

# Health Care Reform - What Does It Mean?

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**What's *your* plan?™**



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Whether you are an individual or run a business, AskBlue Healthcare Reform is here to help.

Your personal guide to understanding the basics of reform.

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## House Votes to Repeal Health Care Law

February 3, 2011

The below is a synopsis of articles posted by the Associated Press and other media resources.

On Wednesday, Jan. 19, 2011, Republicans pushed legislation to repeal the Democrats' health care overhaul with a 245 to 189 vote. However, the repeal faced opposition in the Democrat-controlled Senate, and did not pass that vote on February 2, 2011, as well as a veto threat from the President.

[Read the rest of this entry >](#)

## Frequently Asked Questions

As a service to our members and the community, Blue Cross and Blue Shield of Kansas City (Blue KC) continues to analyze and evaluate the impact reform will have on us all. You can be confident that Blue KC is working hard to understand the complex reform legislation that was passed. We will continue to update this FAQ as we gain more clarity on the different reform elements. Thank you for your interest and please check back often.



# Why Reform?

What's **your** plan?™

- Issues leading up to reform legislation
  - Access issues – 50 million uninsured
  - Rising health care costs – double digit rate increases
  - Quality of care?
    - Lack of connectivity
    - General confusion around health care industry
  - Lack of accountability

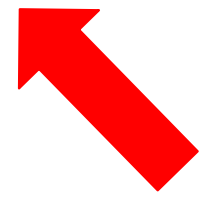
GINGRICH'S BIG WEEK  
VELTSIN'S BIG MESS

JANUARY 16, 1995 \$2.50



# Girth Of a Nation

Here's some news that's hard to swallow:  
Despite the health craze, Americans are fatter than ever

