



Health Care Reform

Implications for Hospital and Physician Medical Malpractice
2011 CARE Seminar

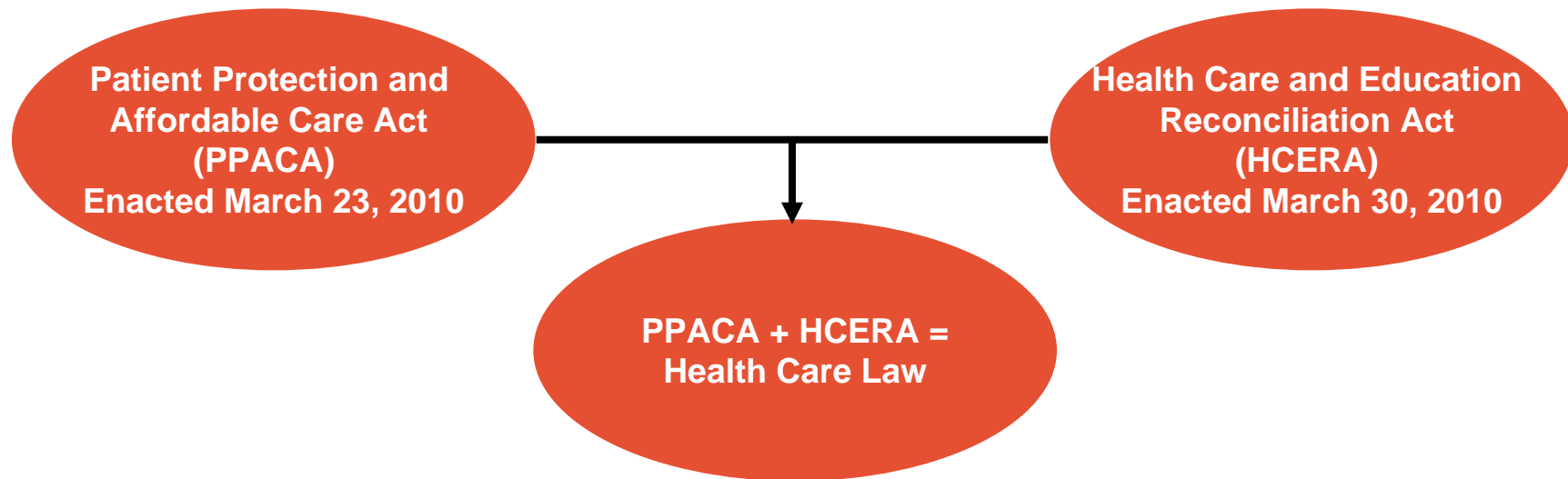
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Antitrust Notice

