



The Hospital + Healthsystem  
Association of Pennsylvania

**Backgrounder: Health Care Transformation in Pennsylvania  
Before and During the Affordable Care Act (ACA)**

	<b>Before (prior to 2010): BUSINESS AS USUAL</b>	<b>During (2010–2016): TRIPLE AIM, INNOVATION</b>
<b>Coverage</b>	<ul style="list-style-type: none"> <li>• No mandate to have insurance</li> <li>• Growing uninsured</li> <li>• Challenges getting coverage for preexisting conditions, coverage unaffordable</li> <li>• ERs – defacto coverage/access for uninsured</li> </ul>	<ul style="list-style-type: none"> <li>• Individual and employer insurance mandates</li> <li>• % uninsured in PA cut nearly 40% (10.2% in 2010 to 6.4% in 2015)</li> <li>• 1.1M+ Pennsylvanians gain coverage: 685,000 through Medicaid expansion, 412,000 through marketplace, nearly 90,000 through dependent coverage</li> <li>• Consumer protections and “free” preventive care</li> </ul>
<b>Utilization and health care spending</b>	<ul style="list-style-type: none"> <li>• Spending rising quickly, at 2-3X rate of inflation</li> </ul>	<ul style="list-style-type: none"> <li>• Spending growth slowed (even with Medicaid expansion)</li> <li>• Growing use of new care models (urgi-care, patient centered medical homes)</li> </ul>
<b>Quality, safety, and transparency</b>	<ul style="list-style-type: none"> <li>• Growing push toward public reporting</li> <li>• Growing use of evidence-based health care quality and safety practices</li> </ul>	<ul style="list-style-type: none"> <li>• Quality reporting a given</li> <li>• Evidence-based quality/safety improvements supported by new ACA payment models and investments (<a href="#">Hospital Engagement Network</a>, <a href="#">Hospital Improvement Innovation Network</a>)</li> </ul>
<b>Payment for hospital services</b>	<ul style="list-style-type: none"> <li>• Based on quantity of services provided, not quality, safety, and outcomes</li> </ul>	<ul style="list-style-type: none"> <li>• Insurers increasingly paying for VALUE not volume, with feds’ ACA Medicare payment innovations (pay for performance, readmissions penalties, value-based payments, bundling, accountable care organizations) leading the way</li> </ul>

<b>Transformation and innovation</b>	<ul style="list-style-type: none"> <li>• Narrow focus: siloed acute care</li> <li>• Paper-based admin processes</li> </ul>	<ul style="list-style-type: none"> <li>• Health AND health care, preventive care, population health, value not volume</li> <li>• Shift from inpatient to outpatient</li> <li>• Coordination across silos</li> <li>• Investments in IT (HITECH)</li> </ul>
<b>Hospital finances</b>	<ul style="list-style-type: none"> <li>• Uncompensated care rising consistently for at least 15 years</li> </ul>	<ul style="list-style-type: none"> <li>• Uncompensated care ticks down for the first time in 15 years</li> <li>• Investments in delivery system reform and greater care coordination</li> </ul>
<b>Consumer implications</b>	<ul style="list-style-type: none"> <li>• Focus on sick care</li> </ul>	<ul style="list-style-type: none"> <li>• Growing interest in healthy behavior, access to routine/preventive care</li> </ul>