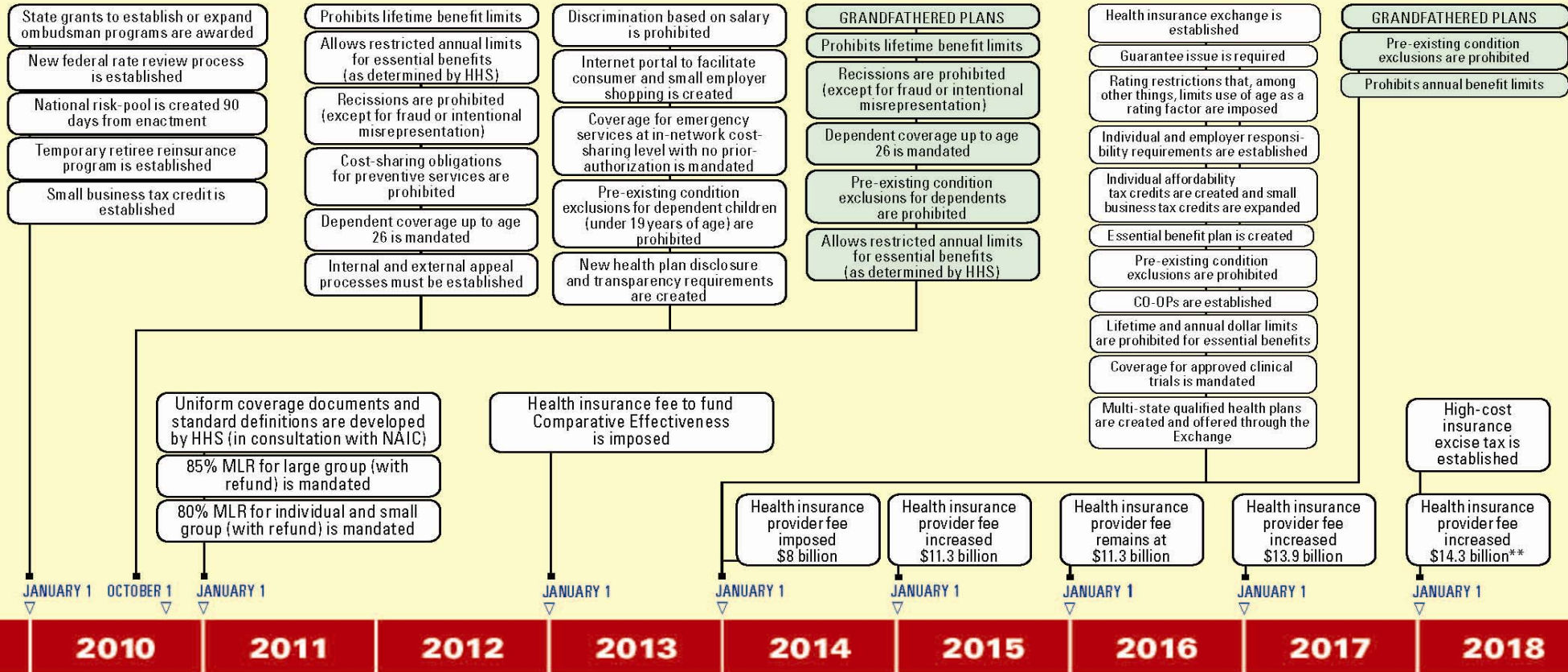


# Along Comes HCR...

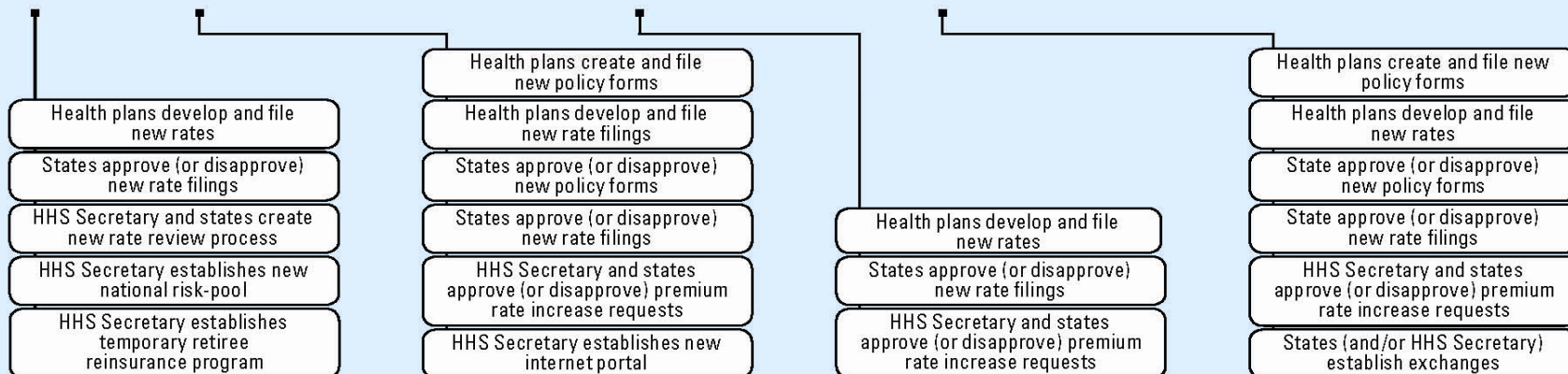
What's your plan?™

## Health Care Reform Bill Insurance Market Provisions Timeline (as revised by the House Reconciliation Bill)\*

SUMMARY OF SELECT REQUIREMENTS



IMPACT



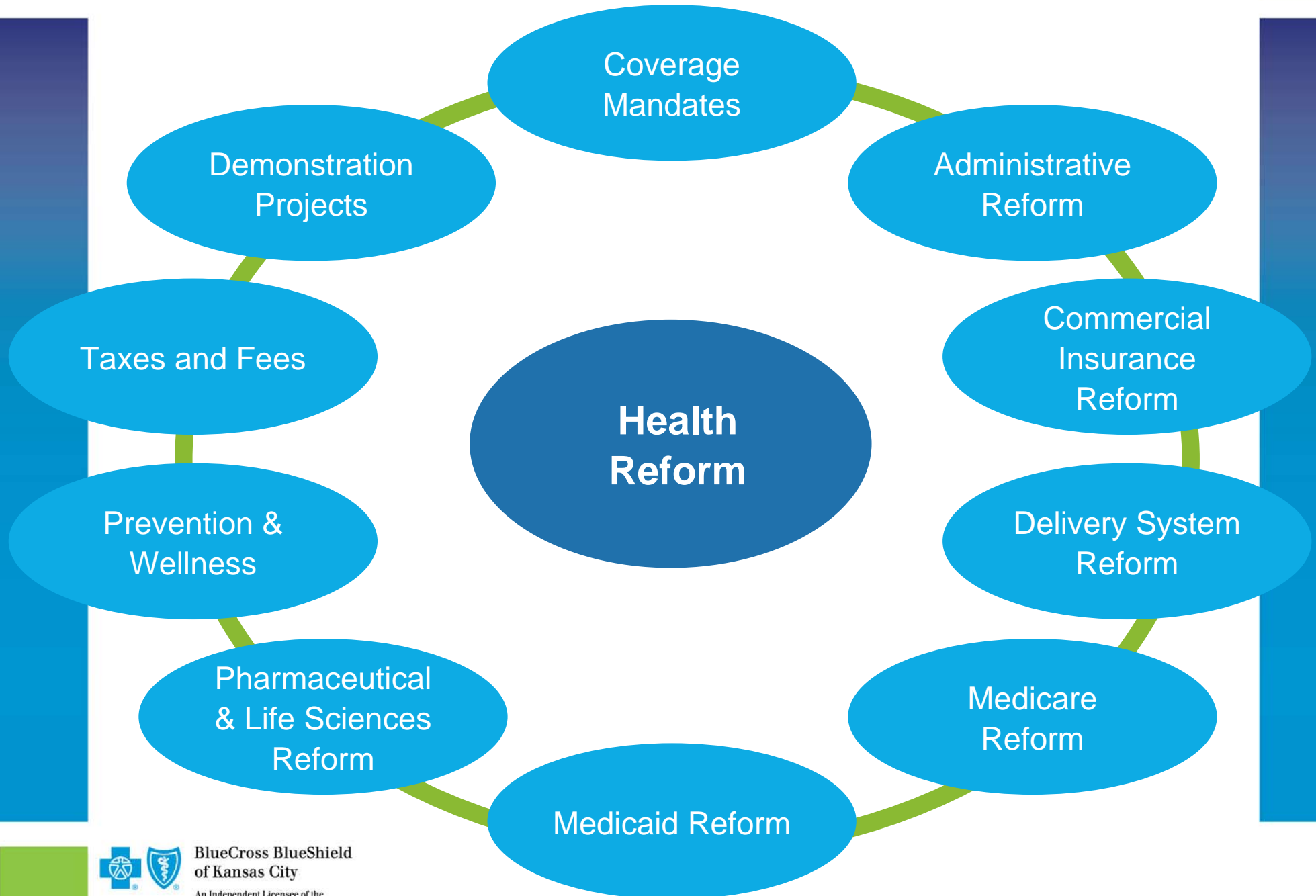
\*Assumes April 1, 2010 enactment

\*\*In years following 2018, the tax amount would increase in an amount proportionally equal to overall premium growth.

- Health care costs are too high
- Reform legislation clearly addresses the first issue – Access!
- Some movement toward prevention and accountability
- Undue financial pressure on carriers
- We support the concept of universal care, NOT a single payor system.
- We believe everyone should have health insurance, and we believe in a strong mandate to make sure costs remain affordable.

