My name is Dr. Valerie Arkoosh. I am an Anesthesiologist at the University of Pennsylvania School of Medicine and the President of the National Physicians Alliance. The National Physicians Alliance represents approximately 20,000 civically engaged physicians throughout the United States committed to reforming our health care system to achieve access to quality, affordable care for all persons. Here in Pennsylvania we have over 1000 members. The NPA strictly refuses financial entanglements with the pharmaceutical, medical device, or health insurance industries. Personally, I have practiced in Philadelphia for 20 years with the majority of my practice focused on the care of high-risk pregnant women during labor and delivery. I speak today on behalf of myself, my patients, and the National Physicians Alliance. I do not represent the University of Pennsylvania Health System.

The Patient Protection and Affordable Care Act is a significant step forward for the health of Pennsylvanians. According to an analysis by the Robert Wood Johnson Foundation, reform will expand access to health insurance for nearly 90% of the 1.2 million uninsured residents of the Commonwealth. Woven throughout the bill are provisions that will focus on keeping people healthy through appropriate preventive care, rather than waiting for them to become sick before providing care.

Although the Act is Federal legislation, as you know, much of the implementation will be at the State level. Pennsylvania is taking the lead with Governor Rendell's creation of the

health care Commissions and the House Insurance Committee holding a series of public hearings such as this.

I would like to focus on three areas today:

-Expanded access to care for patients

-Meeting the workforce needs to care for the newly insured

-Delivery system and payment reforms that will improve the quality of care

Exchanges:

By 2014, the Commonwealth will be required to launch a health insurance exchange for consumers to buy insurance coverage that meets certain minimum standards of benefits. Initially, exchanges will be open to individuals and employees without employer coverage. Small businesses with less than 100 employees will also be eligible. Sliding scale subsidies will be provided to enrollees with incomes up to 400% of the federal poverty level (currently $88,200 for a family of four).

Presently, there is a national exchange for federal employees to shop for insurance coverage. The exchange, which is run by the federal government, includes private plans of many types. The new law creates similar state exchanges. Importantly, beginning in 2014, the new law requires members of congress and their staff to purchase their coverage from within the new state exchanges. The state exchanges will require insurance companies to play by many of the same rules that govern the federal employees exchange.

It will be critical that the exchange be consumer-friendly and provide one-stop comparison-shopping for affordable plans that meet quality and coverage standards. The exchange must be designed with the needs of all residents of the Commonwealth in mind. For instance, there will be a need for non-English speaking residents to access

information and policymakers need to consider ways to reach populations who do not have computers or internet access, such as coordinating with social service agencies, employers, or schools. If you have not had a chance to view the new HHS portal: HealthCare.gov it is worth a few minutes of your time to see how your constituents already have greatly improved access to information about health insurance that pertains to them here in Pennsylvania.

In the meantime, this month the Commonwealth begins taking applications for the Pre-existing Condition Insurance Plan to offer a coverage option to adults with pre-existing conditions who have been denied coverage in the private market and aren't eligible for other government programs. The federal government will provide support to tide enrollees over until 2014 when the exchanges open up. The Commonwealth is receiving $160 million to run this pool, which is estimated to help about 5,500 Pennsylvanians.

To help the lowest income Americans, the new law expands Medicaid eligibility to 133% FPL ($29,326 for a family of 4) and includes childless adults, a population often left out of the Medicaid program. Importantly, the Medicaid expansion will be largely covered by federal dollars - 100% for the first three years, followed by 90% in 2020 and beyond.

Workforce – PCP's

In order to care for all of these newly insured, the Patient Protection and Affordable Care Act makes important investments in the health care workforce so that we have the doctors and nurses we need now and in the future. Investments include increased reimbursement to primary care physicians in Medicaid and increased student loan repayment for those choosing to practice in primary care.

