Supreme Court Decision

Anti- injunction Act not applicable 9-0

Individual mandate 5-4

- Violates Commerce Clause 5-4
- Allowed under Congress' Taxing Authority 5-4

Medicaid expansion 5-4

- Unconstitutionally coercive 7-2
- Remedy: no withholding existing Medicaid $ 5-4

Law of the land

ACA and Cardiology

Medicaid Expansion to 133% FPL optional

"Lies, damn lies and statistics"

- **Will TX sacrifice billions when the "woodwork effect" will be marginal?**
- **Will Medicaid MD reimbursement decrease?**
- **Medicaid at Medicare levels**

Prediction – less talk about "socialize medicine", "Gov't take over" or holding out for block grants after the election.

Impact on Cardiology

Quality and Value Based Purchasing (VBP)

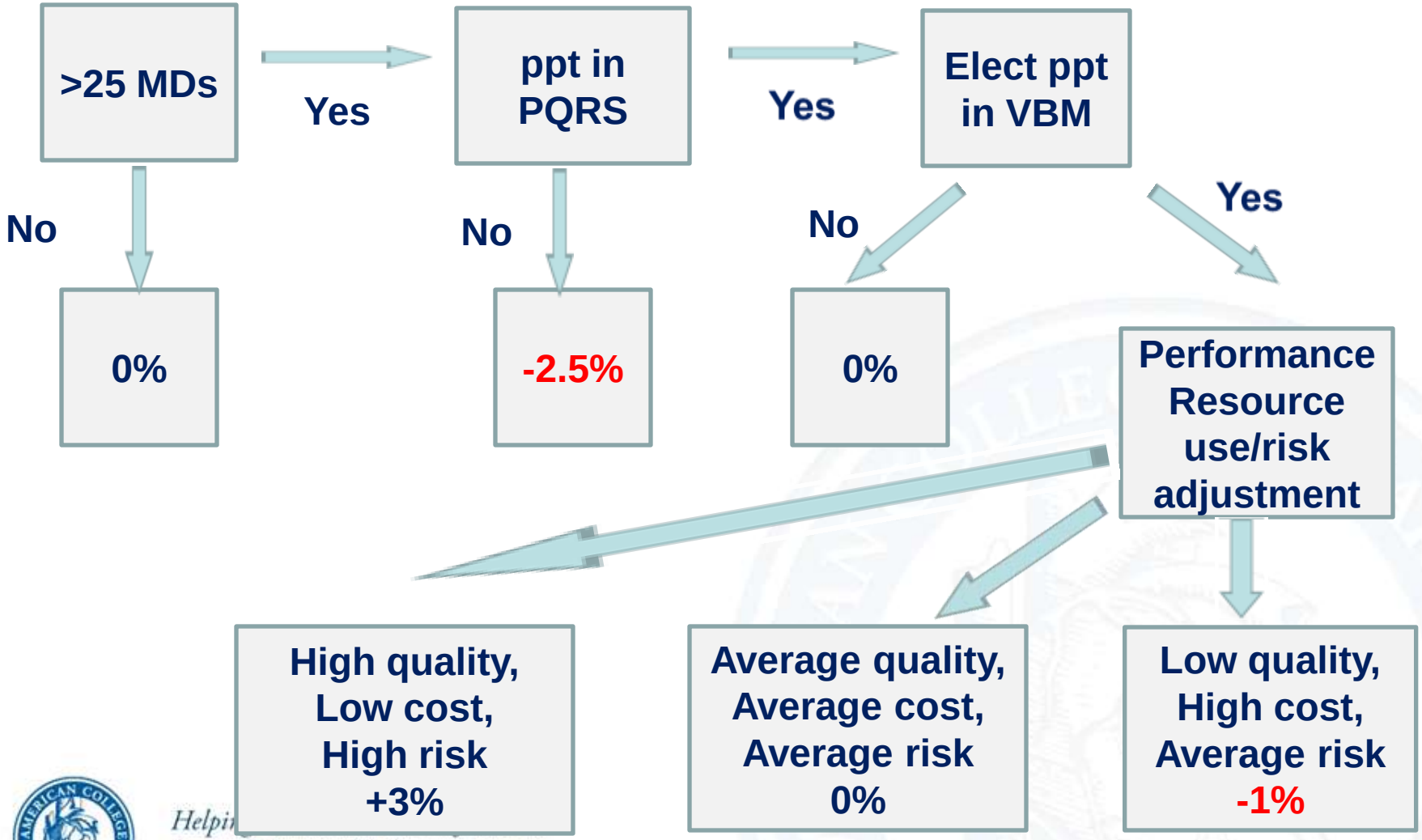
- Quality Modifier 2015
- PQRS; extended bonus 4 yrs, added penalties