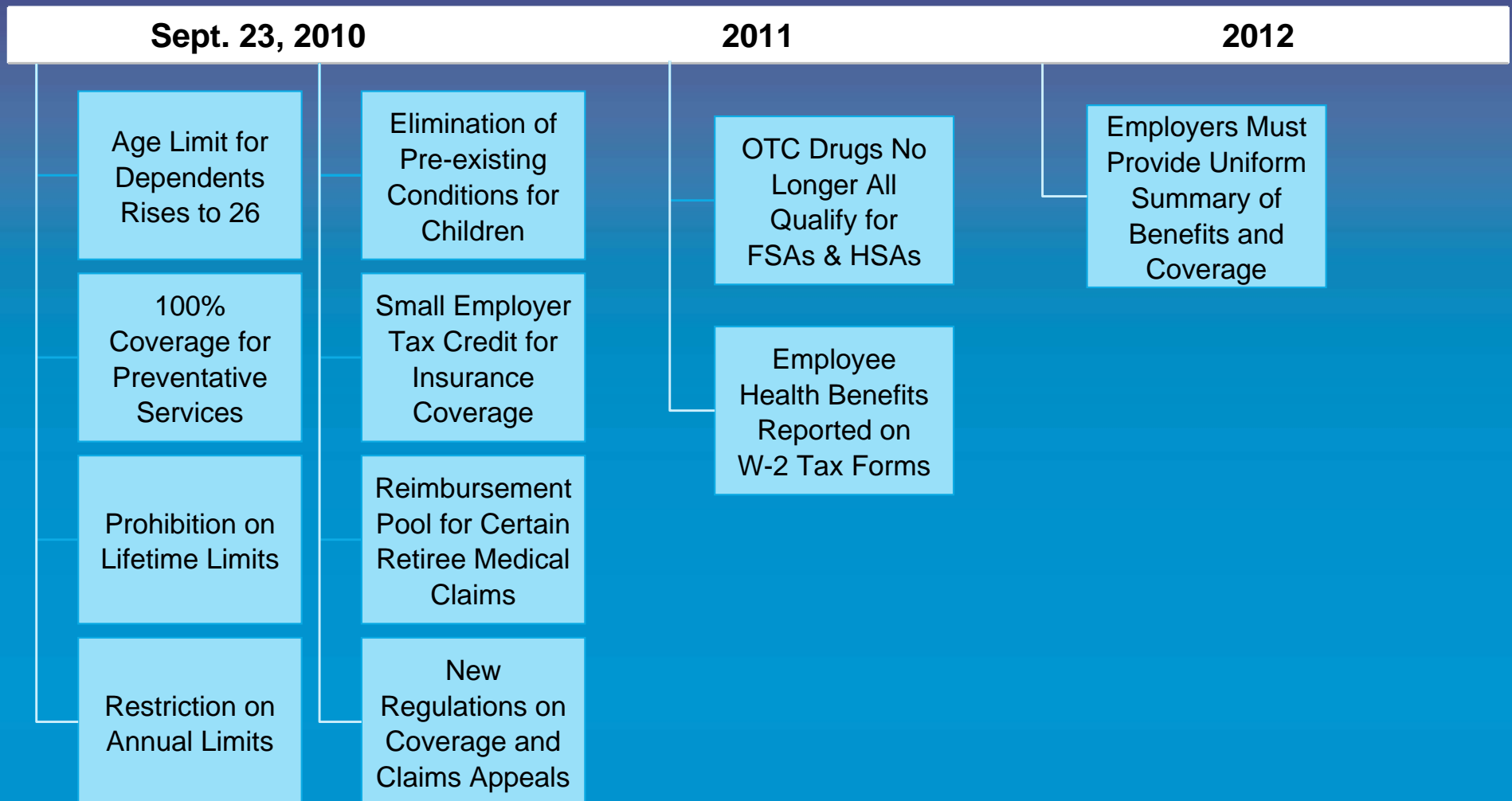
# Health Care Reform

What's **your** plan?™



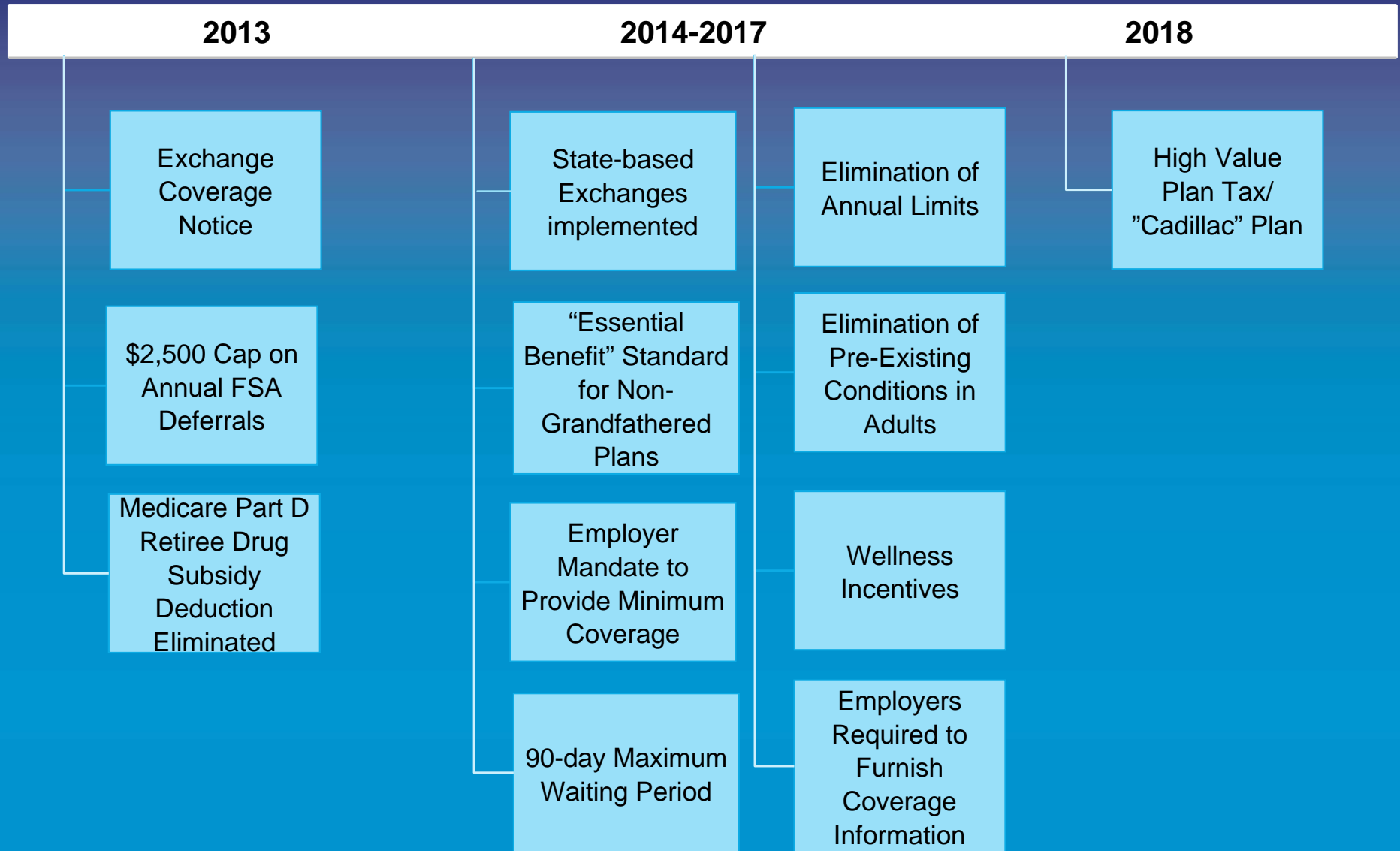
# Health Care Reform Highlights

What's **your** plan?™



# Health Care Reform Highlights

What's **your** plan?™



## (The Kinda Bad)

# How Do We Get There?

What's **your** plan?™



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# A Whole New World

What's **your** plan?™

- Solidify business strategies to maintain market leadership through 2014
- Develop new products to offer in the Exchange
- Manage Medical Loss Ratios – administrative cost focus
- Redefine networks and new approaches to provider reimbursement
- Administrative standardization
- Reporting requirements
- Meet near-term and long-term requirements while continuing to grow our business

# Primary Challenges

What's **your** plan?™

- Weak or No Mandate
- Medical Loss Ratio Requirements
- State-based Exchanges



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- Currently, a “progressive” mandate
  - \$95/year in 2014
  - \$795/year by 2018 (I need to check this...)
- Republicans not inclined to require ANY mandate
- Result: Adverse selection
  - Only people who need insurance will buy it, raising costs for everyone



- Requires health plans to spend a certain amount of every premium dollar on claims
  - 80% Small businesses and individuals
  - 85% Large business
- Rebates given back to employees or individuals if thresholds not met
  - Monitoring in 2010-11 for rebates in 2012
  - Significant business processes in place to avoid rebate situation

# State-Based Exchanges

What's **your** plan?™

- One of the most dramatic changes our industry will experience
- Online repository of available plans in the market
- Commoditizes our industry
- Available to
  - Individuals/small groups in 2014
  - Large groups in 2016



- Concerns – Exchanges could decimate the group market (not likely)
  - 160 million Americans currently have insurance through their employers
- Prediction – Exchanges will serve primarily the subsidized markets (varying new levels up to 400% of federal poverty levels)

# Will HCR Be Repealed?

What's **your** plan?™

- November 2010 mid-term elections brought repeal to the forefront
- House has voted to repeal reform legislation, Senate did not pass the issue last week
- Federal judges split on constitutionality:
  - Two upheld, two opposed
- Likely scenario
  - Reform will be delayed, revised, deferred
  - No one can say what reform will actually look like when all is said and done



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# Closing Thoughts...

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- Reform is here to stay.
- Government, regardless of party, will play a more significant role in your health care.
- Employers will be challenged on what their continued role will be in offering benefits to employees.
- In response, carriers will be challenged to be more innovative in their product offerings.

What's **your** plan?™

# Questions...

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“AskBlueReform”



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