Medicaid funding for choosing not to participate in the expansion**

*Adopted from NCSL: Chart of Key Issues in NFIB v. Secretary Sebelius 6/29/2012*



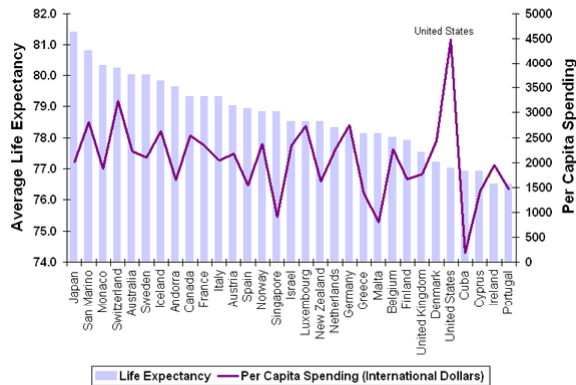
# The Affordable Care Act

- An evolving document
- **State flexibility? Optional features?**
- **Federal flexibility or disagreements**
- **Future funding?**
- **Statute alone did not/will not “solve” health care.**



## Sadly, we lead the world

The Cost of a Long Life

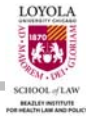


- UC Atlas of Global Inequality, 2008

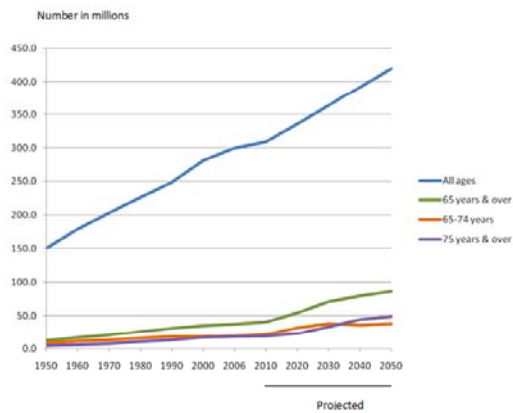


## Medicare Funding

- The latest estimate from the annual Medicare Trustees Report on when the Medicare Trust fund will run out is 2024.

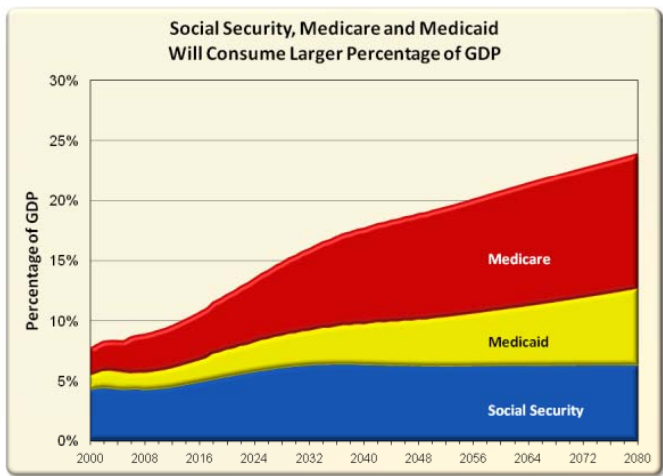


## And it's only going to get worse!



- 2008 US Bureau of the Census

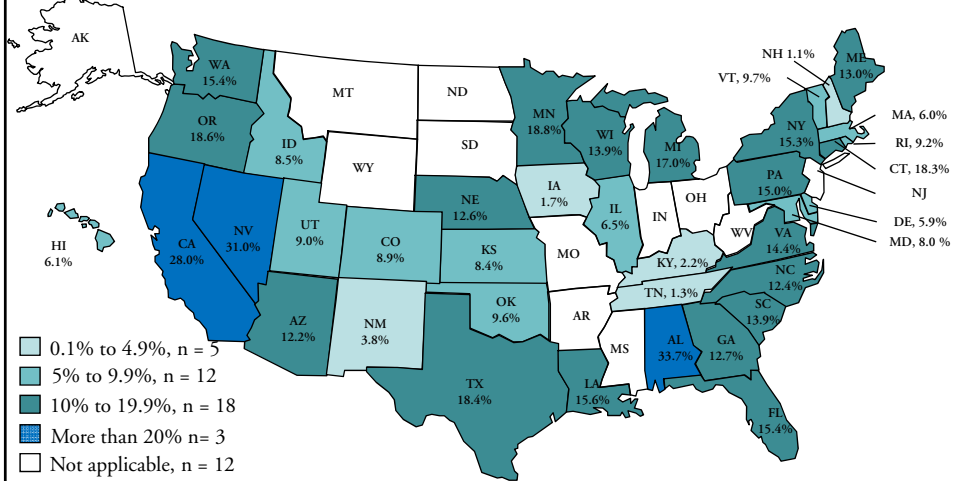




Source: Government Accountability Office  
 U.S. Financial Condition and Fiscal Future Briefing, January 2008



## FY 2012 Budget Gaps\* as a Percentage of General Fund Budget

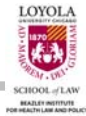


Source: NCSL survey of state legislative fiscal offices, Summer 2011.

\*Gaps prior to the enactment of the budget.

## Increase in State Spending

- CBO estimates indicate that the additional cost to the states represents a 2.8 percent increase in what they would have spent on Medicaid from 2014 to 2022 in the absence of health reform.