Public Reporting

- MD feedback; QRUR in 4 states
- Physician Compare (limited NCDR PCI and ICD measures)

Sunshine Act, CMMI, PCORI, IPAB

Quality Modifier Starts 2015*

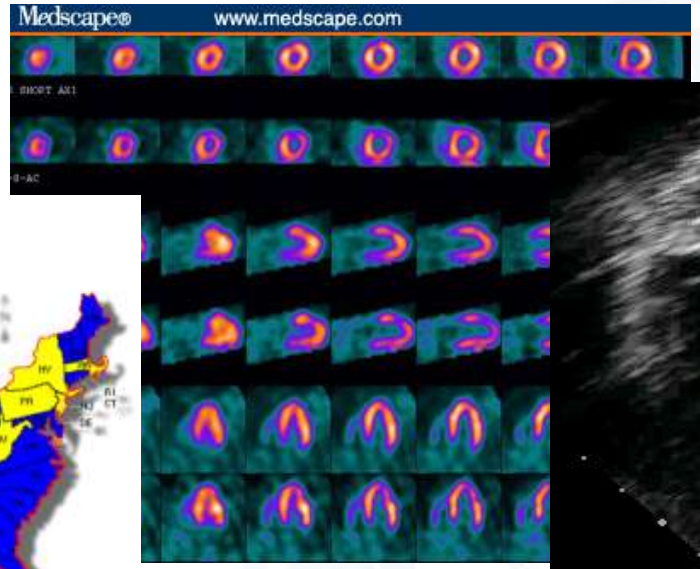


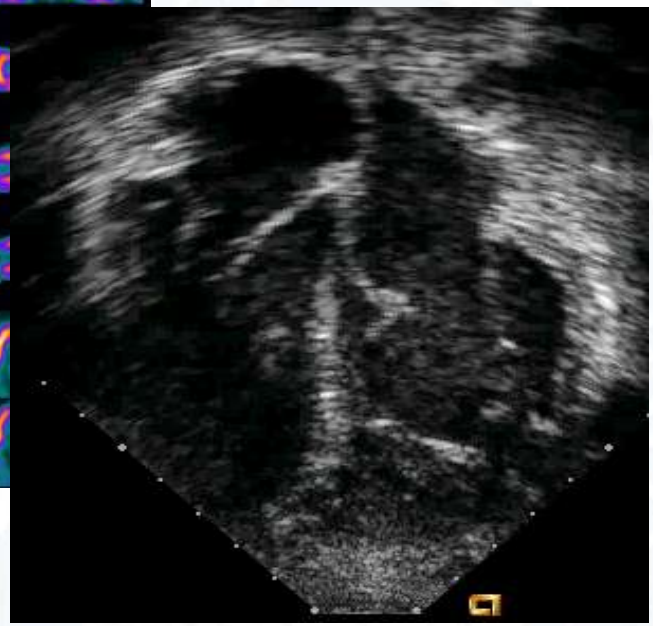
Helpi
Learn. Advance. Heal.

* Based on 2013 data

"It's the Rules not Reform!!!"