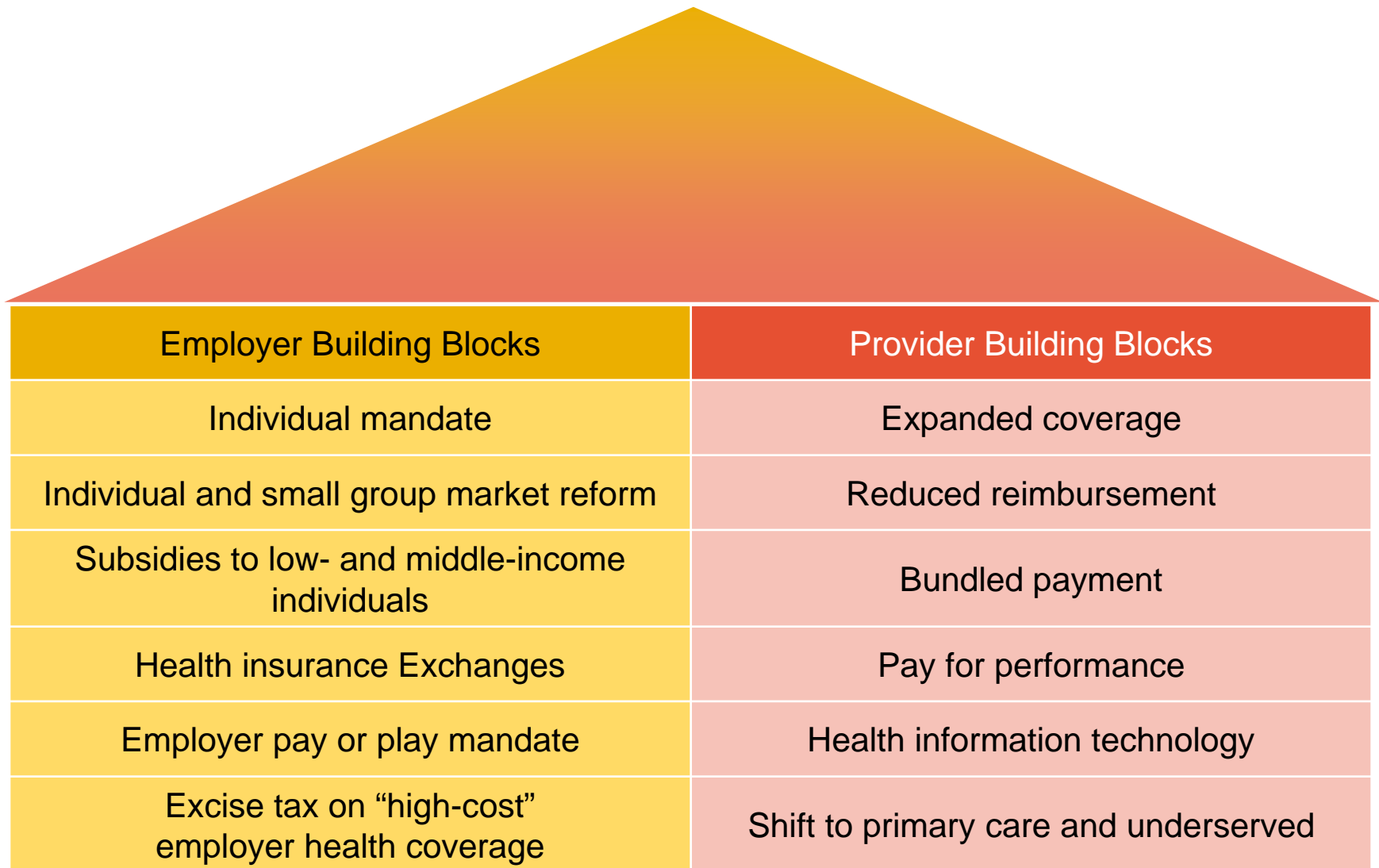
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Health care reform is here – bringing significant short- and long-term challenges for employers