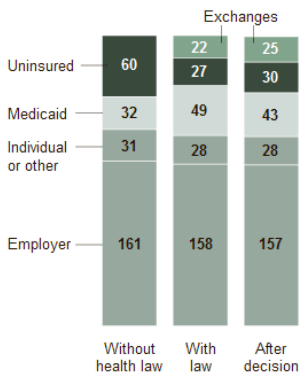
Published: July 24, 2012

### Effects of the Supreme Court's Health Care Decision

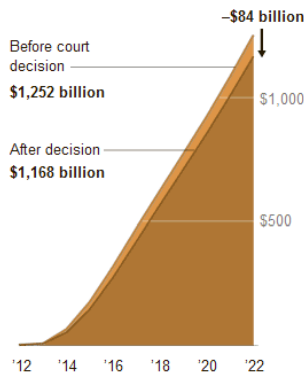
The Congressional Budget Office estimates that the limits the court placed on the expansion of Medicaid may reduce the number of people added to the program by 2022 by six million. This and other changes resulting from the court decision are estimated to save the federal government \$8.4 billion over 11 years.

#### Estimates of insurance coverage

Millions of people

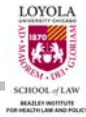


#### Net cost estimates for expanding coverage

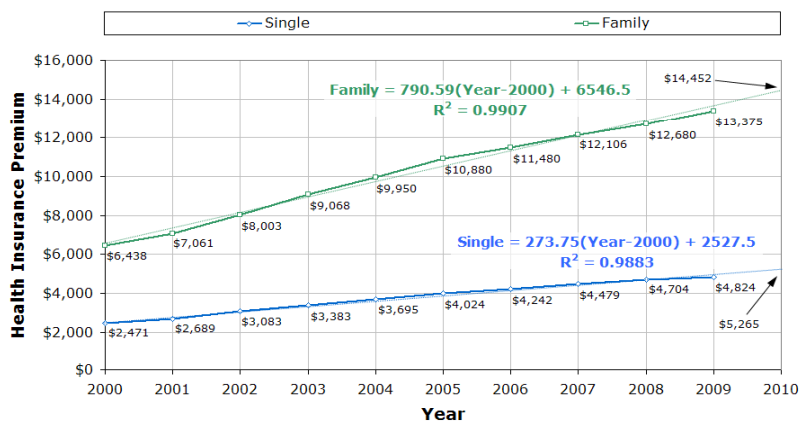


Source: N.Y. Times, July 24, 2012 ©

**A wholesale rethinking of the delivery system and financing system are imperative, and maybe inevitable.**



**Trend in Average Total Health Insurance Premiums, Single vs Family Coverage, 2000-2009**

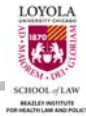


© Political Calculations 2010



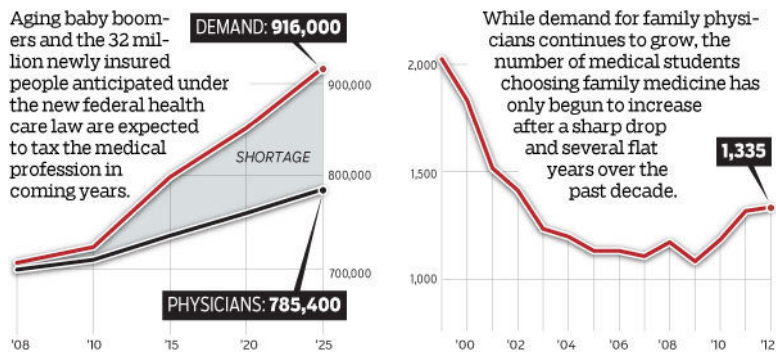
## Decrease in Employer Coverage

- Up to 30% of employers may drop coverage for employees.
- Singhal, S., J. Stueland and D. Ungerman. "How U.S. Health Care Reform Will Affect Employee Benefits," *McKinsey Quarterly*, June 2011.

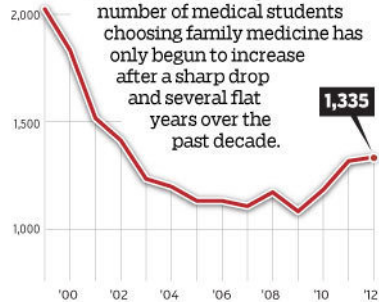


## Physician Shortage

Aging baby boomers and the 32 million newly insured people anticipated under the new federal health care law are expected to tax the medical profession in coming years.



While demand for family physicians continues to grow, the number of medical students choosing family medicine has only begun to increase after a sharp drop and several flat years over the past decade.



SOURCES: Association of American Medical Colleges; American Academy of Family Physicians





**To recreate the system, we  
need an honest  
conversation**



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**We Have Inequalities in Healthcare**

**Northwestern Memorial Hospital**



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## Roseland Hospital



## We Already Limit Care

- Clinical Guidelines
- Cost Considerations
- Pre-Approval
- Denials
- Coverage Denials



**We're *Beginning*  
to know what to do, but we  
keep getting distracted**



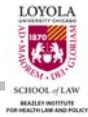
- **Bundled Payments**
- **Transparency**
  - **Quality**
  - **Exchanges**



# Integrated Care

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Mayo Clinic



# Population Health

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**Question = Government  
“solution” or private  
market “solution”**



Thank you very much.  
I wish you a great meeting in  
our wonderful city.