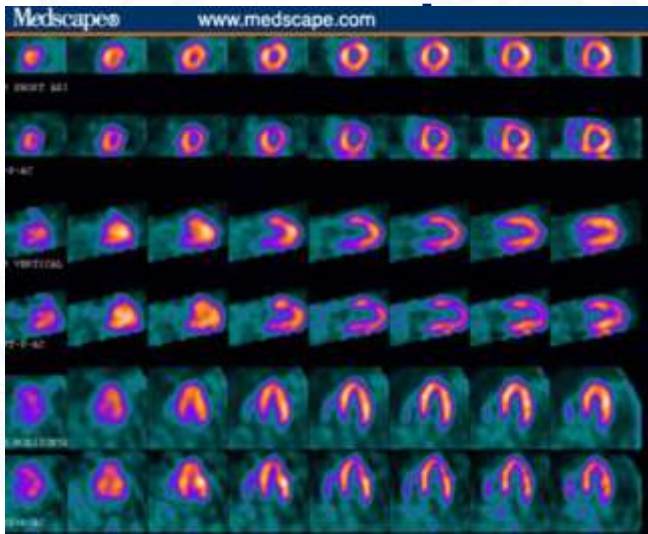
Payment = [(Work RVU x Work GPCI) + (Practice Expense RVU x Practice Expense GPCI) + (Malpractice RVU x Malpractice GPCI)] x (Conversion Factor x BNA)





MPPR – Multiple Procedure Payment Reduction

- Reduces the lesser Technical Charge(s) for multiple procedures by 25% (in PFS, not HOPPS or IPPS)
- E.g., Nuke/Stress -2%, ECG and ECHO -0.16%
- Risk: CMS applying similar cuts to Physician Charges in radiology; Picked up by payers; Bundling
- ACC actions with the CV societies:
- Comments - CMS really messed up codes
  - Possible year delay or refinement
- Legislative v. drawing attention

