

# Federal health-care law termed ‘significant change’

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Karen Davis of The Commonwealth Fund urged the audience at The Hotchkiss School to resist efforts to modify or repeal the Affordable Care Act during her presentation, part of the Salisbury Forum series, Friday, May 13. *Photo By Patrick L. Sullivan*

LAKEVILLE — The Affordable Care Act (aka “Obamacare”) is already the law of the land. The effort to explain it — and promote it — is ongoing.

The effort continued Friday night, May 13, as Karen Davis, president of The Commonwealth Fund, spoke to an audience of about 200 at The Hotchkiss School as part of the Salisbury Forum series.

Davis began by describing the health-care reform law as the most significant change in American health care since the advent of Medicare during Lyndon Johnson’s Great Society of the mid-1960s.

“To quote the vice president sparingly, it’s a big deal,” she said.

And now that the law is in place, “there is a growing sense of agreement that fundamental reforms are important.”

Davis said that the problems that made reform necessary include 50 million uninsured Americans; rising costs that mean even those with jobs and coverage struggle to pay medical bills; employers facing increasing insurance costs who are unable to pay workers higher wages.

She said the \$2.6 trillion spent annually on health care “fails to deliver high-quality, accessible care.”

She cited a survey that found that 75 percent of respondents report difficulty in simply making appointments with doctors; half reported never getting their test results; and a quarter of respondents experienced administrative “hassles” with insurance claims and other red tape.

A whopping 73 million Americans experienced some form of medical bill problem in 2010: referral to a collection agency, a change in lifestyle to pay off debts incurred from medical treatment or using up savings or taking out loans to pay bills.

She said that 98,000 Americans die annually “because of the failure of the system.”

Davis explained in general terms how the sweeping law would affect Americans in the next decade: full implementation of universal insurance by 2014, with federal or state insurance exchanges.

Middle-class families will receive assistance, overall costs will begin to go down and insurance premiums will drop by an average of \$2,000 for families by 2019.

Closer to home, Davis said the Hudson Valley region does better than most areas — a higher proportion of residents have regular access to a doctor, are up-to-date on preventive services, and hospitalizations (and subsequent readmissions) are below the national average.

The Northwest Corner does better than Connecticut as a whole, she continued, and the state does better than the nation. A little more than half of adults in this area are up-to-date with preventive care.

Davis said one big structural problem with the current system is “we pay for procedures — so we get a lot of them.” The result is that a doctor gets paid more for a minor dermatological procedure, for instance, than for talking with a patient for 15 minutes.

She said it is necessary to move to new payment models. “Think of a coronary bypass — with a warranty,” she said, to laughter from the audience.

But it’s not a far-fetched notion. She cited hospitals that charge a flat fee for such an operation — a fee that includes everything and that means a warranty, too.

Such a payment structure provides the incentive for the hospital to be careful and efficient.

Noting the 26 states that are challenging the health care reform bill in federal court, and efforts by the Republican-led House of Representatives to repeal or deny funding to all or parts of the law, she said, “We must not undo the progress in this far-reaching law.”

During the question-and-answer segment of the program, Davis was asked who pays for the uninsured now.

“The costs are ultimately borne by society” when the uninsured go to an emergency room for treatment, when hospitals are forced to try and recover bad debt and when patients in such circumstances, unwilling to incur more bills, fail to follow up on treatment.

Asked about the role of the states once the law is fully implemented, she said that because of the election of Republican Scott Brown of Massachusetts to the Senate seat held by the late Edward Kennedy, a Democrat, the final version of the Affordable Care Act used a Senate version that had a larger role for the states.

Asked why there is so much opposition to the health care legislation, Davis laughed. “Why doesn’t everybody think the way I do,” she asked rhetorically.

“It is a complex law,” she continued, and said she understood why people would have doubts.

“It is a major commitment in an uncertain time.”

She stated flatly that there will be no rationing of care — an oft-repeated criticism.

Asked if she is optimistic about the law’s future, she said, “A lot depends on the 2012 elections.

“It could be repealed. We could take a fundamentally different path, which is called ‘personal responsibility’ — meaning ‘you’re on your own.’”