Estimate of the Situation

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The Affordable Care Act: Real World Impacts and Options, Part I

"The emperor has no clothes!" from Fairy Tales, Told for Children, Hans Christian Andersen (Cliff Notes Version)

Americans, including hospital executives and governing body members, are disinclined to dwell for long upon unpleasantness. A "glass half full" mindset, plus drive, creativity and motivation make the potential long term prospects of American health care very bright.

However, in the near to intermediate term, not only does *The Affordable Care Act* fail to resolve the payment system's problems; it exacerbates those flaws, raising them to the level of an existential threat. Even if implementation of *The Affordable Care Act* somehow avoids pushing the U.S. economy into a new economic recession, it is doing exactly what it is designed to do which is to:

- Virtually eliminate the private practice of medicine.
- Produce the closure of hundreds of small hospitals.
- Dramatically narrow provider networks, concentrating most inpatient hospital services within a relatively few regional institutions and systems.
- Drive most private insurance companies from the market place.
- Transform physicians into clerks whose compensation will depend upon their willingness to subordinate professional judgment to statistically-determined and centrally-administered rules.
- Turn patients into dehumanized aggregations of ICD and CPT codes which will be used to determine which (and whether) treatment will be permitted or withheld.
- Incentivize physicians and hospitals to withhold or restrict care to those patients whose conditions are more likely to produce an unfavorable outcome.

It will also hasten the bankruptcy of Medicare, destroy the local economies of many rural communities, and impoverish several of the nation's largest and most populous states.

The Affordable Care Act's architects assume that their policy preferences will be universally accepted by the public at large. They believe they can command specified outcomes in areas beyond their control. They imagine that the ACA's mandated "Physician Value-Based Payment" scheme is superior to the "fee-for-service" model because "providers" (physicians and hospitals) will be paid based on "value" (as defined by the central planners) and not "volume" (amount of service). This is the central planners' great dream: to be able to hold physicians and hospitals "accountable" for the health status of "their populations".

For a look into the central planners' world view, expressed in their own words, please read carefully the following excerpt from The Care Continuum Alliance's October 2012 publication, "Population Health Management in Physician Practice: A Call to Action".

> "Healthcare delivery reform is dramatically shifting physician practice models toward more collaborative, longitudinal care structures that reward outcomes over volume of services rendered. *As such, physician attention has turned to population health management as a relevant and necessary undertaking for success in a post-reform future.* Population health management, as defined by CCA, is a collection of physician-supervised interventions, implemented for populations defined by a healthcare need or condition, that help patients and caregivers optimize care, prevent future complications, and maximize opportunities for wellness[1]. CCA has developed the following framework to outline the process flow and strategies associated with delivering population health management in a targeted and individualized way."

To imagine that physicians and hospitals have-- or *should* have--the power to manage *and be held accountable* for any individual's health (let alone the health of a "population") is as absurd as it is arrogant. Given the role of diet, exercise, genetics, and health history, primary responsibility (and "accountability") for any patient's health must rest with the patient.

Perhaps the relative silence from "providers" (physicians and hospitals) in the face of what is happening to them stems from shock-induced paralysis. Each of us sees and understands events through a lens shaped by our own experience. When confronted by new and unanticipated challenge, we react as our education and training have taught us to react. A lifetime's experience in what was truly a different world isn't of much help in the present circumstance.

American health care is in the midst of a paradigm shift, a transformational change of historic proportions. The transformation is driven by economics, demographics, competitive market forces, advances in medical knowledge, and an unprecedented hi-tech explosion that is revolutionizing the power and accessibility of medical devices, communications technology, and information systems. Almost unnoticed amidst the *Sturm und Drang* accompanying the *Affordable Care Act's* melodramatic implementation is the vital fact that two competing and incompatible versions of health care's American future are simultaneously struggling to be born into reality. One will survive. One will not. *The Affordable Care Act is swimming against the tide of history*.

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