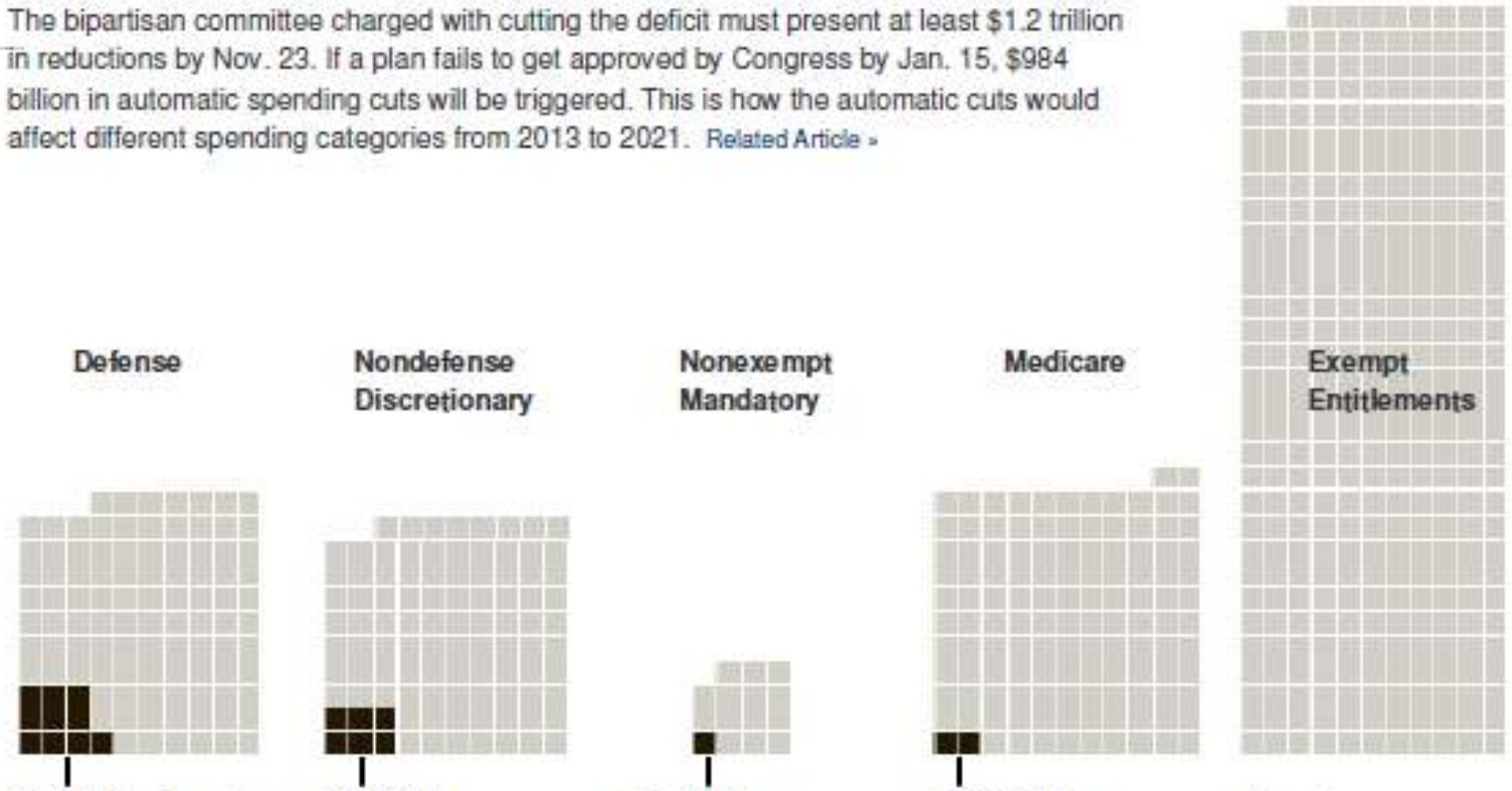


“1% here, 1% there it eventually adds up to real money”

- Penalties for nonppt in PQRS -1.5%
- MPPR, 2010 phase-in -3%
- Transition care -1%
- Sequestration -2%
- HOPPS mean v. geom mean -5% for some services
- SGR -28%
- PCI, EPS/Ablation: if CMS accepts RUC -17.5%

Threat of Automatic Cuts

The bipartisan committee charged with cutting the deficit must present at least $1.2 trillion in reductions by Nov. 23. If a plan fails to get approved by Congress by Jan. 15, $984 billion in automatic spending cuts will be triggered. This is how the automatic cuts would affect different spending categories from 2013 to 2021. Related Article »



$492 billion in cuts

9% OF $5.3 TRILLION SPENDING CAP

Half the cuts are required to come from national security operations and military costs.

$322 billion

7% OF $4.9 TRILLION SPENDING CAP

Includes health, education, drug enforcement, national parks and other agencies and programs.

$47 billion

4% OF $726 BILLION ESTIMATED SPENDING

Mostly agriculture programs.

$123 billion

2% OF $6.1 TRILLION ESTIMATED SPENDING

Includes payments to Medicare providers and plans, limited to a 2 percent cut.

No cuts

$17 TRILLION ESTIMATED SPENDING

Social Security, Medicaid, veterans' benefits, federal retirement benefits, nutrition and other low-income programs.

