

Impact of ACA

Presented by
Bruce Singleton, Senior Vice President of Network Products,
Conventry Workers' Comp Services

The Impact of the ACA on Workers' Compensation

Bruce Singleton



The Facts

- The ACA is designed to provide insurance to the currently uninsured
- It is estimated that 30 million newly insureds will be enrolled in insurance plans over the next few years
- Medicaid benefits are expanded, and states are making independent choices as to whether to accept federal funding
- There is a growing physician shortage in the U.S.
- Hospital systems are seeking to insure employees in their communities by becoming certified ACOs
- Hospital systems are acquiring physician practices at record rates

The Facts

- Employers are mandated to purchase medical "plans" for full time employees
- The standard plans also include dental and vision insurance
- Medical deductibles are skyrocketing – take a look at your personal plans
- We have an aging workforce
- Generally speaking, providers are paid more for workers' compensation patients than for Medicare or Medicaid patients

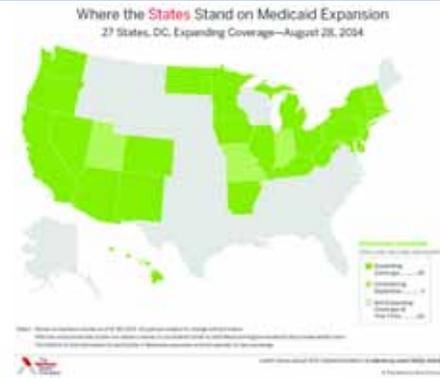
The Forces at Work

- Supply and demand
 - Competition for services
 - Fewer providers
- Shifting revenue mix for providers
 - Increased Medicare mix
 - Increased Medicaid mix
 - Slowly decreasing commercial mix due to aging population
- Employer incentives for full time employees changing
- Employee incentives changing

Factors to Consider for Each State

- How underserved is the state? - Physician ratio per 100,000 people
- Where do the lower income population live in the state?
- Where are the concentrations of uninsureds in the state?
- Did the state decide to accept the Medicaid expansion dollars from the Federal government?
- How does the workers' compensation reimbursement in the state compare to Medicare and Medicaid?

Medicaid Expansion by State



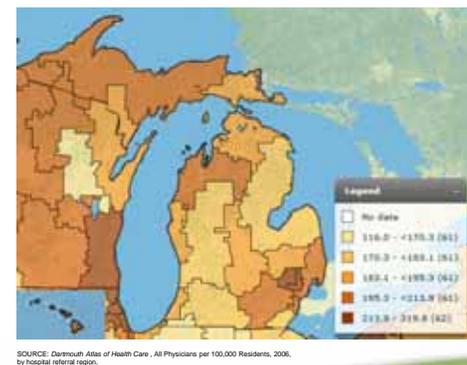
Uninsured in Michigan

Adults ages 19 – 64, 2009 – 2011



Physicians in Michigan

Per 100,000 in population



Some Possible Impacts

- Less access to care
 - Physician shortages (supply) and more patients (demand)
 - Longer wait times
 - Delayed return to work and increased indemnity costs
- Physicians will be paid less for a greater percentage of their patients
- Decreasing supply and increasing demand (especially at lower rates) = ???
- Increased cost shifting – where one party underpays for a service resulting in another party overpaying for a service
- Physicians finding new ways to overcome a possible reduction in compensation

Some Possible Impacts

- Decreased workers' compensation claims because workers now have medical insurance OR increased workers' compensation claims?
- Healthier workers resulting in quicker return to work?

How Could These Play Out?

- Increased scope of practice for:
 - Advanced Practice Nurses
 - Nurse Practitioners
 - Physician Assistants
- Paying more for access
- Long-term market adjustment
 - Supply and demand will follow their normal path
 - Prices may increase until demand decreases
- Innovation and out-of-the-box thinking
 - Medical tourism – doctors from other countries or neighboring surplus states
 - Telemedicine – telephone only
 - Telemedicine with video

Thank You!

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