

August 7, 2009

UNMC, TNMC, UNMCP Employee Forum on Health Care Reform

Summary of Questions and Answers

The following is a condensed summary of the questions and answers from the August 7 employee forum. The answers are based on interpretation of information available before August 7, 2009. Since the legislation is not final, all answers are subject to updating as new information is available.

If they cut Medicare will there be rationing of services or doctors refusing to take care of Medicare patients and who would be making the decisions about limiting care?

ANSWER - There are no cuts proposed in the benefits provided by Medicare and Medicaid. The cuts mentioned in news reports refer to reducing wasteful spending within the management of the programs and proposals to change the payments to medical providers. Based on what is known right now, decisions regarding treatment will not change and would continue to be made as they are currently.

Is my job secure at this time?

ANSWER - The health care industry is among the fastest growing job markets. Even during the recent difficult economic times, jobs in health care continue to increase. There is a good possibility that additional jobs in the health care sectors will be created due to this health reform legislation.

If I am happy with my current doctor can I keep him/her?

ANSWER - The current system of being able to choose your doctors based on what is permitted by your insurance plan will not change based on the current proposals. There is nothing in the proposed legislation that would require someone to change their health care provider or limit their choice in picking a health care provider beyond the rules existing under their current insurance plan.

What is the realistic possibility of Congress passing a health reform bill in the next couple of months?

ANSWER - Based on its current pace, it is unlikely a final bill would be adopted in the next couple of months, but based on the interest and attention to the effort it is possible a bill would be passed by Congress and signed by the President by the end of the year.

It is also important to note that based on the current legislation the proposals would not be implemented fully until 2013. This 4 year lag is intended to allow time to implement changes.

One of ideas being proposed in the Senate Finance Committee is the taxing of health benefits, how strong or weak is that idea and will I be affected?

ANSWER - Right now, employees get health benefits pre-tax, and there is strong opposition to taxing health benefits. Based on current discussions, it is unlikely the health insurance benefit you receive from UNMC, TNMC or UNMCP would be affected by the proposal being discussed to limit or cap the tax exemption of health insurance premiums.

Since the annual employee-employer contributions at UNMC and NMC are much less than the taxable threshold that has been mentioned, employees at UNMC and NMC would not be affected based on current proposals.

Another approach is the House of Representatives Tri-Committee bill that proposes a surtax on families earning more than \$350,000 annually or an individuals earning in excess of \$280,000 annually.

What is UNMC doing to address the shortage of health professionals?

ANSWER - UNMC realizes that work force shortages in Nebraska present a serious challenge. The College of Nursing has expansion plans in Omaha, Lincoln and Norfolk. The College of Medicine is currently increasing the class size.

The House Tri-Committee bill authorizes a grant program to reduce nursing shortages by increasing the number of nurse faculty. The proposed House bill would provide advanced nursing education grants focused on attracting nurses to practice in underprivileged areas, and includes programs to increase the number of individuals entering nursing.

The Senate HELP Committee bill includes a nursing student loan program, and advanced education nursing grants. It also establishes loan repayment programs for current and future nurse faculty.

Are there any plans for educational loan forgiveness?

ANSWER - Both the House Tri-committee legislation and the Senate HELP Committee bills propose additional financing options for students entering health professions such as increased grant funding, lower interest rates and loan forgiveness for individuals that practice in underserved areas.

How will the distribution of residency slots be affected by health care reform?

ANSWER – In the Senate Finance Committee’s current discussions and the House Tri-committee’s legislation, unused residency training slots would be redistributed to areas of primary care and general surgery. Based on this redistribution unused slots would be included in a pool for redistribution of any unfilled positions. While Nebraska will benefit by increasing the number of primary care physicians, adding medical students and residency positions will require hiring additional faculty, especially generalists. The College of Medicine has been discussing available known resources for expanding its output of primary care physicians.

Will I be able to keep my current insurance coverage?