http://www.nytimes.com/interactive/2011/07/22/us/politics/

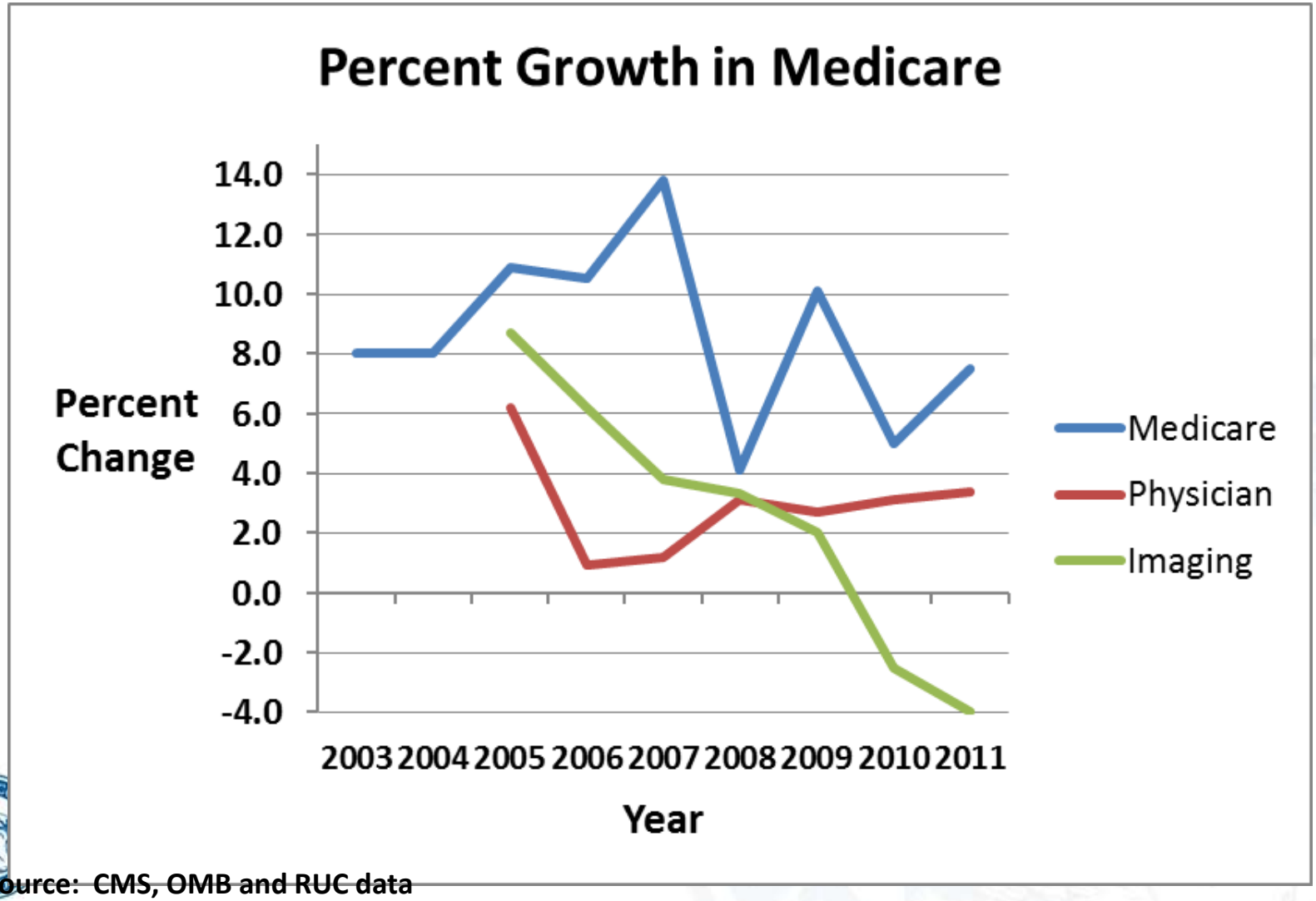
What Direction Will Deficit Politics Take Healthcare Reform?

"We basically have two economic health care options: we can cut care; or we can improve care"
Berwick

ACC Reform Leadership

- Rational reimbursement and gain sharing
- Educate clinicians on their practice habits – "knowledge changes habits"
  - FOCUS
  - Registries - PCI, Pinnacle
  - Measurement, transparency, self study, LLP
  - Coordination with PCPs
- Emphasize clinical indications to drive testing
  Because we should; not because we can
  ABIMF Choosing Wisely Campaign
- Improve cost effectiveness of CV care

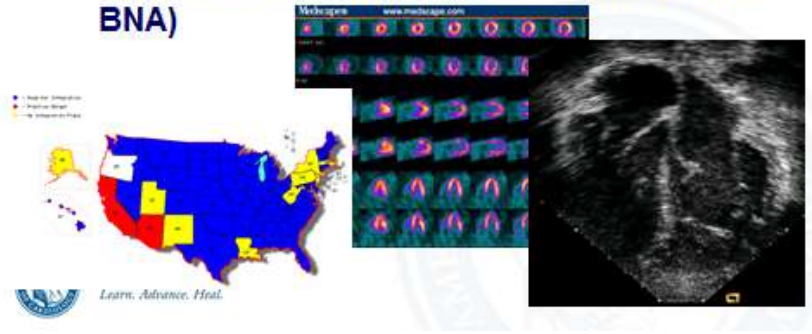
Imaging is not the cause of rising Medicare costs



Source: CMS, OMB and RUC data

"It's the Rules not Reform!!!"

Payment = [(Work RVU x Work GPCI) + (Practice Expense RVU x Practice Expense GPCI) + (Malpractice RVU x Malpractice GPCI)] x (Conversion Factor x BNA)



Summary

Change is inevitable

Uncertainty - SGR, politics - is more disruptive than change

ACA = politics; 2010 & 2013 PFS rules = impact

Cardiology disrupted by the 2010 PFS, adapted

ACC quality and education initiatives position cardiac care for the future no matter the setting or payment model