

# GOP House Majority Will Roil Reform Progress

BY ALICIA AULT

FROM A PRESS BRIEFING  
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WASHINGTON – The historic midterm election victory by Republicans does not signal the end of the Affordable Care Act, but now the law will very likely undergo the scrutiny that many in the GOP say it did not get as it made its way through Congress.

The GOP now holds a majority in the House, with 239 seats, compared with 187 for the Democrats. Republican members of the Senate are still in the minority, but the current 52-46 Democratic margin is much slimmer than before the election.

Earlier this year, House Republican leaders and Senate Minority Leader Mitch McConnell (R-Ky.) vowed to “repeal and replace” the Affordable Care Act (ACA) if they regained the majority. A Republican-led House cannot make that happen alone; the Democratic-led Senate is unlikely to pass repeal legislation, and President Obama would likely veto any bill sent to him.

At a postelection press briefing, President Obama said he

welcomed GOP input. “If the Republicans have ideas for how to improve our health care system, if they want to suggest modifications that would deliver faster and more effective reform to a health care system that has been widely expensive for too many families, businesses, and certainly our federal government, I’m happy to consider some of those ideas,” he said.

But he said that the White House would not entertain a repeal debate.

Speaking at a postelection forum, Jim Slattery, a former six-term Democratic congressman from Kansas, said that he expected to see a repeal proposal.

“The new Tea Party congresspeople and the leadership in the House will probably have to introduce some kind of resolution that would call for the repeal of ACA, and I think they know it’s going nowhere and it’s not going to happen,” said Mr. Slattery, now a lobbyist with Wiley Rein.

Mr. Slattery said that President Obama mainly has himself to blame for the Democrats’ poor showing in the election and for polling data indicating that half of Americans want to

repeal the ACA. The president “failed to connect the dots” with Americans on how the law would benefit them, he added.

At the same forum, Nancy Johnson, a former Republican House member from Connecticut, said that she expected to see a number of oversight and investigative hearings on the ACA.

**Republicans have said they will keep the reform that prohibits denial of insurance coverage for preexisting conditions – but will seek to throw out mandated health insurance for individuals.**

“The one thing that has to be done [in the next Congress] is, people have to regain their confidence in government and that’s not about policy, that’s about process,” said Ms. Johnson, a senior public policy adviser at Baker Donelson. “Half the bill is terrific. But the other half wasn’t seen, and that created suspicion.”

Congressional Republicans have said they will keep some of the insurance market reforms – such as the prohibition on denying coverage for preexisting conditions – but will seek to throw

out the mandate that individuals have health insurance coverage. That is a formula for disaster for the law – and for insurance companies, wrote Henry Aaron, a senior fellow at the Brookings Institution, in a perspective article published in the *New England Journal of Medicine* (2010;18:1685-7). Unless most Americans are covered, insurers might be bankrupted by the reforms, he said.

“In brief, the pledge to keep insurance-market reforms without both mandated coverage and subsidies is untenable,” Mr. Aaron wrote.

Mr. Slattery agreed. “If you’re going to really reform the insurance industry with the preexisting-condition reforms, we have to have a mandate of some kind,” he said.

The requirement that individuals carry insurance or pay a penalty, however, is the central issue being challenged by 20 states that are involved in a lawsuit against the federal government in the U.S. District Court in Florida. Virginia has also filed its own suit, a case that Mr. Slattery said he expected to rise to the Supreme Court.

And governors and attorneys

general elected in five states also campaigned on the promise that they, too, would support overturning the mandate.

With money tight and millions of potential new Medicaid enrollees, governors from all parties may revolt against the mandate, said Ms. Johnson. States are challenging the mandate because it imposes burdens on them that they can’t fulfill, she noted.

Back on Capitol Hill, the GOP-led House will also likely look closely at the ACA-created Independent Payment Advisory Board, said Ms. Johnson. The IPAB, charged with looking at how the federal government pays physicians, hospitals, pharmaceutical companies, and other providers, would have broad powers that make many Republicans uncomfortable, she said.

In his perspective piece, Mr. Aaron wrote that that Republicans could also tinker with the ACA by cutting off funding for implementation via the appropriations process, or even try to prohibit the Health and Human Services department from writing regulations. Some of those regulations are due to come out in the next 2 months – before the start of the 112th Congress. ■

## Doctors Don’t Agree on How to Reform Medicare Payment

BY JANE ANDERSON

FROM THE ARCHIVES OF  
INTERNAL MEDICINE

Physicians are dissatisfied with the current Medicare reimbursement system and want reform, yet they disagree on what type of reform they would be willing to accept.

“Most physicians believe that Medicare reimbursements are inequitable, and yet there is little consensus among them regarding major proposals to reform reimbursement,” Dr. Alex D. Federman and his colleagues from Mount Sinai School of Medicine, New York, said regarding their national survey of physicians’ opinions on reform, published in the *Archives of Internal Medicine*.

“Overall, physicians seem to be opposed to reforms that risk lowering their incomes. Thus, finding common ground among different specialties to reform physician reimbursement, reduce health care spending, and improve health care quality will be difficult,” the investigators noted.

The investigators surveyed physicians between June and October 2009 – at the height of the congressional debate on health reform. Of 2,518 physicians who received a version of the survey addressing reimbursement reform, 1,222 (49%) responded.

A total of 78% of respondents agreed that under Medicare some procedures are compensated too highly while others aren’t compensated enough to cover costs, according to the survey results. However, when asked about specific methods to reform Medicare payment, the physicians surveyed showed little agreement.

More than two-thirds of physicians said they opposed bundled payments, with surgeons – who have the most experience with bundling – expressing the lowest levels of support for this strategy (*Arch. Intern. Med.* 2010;170:1735-42).

“Because bundled payments are likely to be implemented in one form or another, this mechanism ought to be carefully explained to physicians to promote broad acceptance and smooth implementation,” Dr. Federman and colleagues wrote.

Half of the responding physicians said they supported financial incentives to improve quality, and “support for incentives was more common and more consistent across all specialties compared with shifting and bundling payments,” the investigators wrote. “Actual experience with financial incentives to improve quality could have directly informed physicians’ generally more positive views of these types of reimbursement mechanisms.”

Physicians disagreed on whether to shift some portion of payments from procedures to management and counseling, with those who conduct procedures saying they were against it and those who do more management and counseling coming out in favor of it, the study said.

Still, about 17% of surgeons and 27%

of physicians in other more procedurally oriented specialties said they supported such a shift, “indicating that underpayment of management and counseling even in procedurally oriented specialties is a concern for many physicians.”

The investigators reported no relevant conflicts of interest. ■

### Failure Could Lead to Cuts in All Fees

“Despite physician concerns about payment reform, failure to change payment systems may be worse for providers,” Michael E. Chernew, Ph.D., wrote in an accompanying commentary. “If we retain the current fee-for-service system, there will likely be significant downward pressure on payment rates for all providers ... hoping that payment reform (or fee cuts) will not materialize seems overly optimistic.”

It’s likely that any payment reform will have significant effects on the basic business model of many physician practices, but providers can find ways to save costs within most of the reforms by reducing redundant and unnecessary care, according to Dr. Chernew (*Arch. Intern. Med.*

2010;170:1742-4).

“Payment reform will surely generate some provider backlash, and surely bundled payments will create tension between physicians and other types of providers, among different specialties, and between primary care and specialist physicians,” he wrote. “Moreover, the transition to new payment systems may not be easy, requiring considerable investment and organizational change.”

But failing to act could lead to worse consequences for physicians, he wrote.

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