Specifically, beginning in 2011, primary care providers as well as general surgeons practicing in health professional shortage areas will receive a 10 percent Medicare payment bonus for five years. The law allows for adjustments to Medicare payments to reflect variation in medical costs by geographical area, benefiting doctors in 42 states, and will also reward physicians who report on quality measures. And, in 2013 and 2014, primary care providers serving Medicaid patients will receive an increase in their reimbursement rates to 100% of Medicare rates, fully funded by the Federal government. This rate increase is important in order to improve access to physicians for Medicaid patients who frequently have trouble finding a physician. This program is only funded for two years but if it is successful in improving access to care, additional funding should be sought.

Elsewhere, the law includes many provisions to encourage medical students to enter the primary care and general surgery fields of medicine. The law will require residency programs to redistribute 65% of unfilled slots to primary care or general surgery and to states with the lowest resident physician to population ratios. The law will promote training in outpatient settings, rather than in the hospital where most training currently occurs, and expands scholarships and loan repayment programs through the National Health Services Corps. Health care workers paying state-issued student loans will get tax relief for working in primary care or high need areas.

And, importantly, the law includes $11B to increase the size and number of Community Health Centers, a major help for underserved areas like inner-cities and very rural communities. It is anticipated that many of those newly eligible for Medicaid will receive care in Community Health Centers.

Administrative simplification:

Non-partisan budget estimates project savings of $7B annually from new administrative simplification requirements including uniform standards for claims and billing processing. Yet, the non-economic results from these provisions may be more impactful than the budget savings. Reducing doctor's time spent on paperwork will ease administrative frustration and enable physicians to spend more time with patients. According to a report in the April edition of *Health Affairs*, the current administrative complexity costs physicians 12% of net revenue and eats up, on average, four hours per week of physician time and 5 hours per week of staff time. Additionally, although several years away for some practices, health information technology holds promise for improving the ability of physicians to more quickly and accurately gather and track information about their patients as well as communicate with other physicians.

Creation of Accountable Care Organizations and Medical Homes:

One major goal of health care reform is to shift incentives away from the current fee-for-service system, which encourages high volume patient care, to a system that rewards improving quality and reducing cost. Accountable Care Organizations and Medical Homes will be the first step in this process. An Accountable Care Organization creates a financial tie between primary care doctors, specialists, and hospitals that rewards high quality patient outcomes, rather than volume of patients. We are fortunate in the Commonwealth to have the Geisinger Health System, a nationally recognized leader in creating the equivalent of an Accountable Care Organization. Unlike the HMOs of the early 90s, which focused solely on reducing costs, ACOs will be rewarded for cost savings only if quality targets are also achieved.

Prevention:

Through new requirements on insurers, creation of medical homes and ACO's, and other provisions, the new law represents policymakers' priority to improve the prevention and

treatment of chronic diseases in the US. Starting this year, the law stops insurance companies from canceling coverage when a person gets sick. And, while start dates vary, the law will require all insurers to cover annual physicals and preventive treatments. In Medicare, seniors will begin receiving free annual check-ups and preventive care – no co-pays – in 2011. And, significantly, the law will help ensure seniors are not dissuaded from filling their prescriptions while stuck in the "donut hole", the so called gap in the Medicare prescription drug program. The "donut hole" will be phased out within ten years. In the meantime, seniors in the gap this year are receiving $250 rebate checks, and next year seniors in the gap will receive a 50% reduction in the cost of brand name drugs.

Elsewhere, the law invests in public health programs to fight obesity and continue curbing tobacco use. Similarly, a 10% tax on indoor tanning will be imposed. Much like taxes on cigarettes, which have reduced smoking rates, this tax is targeted to curb the use of dangerous indoor tanning.

The Center for Medicare & Medicaid Innovation has been created to test innovative payment and service delivery models that help reduce costs and improve health care quality within these programs. States will certainly benefit from the Center's work by gleaning important health system improvement strategies, incorporating them into state employee and other health plans.

In sum, the Patient Protection and Affordable Care Act, properly implemented, will mean expanded access to care for my patients, a stronger primary care workforce, and a focus on prevention and improved quality. As a physician, I know that this is just the beginning of health care reform. There will be many implementation challenges along the way but, groups like the National Physicians Alliance look forward to solving these challenges and practicing in an environment where Americans have access to quality care

that they can afford and physicians can focus on providing the highest quality care possible for their patients.

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