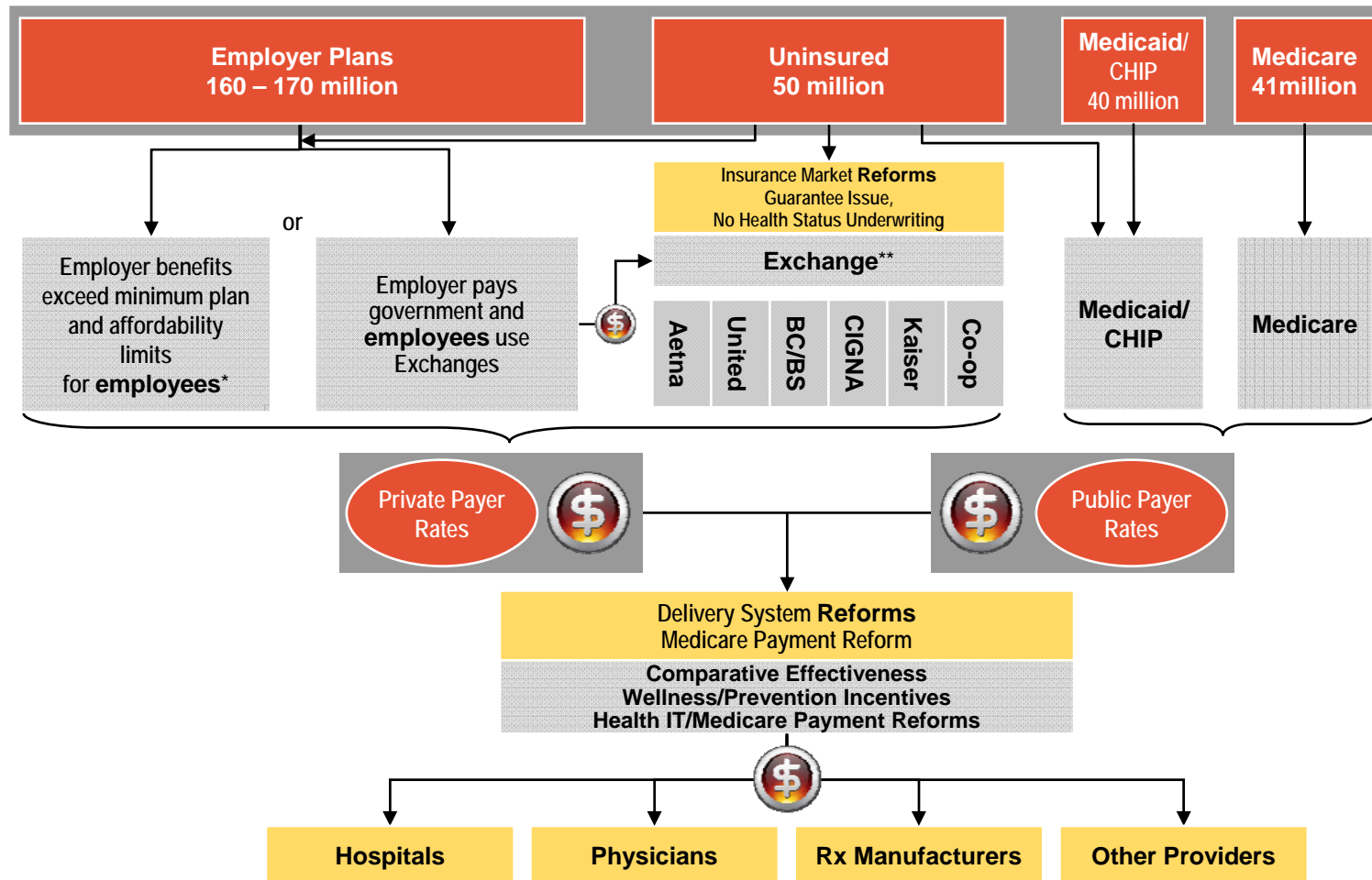


- Reform has significant implications for employers, employees/individuals, insurers, health care providers and others
- Impact starts immediately for employers
 - Major changes continue for years to come
- Employers face short-term and long-term challenges
 - Short-term challenges include understanding the new law and its implications and implementing immediate provisions
 - Long-term challenges include managing compensation and benefit strategy in a new environment

The Health Reform House



The New Health Care Insurance Market



*Employees may decline employer's plan in favor of Exchange-based coverage, but they may obtain federal premium subsidies for Exchange-based coverage only if employer coverage does not meet minimum requirements or is "unaffordable."

**Low- and middle-income premium and out-of-pocket cost subsidies available up to 400% of federal poverty level.

Source: U.S. Census Bureau. Does not depict 15 million now with individual insurance expected to move to Exchange or other sources.

Practical Implications

- Larger health systems providing care
- Emphasis on quality of care, with measurement
- Reimbursements favoring hospitals over independent physicians
- Employment of physicians
 - Crossed the 50% threshold
 - New generation of physicians “want to be employed”
 - With employment comes liability
- How the hospitals/healthcare systems will address physician liability?

Contrarian's View

- Historical friction between physicians and hospitals
- Will reimbursement anomalies last?
- Will citizens accept care provided by a corporation?
- Is major restructuring needed to achieve efficiency?

Questions for Discussion

- For insurers, what are the implications of the physician employment trend?

Questions for Discussion

- What are the implications of the physician employment trend for hospitals?

Questions for Discussion

- What are the implications of the physician employment trend for reinsurers and excess insurers?

Questions for Discussion

- Have you seen any data as to the impact on cost as a physician moves from private practice into an employed status?

Questions for Discussion

- Speaking more broadly about the Reform in general, what factors are likely to affect claims frequency?

Questions for Discussion

- What factors are likely to affect severity?

Questions for Discussion

- Earlier you mentioned the strain on capacity. It estimated that HC Reform will bring 32 million additional insureds into the healthcare system. How do you see that impacting malpractice?

Questions for Discussion

- Can you comment about Accountable Care Organizations (ACOs), and any risk that they bring?

Questions for Discussion

- You mentioned evidenced based medicine. Its also referred to as “comparative effectiveness research.” What are the implications?

Questions for Discussion

- There is some funding for malpractice reform projects within the bill. What is the potential from that?

Questions for Discussion

- Can you comment about Section 111 and its potential impact?

Conclusions

- Factors that have the largest potential implications
 - Creation of ACOs
 - Continued employment trend
 - Section 111
- Recommendations
 - Evaluate your product offering versus likely future needs
 - Prepare for the shift in data availability, and severity
 - Learn as much as you can, quickly

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