ANSWER - Based on the current proposals there is *no* requirement in any of the proposed bills that would require individuals that currently have private health insurance coverage to enroll in a public program. The public plan would be designed to introduce more competition in a market where there is not a lot of choice. The Government Accountability Office (GAO) found that in most states the three largest insurance companies control 90 percent of the market. By introducing another option for individuals to choose, policy makers are hoping that the increased competition can lead to better coverage and lower premiums.

Can I leave the UNMC/TNMC health insurance plan for a public health insurance plan?

ANSWER - Based on what is known at this time the answer is no. It does not appear the public plan would be available to those in an employer-sponsored health insurance plan that meets a minimum criteria.

Does health care reform include a role for comparative effectiveness of alternate medical treatments?

ANSWER - While the healthcare reform legislation does not specifically mention the comparative effectiveness of alternative medical treatments together, both concepts are addressed separately. The House Tri-Committee bill includes provisions for comparative effectiveness. Separately, there have been amendments offered to the Senate HELP Committee’s version to cover alternative medical treatments and prevent discrimination against alternative medicine providers. In addition, the stimulus bill provided \$1.1 billion for comparative effectiveness research.

Other submitted questions:

Will there be any changes in my deductibles or co-pays?

ANSWER - Health insurance benefits for employees are updated every year. Since the proposed changes would not go into full effect for four years it is difficult to predict how one’s premiums, deductibles and co-pays would be affected.

What is the University doing to prepare and keep students, faculty and staff informed about the health reform changes?

ANSWER - UNMC, UNMC Physicians and The Nebraska Medical Center have a health care review group of about 20 people, including several members of the local business community studying the issues that may affect the medical center and its employees. The information the group develops is available at www.unmc.edu/healthcarereform.

Why don't academic institutions push harder for increase biomedical research funding as part of the health care reform package?

ANSWER - While biomedical research is an important part of improving health, it is not directly included as part of health coverage. The health care reform bills would not provide funding appropriations for biomedical research; that is done through the annual appropriations to NIH and one-time funding like the Recovery Act. The Recovery Act (ARRA) provided more than \$10 billion of new funding for biomedical research at the National Institutes of Health (NIH). The academic and research community is advocating for increasing funding for the NIH in FY 2010.

Doctors are already getting paid less than the procedures cost from Medicaid/Medicare. Would health care reform at least pay doctors/hospitals what the procedures cost so it isn't an expense out of pocket for them to take these patients?

ANSWER - Policy makers understand that there are discrepancies in how Medicare/Medicaid pay doctors and are working to address some of this in the health reform legislation. One of the serious concerns for physicians every year is the possibility of a 21% cut in Medicare reimbursement rates. The House of Representatives Tri-Committee legislation addresses this issue by eliminating the proposed 21% cut and forgiving the medical debt from previous SGR fixes. For the next three years the House Tri-Committee bill would provide a 1% increase in the fee schedule. After that there is discussion to base the reimbursement rate on the rate of medical inflation rather than the general rate inflation. Another provision in the proposals includes bonus payments of 5-10% above current Medicare payment rates for primary care providers and those that practice in shortage areas, most of which are in rural areas.

Would health care reform lower retiree premiums from the current \$2200/month? *What about for retirees who would like to retire early?

ANSWER - Based on the current legislative proposals, the public plan may be an option for those who would like to retire early.

Will healthcare reform disadvantage the elderly by not treating them?

ANSWER - The current Medicare system does not fully reimburse physicians for the cost of treating Medicare patients. In some areas this has resulted in doctors that have stop accepting new Medicare patients. One of the goals of healthcare reform is to permanently fix the payment system used to reimburse physicians, and thereby increase access to care.

Will Blue Cross/Blue Shield be one of the plans that qualify under this health care reform? Is UNMC going to drop this in favor of the public option?

ANSWER - Based on what we know at this time the proposed versions of the legislation would allow employees to keep the current coverage. Neither UNMC/TNMC has plans to drop the health insurance benefit offered to its employees.