



AMERICA'S AFFORDABLE HEALTH CHOICES ACT

QUALITY AFFORDABLE HEALTH CARE

HEALTH REFORM AT A GLANCE: CONTROLLING HEALTH CARE COSTS

Finding savings in our current health care system is not just about paying for reform in the short-term – it's about controlling unsustainable health care costs in the long run, or "bending the curve" on health care spending. We cannot just keep adding patients to a broken system. Without controlling health care costs, families will continue to be burdened with higher premiums, businesses will be forced to drop coverage or lay off workers, and our national and state budgets will be fiscally unsustainable.

The Congressional Budget Office estimates that the Medicare reforms in this bill will save more than \$500 billion over the next ten years. Many of the reforms to the way we deliver health care are designed for long-term savings—like preventive and wellness care—but will not be "scored" by CBO. All of these reforms are critical to the long-term sustainability of our health care system.

PROMOTING MORE EFFICIENT DELIVERY OF HEALTH CARE

Delivery reform means making sure that the right patient gets the right treatment at the right time, in the most efficient way possible. This bill includes reforms in Medicare that will reward the *quality* of care, not the *quantity* of care. America's Affordable Health Choices Act:

- Creates incentives to reduce preventable hospital readmissions that reward transition planning and coordination for patients who move from a hospital bed back home or to another health facility;
- Promotes Accountable Care Organizations that provide for hospitals and doctors working together to manage and coordinate care;
- Promotes "bundling" payment methodology under which one payment would be made -- rather than separate payments -- to any combination of a physician, acute and post-acute providers;
- Promotes medical homes that encourage primary care providers to manage and coordinate their patients' care over time.
- Ensures that physicians and nurses have access to the most accurate and up to date research when making treatment decisions;
- Builds productivity adjustments into provider payment systems – encouraging providers to improve efficiency on pace with the rest of the economy.

IMPROVING ACCURACY AND ELIMINATING WASTE, FRAUD AND ABUSE

In trying to get health care costs under control, it's important that we know what we're paying for. That means cracking down on waste, fraud, and abuse, and making sure that payments are made accurately and for the right services and coverage. America's Affordable Health Choices Act:

- Improves screening and requires providers and suppliers to adopt compliance programs as a condition of participating in Medicare and Medicaid;

- Increases funding for the Health Care Fraud and Abuse Control Fund to fight Medicare and Medicaid fraud;
- Eliminates wasteful overpayments to Medicare Advantage plans that increase private plan profits, not patient care;
- Improves payment accuracy for numerous other providers, following recommendations by the non-partisan Medicare Payment Advisory Commission;
- Requires drug and device companies to disclose their payments to physicians to reduce excessive utilization.

UTILIZING PREVENTION AND WELLNESS PROGRAMS

Benjamin Franklin was right – “An ounce of prevention is worth a pound of cure.” Prevention and wellness programs will help Americans live longer, healthier lives, and help reduce the need for more costly treatments of health conditions later in life. America’s Affordable Health Choices Act:

- Eliminates patient co-pays on preventive services in Medicare, Medicaid, and private plans;
- Creates community-based programs that deliver prevention and wellness services;
- Invests in the science of prevention so physicians know which preventive treatments work best.

STRENGTHENING PRIMARY CARE

Primary care providers can provide lower cost and higher quality care for many ailments. America’s Affordable Health Choice Act:

- Improves payments for family doctors and other primary care providers;
- Increases training of primary care doctors;
- Expands Community Health Centers;
- Encourages physician training outside the hospital, where most primary care is delivered;

PROMOTING MARKET COMPETITION

Insurance reforms and the health insurance Exchange promote healthy competition in the market:

- Insurance reforms and standardized benefit packages require insurers to compete on the basis of price and quality, not on the basis of medical underwriting of the sicker patients.
- The Exchange sets up a transparent marketplace that replaces today’s dysfunctional small group and individual market – helping to lower administrative costs and providing incentives to insurers to maintain lower premiums in order to attract the large, new market of subsidy-eligible individuals.
- The Exchange has the authority to negotiate rates that are submitted, and premium growth in excess of 50 % greater than medical inflation is subject to rate review by states or the Exchange.
- The public option provides further competitive pressure in this structure by adding a plan in many markets with little competition, and a low cost plan with a good deal of transparency that can exert price pressure on all of the other plans.