

Florida Hospital's Position on Health Reform

April 26, 2010

Dear Colleagues,

If you are having an experience like mine, everyone is asking you what the new health reform law means, and whether or not Florida Hospital supports it. I'd like to share some thoughts with you.

Florida Hospital and Adventist Health System have been active in the reform debate since Fall 2008. We advocated early on for serious reforms to cover the uninsured. We pushed to strengthen coverage and portability for those who are already insured. We endorsed simplified billing and payment systems that reward efficiency and results. We have promoted incentives for preventive health services and encouraged medical tort reform.

It is safe to say that the new law addresses many but not all of these issues. It places us, as an organization, with all Americans. There is something for everyone to like – and to dislike. We agree with Stuart Rothenburg, PhD, a respected, nonpartisan political commentator who said, "This bill does not solve all the health care problems; no bill ever will. Its results will not be known for many years."

We do believe that the new law is important progress for us as a provider. There are several reasons for this. First, change is nothing new to us. We have faced constant changes in our payment and federal obligations over the past 20 years. We have been "ruled" by the Balanced Budget Amendment that triggered Medicare payment cuts, the EMTALA law that requires us to see all patients regardless of ability to pay, the Recovery Audit Contractors who pursue Medicare overpayments, and non-stop regulations from both Medicare and Medicaid.

Secondly, what has been even more constant is the upward creep in the number of uninsured people – not to mention rising insurance premiums and greater individual payment responsibility including co-payments.

Our country needs a fix. If you look at Medicare's spending versus its income, as well as the widening gap in Florida's Medicaid budget, you can clearly see we are in for more dramatic payment reductions in Medicare and Medicaid than ever before. And the reality is, we have to be.

If we are going to face further reductions in Medicare and Medicaid, wouldn't we rather have fewer uninsured people? Aren't we better off expanding coverage and helping uninsured patients find alternatives to our ERs? We believe that the more people who have coverage, the more opportunity there is for hospitals to deliver appropriate, cost-effective care and encourage preventive care.

I have been asked the question: "What happens to our not-for-profit status if there aren't any uninsured people receiving charity care?" The answer is: our status will stay the same. This is because charity care is only a partial measure of what our mission provides to the community – and we provide community benefit in many additional ways. Nonetheless, it is quite safe to say that there will still be millions of uninsured people – at least 10 million, say government projections. It is true that the poor and underserved will always be among us.

Now that health reform is law, the rulemaking begins. This is where the real work begins. We will help shape the final decisions – as we have done in the past.

What will be known today and in the coming years is Florida Hospital's character, and its ability to provide care to all our patients. I am confident that our Strategic Innovation Agenda and our 2010 System Priorities are well aligned to prepare us for the future of health care in Central Florida – and across the nation.

Sincerely,



Lars Houmann
President & CEO

Health Reform Timeline

March 2010

- Reform bill becomes law
- Rulemaking begins

Late 2010

- Insurance reform for children (only): dependent coverage to age 26, ban on denials for pre-existing conditions, no lifetime limits.

2013

- Independent Medicare Payment Commission forms to recommend payment systems

2014

- Medicaid expands to 133% of poverty (from 100%); includes men.
- Insurance reform for adults
- Individual and business coverage mandates begin
- Premium subsidies and share-of-premium caps for families up to 400% of poverty
- Non-compliance penalties for individuals and businesses
- State Insurance Exchanges open